



The Directors of the Company whose names appear on page (iv) accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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## **SHENKMAN CREDIT FUND PLC**

(an investment company with variable capital incorporated with limited liability in Ireland with registered number 499990 and established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)

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### **PROSPECTUS**

for

**SHENKMAN GLOBAL CONVERTIBLE BOND FUND**

**SHENKMAN GLOBAL HIGH YIELD BOND FUND**

The Company also includes the following sub-funds which are offered pursuant to a separate prospectus:

**SHENKMAN HIGH INCOME FUND**

**AND**

**SHENKMAN SHORT DURATION HIGH INCOME FUND**

DATED 23 February 2017

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY AND THE FUND AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCK BROKER, BANK MANAGER, LEGAL ADVISER, ACCOUNTANT, OR OTHER FINANCIAL ADVISER.**

Certain terms used in this Prospectus are defined in the section entitled "Definitions" of this document.

### **Central Bank Authorisation**

**The Company has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Authorisation of the Company by the Central Bank does 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 or of any Fund.**

### **Investment Risks**

**There can be no assurance that a Fund will achieve its investment objective. It should be appreciated that the value of Shares may go down as well as up. An investment in a Fund involves investment risks, including possible loss of the entire amount invested. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. Investors' attention is drawn to the specific risk factors set out in the section entitled "Certain Risk Factors and Investment Considerations." It is recommended that an investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### **Selling Restrictions**

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

Before investing in a Fund an investor shall be required to confirm whether the investor is Irish Resident for tax purposes.

The Shares have not been and will not be registered under the 1933 Act or the securities laws of any of the states of the United States, nor is such registration contemplated. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "U.S. Person" except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. Any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of United States law.

The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act. Each applicant for Shares will be required to certify whether it is a U.S. Person.

The Company may choose not to accept any subscriptions from investors that are employee benefit plans or entities whose assets constitute employee benefit plans (whether or not subject to the United States Employee Retirement Income Securities Act of 1974, as amended ("ERISA")) (together, "Benefit Plans") if, after such subscription, the Shares held by Benefit Plans would be 25 per cent or more of any class of Shares. If the Shares of any class held by Benefit Plans were to exceed this 25 per cent limit, the Company's assets would be considered plan assets under ERISA, which could result in adverse consequences to the Company, the Investment Manager and the fiduciaries of the Benefit Plans. The Company will not be registered under the 1940 Act. Based on interpretations of the 1940 Act by the

staff of the United States Securities and Exchange Commission relating to foreign investment companies, if the Company has more than 100 beneficial owners of its Shares who are U.S. Persons, it may become subject to certain requirements under the 1940 Act. To ensure that the number of holders of Shares who are U.S. Persons is maintained, the Directors may compulsorily redeem Shares beneficially owned by U.S. Persons.

Notwithstanding the foregoing prohibitions, the Company may arrange or permit the private placement in the United States of a portion of the Shares under the exemption provided by Section 4(2) of the 1933 Act and Regulation D promulgated thereunder to a limited number of U.S. Persons that are "accredited investors" as defined in Rule 501(a) of Regulation D under the 1933 Act and "qualified purchasers" within the meaning of Section 3(c)(7) of the 1940 Act, under restrictions and other circumstances designed to preclude a distribution that would otherwise require registration of the Shares under the 1933 Act, cause the Company to become subject to the registration requirements of the 1940 Act or cause the assets of the Company to be "plan assets" for the purposes of ERISA, including presentation by such investors, prior to the delivery to them of Shares, of a letter containing specified representations and agreements. Applicants will be required to certify whether they are U.S. Persons.

This Prospectus does not constitute (i) a public offer of securities under the Danish Securities Trading etc. Act (Consolidated Act no. 883 of 2011), as amended, or Executive Orders nos. 222 and 223 of 2010, as amended, or (ii) the marketing or offering of shares in a collective investment scheme under the Danish Investment Associations Act (Act no. 456 of 2011), as amended, or Executive Order no. 746 of 2011, as amended. This Prospectus and any Shares sold to Danish investors may not in any way be disclosed, distributed, directly or indirectly marketed or sold to any other parties in Denmark.

### **Marketing Rules**

Shares are offered only on the basis of the information contained in the current Prospectus and the latest audited annual accounts and any subsequent half-yearly report. Investors should note that the auditor's report on the Company's annual accounts is made only to the Company and the Shareholders as a body at the date of the auditor's report.

Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

This Prospectus and any Supplemental Prospectus may 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 Supplemental Prospectus. To the extent that there is any inconsistency between the English language Prospectus and Supplemental Prospectus and the Prospectus / Supplemental Prospectus in another language, the English language Prospectus / Supplemental Prospectus will prevail, except to the extent (but only to the extent) required by the laws of any jurisdiction including the regulations or requirements of the financial regulator of such jurisdiction where the shares are sold, that in any action based upon disclosure in the Prospectus / Supplemental Prospectus in a language other than English, the language of the Prospectus / Supplemental Prospectus on which such action is based shall prevail.

This Prospectus should be read in its entirety before making an application for Shares.

## **SHENKMAN CREDIT FUND PLC**

### **Directors**

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Kevin Molony

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### **Administrator, Registrar and Transfer Agent**

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## INDEX

<b>SUMMARY</b> .....	<b>1</b>
<b>DEFINITIONS</b> .....	<b>3</b>
<b>INTRODUCTION</b> .....	<b>8</b>
<b>INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS</b> .....	<b>8</b>
<b>INVESTMENT TECHNIQUES AND INSTRUMENTS</b> .....	<b>13</b>
Financial Derivative Instruments.....	16
Stocklending Agreements .....	19
Classes of Shares .....	19
Securities Financing Transactions .....	19
Borrowing .....	19
Regulated Markets .....	20
Adherence to Investment Objectives and Policies.....	20
<b>DISTRIBUTION POLICY</b> .....	<b>20</b>
<b>INVESTMENT RESTRICTIONS</b> .....	<b>22</b>
<b>CERTAIN RISK FACTORS AND INVESTMENT CONSIDERATIONS</b> .....	<b>23</b>
General Risks .....	23
Risks Associated with Fixed Income and Debt Instruments .....	28
Risks of Derivative Instruments .....	29
Other Risks .....	31
Policy on Side Letters .....	32
<b>FEES AND EXPENSES</b> .....	<b>32</b>
General .....	32
Investment Management Fee.....	33
Administrator’s Fee .....	33
Depositary’s Fee .....	33
Distributors’ Fees .....	34
Total Expense Ratio .....	34
Anti-Dilution Levy.....	34
<b>ADMINISTRATION OF THE COMPANY</b> .....	<b>34</b>
Determination of Net Asset Value .....	34
Application for Shares .....	36
Anti-Money Laundering Procedures.....	37
Subsequent Subscriptions .....	37
Subscription Price .....	38
Subscription Fee .....	38
Written Confirmations of Ownership .....	38
Redemption Requests.....	38
Redemption Price.....	38
Redemption Fee .....	39
Mandatory Redemption of Shares.....	39
Abusive Trading Practices .....	39
Transfer of Shares .....	40
Withholdings and Deductions .....	40
Conversion of Shares .....	40
Umbrella Cash Accounts .....	41
Disclosure of Portfolio Information.....	41
Publication of the Price of the Shares.....	41
Temporary Suspension of Valuation of the Shares and of Sales and Redemptions .....	42
Data Protection Notice.....	42
<b>MANAGEMENT AND ADMINISTRATION</b> .....	<b>43</b>
The Board of Directors .....	43
The Investment Manager.....	45
The Administrator .....	45
The Depositary .....	46
The Distributor .....	46
Paying Agents and Local Representatives .....	46
<b>TAXATION</b> .....	<b>47</b>
Taxation of the Company.....	47
Exempt Irish Resident Shareholders .....	48
Taxation of Non-Irish Resident Shareholders .....	49
Taxation of Irish Resident Shareholders .....	49
Overseas Dividends.....	51
Stamp Duty .....	51

Residence .....	51
Disposal of Shares and Irish Capital Acquisitions Tax.....	52
Automatic Exchange of Information .....	53
U.S. Tax Considerations.....	54
<b>GENERAL .....</b>	<b>54</b>
Remuneration Policy.....	54
Conflicts of Interest and Best Execution .....	54
The Share Capital .....	56
The Funds and Segregation of Liability.....	56
Termination.....	57
Meetings	58
Reports	58
Voting Policy .....	59
Complaints .....	59
Miscellaneous .....	59
Material Contracts.....	60
Supply and Inspection of Documents.....	60
<b>SCHEDULE I.....</b>	<b>61</b>
Description of Classes of Shares.....	61
<b>SCHEDULE II .....</b>	<b>67</b>
The Regulated Markets.....	67
<b>SCHEDULE III.....</b>	<b>69</b>
Investment Restrictions applicable to UCITS Funds .....	69
<b>SCHEDULE IV.....</b>	<b>74</b>
Investment Techniques and Instruments.....	74
<b>SCHEDULE V .....</b>	<b>83</b>
List of Sub-Custodians .....	83

# SHENKMAN CREDIT FUND PLC

## SUMMARY

**The information set out under this heading is a summary of the principal features of the Company and should be read in conjunction with the full text of this Prospectus.**

### Structure

The Company is an umbrella fund with segregated liability between Funds, established as an open-ended, variable capital investment company incorporated as a public limited company under the laws of Ireland. The Articles of Association provide for separate Funds, each representing interests in a separate and defined portfolio of assets and liabilities, which may be issued, from time to time with the approval of the Central Bank. The Company obtained approval from the Central Bank for the establishment of Shenkman and Global Convertible Bond Fund Shenkman Global High Yield Bond Fund on 20 May 2015 and 15 December 2016, respectively.

The Base Currency of the Company is U.S. Dollars.

### Investment Objective

#### ***Shenkman Global Convertible Bond Fund***

The investment objective of the Fund is to maximise total returns on a risk-adjusted basis (i.e., enhance current income and achieve capital appreciation). The Fund intends to seek to achieve its investment objective through investment in transferable securities and Liquid Financial Assets. The transferable securities and Liquid Financial Assets in which the Fund may invest generally must be listed, traded or dealt in on a Regulated Market provided that up to 10 per cent of the Net Asset Value of the Fund may be invested in transferable securities and Liquid Financial Assets that are not so listed, traded or dealt. The Regulated Markets on which the Fund's investments will be listed, traded or dealt are set out in Schedule II. The Fund may invest up to 10 per cent of its Net Asset Value in collective investment schemes subject to the limitations of Regulation 68. Such investment in collective investment schemes includes investing in other Funds.

The Base Currency of the Fund is U.S. Dollars.

#### ***Shenkman Global High Yield Bond Fund***

The investment objective of the Fund is to seek to maximise total returns on a risk-adjusted basis (i.e., enhance current income and achieve capital appreciation). The Fund will seek to achieve its investment objective by investing primarily (i.e., at least 70 per cent of its Net Asset Value) in high yield bond securities that are issued by companies worldwide. The Fund's investments may be rated Investment Grade or Below Investment Grade, commonly referred to as "high yield," or may not be rated. The Fund may invest up to 100 per cent of its Net Asset Value in investments rated Below Investment Grade. The Fund will seek to have broad exposure to the global bond universe and at any time may invest up to 25 per cent of its Net Asset Value in securities of issuers in Emerging Markets.

The Base Currency of the Fund is U.S. Dollars.

### Classes of Shares

A number of Classes of Shares are available in respect of the Funds, details of which are set out in Schedule I.

The minimum initial investment, minimum subsequent investment, minimum holding requirements and distribution characteristics of the available Classes of Shares are set out in Schedule I.

### Distribution Policy

Details of the distribution policy for each Class are set out in the section entitled "Distribution Policy".

### Fees and Expenses

Investors' attention is drawn to the details of the fees and expenses charged to the Fund set out below in the section entitled "Fees and Expenses".

## **Dealing Days**

Shares may be issued on a Dealing Day by sending an application form to the Administrator to arrive no later than the Trade Cut-Off Time. Each Business Day shall be a Dealing Day, except in either case where the Net Asset Value determination has been temporarily suspended in the circumstances set out below in the section entitled "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions."

Shares may be redeemed on a Dealing Day by sending a redemption form to the Administrator to arrive no later than the Trade Cut-Off Time.

## **Taxation**

As an investment undertaking within the meaning of Section 739B(1) of the TCA, the Company is exempt from Irish tax on its income and gains and the Company will not be required to account for any tax in respect of Shareholders who are not Irish Resident provided that the necessary signed declarations are in place. The Company may be required to account for tax in respect of Shareholders who are Irish Resident.

## **Investor Restrictions**

The Shares may not be offered or sold in any jurisdiction in which such offer or sale is not lawful or in which the person making such offer or sale is not qualified to do so or to anyone to whom it is unlawful to make such an offer or sale. Except as otherwise provided in this Prospectus, Shares generally may not be purchased or held by or for the account of any U.S. Person unless such person is an "accredited investor" as defined in Rule 501(a) of Regulation D under the 1933 Act and a "qualified purchaser" within the meaning of Section 3(c)(7) of the 1940 Act. See, in particular, page (ii) for further details. Applicants and transferees will be required to certify whether or not they are Irish Resident or U.S. Persons.

## **Investment Risks**

An investment in the Fund involves investment risks, including possible loss of the amount invested. There can be no assurance that the Fund will achieve its investment objective. A more detailed description of certain investment risks relevant to investors in the Company is set out under "Investment Objectives and Policies of the Funds" and "Certain Risk Factors and Investment Considerations".

## **Registration of Shares**

The Company offers only registered shares for security and ease of administration. Neither bearer shares nor share certificates will be offered.



## DEFINITIONS

In this Prospectus, the following words and phrases shall have the meanings indicated below:

"1933 Act"	the U.S. Securities Act of 1933 (as amended);
"1940 Act"	the U.S. Investment Company Act of 1940 (as amended);
"Administrator"	BNY Mellon Fund Services (Ireland) DAC;
"Administration Agreement"	the agreement dated 30 January 2015 between the Company and the Administrator pursuant to which the latter was appointed administrator, registrar and transfer agent of the Company;
"Articles of Association" or "Articles"	the articles of association of the Company for the time being in force and as may be modified from time to time;
"Base Currency"	the base currency of a Fund as specified in the section entitled "Investment Objective and Policies of the Funds";
"Below Investment Grade Securities"	shall have the meaning prescribed in the section of this Prospectus entitled "Investment Techniques and Instruments – High Yield Securities/Below Investment Grade Securities;"
"Business Day"	unless otherwise determined by the Directors and notified in advance to Shareholders, a day on which retail banks in Ireland and the New York Stock Exchange are open for business;
"Central Bank"	the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Company;
"Central Bank Regulations"	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015, (as amended, consolidated or substituted from time to time) and any regulations or guidelines issued by the Central Bank pursuant thereto for the time being in force;
"class" or "Class"	any class of Shares;
"Class A Shares"	means "Class A Shares" as described in Schedule I;
"Class B Shares"	means "Class B Shares" as described in Schedule I;
"Class Currency"	the currency in which Shares of a Class are issued;
"Companies Act"	the Companies Act 2014 and every statutory modification and re-enactment thereof for the time being in force;
"Company"	Shenkman Credit Fund plc, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Act and the UCITS Regulations;
"Dealing Day"	each Business Day, or such other days as the Directors may determine from time to time and notify in advance to Shareholders, provided that there shall be at least two Dealing Days at regular intervals per month;
"Depositary"	BNY Mellon Trust Company (Ireland) Limited;
"Depositary Agreement"	the agreement dated 1 July 2016 between the Company and the Depositary pursuant to which the latter was appointed depositary of the Company;

"Directive"	Directive 2014/91/EC of the European Parliament and of the Council of 23 July 2014 on the coordination of laws, regulations, and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as such may be amended, supplemented or replaced from time to time;
"Directors"	the directors of the Company for the time being and (as the context may require or permit) any duly constituted committee thereof;
"Distributor"	any distributor appointed by the Investment Manager or the Company from time to time in respect of the Fund;
"EEA"	the European Economic Area;
"Emerging Markets" or "Emerging Market"	any country that is included in the MSCI Emerging Markets Index;
"€" or "euro" or "EUR"	the currency referred to in the Second Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro;
"EU"	the European Union;
"ESMA"	the European Securities and Markets Authority;
"Fund" or "Funds"	any sub-fund from time to time established by the Company. As at the date of this Prospectus, the Funds are Shenkman High Income Fund, Shenkman Short Duration High Income Fund, Shenkman Global Convertible Bond Fund and Shenkman Global High Yield Bond Fund;
"Initial Offer Period"	for all Classes of Shares identified in the column of the table in Schedule I headed "Initial Offer Period Status" as "New" from the period beginning at 9:00 am (Irish time) on 16 December 2016 and terminating at 4:00 pm (Irish time) on 16 June 2017 or such other period determined by the Directors in accordance with the requirements of the Central Bank during which Shares are first offered for subscription;
"Initial Offer Price"	the price at which a class of Shares is first offered or at which it is reoffered and as identified in Schedule I;
"Investment Grade Securities" or "Investment Grade"	shall have the meaning prescribed in the section of this Prospectus entitled "Investment Grade Securities;"
"Investment Manager"	Shenkman Capital Management, Inc.;
"Investment Management Agreement"	the agreement dated 30 June 2011 between the Company and the Investment Manager pursuant to which the latter was appointed investment manager of the Company;
"Investor Money Regulations"	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as such may be amended, supplemented or replaced from time to time;
"Investor Monies"	means subscription monies received from, and redemption monies due to, investors in the Fund and, if applicable, distribution monies due to Shareholders of the Funds;
"Liquid Financial Assets"	short term debt securities, certificates of deposit, bankers acceptances and similar instruments;
"Member State"	a member state of the EU;

"Minimum Holding"	such minimum value of a holding of Shares in a Fund as the Directors may determine and as identified in Schedule I;
"Moody's"	Moody's Investor Services, Inc.;
"Net Asset Value" or "NAV"	the Net Asset Value of the Company, or of a Fund or a class, as appropriate, calculated as described herein;
"Net Asset Value per Share"	in respect of any Shares, the Net Asset Value attributable to the relevant Shares issued in respect of the Fund or a class, divided by the number of Shares in issue in respect of a Fund or class;
"OECD"	the Organisation for Economic Co-Operation and Development;
"Recognised Rating Agency"	Moody's, Standard & Poor's or any other internationally recognised rating agency equivalent to either of them;
"Regulated Market"	any stock exchange or regulated market in the EU or a stock exchange or regulated market which is set forth in Schedule II to this Prospectus, or such other markets as the Directors may from time to time determine to be a regulated market in accordance with the UCITS Regulations – which is regulated, operating regularly, recognised and open to the public in an EU Member State or non EU Member State – and as shall be specified in a supplement or addendum to this Prospectus;
"Regulation S Securities"	securities (i) which are issued with an undertaking to register with the SEC within one year of issue; and (ii) are not illiquid, meaning that they may be realised by the Company within 7 days at the price, or approximately at the price, at which they are valued by the Company;
"Relevant Declaration"	the declaration relevant to the Shareholder as set out in Schedule 2B TCA. The Relevant Declaration for investors who are neither resident in Ireland nor ordinarily resident in Ireland (or intermediaries acting for such investors) is set out in the application form;
"Relevant Institution"	an EU credit institution; a bank authorised in a member state of the EEA (Norway, Iceland, Liechtenstein); a bank authorised by a signatory other than an EU member state or a member state of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, U.S.); or a bank authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
"Revenue Commissioners"	the Revenue Commissioners of Ireland;
"Rule 144A Securities"	transferable securities which are issued pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (having either (i) an undertaking to register with the SEC within one year of issue; (ii) an undertaking to register with the SEC more than 365 days after their issue; (iii) an expired undertaking to register with the SEC; or (iv) no undertaking to register with the SEC) and are not illiquid, meaning that they may be realised by the Company within 7 days at the price, or approximately at the price, at which they are valued by the Company;
"SEC"	the U.S. Securities and Exchange Commission;
"Securities Financing Transactions"	means any of the following: repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-

			buy back transaction and a margin lending transaction;
"Securities Regulations"	Financing	Transactions	means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as such may be amended, supplemented or replaced from time to time;
"Settlement Date"			the date by which cleared funds representing subscription monies in respect of a subscription order must be received by the Administrator which day is, at the latest, 3 Business Days after the relevant Dealing Day;
"Share" or "Shares"			any class of share or shares in the Company or a Fund, as the context so requires;
"Shareholder"			a holder of Shares;
"Standard and Poor's"			Standard & Poor's, a division of The McGraw-Hill Companies, Inc.;
"Subscriber Shares"			the initial share capital of 300,000 Shares of no par value subscribed for EUR 300,000;
"Supplemental Prospectus"			any Supplemental Prospectus issued by the Company in connection with a Fund from time to time in accordance with the requirements of the Central Bank;
"Supranational Organisation"			an entity established or financially supported by the national governments of one or more countries to promote reconstruction or development. Examples of Supranational Organisations include, among others, the International Bank for Reconstruction and Development (more commonly known as The World Bank), the European Economic Community, the European Investment Bank, the Inter-American Development Bank and the Asian Development Bank;
"TCA"			the Taxes Consolidation Act, 1997, as amended from time to time;
"Trade Cut-Off Time"			in the case of subscriptions and redemptions, 12.00 noon (Irish time) on the relevant Dealing Day;
"UCITS"			an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations or, in the case of UCITS established in a Member State other than Ireland, the Directive or the relevant national legislation implementing the Directive;
"UCITS Regulations"			the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended and as such may be further amended, supplemented or replaced from time to time and any guidance from time to time issued by the Central Bank pursuant thereto;
"UCITS Rules"			the UCITS Regulations and the Central Bank Regulations, as such may be amended, supplemented or replaced;
"U.K."			the United Kingdom of Great Britain and Northern Ireland;
"Umbrella Cash Account"			any umbrella cash account in the name of the Company;
"U.S."			the United States of America (including the States and the District of Columbia), its territories, possessions and all

	other areas subject to its jurisdiction;
"U.S.\$" or "U.S. Dollar" or "USD"	the lawful currency of the U.S.;
"U.S. Issuer"	issuers that have their seat or registered office in the U.S. or that conduct a predominant portion of their activities in the U.S.;
"U.S. Person"	"U.S. Person" as defined in Regulation S under the 1933 Act;
"Valuation Point"	unless otherwise determined by the Directors and notified in advance to Shareholders, the close of business (at Eastern Time in the United States) on each Dealing Day.

## INTRODUCTION

The Company is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Act and the UCITS Regulations. The Company was incorporated on 15 June 2011 under registration number 499990 and was authorised by the Central Bank on 30 June 2011. Its sole object, as set out in Clause 2 of the Company's Memorandum of Association, is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and which operates on the basis of risk spreading.

The Company is organised in the form of an umbrella fund with segregated liability between the Funds. The Articles of Association provide that the Company may offer separate Classes of Shares, each representing interests in a Fund, with each Fund comprising a separate and distinct portfolio of investments. The Company obtained approval from the Central Bank for the establishment of Shenkman Global Convertible Bond Fund and Shenkman Global High Yield Bond Fund on 20 May 2015 and 15 December 2016, respectively. Additional Funds may be established by the Company with the prior approval of the Central Bank.

A Fund may consist of one or more Classes of Shares. A separate pool of assets will not be maintained for each Class within a Fund. The Classes of Shares issued in respect of Shenkman Global Convertible Bond Fund and Shenkman Global High Yield Bond Fund are set out in Schedule I. Further Classes of Shares may be issued on advance notification to, and in accordance with the requirements of, the Central Bank.

## INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS

### Shenkman Global Convertible Bond Fund

#### *Investment Objective*

The investment objective of the Fund is to seek to maximise total returns on a risk-adjusted basis (i.e., enhance current income and achieve capital appreciation). There is no guarantee that the Fund will achieve this objective.

**Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

#### *Investment Policy*

The Fund will seek to achieve its investment objective by investing primarily (i.e., at least 70 per cent of its Net Asset Value) in convertible securities that are issued by companies worldwide. The Fund may only invest in the following convertible securities; bonds, preferred stock and debentures notes. The remainder of the Fund's assets may be invested in corporate debt securities, synthetic convertibles (for example, corporate bonds and common stock, warrants or stock options which are used to gain similar exposure to that of convertible securities), equities, cash (including cash-like securities such as treasury bills), certificates of deposit and commercial paper. The financial instruments set out in this paragraph may embed derivatives or leverage (for example, a bond with an embedded option to exchange the bond for equity). The Fund's investments may be rated Investment Grade or Below Investment Grade, commonly referred to as "high yield," or may not be rated. The Fund may invest up to 100 per cent of its Net Asset Value in investments rated Below Investment Grade. The Fund will have broad exposure to the global convertible bond universe and at any time may invest up to 25 per cent of its Net Asset Value in securities of issuers in Emerging Markets. The Fund may invest at least 75 per cent of its Net Asset Value in convertible securities that are issued by U.S. issuers (including U.S. companies). For further details on the investment techniques and instruments that the Fund may employ, please see the section entitled "Investment Techniques and Instruments".

In seeking to achieve the Fund's investment objective, the Investment Manager will employ a multi-faceted, "bottom up" investment approach that utilises proprietary analytical tools developed by the Investment Manager in connection with its analysis of highly leveraged companies. These types of high yield companies form the basis of the Investment Manager's investment approach. Utilizing its intensive credit and fundamental analysis in managing the Fund's portfolio, the Investment Manager seeks to take advantage of potential equity upside opportunities by capitalizing on growth potential inherent in issuers with strong cash flow and follows strict entry and exit disciplines and risk management controls. First, the Investment Manager conducts a comprehensive, fundamental credit analysis of issuers, which is critical in identifying the bond "floor" or value of the bond without the embedded equity option. Second, the Investment Manager utilises a disciplined entry/exit strategy, seeking to purchase securities

with a low premium above the bond floor and sell securities with excessive equity sensitivity relative to their downside protection. This disciplined entry/exit strategy is intended to result in a weighted average portfolio position with less equity sensitivity than a traditional convertible bond strategy. In addition, the strategy attempts to create a natural risk hedge by shifting the positive risk/reward attributes inherent in convertible securities further in favour of investors by reducing downside risk and volatility.

Portfolio construction will be based primarily on diversification (by issue, issuer and industry) taking into consideration each security's equity and bond premium which are determined by the Investment Manager's proprietary research process. This process involves the weighting of each security's equity bond premium based on the security's bond value and equity value. As equity securities trade on an exchange, the equity value is determined by reference to the current trading price of the equity security and may fluctuate daily. The bond value of a convertible bond is the price at which the convertible bond would trade if it did not have a convertible feature and so is based on the analysis made by the Investment Manager. The Investment Manager's discipline is to sell securities with excessive equity sensitivity, deteriorating credit credentials, negative change in management quality, unattractive conversion options or relative valuation.

While the Fund will invest primarily in the convertible securities as discussed above, other securities in which the Fund may invest include fixed and floating rate government and corporate bonds, zero coupon bonds, bank loan participations and assignments, securitised participations in bank loans that are transferable securities, unleveraged asset-backed securities, preferred stock, payment-in-kind bonds and/or payment-in-kind toggle bonds, Rule 144A Securities, Regulation S securities, step-up bonds, depositary receipts, commercial paper, bankers acceptances and certificates of deposit. The Fund does not apply any particular portfolio allocation criteria in respect of the aforementioned securities. In respect of loan participations and assignments, the Fund may acquire without limit participations in, or assignments of, floating rate institutional loans and may be secured by collateral. Loan participations and assignments may be acquired from banks or brokers that have made the loan or members of the lending syndicate, and will not exceed 10 per cent of the net Asset Value of the Fund in the aggregate. In addition, the Fund may invest up to 10 per cent of its Net Asset Value in equity securities listed, traded or dealt in on a Regulated Market on an opportunistic basis. No more than 5 per cent of the Fund's Net Asset Value will be invested in any one issue or company, and no more than 20 per cent of the Fund's Net Asset Value will be invested in any one industry.

The Fund may invest in securities denominated in U.S. Dollars and other currencies.

The Fund may invest up to 10 per cent of its Net Asset Value in collective investment schemes including exchange-traded funds that give an exposure to eligible convertible securities, subject to the limitations contained in Regulation 68, that have similar investment objectives and policies to the Fund or that invest in fixed income or money market instruments. Such investment includes investing in other Funds. However, the Fund may not invest in another Fund that itself holds shares in other Funds. Where the Fund invests in another Fund, the Fund may not charge an annual management and/or investment management fee in respect of the portion of its assets invested in the other Fund. The Fund may invest up to 10 per cent of its Net Asset Value in transferable securities and Liquid Financial Assets that are not listed, traded or dealt in on a Regulated Market, which includes loan participations and assignments.

Normally, the Fund will invest substantially all of its assets to meet its investment objectives and policies set out above. However, the Fund may invest in Liquid Financial Assets traded on a Regulated Market and hold cash deposits, particularly during periods of perceived uncertainty and volatility. The Liquid Financial Assets in which the Fund may invest will include securities such as commercial paper, certificates of deposit, bankers' acceptances, depositary receipts, discount notes and government securities (securities issued or guaranteed by a governmental body such as U.S. Treasury bills) all rated Investment Grade by a Recognised Rating Agency or considered by the Investment Manager to be equivalent to a rating of Investment Grade or better, or daily dealing money market funds which are eligible collective investment schemes for the purposes of the UCITS Regulations and which are established in an EU jurisdiction. Unlike bank deposits, the value of investments in the Fund may fluctuate. For temporary defensive purposes, including during periods of high cash inflows, the Fund may depart from its principal investment strategies and invest part or all of its assets in Liquid Financial Assets and/or may hold cash. During such periods, the Fund may not achieve its investment objectives. Periods of "high cash inflows" include, for example, circumstances where subscriptions are received by the Fund, increasing the level of cash held by the Fund and requiring such cash to be temporarily invested in collective investment schemes, including daily dealing money market funds considered to be eligible collective investment schemes for the purposes of the UCITS Regulations.

It is the intention of the Investment Manager to invest on behalf of the Fund in financial derivative instruments for investment (i.e., investment in securities referred to in the Fund's investment policy which the Investment Manager believes have the potential to increase in value and generate gains and income for the Fund) and efficient portfolio management purposes (i.e., reduction of risk or reduction of costs) to

achieve its investment objectives and may include gaining long and short exposure to underlying securities. Accordingly, the Investment Manager may, from time to time and subject to market conditions, utilise financial derivative instruments to hedge the portfolio's currency and interest rate exposure. For example, financial derivative instruments may be used to hedge the currency exposure of investments denominated in a currency other than the Base Currency of the Fund and interest rate futures, such as U.S Treasury futures, may be used to hedge the interest rate exposure of the Fund's portfolio of investments from time to time. These financial derivative instruments may include swaps, put and call options, futures (including U.S Treasury futures) and forward contracts. The Investment Manager may invest in exchange-traded funds in order to gain exposure more efficiently to eligible convertible securities. The Investment Manager will not take any physical short positions. The Directors accept that the volatility of the Net Asset Value of the Fund may be affected through the use of financial derivatives instruments. While volatility can be difficult to predict, the volatility of the Fund is expected to be low-to-medium during normal market conditions.

Investment techniques and financial derivative instruments may be used within the limits set forth in Schedule IV as described in the section "Investment Techniques and Instruments." A derivative risk management process has been filed with the Central Bank in accordance with the UCITS Rules. Futures contracts may be used to hedge against market risk or to gain exposure to an underlying market. In the event that the Fund invests in futures contracts or other financial derivative instruments with the same characteristics, the underlying asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. Options may be used to hedge against the movements of a particular market or financial instrument (e.g. bonds, loan participations or assignments, equity securities), including futures, or to gain exposure to a particular market or financial instrument (e.g. bonds, loan participations or assignments, equity securities) instead of using a physical security. Forward foreign exchange contracts may be used to alter the currency exposure of securities held, to hedge against exchange risks, to increase exposure to a currency, or to shift exposure to currency fluctuations from one currency to another. Forward foreign exchange contracts may also be used for the hedging in connection with hedged currency Classes of Shares. Swaps (including swaptions) may be used to gain or hedge exposure to certain issuers (e.g. non-U.S. issuers), countries or sectors in a more efficient way than acquiring equity instruments in those countries or sectors. The Fund may also use credit default swaps to hedge against the risk of default, credit rating downgrade or other negative events (e.g. poor earnings reports or litigation that could materially affect an issuer's business) or to gain exposure to a particular issuer (e.g. non-U.S. issuers). Currency swaps can be used to transform the exposure to one currency against the exposure to another currency. This can be done for hedging purposes as well as gaining exposure to another currency. In the event that the Fund uses financial derivative instruments, leverage will be measured using the commitment approach, whereby such leverage cannot exceed 100 per cent of the Net Asset Value of the Fund. Any financial derivatives not included in the risk management process will not be utilised until such time as a revised risk management process has been filed with the Central Bank.

It is anticipated that up to 100 per cent of the assets of the Fund may be comprised of long positions achieved through direct investments and derivatives. It is not intended for any of the assets of the Fund to be comprised of synthetic short positions.

Cash is a residual element of the investment process.

#### *Profile of a typical investor*

The Fund is suitable for investors seeking to achieve maximum total return (i.e., both enhancing current income and achieving capital appreciation) over a full market cycle (i.e., 3-5 years) through investment primarily in convertible securities issued worldwide and who are prepared to accept moderate volatility.

### **Shenkman Global High Yield Bond Fund**

#### *Investment Objective*

The investment objective of the Fund is to seek to maximise total returns on a risk-adjusted basis (i.e., enhance current income and achieve capital appreciation). There is no guarantee that the Fund will achieve this objective.

Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

#### *Investment Policy*

The Fund will seek to achieve its investment objective by investing primarily (i.e., at least 70 per cent of its Net Asset Value) in high yield bond securities that are issued by companies worldwide. The Fund's investments may be rated Investment Grade or Below Investment Grade, commonly referred to as "high



yield," or may not be rated. The Fund may invest up to 100 per cent of its Net Asset Value in investments rated Below Investment Grade. The Fund will seek to have broad exposure to the global bond universe and at any time may invest up to 25 per cent of its Net Asset Value in securities of issuers in Emerging Markets.

While the Fund will invest primarily in the securities discussed above, other instruments in which the Fund may invest include fixed and floating rate government and corporate bonds, zero coupon bonds, bank loan participations and assignments, securitised participations in loans that are transferable securities, unleveraged asset-backed securities, preferred stock, payment-in-kind bonds and/or payment-in-kind toggle bonds, Rule 144A securities, Regulation S securities, convertible bonds, step-up bonds, equities, cash (including cash-like securities such as U.S. Treasury bills), commercial paper, bankers acceptances and certificates of deposit. The financial instruments set out in this paragraph may embed derivatives or leverage (for example, a bond with an embedded option to exchange the bond for equity). The Fund does not apply any particular portfolio allocation criteria in respect of the aforementioned instruments. In respect of loan participations and assignments, the Fund may purchase participations in, or assignments of, floating rate institutional loans that will provide for interest rate adjustments at least every 397 days and which may be secured by collateral. These participations may be interests in, or assignments of, the loan and may be acquired from banks or brokers that have made the loan or members of the lending syndicate. In addition, the Fund may invest up to 10 per cent of its Net Asset Value in equity securities listed, traded or dealt in on a Regulated Market on an opportunistic basis. No more than 5 per cent of the Fund's Net Asset Value will be invested in any one issue or company, and no more than 20 per cent of the Fund's Net Asset Value will be invested in any one industry.

Portfolio construction will be based primarily on diversification (by issue, issuer, duration, rating and industry) and it is not intended to focus on any particular industry, geographical location or duration. Portfolio construction will be determined by the Investment Manager using various risk criteria. These will include, for example, exposure to both individual issuers and issues, industry sectors and measures such as the credit rating from official ratings agencies and each security's duration. The Fund's selection criteria will be primarily based on a rigorous bottom-up investment process with the objective of identifying high-quality companies which can service debt and have a low probability of default or restructuring. In addition, the Fund intends to invest in sub-sectors within the high yield market that demonstrate relative value and the potential for positive returns, such as sectors that are expected to provide a more predictable revenue stream and greater relative value. Although portfolios are principally constructed through the bottom-up investment selection process, the Investment Manager will also consider the impact of future economic and market outlooks through a top-down perspective as part of the portfolio construction.

The Investment Manager will utilise a disciplined investment process to create a diversified portfolio. This investment process includes an "approved list" from which typically all investments are selected. The "approved list" details the investments that have been approved by the Investment Manager and may be invested in for the purposes of the investment strategy of the Fund. The Investment Manager uses proprietary analytics to value, and to identify the relative attractiveness of, each investment for the purposes of determining whether such investment should be included on the "approved list". After a particular investment is approved for inclusion on the "approved list", a second meeting is held by Investment Manager to determine the relative value of an investment that has been included on the "approved list". The Investment Manager assesses the relative value of each investment taking into account its liquidity, leverage, historical balance sheet information, financial models and trends in the relevant industry. In assessing the relative value of each investment, the Investment Manager utilises a proprietary database that generates a graphical representation of the risk/reward profile of existing or proposed investments. The Investment Manager takes into account the relative value determinations and client guidelines and restrictions of the Fund when determining which investments on the "approved list" to utilise.

The Fund may invest in securities denominated in U.S. Dollars and other currencies.

The Fund may invest up to 10 per cent of its Net Asset Value in collective investment schemes including exchange-traded funds, subject to the limitations contained in Regulation 68, that have similar investment objectives and policies to the Fund or that invest in fixed income or money market instruments. Such investment includes investing in other Funds. However, the Fund may not invest in another Fund that itself holds shares in other Funds. Where the Fund invests in another Fund, the Fund may not charge an annual management and/or investment management fee in respect of the portion of its assets invested in the other Fund. The Fund may invest up to 10 per cent of its Net Asset Value in transferable securities and Liquid Financial Assets that are not listed, traded or dealt in on a Regulated Market.

Normally, the Fund will invest substantially all of its assets to meet its investment objectives and policies set out above. However, the Fund may invest in Liquid Financial Assets traded on a Regulated Market and hold cash deposits, particularly during periods of perceived uncertainty and volatility. The Liquid Financial Assets in which the Fund may invest will include commercial paper, certificates of deposit, bankers'

acceptances, depositary receipts, discount notes and government securities (securities issued or guaranteed by a governmental body, for example, U.S. Treasury bills) all rated Investment Grade by a Recognised Rating Agency or considered by the Investment Manager to be equivalent to a rating of Investment Grade or better, or daily dealing money market funds which are eligible collective investment schemes for the purposes of the UCITS Regulations and which are established in an EU jurisdiction. Unlike bank deposits, the value of investments in the Fund may fluctuate. For temporary defensive purposes, including during periods of high cash inflows, the Fund may depart from its principal investment strategies and invest part or all of its assets in Liquid Financial Assets and/or may hold cash. During such periods, the Fund may not achieve its investment objectives. Periods of "high cash inflows" include, for example, circumstances where subscriptions are received by the Fund, increasing the level of cash held by the Fund and requiring such cash to be temporarily invested in collective investment schemes, including daily dealing money market funds considered to be eligible collective investment schemes for the purposes of the UCITS Regulations.

It is the intention of the Investment Manager to invest on behalf of the Fund in financial derivative instruments for investment (i.e., investment in securities referred to in the Fund's investment policy which the Investment Manager believes have the potential to increase in value and generate gains and income for the Fund) and efficient portfolio management purposes (i.e., reduction of risk or reduction of costs) to achieve its investment objectives. Accordingly, the Investment Manager may, from time to time and subject to market conditions, utilise financial derivative instruments to hedge the portfolio's currency and interest rate exposure. For example, financial derivative instruments may be used to hedge the currency exposure of investments denominated in a currency other than the Base Currency of the Fund and interest rate futures, such as U.S Treasury futures, may be used to hedge the interest rate exposure of the Fund's portfolio of investments from time to time. These financial derivative instruments may include swaps, put and call options, futures (including U.S Treasury futures) and forward contracts. The Directors accept that the volatility of the Net Asset Value of the Fund may be affected through the use of financial derivatives instruments. While volatility can be difficult to predict, the volatility of the Fund is expected to be low-to-medium during normal market conditions.

Investment techniques and financial derivative instruments may be used within the limits set forth in Schedule IV as described in the section "Investment Techniques and Instruments." A derivative risk management process has been filed with the Central Bank in accordance with the UCITS Rules. Futures contracts may be used to hedge against market risk or to gain exposure to an underlying market. In the event that the Fund invests in futures contracts or other financial derivative instruments with the same characteristics, the underlying asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. Options may be used to hedge against the movements of a particular market or financial instrument (e.g. bonds, loan participations or assignments, equity securities), including futures, or to gain exposure to a particular market or financial instrument (e.g. bonds, loan participations or assignments, equity securities) instead of using a physical security. Forward foreign exchange contracts may be used to alter the currency exposure of securities held, to hedge against exchange risks, to increase exposure to a currency, or to shift exposure to currency fluctuations from one currency to another. Forward foreign exchange contracts may also be used for the hedging in connection with hedged currency Classes of Shares. Swaps (including swaptions) may be used to gain or hedge exposure to certain issuers (e.g. non-U.S. issuers), countries or sectors in a more efficient way than acquiring equity instruments in those countries or sectors. The Fund may also use credit default swaps to hedge against the risk of default, credit rating downgrade or other negative events (e.g. poor earnings reports or litigation that could materially affect an issuer's business) or to gain exposure to a particular issuer (e.g. non-U.S. issuers). Currency swaps can be used to transform the exposure to one currency against the exposure to another currency. This can be done for hedging purposes as well as gaining exposure to another currency. In the event that the Fund uses financial derivative instruments, leverage will be measured using the commitment approach, whereby such leverage cannot exceed 100 per cent of the Net Asset Value of the Fund. Any financial derivatives not included in the risk management process will not be utilised until such time as a revised risk management process has been filed with the Central Bank.

It is anticipated that up to 100 per cent of the assets of the Fund may be comprised of long positions achieved through direct investments and derivatives. It is not intended for any of the assets of the Fund to be comprised of short positions.

Cash is a residual element of the investment process.

#### *Profile of a typical investor*

The Fund is suitable for investors seeking to achieve maximum total return (i.e., both enhancing current income and achieving capital appreciation) over a full market cycle (i.e., 3-5 years) through investment in all types of fixed income securities and debt instruments issued worldwide and who are prepared to accept moderate volatility.

## INVESTMENT TECHNIQUES AND INSTRUMENTS

### Further Information on the Securities in which the Funds May Invest

The information below regarding the securities in which the Funds may invest is subject to the limitations set forth above under "Investment Objectives and Policies of the Funds." The Funds may invest only in those securities which are directly referred to in its investment policy.

#### Investment Types

##### Asset-Backed Securities

The Funds may invest in asset-backed securities, which are securities that directly or indirectly represent a participation in, or are secured by and payable from, assets such as motor vehicle instalment loan contracts, leases on various types of real and personal property and receivables from revolving credit (credit card) agreements. Such assets are securitised through the use of trusts or special purpose corporations. A pool of assets representing the obligations often of a number of different parties collateralises asset-backed securities.

##### Commercial Paper

Commercial paper is a short-term promissory note issued by corporations which at the time of purchase are rated P-1 and/or A-1. Commercial paper ratings P-1 by Moody's and A-1 by S&P are the highest investment grade category.

##### Convertible Securities

Convertible securities are "hybrid" securities that possess both fixed income and equity characteristics. They can be in the form of bonds, debentures, notes, preferred stock or other securities that may be converted into or exchanged for a specified amount of common stock of the same issuer or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment declining as interest rates increase and increasing as interest rates decline. The credit standing of an issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the rights to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. Additionally, convertible securities may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse impact on the Fund's ability to achieve its investment objective.

##### Synthetic Convertibles

Synthetic convertibles are used to gain similar exposure to that of convertible securities. An investment in a synthetic convertible can be achieved directly or indirectly. A direct investment in a synthetic convertible is achieved by investing directly in a non-convertible fixed-income security of an issuer (e.g. a corporate bond) and the common stock or warrants or stock options of that issuer. An investment in synthetic convertibles can be achieved indirectly through a derivative instrument that is created by a counterparty. For example, a counterparty creates a convertible structured note, which is a bond that is linked to the bond and equity of a particular issuer. The counterparty issuing the convertible structured note assumes the credit risk associated with the underlying bond and equity. The relevant Fund would assume the credit risk of the counterparty.

## Corporate Debt Securities

The Funds may invest in corporate debt securities, which are bonds, notes or debentures issued by corporations and other business organisations, including business trusts, in order to finance their credit needs. Corporate debt securities include commercial paper, which consists of freely transferable, short-term (usually from 1 to 270 days) unsecured promissory notes issued by corporations in order to finance their current operations.

Corporate debt securities may pay fixed or variable rates of interest, or interest at a rate contingent upon some other factor, such as the price of some commodity. These securities may be convertible into preferred or common equity, or may be bought as part of a unit containing common stock.

## Debt Securities

Debt securities include, but are not limited to, fixed or floating rate debt securities, bonds issued or guaranteed by corporations or governments or governmental agencies or instrumentalities thereof, central banks or commercial banks, notes (including freely transferable promissory notes), debentures and commercial paper. Fixed rate debt securities are securities, which carry a fixed rate of interest, which does not fluctuate with general market conditions. Floating rate debt securities are securities that carry a variable interest rate, which is initially tied to an external index such as U.S. Treasury bill rates.

## Depositary Receipts

Depositary receipts include sponsored and unsponsored depositary receipts that are or become available, including American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs") and Global Depositary Receipts ("GDRs") and other depositary receipts. Depositary receipts are typically issued by a financial institution ("depository") and evidence ownership interests in a security or a pool of securities ("underlying securities") that have been deposited with the depository. The depository for ADRs is typically a U.S. financial institution and the underlying securities are issued by a non-U.S. issuer. ADRs are publicly traded on exchanges or over-the-counter in the U.S. and are issued through "sponsored" or "unsponsored" arrangements. In a sponsored ADR arrangement, the non-U.S. issuer assumes the obligation to pay some or all of the depository's transaction fees, whereas under an unsponsored arrangement, the non-U.S. issuer assumes no obligation and the depository's transaction fees are paid by the ADR holders. In addition, less information is available in the U.S. about an unsponsored ADR than about a sponsored ADR, and the financial information about a company may not be as reliable for an unsponsored ADR as it is for a sponsored ADR. In the case of EDRs and GDRs, the depository can be a non-U.S. or a U.S. financial institution and the underlying securities are issued by a non-U.S. issuer. EDRs and GDRs allow companies in Europe, Asia, the U.S. and Latin America to offer shares in many markets around the world, thus allowing them to raise capital in these markets, as opposed to solely in their home market. The advantage of ADRs, EDRs and GDRs is that shares do not have to be bought through the issuing company's home exchange, which may be difficult and expensive, but can be bought on all major stock exchanges. In addition, the share price and all distributions are converted to the shareholder's home currency. As for other depositary receipts, the depository may be a non-U.S. or a U.S. entity, and the underlying securities may have a non-U.S. or a U.S. issuer. For purposes of a Fund's investment policies, investments in depositary receipts will be deemed to be investments in the underlying securities. Thus, a depositary receipt representing ownership of common stock will be treated as common stock. Depositary receipts purchased by a Fund may not necessarily be denominated in the same currency as the underlying securities into which they may be converted, in which case a Fund may be exposed to relative currency fluctuations.

## Equities

The Funds may invest in common stock, ordinary shares, or the equivalent which may rise or fall in value.

## High Yield Securities / Below Investment Grade Securities

High yield securities, or Below Investment Grade Securities, are rated below one of the top four rating categories (*i.e.*, below Baa3 or below BBB-) by a Recognised Rating Agency, and are sometimes referred to as "junk bonds." Bonds may be fixed and or floating. Generally, medium or lower-rated securities and unrated securities of comparable quality offer a higher current yield than is offered by higher rated securities but also: (i) will likely have some quality and protective characteristics that, in the judgment of the rating organisations, are outweighed by large uncertainties or major risk exposures to adverse conditions; and (ii) are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality bonds. In addition, medium and lower rated

securities and comparable unrated securities generally present a higher degree of credit risk. The risk of loss due to default by these issuers is significantly greater because medium and lower rated securities and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In light of these risks, the Investment Manager in evaluating the creditworthiness of an issue, whether rated or unrated, will take various factors into consideration, which may include, as applicable, the issuer's financial resources, its sensitivity to economic conditions and trends, the operating history of and the community support for the facility financed by the issue, the ability of the issuer's management and regulatory matters. In addition, the market value of securities in lower rated categories is more volatile than that of higher quality securities, and the markets in which medium and lower rated or unrated securities are traded are more limited than those in which higher rated securities are traded. The existence of limited markets may make it more difficult for a Fund to obtain accurate market quotations for purposes of valuing its portfolio and calculating its Net Asset Value. Moreover, the lack of a liquid trading market may restrict the availability of securities for a Fund to purchase and may also have the effect of limiting the ability of a Fund to sell securities at their fair value either to meet redemption requests or to respond to changes in the economy or the financial markets.

Lower-rated debt obligations also present risks based on payment expectations. If an issuer calls the obligation for redemption, a Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. Also, as the principal value of bonds moves inversely with movements in interest rates, in the event of rising interest rates the value of the securities held by a Fund may decline.

#### Investment Funds/Collective Investment Schemes

The Funds may purchase the securities of other closed-ended and open-ended collective investment schemes, subject to the UCITS Regulations. If a Fund invests in such a collective investment scheme, the Fund's shareholders will bear not only their proportionate share of the expenses of the Fund (including operating expenses and the fees of the investment manager), but also will bear indirectly similar expenses of the underlying scheme.

#### Investment Grade Securities

Investment Grade Securities are securities that are rated in one of the four highest rating categories by a Recognised Rating Agency or that, while unrated, are considered of equivalent quality by the Investment Manager.

#### Loan Participations and Assignments

The Funds may invest in floating rate commercial loans arranged through private negotiations between a corporation or other type of entity and one or more financial institutions ("Lender"). Such investment is expected to be in the form of participations in, or assignment of, the loans, which may or may not be securitised ("Participations"). The Participations shall be liquid and will provide for interest rate adjustments at least every 397 days. A Fund will only purchase such Participations through recognised, regulated dealers.

#### Money Market Instruments/Securities

The Funds may hold money market instruments, including commercial paper, bankers acceptances, certificates of deposit and other short term debt securities as ancillary liquid assets.

#### Payment-in-Kind and Payment-In-Kind Toggle Bonds

Payment-in-kind bonds are bonds that pay interest in the form of additional bonds of the same type. Payment-in-kind toggle bonds are bonds that, at the option of the issuer, pay interest in cash, in the form of additional bonds of the same type or a combination of both. Payment-in-kind and payment-in-kind toggle bonds may be rated investment grade or below investment grade.

#### Rule 144A Securities

Rule 144A Securities are transferable securities which are issued pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (having either (i) an undertaking to register with the SEC within one year of issue; (ii) an undertaking to register with the SEC more than 365 days after their issue; (iii) an expired undertaking to register with the SEC; or (iv) no undertaking to register with the SEC) and are not illiquid, meaning that they may be realised by the Company within 7 days at the price, or approximately at the price, at which they are valued by the Company.

### Securities issued under Regulation S of the 1933 Act

Regulation S securities are privately placed securities, the resale of which is restricted under U.S. securities laws. Regulation S permits securities exempt from registration under the 1933 Act to be freely traded among certain non-U.S. institutional buyers such as the Funds.

### Step-Up Bonds

Step-up bonds are bonds that pay no interest initially, but eventually begin to pay a coupon rate prior to maturity, which may increase at stated intervals during the life of the bond. Step-up bonds allow an issuer to avoid or delay the need to generate cash to meet current interest payments and, as a result, may involve greater credit risk than bonds that pay interest currently or in cash.

### Variable Rate and Floating Rate Securities

Variable and floating rate securities are obligations that possess a floating or variable interest rate adjustment formula. The terms of the variable or floating rate securities that a Fund may purchase provide that interest rates are adjustable at intervals typically ranging from daily up to six months, and the adjustments are based upon current market levels, the prime rate of a bank or other appropriate interest rate adjustment index as provided in the respective securities. Some of these securities are payable on a daily basis or typically on not more than 7 days' notice. Others, such as securities with quarterly or semi-annual interest rate adjustments, may be redeemed on designated days typically on not more than 30 days' notice.

### Zero Coupon Bonds

Zero coupon bonds pay no interest in cash to their holder during their life, although interest is accrued during that period. Its value to an investor consists of the difference between its face value at the time of maturity and the price for which it was acquired, which is generally an amount significantly less than its face value (sometimes referred to as a "deep discount" price). Because zero coupon bonds usually trade at a deep discount, they will be subject to greater fluctuations in market value in response to changing interest rates than debt obligations of comparable maturities which make periodic distributions of interest. On the other hand, because there are no periodic interest payments to be reinvested prior to maturity, zero coupon securities eliminate reinvestment risk and lock in a rate of return to maturity.

### **Financial Derivative Instruments**

A Fund may employ financial derivative instruments for investment purposes and/or for efficient portfolio management purposes including, where the Investment Manager considers the use of such techniques and instruments is economically appropriate, in order to seek to reduce risk, reduce costs, or generate additional capital or income for the Fund, taking into account the risk profile of the Fund as described in this Prospectus and the Directive. A Fund's use of such financial derivative instruments and efficient portfolio management techniques and instruments shall be subject to the conditions and within the limits from time to time laid down by the Central Bank. A list of the Regulated Markets on which financial derivative instruments may be quoted or traded is set out in Schedule II. A description of the current conditions and limits laid down by the Central Bank in relation to financial derivative instruments is set out in Schedule IV.

A Fund may also enter into stocklending agreements for the purposes of efficient portfolio management, subject to the conditions and limits set out in Schedule IV. Details of the risks associated with the use of financial derivative instruments and efficient portfolio management techniques and instruments are set out in the section entitled "Certain Risk Factors and Investment Considerations." In order to invest in financial derivative instruments, the Company will first be required to file a risk management process with the Central Bank to enable it to accurately measure, monitor and manage the various risks associated with such financial derivative instruments. Any financial derivative instruments not included in the current risk management process of the Company may not be utilised until such time as a revised risk management process has been filed with the Central Bank. Supplementary information in relation to the quantitative risk management limits applied, the risk management methods used and any recent developments in the risks and yield characteristics for the main categories of investment will be supplied to a Shareholder upon request to the Administrator.

The policy that will be applied to any collateral received arising from over-the-counter derivative transactions or efficient portfolio management techniques relating to a Fund is to adhere to the requirements set out in Schedule IV. This sets out the permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the UCITS Regulations. To the extent that a Fund receives any collateral, the categories of collateral which may be received by the Fund include cash and non-cash assets such as equities, debt securities and money market instruments. Where collateral is received, from time to time

and subject to the requirements in Schedule IV, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The haircuts applied by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Schedule IV. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy. If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details please see the section entitled "Certain Risk Factors and Investment Considerations" set out below. A list of the Regulated Markets on which the financial derivative instruments may be quoted or traded is set out in Schedule II. A description of the current conditions and limits laid down by the Central Bank in relation to financial derivative instruments and efficient portfolio management techniques and instruments is set out in Schedule IV. The following is a description of the types of financial derivative instruments and efficient portfolio management techniques and instruments which may be used by the Funds.

#### Currency Hedging Transactions

The Investment Manager may purchase securities that are denominated in a currency other than the Base Currency of a Fund. Recognising that currencies may fluctuate, the Investment Manager may, therefore, engage in currency hedging in order to seek to reduce risk and preserve capital, using spot and forward currency contracts as described below.

Currency hedging transactions involve special risks, including the risk that a Fund's Base Currency will decline in value relative to the currency being hedged, thereby reducing the Fund's positive return or causing or exacerbating the Fund's negative return.

#### Currency Hedging Transactions at Share Class Level

The Funds may enter into futures and/or spots/forwards on currencies and/or short term interest rates to seek to hedge against declines in the values of one or more Share Classes of the Fund, as a result of changes in currency exchange rates.

All hedging transactions will be clearly attributable to a specific Class of Share(s) and therefore, currency exposures of different Share Classes shall not be combined or offset and currency exposures of assets of the Funds shall not be allocated to separate a Class of Share(s).

Where the value of the hedges in place in respect of a given Class of Share(s) is less or more than 100 per cent of the Net Asset Value attributable to that Class of Share(s), the Investment Manager shall keep the situation under review and will ensure that over-hedged positions do not exceed 105 per cent of the Net Asset Value. Positions materially in excess of 100 per cent of the Net Asset Value will not be carried forward from month to month. While it is not the intention of the Funds, over-hedged or under-hedged positions may arise due to factors outside the control of the Funds. Any profit and loss resulting from foreign exchange hedging will be allocated only to the Class of Share(s) to which the specific hedge relates. Due to the foregoing, each Class of Share(s) may differ from each other in their overall performance. In particular, to the extent that hedging positions taken by the Investment Manager in respect of a Class of Share(s) are successful, the performance of such Class is likely to move in line with the performance of the underlying assets. However, Shareholders in a hedged Class will not benefit if the currency in which such Class is denominated falls against the base currency and/or the currency in which the assets of the relevant Fund are denominated.

The Company may incur transaction costs in respect of entering into any currency hedging. Any costs and gains/losses of the hedging transactions will accrue solely to the relevant Class of Share(s).

#### Futures and Options on Futures

The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. The purchase or sale of a futures contract differs from the purchase or sale of a security or option in that no price or premium is paid or received. Instead, an amount of cash, U.S. government securities or other liquid assets generally not exceeding 5 per cent of the face amount of the futures contract must be

deposited with the broker. This amount is known as initial margin. Subsequent payments to and from the broker, known as variation margin, are made on a daily basis as the price of the underlying futures contract fluctuates making the long and short positions in the futures contract more or less valuable, a process known as "marking to market." In most cases futures contracts are closed out before the settlement date without the making or taking of delivery. Closing out a futures contract sale is effected by purchasing a futures contract for the same aggregate amount of the specific type of financial instrument or underlying security and the same delivery date. If the price of the initial sale of the futures contract exceeds the price of the offsetting purchase, the seller is paid the difference and realises a gain. Conversely, if the price of the offsetting purchase exceeds the price of the initial sale, the seller realises a loss. Similarly, the closing out of a futures contract purchase is effected by the purchaser entering into a futures contract sale. If the offsetting sale price exceeds the purchase price, the purchaser realises a gain, and if the purchase price exceeds the offsetting sale price, a loss will be realised.

### Options

Certain convertible securities may be regarded as having an embedded option element. Such securities may be in the form of fixed-income securities or preferred stock having an embedded option to exchange the convertible securities for equity securities at a specified conversion price. The option allows a Fund to realise additional returns if the market price of the equity securities exceeds the conversion price.

### Forward Contracts

A forward contract is a contract to buy or sell an underlying security or currency at a pre-determined price on a specific future date. The initial terms of the contract are set so that the contract has no value at the outset. Forward prices are obtained by taking the spot price of a security or currency and adding to it the cost of carry. No money is transferred upon entering into a forward contract and the trade settlement is delayed until the specified date when the underlying security or currency is exchanged for cash. Subsequently, as the price of the underlying security or currency moves, the value of the contract also changes.

Forward contracts involve a number of the same characteristics and risks as futures contracts but there are also several differences. Forward contracts are not market-traded. They settle only at the pre-determined settlement date. This can result in deviations between forward prices and futures prices, especially in circumstances where interest rates and futures prices are positively correlated. Second, in the absence of exchange trading and involvement of clearing houses, there are no standardised terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as desirable, which may vary from the standardised provisions available through any futures contract. Finally, forward contracts, as two party obligations for which there is no secondary market, involve counterparty credit risk not present with futures.

### Swaps

A standard swap is an agreement between two counterparties in which the cash flows from two assets are exchanged as they are received for a fixed time period, with the terms initially set so that the present value of the swap is zero. Where permitted to do so by its investment policy, a Fund may enter into the following swaps both as independent profit opportunities and to hedge existing long positions; credit default swaps, equity swaps, swaptions, interest rate swaps and currency swaps. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis. A credit default swap is a contract that transfers the price, spread and/or default risk of debt and other instruments from one party to another. The "buyer" in a credit default swap agreement is obligated to pay the "seller" a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay, obligation acceleration or modified restructuring. If a credit event occurs, the seller typically must pay the contingent payment to the buyer, which is typically the "par value" (full notional value) of the reference obligation. The contingent payment may be a cash settlement or by a physical delivery of the reference obligation in return for payment of the face amount of the obligation. A Fund may be either the buyer or seller in the transaction. If a Fund is a buyer and no credit event occurs, a Fund may lose its investment and recover nothing. However, if a credit event occurs, the buyer typically receives full notional value for a reference obligation that may have little or no value. As a seller, a Fund receives a fixed rate of income throughout the term of the contract, which typically is between one month and several years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligation. An equity swap transaction is an agreement between the Company and a counterparty pursuant to which the Company agrees to sell or transfer to such counterparty equity securities in return for cash equal to the current market value of such securities. The agreement also



provides that the Company agrees to repurchase such securities at a future date at the then market price for the securities together with interest on the amount of cash paid by the counterparty to the Company during the transfer period. Similarly, the counterparty will agree to pay to the Company all dividends received by it in relation to the securities during the transfer period. Under the terms of these swaps the Company also receives payment for any gains and makes good any losses arising on a holding of underlying shares. Investors' attention is drawn to the paragraph entitled "Counterparty and Settlement Risk" set out below. Swaptions are contracts whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Interest rate swaps involve the exchange by the Company with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party, and only the net amount, is paid by one party to the other. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. These agreements are used to transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency swaps must include an exchange of principal at maturity.

### **Stocklending Agreements**

The Funds may lend securities to a counterparty approved by the Investment Manager. Direct and indirect operational costs and fees arising from the efficient portfolio management techniques of stock lending (and/or repurchase and reverse repurchase agreements) may be deducted from the revenue delivered to the relevant Fund (e.g., as a result of revenue sharing arrangements). These costs and fees do not and should not include hidden revenue. All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund. The entities to which direct and indirect costs and fees may be paid may include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Company or the Depositary. The revenues arising from such efficient portfolio management techniques for the relevant reporting period, together with the direct and indirect operational costs and fees incurred and the identity of the counterparty(ies) to these efficient portfolio management techniques (if any), will be disclosed in the annual and half-yearly reports of the Funds.

### **Classes of Shares**

A list of the Classes of Shares available in respect of the Funds and the characteristics of each such Class are set out in Schedule I.

The Company reserves the right to vary the minimum initial investment, minimum subsequent investment and minimum holding requirements in the future and may choose to waive these criteria. Variations to the minimum subsequent investment and minimum holding requirements will be notified in advance to Shareholders.

Investors should note that as at the date of this Prospectus only certain Classes of Shares may currently be available for purchase.

### **Securities Financing Transactions**

As of the date of this Prospectus, it is not intended that a Fund shall enter into Securities Financing Transactions or total return swaps within the meaning of the Securities Financing Transactions Regulation.

### **Borrowing**

A Fund may not borrow money, except as follows:

- (a) a Fund may acquire foreign currency by means of a "back to back" loan. Foreign currency obtained in this manner is not classified as borrowing for the purpose of Regulation 103(1) of the UCITS Regulations, except to the extent that such foreign currency exceeds the value of a "back to back" deposit;
- (b) a Fund may borrow up to 10 per cent of its Net Asset Value, provided that such borrowing is on a temporary basis.

Foreign currency obtained under (a) above is not classed as borrowings for the purposes of the borrowing restrictions contained in the Regulation 103 or (b) above, provided that the offsetting deposit: (i) is denominated in the Base Currency of the Fund; and (ii) equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 103 of the UCITS Regulations and (b) above.

### **Regulated Markets**

Subject to the investment restriction set forth below, the securities in which a Fund will invest will be traded on a Regulated Market. The Regulated Markets in which a Fund may trade are listed in Schedule II hereto.

### **Adherence to Investment Objectives and Policies**

Any change in investment objectives and any material change in investment policies will be subject to approval by the majority of votes of Shareholders passed at a general meeting or by all of the Shareholders by way of a written resolution. In accordance with the Company's Articles of Association, Shareholders will be given 21 clear days' notice of such general meeting. The notice shall specify the place, day, hour and nature of business of such meeting, as well as the proposed effective date of any changes to the investment objectives and policies. In the event that a change in investment objectives and/or policies is approved by Shareholders by way of a majority of votes cast at a general meeting, a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

### **DISTRIBUTION POLICY**

The Directors intend to declare a dividend in respect of certain Class A and Class B Shares of the Funds as set out in the table below ("Distributing Share Classes"). Other than in respect of the Distributing Share Classes set forth in the table below, it is intended that, in the normal course of business, distributions will not be declared in respect of any other Classes of Shares ("Accumulating Share Classes") and that any net investment income and realised and unrealised capital gains net of realised and unrealised capital losses attributable to each Accumulating Share Class will be accumulated in the respective Net Asset Value per Share of each respective Class of Shares and will be reinvested in accordance with the investment objectives and investment policies of the relevant Fund. For each Fund, if distributions are declared and paid with respect to Accumulating Share Classes, such distributions may be made from the sources listed below in respect of the Distributing Share Classes. Shareholders will be notified in advance of any change in distribution policy for the Accumulating Share Classes and full details will be provided in an updated prospectus or Supplemental Prospectus.

In respect of the Distributing Share Classes, the Directors intend to declare a dividend in accordance with the distribution frequency set out in the table below. Dividends are declared quarterly on 31 March, 30 June, 30 September and 31 December.

<b>Fund</b>	<b>Class</b>	<b>Distribution Frequency</b>
Shenkman Global Convertible Bond Fund	Class A USD Income Distributing	Quarterly
	Class A EUR Income Distributing	Quarterly
	Class A EUR Hedged Income Distributing	Quarterly
	Class A GBP Income Distributing	Quarterly
	Class A GBP Hedged Income Distributing	Quarterly
	Class A NOK Income Distributing	Quarterly
	Class A NOK Hedged Income Distributing	Quarterly
	Class A SEK Income Distributing	Quarterly
	Class A SEK Hedged Income Distributing	Quarterly
	Class A CHF Income Distributing	Quarterly
	Class A CHF Hedged Income Distributing	Quarterly
	Class A JPY Income Distributing	Quarterly
	Class A JPY Hedged Income Distributing	Quarterly
	Class A ARS Income Distributing	Quarterly
	Class A ARS Hedged Income Distributing	Quarterly
	Class A AUD Income Distributing	Quarterly
Class A AUD Hedged Income Distributing	Quarterly	

	Class A BRL Income Distributing	Quarterly
	Class A BRL Hedged Income Distributing	Quarterly
	Class A COP Income Distributing	Quarterly
	Class A COP Hedged Income Distributing	Quarterly
	Class B USD Income Distributing	Quarterly
	Class B EUR Income Distributing	Quarterly
	Class B EUR Hedged Income Distributing	Quarterly
	Class B GBP Income Distributing	Quarterly
	Class B GBP Hedged Income Distributing	Quarterly
	Class B NOK Income Distributing	Quarterly
	Class B NOK Hedged Income Distributing	Quarterly
	Class B SEK Income Distributing	Quarterly
	Class B SEK Hedged Income Distributing	Quarterly
	Class B CHF Income Distributing	Quarterly
	Class B CHF Hedged Income Distributing	Quarterly
	Class B JPY Income Distributing	Quarterly
	Class B JPY Hedged Income Distributing	Quarterly
	Class B ARS Income Distributing	Quarterly
	Class B ARS Hedged Income Distributing	Quarterly
	Class B AUD Income Distributing	Quarterly
	Class B AUD Hedged Income Distributing	Quarterly
	Class B BRL Income Distributing	Quarterly
	Class B BRL Hedged Income Distributing	Quarterly
	Class B COP Income Distributing	Quarterly
	Class B COP Hedged Income Distributing	Quarterly
Schenkman Global High Yield Bond Fund	Class A USD Income Distributing	Quarterly
	Class A EUR Income Distributing	Quarterly
	Class A EUR Hedged Income Distributing	Quarterly
	Class A GBP Income Distributing	Quarterly
	Class A GBP Hedged Income Distributing	Quarterly
	Class A NOK Income Distributing	Quarterly
	Class A NOK Hedged Income Distributing	Quarterly
	Class A SEK Income Distributing	Quarterly
	Class A SEK Hedged Income Distributing	Quarterly
	Class A CHF Income Distributing	Quarterly
	Class A CHF Hedged Income Distributing	Quarterly
	Class A JPY Income Distributing	Quarterly
	Class A JPY Hedged Income Distributing	Quarterly
	Class A ARS Income Distributing	Quarterly
	Class A ARS Hedged Income Distributing	Quarterly
	Class A AUD Income Distributing	Quarterly
	Class A AUD Hedged Income Distributing	Quarterly
	Class A BRL Income Distributing	Quarterly
	Class A BRL Hedged Income	Quarterly

	Distributing	
	Class A COP Income Distributing	Quarterly
	Class A COP Hedged Income Distributing	Quarterly
	Class B USD Income Distributing	Quarterly
	Class B EUR Income Distributing	Quarterly
	Class B EUR Hedged Income Distributing	Quarterly
	Class B GBP Income Distributing	Quarterly
	Class B GBP Hedged Income Distributing	Quarterly
	Class B NOK Income Distributing	Quarterly
	Class B NOK Hedged Income Distributing	Quarterly
	Class B SEK Income Distributing	Quarterly
	Class B SEK Hedged Income Distributing	Quarterly
	Class B CHF Income Distributing	Quarterly
	Class B CHF Hedged Income Distributing	Quarterly
	Class B JPY Income Distributing	Quarterly
	Class B JPY Hedged Income Distributing	Quarterly
	Class B ARS Income Distributing	Quarterly
	Class B ARS Hedged Income Distributing	Quarterly
	Class B AUD Income Distributing	Quarterly
	Class B AUD Hedged Income Distributing	Quarterly
	Class B BRL Income Distributing	Quarterly
	Class B BRL Hedged Income Distributing	Quarterly
	Class B COP Income Distributing	Quarterly
	Class B COP Hedged Income Distributing	Quarterly

For each Distributing Share Class of each Fund, at the time of each dividend declaration: (1) all, or some portion, of net investment income, if any, may be, but is not required to be, declared as a dividend; and (2) all, or some portion, of realised and unrealised capital gains net of realised and unrealised capital losses may be, but is not required to be, declared as a dividend.

Dividends will be paid in cash by wire transfer to the account of the Shareholder specified in the application form or, in the case of joint holders, to the name of the first Shareholder appearing on the register within 60 days after their declaration and in any event within four months of the year end, unless the Shareholder has specifically elected on the application form or subsequently notified the Administrator in writing of its requirement that dividends be reinvested in additional Shares of the same Class of the Fund. Any dividend which is unclaimed six years from the date it became payable shall be forfeited and become the property of the relevant Fund.

For each Fund, if the distribution policy with respect to Distributing Share Classes is amended, Shareholders will be notified in advance of any change in distribution policy for the Distributing Share Classes and full details will be provided in an updated prospectus or Supplemental Prospectus.

### **INVESTMENT RESTRICTIONS**

A Fund's investments will be limited to investments permitted by the UCITS Regulations, as set out in Schedule III. If the UCITS Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations but any such changes shall be in accordance with the Central Bank's requirements and Shareholders will be advised of such changes in an updated Prospectus and in the next succeeding annual or half-yearly report of the Company. In the event that any alterations to the UCITS Regulations affect the investment policy of a Fund, such a change to the investment policy may only be made on the basis of a majority of votes cast at a general meeting or with the prior written approval of a majority of Shareholders and a reasonable notification period shall be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

## CERTAIN RISK FACTORS AND INVESTMENT CONSIDERATIONS

Investors should understand that all investments involve risks. The following are some of the risks of investing in a Fund but the list does not purport to be exhaustive.

### General Risks

#### Custody Risks

The Depositary and its sub-custodians, if any, will be responsible for the safekeeping of the Funds' securities. If the Depositary or a sub-custodian holds cash on behalf of a Fund, the Fund may be an unsecured creditor in the event of the insolvency of the Depositary or sub-custodian. Although this is generally done to reduce or diversify risk, there can be no assurance that holding securities through the Depositary or its sub-custodian will eliminate custodial risk. The Fund will be subject to credit risk with respect to the Depositary and the sub-custodians, if any. However, the Depositary will notify the Company if it becomes aware that the segregation of assets of the Company is no longer sufficient to ensure protection from the insolvency of a third party.

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

Such markets currently include but are not limited to Argentina, Bosnia & Herzegovina, Lebanon, Nigeria, Pakistan, Russia, Serbia, Ukraine, Venezuela, Vietnam and such risks include:

- a non-true delivery versus payment settlement;
- a physical market, and as a consequence the circulation of forged securities;
- poor information in regards to corporate actions;
- registration process that impacts the availability of the securities (e.g. securities may be temporarily unavailable for trading pending the conclusion of the registration process);
- lack of appropriate legal/fiscal infrastructure advices and poor accounting standards; and
- lack of compensation/risk fund with the central depository.

#### Investment Risks

There can be no assurance that a Fund will achieve its investment objective. An investment in a Fund involves investment risks, including possible loss of the entire amount invested. Each Fund bears the risk of default on the part of the issuer of any securities. The price of the Shares may fall as well as rise. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, the Fund's returns may be expected to fluctuate in response to changes in such capital appreciation or income. Consequently, the investment is suitable only for investors who are in a position to take such risks and to adopt a long-term approach to their investment strategy.

#### Liquidity Risks

Some of the markets, exchanges or securities in which a Fund may invest may prove to be less liquid than developed markets and prices may be highly volatile from time to time. There may be the risk that a position in the portfolio of the Fund cannot be sold, liquidated or closed: (i) at a limited cost to the Fund; and/or (ii) in an adequately short time frame, thereby compromising the ability of the Fund to meet redemption requests or other funding requirements. Large redemptions of Shares might result in the Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets. Please also see the liquidity risks detailed in the section entitled "Risks of Derivative Instruments" set out below.

#### Currency Risks

The Net Asset Value per Share of a Fund may be denominated in a different currency to that of its investments. A Fund may, but it is not required to, seek to minimise the exposure to currency fluctuation risks by the use of hedging and other techniques and instruments.

Currency risk includes the risk that currencies in which a Fund's underlying investments are traded will decline in value relative to U.S. Dollars and, in the case of hedged investment positions, that U.S. Dollars will decline in value relative to the currency being hedged. In respect of unhedged classes of Shares, the value of a Share expressed in a Class Currency will be subject to exchange rate risk in relation to the Base Currency. In certain circumstances performance may be strongly influenced by movements in currency rates because underlying investments held by a Fund may be denominated in a

currency different to that of the base currency of the Fund. Shareholders should also note that in respect of unhedged classes of Shares a currency conversion will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates. Countries' currency rates may fluctuate significantly for a number of reasons, including the forces of supply and demand in the foreign exchange markets, actual or perceived changes in interest rates, and intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments in such countries.

#### Interest Rate Risk

When interest rates decline, the value of a portfolio invested in fixed-rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a portfolio investment in fixed-rate obligations can be expected to decline. Although the value of a Fund's assets will vary, it is expected that a Fund's investments in floating rate loans will minimise fluctuations in value as a result of changes in market interest rates. However, because floating rates on loans only reset periodically, changes in prevailing interest rates can be expected to cause some fluctuation in the value of a Fund's portfolio. Similarly, a sudden and significant increase in market interest rates may cause a decline in the value of a Fund's portfolio. Other economic factors (such as large downward movement in stock prices, a disparity in supply and demand of certain securities or market conditions that reduce liquidity) can also adversely impact the markets for loans and debt obligations. Rating downgrades of holdings or their issuers will generally reduce the value of such holdings. Consequently, changes in the values of a Fund's portfolio likely will cause fluctuation in the value of a Fund's assets.

#### Counterparty and Settlement Risks

A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. Where a Fund's investments are not dealt on a stock exchange or regulated market, there is a risk additional to the general risk of insolvency that the counterparty of the trade may default or not completely fulfil its obligations. This applies in particular to transactions involving financial derivative instruments and techniques and instruments used for efficient portfolio management. Each Fund will bear the risk of subscription default. For the purposes of efficient portfolio management, the Investment Manager may purchase securities or utilise efficient portfolio management techniques and instruments on the basis that settlement will be received on the relevant Settlement Date. In the event that such settlement monies are not received by a Fund on or by the relevant Settlement Date, the Fund may have to sell securities or close out its position under such efficient portfolio management techniques which could result in a loss to the Fund notwithstanding that a subscriber who defaults in settling a subscription payment may be liable to the Fund for any such loss.

#### Equity Market Risks

Investments in equity securities offer the potential for capital appreciation. However, such investments also involve risks, including issuer, industry, market and general economic related risks. Although the Investment Manager will attempt to reduce these risks by utilising various techniques described herein, adverse developments or perceived adverse developments in one or more of these areas could cause a substantial decline in the value of equity securities owned by a Fund.

#### Rule 144A Securities

Rule 144A Securities may involve a high degree of business and financial risk and may result in substantial losses. These securities may become less liquid after acquisition and the Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised from these sales could be less than those originally paid by the Fund. Further, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded.

#### Rating of Investment Risk

There is no assurance that the ratings of each rating agency will continue to be calculated and published on the basis described in this Prospectus or that they will not be amended significantly. The past performance of a rating agency in rating an investment is not necessarily a guide to future performance.

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

Each of the Funds will be responsible for paying its fees and expenses regardless of the level of its profitability. The Company is an umbrella fund with segregated liability between the Funds under Irish

law. However, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

#### Risks Associated with Umbrella Cash Accounts

An Umbrella Cash Account will operate at umbrella level in respect of the Company rather than a specific Fund and the segregation of Investor Monies from the liabilities of Funds other than the relevant Fund to which the Investor Monies relate is dependent upon the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Company.

In the event of the insolvency of a Fund, there is no guarantee that such Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to Investor Monies) in full.

Monies attributable to other Funds within the Company will also be held in the Umbrella Cash Account. In the event of the insolvency of a Fund (an "Insolvent Fund"), the recovery of any amounts to which another Fund (the "Beneficiary Fund") is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to applicable law and the operational procedures for the Umbrella Cash Account. 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 amounts due to the Beneficiary Fund.

In the event that an investor fails to provide the subscription monies within the timeframe stipulated in this Prospectus, the investor may be required to indemnify the Fund against the liabilities that may be incurred by it. The Company may cancel any Shares that have been issued to the investor and charge the investor interest and other expenses incurred by the relevant Fund. In the event that the Company is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Shareholders, may be liable.

No interest will be paid on the amounts held in the Umbrella Cash Account.

The Central Bank's guidance on umbrella cash accounts is new and, as a result, may be subject to change and further clarification. Therefore, the structure of any Umbrella Cash Accounts maintained by the Company may be subject to change accordingly.

#### Investment Manager - Conflicts of Interest Risk

The Company may consult the Investment Manager with respect to the valuation of: (i) unlisted investments; or (ii) securities that are listed, traded or dealt in on a Regulated Market but for which prices are not available or are unrepresentative. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation of a Fund's investments and the Investment Manager's other responsibilities.

#### Taxation Risks

Potential investors' attention is drawn to the taxation risks associated with investing in any Fund set out below in the section entitled "Taxation." However Shareholders and potential investors should note that the information contained in that section does not purport to deal with all of the tax consequences applicable to the Company or all categories of investors, some of whom may be subject to special rules. Any future changes in these law and practices or their interpretation may adversely affect Shareholders.

#### Large Redemptions

If large numbers of shares in a Fund were to be redeemed at or around the same time, the Fund may be required to sell a large portion of its portfolio quickly to cover these deals, at a time or at prices not of the Investment Manager's choosing. This might result in a reduction in the value of the Fund and in the prices achieved for securities sold by the Fund. The value of securities within a Fund may also be affected if other similar funds find themselves in the same situation.

#### Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see the section below entitled "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions").

### Fair Value Pricing

Details of the method of calculation of the Net Asset Value per Share of a Fund are set out in the section of the Prospectus entitled "Determination of Net Asset Value" below. Fair value pricing will be applied in accordance with the UCITS Rules. When a Fund uses fair value pricing, it may take into account any factors it deems appropriate. A Fund may determine fair value based upon developments related to a specific security, current valuations of stock indices and/or sector or broader stock market indices. The price of securities used by a Fund to calculate its Net Asset Value may differ from quoted or published prices for the same securities. Fair value pricing may involve subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realised upon the sale of that security.

### Risks Associated with Excessive Trading

Prospective investors' attention is drawn to the risks associated with excessive trading. Additional information relating to this is set out below in the section entitled "Excessive Trading."

### Subscription Default Risk/Subscription Settlement Risk

Each Fund will bear the risk of subscription default. For the purposes of efficient portfolio management, the Investment Manager may instruct the purchase of securities or utilise efficient portfolio management techniques and instruments on the basis that settlement will be received on the relevant Settlement Date. In the event that such settlement monies are not received by a Fund on or by the relevant Settlement Date, the Fund may have to sell securities, close out its position under such efficient portfolio management techniques or incur overdraft fees which could result in a loss to the Fund notwithstanding that a subscriber who defaults in settling a subscription payment may be liable to the Fund for any such loss. If payment for subscription orders is not received on or before the relevant Settlement Date, a subscription may be cancelled or the investor may be charged interest on the outstanding subscription monies at normal commercial rates. In such an event, the individual investor will be held liable for any costs to the Fund or Company.

### Emerging Markets Risk

The risks involved in investments in Emerging Markets are likely to exceed the risks of investment in more mature markets. This higher degree of risk may be associated with: the adverse effect on investment sentiment that could result from military conflict, civil commotion, nationalisation of foreign-held assets or other unfavourable political developments; the difficulty of obtaining an accurate view of a company's prospects where accounting standards are such that those prospects are not fairly reflected by published accounts; the difficulty of selling, or selling at a fair price, securities in which an efficient market is not made; potential difficulties in obtaining prompt settlement; the possibility that a local currency might cease to be readily convertible into any major freely-negotiable trading currency; and the risks associated with registering, transferring and safekeeping securities in markets which do not have developed settlement and custody systems. The legislative framework in Emerging Markets for the purchase and sale of investments and in relation to the beneficial interests in those investments may be relatively new and untested and there can be no assurance regarding how the courts or agencies of Emerging Markets will react to questions arising from a Fund's investments in such countries and arrangements contemplated in relation thereto.

Laws, orders, rules, regulations and other legislation currently regulating investment may be altered, in whole or in part, and a court or other authority of an Emerging Markets may interpret any relevant or existing legislation in such a way that the investment contemplated is rendered illegal, null or void, retroactively or otherwise or in such a way that the investment of the Fund is adversely affected.

Given that a Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians may be exposed to risk in circumstances whereby the Depositary would have no liability. There is no guarantee that any arrangements made, or agreement entered into, between the Depositary and any sub-custodian will be upheld by a court of any Emerging Markets or that any judgement obtained by the Depositary or a Fund against any such sub-custodian in a court of any competent jurisdiction will be enforced by a court of any Emerging Markets.

The legal infrastructure and accounting, auditing and reporting standards in Emerging Markets may not provide the same degree of shareholder protection or information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards. Further, there may be no obligation on the part of registration and tax authorities to make official copies of records available to third parties. In addition, there may not be reliable commercial firms who can undertake a comprehensive credit analysis or who can search the records of notary



publics to determine whether the assets of an enterprise have been pledged or are otherwise subject to a pledge or other security interest and official data published by the national, regional and local governments and governmental agencies in Emerging Markets may be substantially less complete and reliable than that of more developed countries and official statistics may be produced on different bases than those familiar to investors.

A Fund may invest in "mature" Emerging Markets and "newly" Emerging Markets. The securities and currency markets of Emerging Markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. Disclosure and regulatory standards in many respects are less stringent than developed markets. There also may be a lower level of monitoring and regulation of securities markets in Emerging Markets and the activities of investors in such markets and enforcement of existing regulations has been extremely limited. Many Emerging Markets have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets of certain Emerging Markets. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values, and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of these countries also have been and may continue to be adversely affected by economic conditions in the countries in which they trade. The economies of Emerging Markets may also be predominantly based on only a few industries or dependent on revenues from particular commodities. In addition, custodial services and other costs relating to investment in certain markets may be more expensive in Emerging Markets than in many developed markets, which could reduce a Fund's income from such securities. Finally, because publicly-traded debt instruments of Emerging Markets represent a relatively recent innovation in the world debt markets, there is little historical data or related market experience concerning the attributes of such instruments under all economic, market and political conditions.

In many cases, governments of Emerging Markets continue to exercise significant control over their economies, and government actions relative to the economy, as well as economic developments generally, may affect the capacity of issuers of Emerging Markets debt instruments to make payments on their debt obligations, regardless of their financial condition. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding taxes on interest payments, or other similar developments that could affect investments in those countries. There can be no assurance that adverse political changes will not cause a Fund to suffer a loss of any or all of its investments or, in the case of fixed income securities, interest thereon.

Each Fund may invest directly in securities of Russian issuers. Investment in these securities presents many of the same risks as investing in securities of issuers in other Emerging Markets, as described in above. However, the social, political, legal and operational risks of investing in Russian issuers, and of having assets custodied within Russia may be particularly pronounced. Certain Russian issuers may also not meet internationally accepted standards of corporate governance. A risk of particular note with respect to direct investment in Russian securities is the way in which ownership of shares of companies is normally recorded. Ownership of shares (except where shares are held through depositories) is defined according to entries in the company's share register and normally evidenced by "share extracts" from the register or, in certain limited circumstances, by formal share certificates. However, up until 1 April 2013 there was no central registration system for shareholders and these services are carried out by the companies themselves or by registrars located throughout Russia. The share registrars are controlled by the issuer of the securities, and investors are provided with few legal rights against such registrars. The law and practice relating to registration of shareholdings are not well developed in Russia and registration delays and failures to register shares can occur, which could expose a Fund to potential loss. Investments in securities listed or traded in Russia will only be made in securities that are listed or traded on the Moscow Exchange MICEX - RTS. In the event of losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar a Fund may have to pursue its rights directly against the issuer and/or its appointed registrar. A change occurred in the custody arrangements applicable to certain Russian securities on 1 April 2013. From that date, the holding of many Russian securities by investors such as the Company will no longer be evidenced by a direct entry on the issuer's register of shareholders. Instead, the ownership of, and settlement of transactions in, those Russian securities will be moved to a central securities depository, the National Settlement Depository ("NSD"). The Depository or its local agent in Russia will be a participant on the NSD. The NSD in turn will be reflected as the nominee holder of the securities on the register of the relevant issuer. Therefore, while this is intended to introduce a centralised and regulated system for recording of the ownership of, and settlement of transactions in, Russian securities, it does not eliminate all of the risks associated with the registrar system outlined above. Similar risks may also apply to investments in securities of issuers in countries that were formerly part of the Soviet Union and subject to similar securities systems.

## **Risks Associated with Fixed Income and Debt Instruments**

### Fixed Income Securities and Debt Instruments

The Funds may invest in all types of fixed income securities and debt instruments including, without limitation, bonds and debentures, bank debt obligations, preferred stock, convertible bonds, zero-coupon securities, payment-in-kind toggle bonds and deferred payment securities, loan participations and assignments. A Fund may also purchase securities in the lowest rating categories (or that have no rating but have a non-investment grade profile in the view of the Investment Manager) which may have predominantly speculative characteristics or may be issued by companies in default.

In the case of supra-national or sovereign issues, not all government securities are supported by the full faith and credit of a foreign national government or political subdivision. In the case of securities issued or guaranteed by certain countries, foreign government securities may involve varying degrees of credit risk as a result of financial or political instability in such countries and the possible inability of a Fund to enforce its rights against the foreign government issuer.

General fluctuations in the market prices of assets in which a Fund may invest and interest rates may affect the value of the investments held by the Fund. Volatility and instability in the financial markets may also increase the risks inherent in the Company's investments. Interest rate changes may affect the value of an asset directly or indirectly (especially in the case of fixed rate assets). In general, rising interest rates will negatively impact the price of fixed rate assets and falling interest rates will have a positive effect on price. Adjustable rate instruments may also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).

### Convertible Bonds

Convertible bonds may show greater volatility than straight bond investments with an increased risk of capital loss. Factors that may affect the value of convertible bonds include credit risk, interest rate risk and risks relating to investment in equity securities. Convertible bonds may also have call provisions and other features which may give rise to the risk of a call. The value and performance of the Fund may be affected as a result.

### Below Investment Grade Debt Securities

The debt securities in which a Fund may invest are not required to satisfy any minimum credit rating standard, and may include instruments that are considered to be of relatively poor standing and have predominantly speculative characteristics with respect to capacity to pay interest and repay principal. Below Investment Grade Securities generally provide higher yields than higher quality fixed income securities, but are subject to greater credit and market risk. Below Investment Grade Securities are considered predominantly speculative with respect to the ability of the issuer to meet principal and interest payments. Additionally, the companies that issue Below Investment Grade Securities are highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations, including the debt obligations owned by a Fund. Achievement of a Fund's investment objective may be more dependent on the Investment Manager's own credit analysis than is the case with higher quality bonds.

The market for Below Investment Grade Securities may be more severely affected than some other financial markets by economic recession or substantial interest rate increases, by changing public perceptions of this market or by legislation that limits the ability of certain categories of financial institutions to invest in these securities. In addition, the secondary market may be less liquid for Below Investment Grade Securities. This reduced liquidity at certain times may affect the value of these securities, may make the valuation and sale of these securities more difficult and may result in greater volatility in these securities. Because such securities are difficult to value, particularly during erratic markets, the values realised upon the sale of such securities may differ from the values at which they are carried by a Fund. Securities in the lowest rating categories may be in poor standing or in default.

### Corporate Debt

Generally, the corporate debt acquired by a Fund will be below investment grade or unrated. Where the corporate debt is unsecured, it may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. The lower rating or non-rating of corporate debt reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. In addition, evaluating credit risk for corporate debt involves uncertainty because credit rating agencies throughout the world have different standards, making

comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to calculate discounting spreads for valuing financial instruments.

Where a Fund acquires interests in corporate debt, it depends primarily upon the creditworthiness of the borrower or issuer for payment of principal and interest (as well as the creditworthiness of the institution selling the participation where an interest is acquired by way of participation). Corporate debt may not be rated by any nationally recognised rating agency. Corporate debt that is fully secured offers a Fund more protections than unsecured corporate debt in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from corporate debt would satisfy the borrower's or issuer's obligation, or that the collateral can be liquidated. Indebtedness of borrowers or issuers whose creditworthiness is poor involves substantially greater risks, and may be highly speculative. Borrowers or issuers that are in bankruptcy or restructuring may never pay off their indebtedness, or may pay only a small fraction of the amount owed.

The market for lower-rated or unrated corporate debt may be more severely affected than some other financial markets by economic recession or substantial interest rate increases, by changing public perceptions of this market or by legislation that limits the ability of certain categories of financial institutions to invest in these securities. It is likely that any economic downturn could adversely affect the ability of the issuers of corporate debt to repay principal and pay interest thereon and increase the incidence of default for such assets. In addition, the secondary market may be less liquid for lower-rated or unrated corporate debt. This reduced liquidity at certain times may affect the value of these assets, may make the valuation and sale of these assets more difficult and may result in greater volatility in these assets. As such, assets are difficult to value, particularly during erratic markets, and the values realised upon the sale of such assets may differ from the values at which they are carried by a Fund. Assets in the lowest rating categories or which are unrated may be in poor standing or in default.

#### Loan Participations and Assignments

The Funds may invest in floating rate commercial loans arranged through private negotiations between a corporation or other type of entity and one or more financial institutions ("Lender"). Such investment is expected to be in the form of participations in, or assignment of, the loans, which may or may not be securitised ("Participations"). Participations will be liquid and will provide for interest rate adjustments at least every 397 days. They are subject to the risk of default by the underlying borrower and in certain circumstances to the credit risk of the Lender if the Participation only provides for a Fund having a contractual relationship with the Lender, not the borrower. In connection with purchasing Participations, a Fund may have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loan, nor any rights of set-off against the borrower, nor will it have the right to object to certain changes to the loan agreement agreed to by the selling institution. Thus, a Fund may not directly benefit from any collateral supporting the loan in which they have purchased Participations. A Fund will only purchase such Participations through recognised, regulated dealers.

#### Asset-Backed Instruments

While generally offering a higher degree of price and ratings stability relative to corporate securities, asset backed securities are generally less liquid than comparably-rated corporate bonds. Liquidity is generally improving in the asset backed securities sector, but investors should be aware that the relatively reduced liquidity may lead to valuation losses on securities as market makers defensively price bonds at times of market stress to avoid balance sheet or risk exposures. Liquidation of portions of a Fund's asset-backed investments under these circumstances could produce realised losses.

#### Spread Widening Risks

For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the debt instruments and other assets in which a Fund invests may decline substantially. In particular, purchasing debt instruments or other assets at what may appear to be "undervalued" or "discounted" levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk. Additionally, the perceived discount in pricing from previous environments described herein may still not reflect the true value of the assets underlying debt instruments in which a Fund invests.

#### **Risks of Derivative Instruments**

The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Fund.

### Market Risk

This is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to a Fund's interest.

### Management Risk

Derivative products are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Fund's portfolio and the ability to forecast price, interest rate or currency exchange rate movements correctly.

### Counterparty Credit Risk

This is the risk that a loss may be sustained by a Fund as a result of the failure of the other party to a derivative or other techniques and instruments used for the purposes of efficient portfolio management (usually referred to as a "counterparty") to comply with the terms of the relevant contract. The credit risk for exchange-traded or other centrally cleared derivatives is generally less than for over-the-counter derivatives, since the clearing house, which is the counterparty to each exchange-traded derivative, provides a guarantee of performance to clearing members. This guarantee is supported by a daily payment system (*i.e.*, margin requirements) operated by the clearing house in order to reduce overall credit risk. For over-the-counter derivatives, there is no similar clearing agency guarantee. Therefore, the Investment Manager considers the creditworthiness of each counterparty to an over the counter derivative in evaluating potential credit risk.

### Liquidity Risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many over-the-counter derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

### Leverage Risk

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

### Other Risks

Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives. Many derivatives, in particular over-the-counter derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund. Furthermore, derivatives do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to closely track. Consequently, a Fund's use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering a Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Company that might in turn require, if there is insufficient cash available in the portfolio, the sale of a Fund's investments under disadvantageous conditions.

### Settlement risk

A Fund is also subject to the risk of the failure of any of the exchanges on which financial derivative instruments are traded or of their clearing houses. Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks. The Investment Manager may instruct the Depository to settle transactions on a delivery free of payment basis where it believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle and the Depository will not be liable to a Fund or to the Shareholders for such a loss.

## Legal risk

There are legal risks involved in using financial derivative instruments which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly. The risk that such contracts are not legally enforceable or documented correctly is, in particular, relevant to the case of over-the-counter derivatives and efficient portfolio management techniques and instruments.

## EMIR

Each Fund may enter into OTC derivative contracts. Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 ("EMIR") establishes certain requirements for OTC derivatives contracts including mandatory clearing obligations, bilateral risk-management requirements and reporting requirements. Although not all the regulatory technical standards specifying the risk-management procedures, including the levels and type of collateral and segregation arrangements, required to give effect to EMIR have been finalised and it is therefore not possible to be definitive, investors should be aware that certain provisions of EMIR would impose obligations on the Fund in relation to its transaction of OTC derivative contracts.

The potential implications of EMIR for a Fund include, without limitation, the following:

- *clearing obligation*: certain standardised OTC derivative transactions will be subject to mandatory clearing through a central counterparty (a "CCP"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
- *risk mitigation techniques*: for those of its OTC derivatives which are not subject to central clearing, the Fund is required to put in place risk mitigation requirements, which include the collateralisation of all OTC derivatives. These risk mitigation requirements may increase the cost of the Fund pursuing its investment strategy (or hedging risks arising from its investment strategy); and
- *reporting obligations*: each of the Fund's OTC derivative transactions must be reported to a trade depository or the European Securities and Markets Authority. This reporting obligation may increase the costs to the Fund of utilising OTC derivatives.

## **Other Risks**

### Excessive Trading

Investment in a Fund is intended for medium to long-term purposes only. A Fund will take reasonable steps to seek to prevent short-term trading. Excessive short-term trading (or market timing) into and out of a Fund or other abusive trading practices may disrupt portfolio investment strategies and may increase expenses and adversely affect investment returns for all Shareholders, including medium to long-term Shareholders who do not generate these costs. The Company reserves the right to reject any application for Shares (including any conversion request) by any investor or group of investors for any reason without prior notice, including, in particular, if it believes that the trading activity would be disruptive to a Fund. For example, the Company may refuse to effect a subscription (or execute a conversion request) if the Investment Manager believes it would be unable to invest the money effectively in accordance with the relevant Fund's investment policies or the Fund would otherwise be adversely affected due to the size of the transaction, frequency of trading or other factors.

The trading history of accounts under common ownership or control may be considered in enforcing these policies. Transactions placed through the same financial intermediary on an omnibus basis may be deemed a part of a group for purposes of this policy and may be rejected in whole or in part by a Fund.

Transactions accepted by a financial intermediary in violation of the Company's excessive trading policy are not deemed accepted by the Company and may be cancelled or revoked by the Company on the next Business Day following receipt.

Investors should be aware that there are practical restraints both in determining the policy which is appropriate in the interests of medium to long term investors and in applying and enforcing such policy. For example, the ability to identify and prevent covert trading practices or short-term trading where investors act through omnibus accounts is limited. Also, investors such as fund of funds and asset allocation funds will change the proportion of their assets invested in the Company or in a Fund in accordance with their own investment mandate or investment strategies. The Company will seek to balance the interests of such investors in a way that is consistent with the interests of medium to long-

term investors but no assurance can be given that the Company will succeed in doing so in all circumstances. For example, it is not always possible to identify or reasonably detect excess trading that may be facilitated by financial intermediaries or made difficult to identify by the use of omnibus accounts by those intermediaries.

The Company, where possible from the reports provided by the Administrator to assist in the analysis, will endeavour to monitor "round trips." A "round trip" is a redemption or conversion out of a Fund (by any means) followed by a purchase or conversion back into the Fund (by any means). The Company may limit the number of round trips carried out by a Shareholder.

#### Cyber Security Risk

Like other business enterprises, the use of the internet and other electronic media and technology exposes the Company, the Company's service providers, and their respective operations, to potential risks from cyber-security attacks or incidents (collectively, "cyber-events"). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact the Company and the Shareholders and cause the Fund to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures. A cyber-event may cause the Company, the Fund, or the Company's service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of the Fund or allow Shareholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Company and the Company's service providers. In addition, cyber-events affecting issuers in which the Fund invests could cause the Fund's investments to lose value.

#### **Policy on Side Letters**

The Investment Manager may enter into agreements (sometimes referred to as "side letters") with certain prospective or existing Shareholders whereby such Shareholders may be subject to terms and conditions that are different or more advantageous than those set forth in this Prospectus. Specifically, such terms and conditions may provide for a reduction or rebate in the investment management fee payable to the Investment Manager, the right to receive reports from the Investment Manager on a more frequent basis or that include information not provided to other Shareholders (for example, more detailed information regarding portfolio positions than the information included in the Company's financial statements) and such other rights as may be negotiated by the Investment Manager and such Shareholders (e.g., waiver of minimum investment requirements, "key man" provisions and "most favoured nation" status). These modifications are solely at the discretion of the Investment Manager and may, among other things, be based on the size of the Shareholder's investment in a Fund, the regulatory status of the Shareholder, an agreement by the Shareholder to maintain an investment in a Fund for a significant period of time or other similar commitment to the Fund, or based on the overall relationship between the Shareholder and the Investment Manager.

### **FEES AND EXPENSES**

#### **General**

A Fund shall pay all of its expenses and its allocable share of any expenses incurred by the Company. These expenses may include the costs of: (i) maintaining the Company and the Fund and registering the Company, the relevant Fund and the Shares with any governmental or regulatory authority or with any stock exchange; (ii) management, administration, depositary, compliance and related services; (iii) preparation, printing and posting of prospectuses, sales literature and reports to Shareholders, the Central Bank and other governmental agencies; (iv) marketing expenses; (v) taxes; (vi) commissions and brokerage fees; (vii) expenses incurred in connection with the acquisition and disposal of the assets of the Company; (viii) auditing, tax, compliance, director and legal fees (including expenses arising in respect of legal or administrative proceedings); (ix) insurance premiums; (x) fees and expenses of paying agents, local representatives and similar agents, such fees and expenses to be charged at normal commercial rates; (xi) listing fee, if applicable; and (xii) other operating expenses. For the avoidance of doubt, all fees and expenses referred to in this section of the Prospectus are exclusive of VAT or any other similar ad valorem sales tax which may be payable.

Where the Company invests in another collective investment scheme which is managed by the Investment Manager or its affiliates, the underlying collective investment scheme shall waive any

subscription, conversion or redemption fees which it would normally charge. Where a commission is received by the Investment Manager or its affiliates by virtue of a Fund's investment in an underlying collective investment scheme, this commission shall be paid into the assets of a Fund.

The cost of establishing a Fund, obtaining authorisation from any authority (including, but not limited to, the Central Bank), filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of legal counsel and other professionals involved in the establishment and initial offering of a Fund, have been charged to the relevant Fund and are being amortised over the first five years of the Fund's operation on such terms and in such manner as the Directors may in their discretion determine.

The Articles of Association provide that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. The aggregate amount of Directors' annual remuneration will not exceed \$100,000. Employees, partners and officers of the Investment Manager and its affiliates shall not be entitled to receive a director's fee. The Directors (who are also either employees, partners or officers of the Investment Manager) shall be entitled to be reimbursed by the Company for all reasonable disbursements and out-of-pocket expenses incurred by them, if any.

### **Investment Management Fee**

In respect of the Class A Shares of the Shenkman Global Convertible Bond Fund, the Investment Manager shall be entitled to receive, out of the assets of that Fund, an investment management fee accrued at each Dealing Day and payable monthly in arrears, of up to 1.00 per cent per annum of the Net Asset Value of the Fund.

In respect of the Class B Shares of the Shenkman Global Convertible Bond Fund, the Investment Manager shall be entitled to receive, out of the assets of that Fund, an investment management fee accrued at each Dealing Day and payable monthly in arrears, of up to 1.50 per cent per annum of the Net Asset Value of the Fund.

In respect of the Class A Shares of the Shenkman Global High Yield Bond Fund, the Investment Manager shall be entitled to receive, out of the assets of that Fund, an investment management fee accrued at each Dealing Day and payable monthly in arrears, of up to 1.00 per cent per annum of the Net Asset Value of the Fund.

In respect of the Class B Shares of the Shenkman Global High Yield Bond Fund, the Investment Manager shall be entitled to receive, out of the assets of that Fund, an investment management fee accrued at each Dealing Day and payable monthly in arrears, of up to 1.50 per cent per annum of the Net Asset Value of the Fund.

The Investment Manager shall be responsible for discharging out of its investment management fee, the fees payable to any Distributor appointed by the Investment Manager.

The Investment Manager shall be entitled to be reimbursed by the Company, on demand, for all reasonable disbursements and out-of-pocket expenses incurred by them, if any.

### **Administrator's Fee**

The Administrator shall be entitled to receive, out of the assets of each Fund, an administration fee accrued at each Dealing Day and payable monthly in arrears, ranging from 0.005 per cent to 0.0225 per cent per annum of the Net Asset Value of each Fund, subject to a minimum fee of \$50,000 per annum per Fund. The Administrator is also entitled to reimbursement of all reasonable disbursements and out-of-pocket expenses incurred in the performance of the Administrator's duties under the Administration Agreement, provided that the Company has given its prior written consent to incur that specific expense or disbursement. The Administrator shall also be entitled to receive a transfer agency fee of 0.0075 per cent per annum of the Net Asset Value of each Fund and to other such fees arising in respect of dealings in a Fund, such fees to be charged at normal commercial rates.

### **Depositary's Fee**

The Depositary shall be entitled to receive, out of the assets of each Fund, a depositary fee ranging from 0.00345 per cent to 0.014375 per cent per annum of the Net Asset Value of each Fund, subject to a minimum fee of \$23,000 per annum per Fund, and to certain transaction charges which shall be charged at normal commercial rates. Such fees shall accrue at each Dealing Day and are payable monthly in arrears.

The Depositary shall disburse out of its own fee all sub-custodian charges arising in respect of the Company. The Depositary is entitled to reimbursement of all reasonable disbursements and out-of-pocket expenses incurred in the performance of the Depositary's duties under the Depositary Agreement subject to the prior written approval of the Company in each case.

### **Distributors' Fees**

The Company or its agents may employ the services of one or more Distributors. Where the fees and expenses of a Distributor are payable out of the assets of the Company, such fees and expenses shall be discharged out of the subscription or redemption fee which the Company receives from the relevant Shareholder and shall not exceed 3 per cent of the subscription amount. Such fees shall be in accordance with normal commercial rates. Subject to the approval of the Company, the Investment Manager may appoint one or more Distributors and such Distributors' fees shall be paid out of the Investment Manager's fee.

### **Total Expense Ratio**

The Investment Manager may voluntarily agree to cap the total annual fees and expenses for a particular Fund, or for any particular class of Shares in a Fund, at such amount as shall be specified in the key investor information document and/or the financial statements of the Company from time to time. This fixed rate will cover all costs and expenses connected with the management and operating activities of the relevant Fund, including investment management fees, administration, registration, transfer agency, custody and trustee fees, and other operating expenses, but excluding such non-recurring and extraordinary or exceptional costs and expenses (if any) as may arise from time to time and withholding taxes that may be deducted from interest and dividend payments to the relevant Fund, stamp duties or other documentary transfer taxes, or similar duties and investment expenses arising with respect to the purchase or sale of securities by the relevant Fund. The Investment Manager will absorb (directly or by way of a refund to the relevant Fund) any difference that may arise between the actual cost of operations of the relevant Fund and the fixed fee.

### **Anti-Dilution Levy**

The Investment Manager may, at its sole discretion and giving consideration to prevailing market conditions, make an adjustment to the subscription and/or redemption price of Shares to account for the actual cost of purchasing or selling assets due to duties and charges being applied and spreads between the buying and selling price of assets which would otherwise have an adverse effect on the value of a Fund (an "Anti-Dilution Levy"). To mitigate the effects of this dilution, the Investment Manager may, at its discretion and based on objective criteria, charge an Anti-Dilution Levy to the subscription and/or redemption price of Shares on any Dealing Day where there have been net subscriptions/redemptions by adding/deducting therefrom such a figure as the Investment Manager considers appropriate to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund. Any amount added to a subscription price or deducted from a redemption price will be paid into the assets of the relevant Fund.

## **ADMINISTRATION OF THE COMPANY**

### **Determination of Net Asset Value**

The Administrator shall determine the Net Asset Value per Share of each class, on each Dealing Day at the Valuation Point on the basis set forth below and in accordance with the Articles.

The Net Asset Value per Share of a Fund shall be the value of the gross assets attributable to the relevant Fund less all of the liabilities attributable to that Fund (including such provisions as the Administrator considers appropriate (subject to the supervision of the Directors) in respect of the costs and expenses payable in relation to the Fund) divided by the number of Shares of the Fund outstanding as of the Dealing Day.

The Net Asset Value of each class shall be determined by establishing the proportion of the assets of the class as at the most recent Net Asset Value calculation or the close of the Initial Offer Period in the case of an initial offer of a class, adjusted to take account of any subscription orders (after deduction of any redemption orders) and by allocating relevant Class Expenses (as defined below) and fees to the class and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net Asset Value accordingly. The Net Asset Value per Share of a class shall be calculated by dividing the Net Asset Value of the class by the number of Shares in issue in that class. Expenses or fees or charges not attributable to a particular class may be allocated amongst the classes based on their respective Net Asset Value or any other reasonable basis determined by the Company in consultation with the Administrator and approved by the Depositary having taken into account the



nature of the fees and charges. Class Expenses and fees relating specifically to a class will be charged to that class. In the event that classes are priced in a currency other than the Base Currency, currency conversion costs will be borne by that class.

“Class Expenses” means the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlement system, and all other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Prospectus. The cost of converting currency and the costs and gains/losses of class specific hedging transactions (if any) are borne solely by the relevant class.

The Net Asset Value per Share shall be rounded upwards or downwards as appropriate to the nearest four decimal places.

In determining the value of the assets of a Fund on each Dealing Day, investments listed, traded or dealt in on a Regulated Market for which market quotations are readily available shall be valued at the last traded price on the relevant Regulated Market at the Valuation Point on the relevant Dealing Day. The value of the investment listed, traded or dealt in on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange may be valued, taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary must ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security. If the investment is normally listed, traded or dealt in on or under the rules of more than one Regulated Market, the relevant Regulated Market shall be that which constitutes the main market for the investment. If prices for an investment listed, traded or dealt in on the relevant Regulated Market are not available at the relevant time or are unrepresentative such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by a competent professional person, which may be the Investment Manager, appointed by the Directors and approved for such purpose by the Depositary. Neither the Investment Manager, nor the Administrator, shall be under any liability if a price reasonably believed by them to be the last traded for the time being may be found not to be such.

Fixed income securities shall be valued at the closing bid price at the Valuation Point on the relevant Dealing Day. Neither the Investment Manager, nor the Administrator, shall be under any liability if a price reasonably believed by them to be the closing bid price for the time being may be found not to be such.

Units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available net asset value per unit/share as published by the collective investment scheme.

In the case of unlisted securities or any assets traded on a Regulated Market, but in respect of which a price or quotation is not available at the time of valuation which would provide a fair valuation, the value of such asset shall be estimated with care and in good faith by a competent person selected by the Directors and approved for the purpose by the Depositary and such value shall be determined on the basis of the probable realisation value of the investment.

Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Directors any adjustment should be made to reflect the fair value thereof.

Exchange-traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange-traded derivative instrument is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent person, which may be the Investment Manager, appointed by the Directors and approved for the purpose by the Depositary. The counterparty to derivative instruments not traded on an exchange must be prepared to close out the transaction at the request of the Company at fair value. The Company may choose to value over the counter derivatives using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Company or by an independent pricing vendor. The Company must value over the counter derivatives on a daily basis. Where the Company uses a counterparty valuation, the counterparty must be prepared to value the contract, at least daily. Where the Company values over the counter derivatives using an alternative valuation the Company must follow international best practice and will adhere to the principles on the valuation of over the counter instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Directors and approved for the purpose by the Depositary or a valuation by any other means provided that the value is approved by the Depositary. The alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Company values over the counter derivatives using the counterparty valuation the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty. The independent verification must be carried out at least

weekly. Forward foreign exchange contracts shall be valued by reference to freely available market quotations as of the close of business on the Dealing Day.

The amortised cost method of valuation of money market instruments may only be used if a Fund complies with the Central Bank's requirements for money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines.

The Directors, with the approval of the Depositary, may adjust the value of a specific security where such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above or if such valuation is not representative of an asset's fair market value, a competent person appointed by the Directors and approved for the purpose by the Depositary in consultation with the Investment Manager is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary.

### **Application for Shares**

Applicants may be required to confirm that the Shares are not being acquired either directly or indirectly by or on behalf of any U.S. Person (other than a U.S. person that is an "accredited investor" as defined in Rule 501(a) of Regulation D under the 1933 Act and a "qualified purchaser" within the meaning of Section 3(c)(7) of the 1940 Act) or on behalf of any person in any other jurisdiction that would be restricted or prohibited from acquiring Shares and that the investor will not sell, transfer, or otherwise dispose of any such Shares, directly or indirectly, to or for the account of any such person or in the U.S. or to or for the account of any person in such jurisdiction to whom it is unlawful to make such an offer or solicitation. Please see the section entitled "Selling Restrictions" on pages (ii) and (iii) for further information.

Application forms for Shares may be obtained from the Administrator. Eligible investors who have forwarded the completed application form and provided satisfactory proof of identification to the Administrator before the Trade Cut-Off Time will be entitled to purchase Shares.

Once an application for Shares has been received by the Administrator, it is irrevocable and binding on the investor. An application for Shares may be cancelled or modified only at the discretion of the Company having received a written request for cancellation or modification from the relevant investor prior to the Trade Cut-Off Time. Any application received by the Administrator after the Trade Cut-Off Time shall be held in abeyance and shall be effective on the next succeeding Dealing Day. However, the Company may, in exceptional circumstances (as determined by the Directors), decide to accept an application received by the Administrator after the Trade Cut-Off Time but before the Valuation Point.

Before subscribing for Shares an investor will be required to complete a declaration (included in the application form) as to the investor's tax residency or status in the form prescribed by the Revenue Commissioners or any other jurisdiction that requires such declaration.

Initial subscriptions may be made by way of signed original application form, faxed application form or other method as agreed between the Company and the Administrator from time to time, provided that, in all cases, the signed original application form and all supporting anti-money laundering documentation must be promptly received. No redemption payments may be made until the original application form and all original anti-money laundering documentation has been received from the investor and all anti-money laundering procedures have been carried out to the satisfaction of the Company and its delegates.

Subscriptions for Shares must be made in the named currency of the Class. However, in exceptional circumstances and by prior agreement with the Administrator and the Company, subscriptions may be made in a currency that is not the named currency of the Class but will be converted into the named currency of the Class at the rate of exchange available to the Administrator and the costs of conversion shall be deducted from the subscription monies which will then be invested in Shares.

Investors should transmit cleared funds representing the subscription monies for initial or subsequent applications for Shares by wire instructions to the relevant accounts set out in the application form so that the monies are received in the Company's account by the Administrator on or before the relevant Settlement Date. If payment for subscription orders is not received on or before the relevant Settlement Date, a subscription may be cancelled or the investor may be charged interest on the outstanding subscription monies at normal commercial rates. In such an event, the individual investor will be held liable for any costs to the Fund or Company. However, the Company may, in exceptional circumstances

(as determined by the Directors), decide to accept an application received by the Administrator after the Settlement Date but before the Net Asset Value per Share is calculated. In certain circumstances, the Company may deem it appropriate to require that cleared funds representing the subscription monies are received in the Company's account by the Administrator by the Trade Cut-Off Time. In circumstances where cleared funds representing the subscription monies are required to be paid by the Trade Cut-Off Time, investors will be notified of this requirement by the Company.

The Company may issue fractional shares rounded to four decimal places. Fractional shares shall not carry any voting rights.

The Company reserves the right to reject an application for Shares.

Applications for Shares by in specie transfer may be made by agreement with the Investment Manager on a case-by-case basis and subject to the approval of the Depositary. The Depositary must be satisfied that there is unlikely to be any material prejudice to the existing Shareholders of the Company. In such cases, the Company shall issue Shares in exchange for investments which the Company may acquire in accordance with its investment objectives, policies and restrictions and may hold or sell, dispose of or otherwise convert such securities into cash. No Shares shall be issued until the investments are vested in the Depositary or its nominee. The value of the Shares to be issued shall be calculated on the same basis as the valuation of Shares to be issued for cash.

### **Anti-Money Laundering Procedures**

The Administrator reserves the right, working in conjunction with the designated anti-money laundering reporting officer to reject any application for Shares or to request further details or evidence of identity from an applicant for, or transferee of, Shares or a Shareholder. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within 14 days of the date of such application without interest.

Each Shareholder must notify the Administrator in writing of any change in the information contained in the application form and furnish the Administrator with whatever additional documents relating to such change as it may request. The Administrator will not act upon any such changes unless and until it has received such notification and (where applicable) such additional documents in original form.

Measures aimed at the prevention of money laundering may require an applicant or Shareholder to provide verification of identity to the Administrator.

The Administrator, working in conjunction with the designated anti-money laundering reporting officer of the Company, will notify applicants and Shareholders if additional proof of identity is required. By way of example, an individual may be required to produce a copy of a passport or identification card together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), bye-laws, memorandum and articles of association (or equivalent) and the names and addresses of all directors and beneficial owners.

Redemption proceeds and distributions cannot be released until the signed original application form and all original documents in connection with the obligation to prevent money laundering have been received by the Administrator and all anti-money laundering procedures have been completed satisfactorily. It is acknowledged that the Company, the Administrator and the Investment Manager shall be held harmless by the Shareholder against any loss arising as a result of the failure to process a redemption request if such information as has been requested by the Administrator has not been provided by the Shareholder.

### **Subsequent Subscriptions**

Subsequent subscriptions (*i.e.*, subsequent to an initial subscription for Shares within a Fund) may be made by submitting a written instruction to the Administrator by the Trade Cut-Off Time in writing, by fax or such other means as are in accordance with the requirements of the Central Bank and agreed between the Company and Administrator from time to time. Subscription requests received subsequent to the Trade Cut-Off Time shall be effective on the next succeeding Dealing Day. However, the Company may, in exceptional circumstances (as determined by the Directors), decide to accept a subscription request received by the Administrator after the Trade Cut-Off Time, but before the Valuation Point.

Subsequent faxed subscription requests may be processed without a requirement to submit original documentation.

Investors should transmit cleared funds representing the subscription monies for subsequent

applications for Shares by wire instructions to the relevant accounts set out in the application form so that the monies are received in the Company's account by the Administrator on or before the relevant Settlement Date. If payment for subscription orders is not received on or before the relevant Settlement Date, a subscription may be cancelled or the investor may be charged interest on the outstanding subscription monies at normal commercial rates. In such an event, the individual investor will be held liable for any costs to the Fund or Company. In certain circumstances, the Company may deem it appropriate to require that cleared funds representing the subscription monies are received in the Company's account by the Administrator by the Trade Cut-Off Time. In circumstances where cleared funds representing the subscription monies are required to be paid by the Trade Cut-Off Time, investors will be notified of this requirement by the Company.

Amendments to a Shareholder's registration details and payment instruction will only be effected on receipt of original documentation.

### **Subscription Price**

During the Initial Offer Period, the initial subscription price per Share of a Fund shall be the Initial Offer Price. Thereafter, the subscription price per Share shall be the Net Asset Value per Share determined on the relevant Dealing Day.

Shares will be issued at the Net Asset Value per Share as determined on the Dealing Day on which the Share is deemed to be issued.

### **Subscription Fee**

The Company does not intend to charge a subscription fee.

### **Written Confirmations of Ownership**

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all issues, redemptions, conversions and transfers of Shares will be recorded. Written confirmations of ownership will be issued in relation to the Shares. Shares shall be in registered form. The Administrator shall not issue a Share certificate in respect of Shares. A Share may be registered in a single name or in up to four joint names. The register of Shareholders shall be available for inspection upon reasonable notice at the registered office of the Company during normal business hours where a Shareholder may inspect only his entry on the register.

### **Redemption Requests**

Shares may be redeemed on a Dealing Day by submitting a signed redemption form to the Administrator by the Trade Cut-Off Time. The redemption request may be in writing, by fax or such other means, for example, electronically, in accordance with the requirements of the Central Bank.

In the case of redemption requests, payment will only be made to the account of record, provided that payment instructions may be amended upon the receipt of electronic instructions or original documentation, and only where the account has been deemed to be in good order by the Administrator.

Redemption requests received subsequent to the Trade Cut-Off Time shall be effective on the next succeeding Dealing Day. However, the Company may, in exceptional circumstances (as determined by the Directors) decide to accept a redemption request received by the Administrator after the Trade Cut-Off Time but before the Valuation Point.

If redemption requests on any Dealing Day exceed 10 per cent or more of the Net Asset Value of any Fund on any Dealing Day, the Directors may elect to restrict the total value of Shares in such Fund redeemed to 10 per cent or more of the Fund's Net Asset Value, in which case, requests will be scaled down pro rata and the balance will be redeemed on the next Dealing Day. If requests for redemption are so carried forward, the Directors will ensure that the Shareholders affected thereby are promptly informed.

### **Redemption Price**

Shares shall be redeemed at the applicable Net Asset Value per Share determined on the Dealing Day on which the redemption is effected.

All payments of redemption monies shall normally be made within 3 Business Days but in any event within 10 Business Days of the Trade Cut-Off Time. The redemption proceeds shall be sent by wire transfer at the Shareholder's expense to the Shareholder's bank account, details of which shall be set out by the Shareholder to the Administrator in the application form. Redemption proceeds cannot be

released until the signed original application form and all documents required in connection with the obligation to prevent money laundering have been received by the Administrator and all anti-money laundering procedures have been completed satisfactorily. Redemption proceeds shall typically be paid in the base currency of the relevant class of Shares. However, upon the request of the Shareholder and at the Shareholders' expense, the Company may at its discretion pay the equivalent amount of redemption proceeds in a different currency.

At the discretion of the Company and with the consent of the Shareholder making such redemption request, assets may be transferred to a Shareholder in satisfaction of the redemption monies payable on the redemption of Shares, provided that such distribution is equitable and not prejudicial to the interests of the remaining Shareholders. The allocation of such assets shall be subject to the approval of the Depositary. Where a redemption request represents 5 per cent or more of the Shares of a Fund, the Company may satisfy the redemption request by the transfer of assets in specie to the Shareholder without the Shareholder's consent. At the request of the Shareholder making such redemption request such assets may be sold by the Company and the proceeds of sale shall be transmitted to the Shareholder. The transaction costs incurred in the sale of the assets will be payable by the Shareholder.

### **Redemption Fee**

The Company does not intend to charge a redemption fee.

### **Mandatory Redemption of Shares**

If a redemption causes a Shareholder's holding in the Company to fall below the Minimum Holding, the Company may redeem the whole of that Shareholder's holding. Before doing so, the Company shall notify the Shareholder in writing and allow the Shareholder 30 days to purchase additional Shares to meet the minimum requirement.

Shareholders are required to notify the Administrator immediately in the event that they become U.S. Persons. Shareholders who become U.S. Persons may be required to dispose of their Shares on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares. The Company reserves the right to redeem or require the transfer of any Shares which are or become owned, directly or indirectly, by a U.S. Person or other person if the holding of the Shares by such person is unlawful or, in the opinion of the Directors, the holding might result in the Company, a Fund or the Shareholders as a whole incurring any liability to taxation or suffering pecuniary or material administrative disadvantage which the Company, the Fund or the Shareholders as a whole might not otherwise suffer or incur including, without limitation, U.S. securities law.

### **Abusive Trading Practices**

The Company generally encourages shareholders to invest in the Fund as part of a long-term investment strategy. The Company discourages excessive, short-term trading and other abusive trading practices. Such activities, sometimes referred to as "market timing," may have a detrimental effect on the Funds and their Shareholders. For example, depending upon various factors (such as the size of a Fund and the amount of its assets maintained in cash), short-term or excessive trading by Fund shareholders may interfere with the efficient management of the Fund's portfolio. This could lead to increased transaction costs and taxes, and may harm the performance of the Fund and its Shareholders.

The Company seeks to deter and prevent abusive trading practices, and to reduce these risks, through several methods. First, to the extent that there is a delay between a change in the value of the Fund's portfolio holdings and the time when that change is reflected in the Net Asset Value of the Fund's Shares, the Fund is exposed to a risk. The risk is that investors may seek to exploit this delay by purchasing or redeeming Shares at Net Asset Values that do not reflect appropriate fair value prices. The Company seeks to deter and prevent this activity, sometimes referred to as "stale price arbitrage," by the appropriate use of "fair value" pricing of the Fund's portfolio securities. See "Determination of Net Asset Value" above for more information.

Second, the Company seeks to monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices. The Company reserves the right to restrict or refuse any purchase or exchange transaction if, in the judgment of the Company, the transaction may adversely affect the interests of a Fund or its Shareholders. If an application is rejected, the Administrator, at the risk of the applicant, will return the application monies or the balance thereof within 5 Business Days of the rejection, at the cost and risk of the applicant and without interest, by bank transfer to the account from which it was paid. Among other things, the Company may monitor for any patterns of frequent purchases and sales that appear to be made in response to short-term fluctuations in Share price.

Notice of any restrictions or rejections of transactions may vary according to the particular circumstances.

Although the Company and its service providers seek to use these methods to detect and prevent abusive trading activities, there can be no assurances that such activities can be mitigated or eliminated. By their nature, omnibus accounts, in which purchases and sales of Shares in a Fund by multiple investors are aggregated for presentation to the Fund on a net basis, conceal the identity of the individual investors from the Fund. This makes it more difficult for the Fund to identify short-term transactions in the Funds.

### **Transfer of Shares**

All transfers of Shares shall be effected by a transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee, together with the account number and the ISIN code of the transferor, where applicable. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the transferee and the original form must be submitted to the Administrator. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. Where the transferee is not an existing Shareholder, the transferee must complete an application form and comply with the relevant anti-money laundering procedures. The Directors may decline to register any transfer of Shares if, in consequence of such transfer, the transferor or transferee would hold less than the Minimum Holding, or would otherwise infringe the restrictions on holding Shares outlined above. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any calendar year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

### **Withholdings and Deductions**

The Company may be required to account for tax on the value of the Shares redeemed or transferred at the applicable rate unless it has received from the redeemer or transferor a declaration in the prescribed form confirming that the Shareholder is not Irish Resident in respect of whom it is necessary to deduct tax. The Company reserves the right to redeem such number of Shares held by a redeemer or transferor as may be necessary to discharge the tax liability arising therefrom. The Company reserves the right to refuse to register a transfer of Shares or to implement a redemption request until it receives a declaration as to the redeemer's, transferor's or transferee's (as appropriate) residency or status in the form prescribed by the Revenue Commissioners.

### **Conversion of Shares**

With the consent of the Directors, a Shareholder may convert Shares of one Fund into Shares of another Fund on giving notice to the Administrator in such form as the Administrator may require, provided that the shareholding satisfies the minimum investment criteria and provided that the original application is received within the time limits specified above in the case of subscriptions. Conversion is not intended to facilitate short-term or excessive trading. The conversion is effected by arranging for the redemption of Shares of one Fund and subscribing for the Shares of the other Fund with the proceeds.

Conversion will take place in accordance with the following formula:

$$NS = \frac{A \times (B - [TC]) \times C}{D}$$

where:

- NS = the number of Shares which will be issued in the new Fund;
- A = the number of the Shares to be converted;
- B = the redemption price of the Shares to be converted;
- C = the currency conversion factor (if any) as determined by the Directors;
- D = the issue price of Shares in the new Fund on the relevant Dealing Day; and

TC = the transaction charge (redemption charge, preliminary charge) incurred in connection with the proposed transaction, which shall not in any event exceed 5 per cent of the Net Asset Value per Share.

If NS is not an integral number of Shares the Directors reserve the right to issue fractional Shares in the new Fund or to return the surplus arising to the Shareholder seeking to convert the Shares.

The length of time for completion of a conversion will vary depending on the Funds involved and the time when the conversion is initiated. In general, the length of time for completion of a conversion will depend upon the time required to obtain payment of redemption proceeds from a Fund whose Shares are being acquired. As the conversion of Shares requires the consent of the Directors, once a request is made the need for such consent may result in Shares being converted on a Dealing Day subsequent to the Dealing Day on which the Shareholder initially wished to have the Shares converted.

### **Umbrella Cash Accounts**

Cash account arrangements have been put in place in respect of the Company and the Funds as a consequence of the introduction of new requirements relating to the subscription, and/or redemption collection accounts pursuant to the Investor Money Regulations. The Investor Money Regulations took effect on 1 July 2016. The following is a description of how such cash account arrangements are expected to operate. These cash accounts are not subject to the protections of the Investor Money Regulations and instead will be subject to the guidance issued by the Central Bank from time to time in relation to umbrella cash accounts.

Investor Monies will be held in a single Umbrella Cash Account in respect of each currency in which a Class is denominated. The assets in the Umbrella Cash Account will be assets of the Company.

Subscription monies received by a Fund in advance of the issue of Shares will be held in an Umbrella Cash Account and will be treated as an asset of the relevant Fund. The subscribing investors will be unsecured creditors of the relevant Fund with respect to their subscription monies until Shares are issued to them on the relevant Dealing Day. The subscribing investors will be exposed to the credit risk of the institution at which the relevant Umbrella Cash Account has been opened. Such investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights in respect of the subscription monies (including dividend entitlements) until such time as the Shares are issued on the relevant Dealing Day.

Redeeming investors will cease to be Shareholders of the redeemed Shares from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant investors, be held in the Umbrella Cash Account. Redeeming investors and investors entitled to dividend payments held in the Umbrella Cash Account will be unsecured creditors of the relevant Fund with respect to those monies. Where the redemption and dividend payments cannot be transferred to the relevant investors, for example, where the investors have failed to supply such information as is required to allow the Company to comply with its obligations under applicable anti-money laundering and counter-terrorism legislation, the redemption and dividend payments may be retained in the Umbrella Cash Account and investors should address the outstanding issues promptly. Redeeming investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

For information on the risks associated with Umbrella Cash Accounts, see "Risks Associated with Umbrella Cash Accounts" in the section of the Prospectus entitled "Certain Risk Factors and Investment Considerations".

### **Disclosure of Portfolio Information**

Information on the underlying investments in a Fund including sector and geographic allocation, is available to all Shareholders. Shareholders should contact the Investment Manager to request this information. There will be an appropriate time-lag between the purchase/sale of a Fund's investments and the time at which the information is made available. Please see the section entitled "Policy on Side Letters".

### **Publication of the Price of the Shares**

Except where the determination of the Net Asset Value has been temporarily suspended in the circumstances described below, the Net Asset Value per Share shall be made public at the office of the Administrator on each Dealing Day. In addition, the Net Asset Value per Share shall be published on the Business Day immediately succeeding each Dealing Day on the internet address [www.bloomberg.com](http://www.bloomberg.com) and upon notice to Shareholders such other medium as agreed upon from time to

time between the Investment Manager and the Administrator. Such information shall relate to the Net Asset Value per Share for the previous Dealing Day and is published for information purposes only. It is not an invitation to subscribe for, redeem or convert Shares at that Net Asset Value per Share.

### **Temporary Suspension of Valuation of the Shares and of Sales and Redemptions**

The Company may temporarily suspend the determination of the Net Asset Value and the sale, conversion, transfer or redemption of Shares in the Company or a Fund during:

- (i) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Fund's investments, or when trading thereon is restricted or suspended;
- (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the Company;
- (iii) any period during which disposal or valuation of investments which constitute a substantial portion of the assets of a Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;
- (iv) any period when for any reason the prices of any investments of the Fund cannot be reasonably, promptly or accurately ascertained by the Administrator;
- (v) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of the Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (vi) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from the Fund's account;
- (vii) upon the service on the Shareholders of a notice to consider a resolution to wind up the Company or close the Fund;
- (viii) upon the occurrence of an event causing the Company to enter into liquidation; or
- (ix) during any period when the Directors consider it to be in the interests of the Company or the Fund.

A suspension of redemptions may be made at any time prior to the payment of the redemption monies and the removal of the details of the relevant Shares from the register of Shareholders. A suspension of subscriptions may be made at any time prior to the entry of the details of the relevant Shares on the register of Shareholders.

Any such suspension shall be notified immediately to the Central Bank. Where possible, all reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

### **Data Protection Notice**

Prospective investors should note that by completing the application form they are providing personal information, which may constitute personal data within the meaning of the Irish Data Protection Act, 1988, as amended by the Data Protection (Amendment) Act, 2003 (the "Data Protection Legislation"). Data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Company, its delegates and agents. By signing the application form, prospective investors acknowledge that they are providing their consent to the Company, its delegates and agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- to manage and administer the investor's holding in the Company and any related accounts on an ongoing basis;
- for any other specific purposes where the investor has given specific consent;
- to carry out statistical analysis and market research;
- to comply with legal and regulatory obligations applicable to the investor and/or the Company;



- for disclosure or transfer, whether in Ireland or countries outside Ireland or the EEA, including, without limitation, the U.S., which may not have the same data protection laws as Ireland, to third parties, including financial advisers, regulatory bodies, auditors and technology providers or to the Company, its delegates and agents and any of their respective related, associated or affiliated companies for the purposes specified above; or
- for other legitimate business interests of the Company.

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

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

#### *Common Reporting Standard*

In particular, in order to comply with the Common Reporting Standard (as implemented in Ireland by Section 891E, Section 891F and Section 891G of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections), an investor's personal data (including financial information) may be shared with the Irish tax authorities, the Revenue Commissioners. They, in turn, may exchange information (including personal data and financial information) with foreign tax authorities (including foreign tax authorities located outside the EEA). Please consult the AEOI (Automatic Exchange of Information) webpage on [www.revenue.ie](http://www.revenue.ie) for further information in this regard.

#### *Foreign Account Tax Compliance Act*

In addition to the above, by signing the application form, prospective investors acknowledge and accept that the Company and/or the Administrator, for purposes of FATCA compliance, may be required to disclose personal data relating to U.S. Reportable Persons to the IRS.

## MANAGEMENT AND ADMINISTRATION

### **The Board of Directors**

The Board of Directors is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator, the Investment Manager and other parties, subject to supervision and direction by the Directors and provided that the delegation does not prevent the Company from being managed in the best interests of its Shareholders. The conduct of the Company's business shall be decided by at least two of the Directors.

The Directors and their principal occupations are set forth below. The address of the Directors is the registered office of the Company.

#### ***Mark R. Shenkman***

Mr. Shenkman is the President and Co-Chief Investment Officer of the Investment Manager. Mr. Shenkman founded the Investment Manager in July 1985 and oversees the entire investment/portfolio management process. From April 1983 until July 1985, Mr. Shenkman was the President and Chief Investment Officer of First Investors Asset Management Co. From July 1979 through April 1983, he was Co-Manager and Vice President of the High Yield Bond Department for Lehman Brothers Kuhn Loeb. He served in various capacities as a portfolio manager and research analyst for Fidelity Management and Research Company from October 1973 until June 1979, including managing the first high yield bond mutual fund from 1977 to 1979.

Mr. Shenkman received a B.A. from the University of Connecticut (1965) and an M.B.A. from George Washington University (1967), Mr. Shenkman also received a Doctor of Humane Letters, *honoris causa*, from the University of Connecticut (2007).

#### ***Teddy Otto***

Mr. Otto is a Principal of Carne Global Financial Services Limited, a leading business advisor to global asset managers. Before joining Carne Global Financial Services Limited, Mr. Otto was employed by the

Allianz/Dresdner Bank group in Ireland for six years. During this time he acted as Head of Fund Operations, Head of Product Management and was appointed as a director of Allianz Global Investors' Irish management company and a range of Irish and Cayman-domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. Prior to that, he was employed with Bankgesellschaft Berlin where he worked in finance/treasury following his completion of a graduate trainee program. He holds a degree in business administration from Technische Universität Berlin.

### ***Yvonne Connolly***

Ms. Connolly is a Principal of Carne Global Financial Services Limited and has over twenty years' experience in financial services. Her specialist areas are corporate governance, product development, operations and financial reporting. Yvonne has assisted investment managers and service providers with various aspects of change management, operational development and corporate acquisitions. She also serves as a director for Irish management companies. Prior to joining Carne, Yvonne worked as an independent consultant to a number of banks in Dublin. Prior to this she was Vice President and Head of Operational Development at State Street International Ireland (formerly Deutsche Bank). She was a member of the senior management team reporting to the CEO and a key contributor to the overall strategy and direction of the business. She was also a director of a number of investment companies. Ms. Connolly trained as a chartered accountant with KPMG specialising in corporate taxation. She is a Fellow of the Institute of Chartered Accountants. She holds a Professional Diploma in Accounting from Dublin City University and a Bachelor of Education degree from St. Patrick's College of Education Dublin. Ms. Connolly is an Irish resident.

### ***Frank X. Whitley***

Mr. Whitley is the Vice Chairman and a Senior Advisor of the Investment Manager. Mr. Whitley joined the Investment Manager as a credit analyst in 1988, and from 1994 to 2014, Mr. Whitley held various senior portfolio management positions involving both high yield bonds and loans. From 1985 to 1988, he was a security analyst for Integrated Resources Asset Management. Mr. Whitley received a B.S. from Seton Hall University (1980) and an M.B.A. from Fordham University (1986).

### ***Kevin Molony***

Mr. Molony has broad and extensive experience in investment management, institutional stockbroking and management services having worked with leading international firms over his career. He currently provides independent directorship services to several international investment managers. Mr. Molony was Managing Director of Walkers Corporate Services (Dublin) Limited until that business was acquired in June 2012. From 1999 to 2009, he was a Director of Citigroup Global Markets where he was instrumental in establishing and building their Irish institutional broking business. His specific area of expertise at Citigroup was US and Latin American equities. Before joining Citigroup, he was an institutional stockbroker with Deutsche Bank. Mr. Molony began his career as a UK equity fund manager with Phillips & Drew Fund Managers, who were the leading institutional investment manager in London at the time. He later joined AIB Investment Managers as a Senior Portfolio Manager specialising in US equity funds. Mr. Molony received a BA in Economics from University College Dublin and a Professional Diploma in Corporate Governance from Smurfit Business School, Dublin.

The Company Secretary is Carne Global Financial Services Limited.

The Articles of Association do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The Articles of Association provide that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. However, a Director may vote 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 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 part.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate

these powers to the Investment Manager, subject to the requirements set out in the section above entitled "Borrowing."

### **The Investment Manager**

The Company has appointed Shenkman Capital Management, Inc. as the Investment Manager of the Company. The Investment Manager, the financial entity promoting the Company, was formed in 1985 and is a registered investment adviser regulated by the U.S. Securities and Exchange Commission. The Investment Manager focuses its investment management activities on non-investment grade companies and, as of 30 September 2016, managed over U.S. \$31 billion of high yield assets. Mark R. Shenkman is the founder, controlling shareholder, President and Co-Chief Investment Officer of the Investment Manager.

### **The Investment Management Agreement**

The Investment Management Agreement dated 30 June 2011 between the Company and the Investment Manager provides that the Investment Manager shall be responsible for the investment and reinvestment of the Company's assets. The Investment Management Agreement shall continue in force until terminated by any of the parties on 90 days' notice in writing to the other party. Notwithstanding the foregoing, either party may at any time terminate the Investment Management Agreement forthwith by notice in writing to the other party if at any time: (i) either party shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or be unable to pay its debts or commit any act of bankruptcy under the laws of Ireland or if a receiver is appointed over any of the assets of the other party or if some event having an equivalent effect occurs; or (ii) the Investment Manager ceases to be permitted to act as investment manager under any applicable laws; or (iii) either party commits any material breach of the Investment Management Agreement and shall not have remedied such breach (if capable of remedy) within 30 days of notice requiring the same to be remedied; or (iv) an examiner, administrator or similar person is appointed to either party.

The Company shall hold harmless and indemnify the Investment Manager its affiliates and their employees and directors against all actions, proceedings and claims and against all costs, demands, loss and expenses (including legal and professional fees) arising therefrom which may be brought against the Investment Manager by reason of its duties under the terms of the Investment Management Agreement other than as a result of the gross negligence, recklessness, wilful default, bad faith or fraud of the Investment Manager.

### **The Administrator**

Pursuant to the Administration Agreement, the Company has appointed BNY Mellon Fund Services (Ireland) DAC as the administrator of the Company with responsibility for performing the day-to-day administration of the Company, including the calculation of the Net Asset Value of the Funds and of the Shares, and related fund accounting services.

The Administrator is a private limited company incorporated in Ireland on 31 May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholders services to collective investment schemes and investment funds.

The Administration Agreement shall continue in force until terminated by either party on 90 days' notice to the other. The Administration Agreement may be terminated forthwith by either party by notice in writing if at any time the other party: (i) commits any material breach of the Administration Agreement which is either incapable of remedy or has not been remedied within 30 days of the other party serving notice in writing upon the defaulting party requiring it to remedy same; (ii) is unable to pay its debts as they fall due or otherwise become insolvent or enter into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iii) be the subject of any petition for the appointment of an examiner or similar officer to it; (iv) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (v) is the subject of an effective resolution for its winding up except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party; (vi) is the subject of a court order for its winding up.

The Administrator will be liable to the Company for losses suffered by it as a result of the Administrator's negligence, wilful default, recklessness, bad faith or fraud in the performance of its duties. The Administrator (and its shareholders, officers, directors, employees, servants or agents) shall be indemnified by the Company and held harmless from and against any and all actions, proceedings, claims, demands, liabilities, losses, damages, costs and reasonable expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or suffered or incurred by the Administrator or any of its shareholders, directors, officers,

servants, employees and agents arising out of or in connection with the performance of the Administrator's duties (otherwise than by reason of the negligence, wilful default, recklessness, bad faith or fraud of the Administrator in the performance of its duties).

### **The Depositary**

The Company has appointed BNY Mellon Trust Company (Ireland) Limited as depositary.

The Depositary is a private limited liability company incorporated in Ireland on 13 October 1994. The principal activity of the Depositary is to act as the depositary and trustee of collective investment schemes. The Depositary is authorised by the Central Bank under the Investment Intermediaries Act, 1995. The Depositary is a wholly-owned indirect subsidiary of BNY Mellon. The Depositary has been approved by the Central Bank to act as depositary for the Company.

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and each Fund in accordance with the provisions of the Central Bank Rules and the Directive. The Depositary will also provide cash monitoring services in respect of each Fund'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 of Association. The Depositary will carry out the instructions of the Company, unless they conflict with the UCITS Regulations or the Articles of Association. The Depositary is also obliged to enquire into the conduct of the Company in each financial year and report thereon to Shareholders.

The Depositary will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian, unless it can prove that loss was not as a result of the Depositary's negligent or intentional failure to perform its obligations and has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the UCITS Regulations.

The Depositary has power to delegate the whole or any part of its depositary functions, 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. The Depositary has delegated its safe-keeping duties in respect of financial instruments in custody to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon. The list of sub-delegates appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon is set out in Schedule V hereto. The use of particular sub-delegates will depend on the markets in which the Company invests. No conflicts arise as a result of such delegation.

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 by the Company on request.

The Depositary Agreement between the Company and the Depositary shall continue in force until terminated by either party on 90 days' notice in writing to the other party. Either party may terminate the Depositary Agreement at any time (i) if the other party goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the party who served notice of termination) or being unable to pay its debts within the meaning of Section 570 of the Companies Act or a receiver over any assets of the other party or an examiner is appointed to the other party or if some event having an equivalent effect occurs; (ii) the other party shall commit a material breach of the provisions of the Depositary Agreement which, if such breach is capable of remedy, shall not have been remedied within 30 days after the service of written notice requiring it to be remedied; or (iii) upon the occurrence of a force majeure event which is continuing for 14 days.

### **The Distributor**

Subject to the prior approval of the Company, the Investment Manager may appoint one or more Distributors and such Distributors' fees shall be paid out of the Investment Manager's fee.

### **Paying Agents and Local Representatives**

The Directors, the Investment Manager or their duly authorised delegates may appoint such paying agents and local representatives as may be required to facilitate the authorisation or registration of the Company and/or the marketing of any of its Shares in any jurisdictions.

Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary entity rather than directly to/from the Administrator or the Depositary (e.g. a sub-distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator or the Depositary for the account of a Fund and (b) redemption monies payable by such intermediate entity to the relevant investor. The fees of sub-distributors and paying agents will be borne by the relevant Fund and shall be at normal commercial rates.

## TAXATION

**The following is a general summary of the main Irish tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of Shares in the Company. It does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the Company would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.**

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and 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 will endure indefinitely.

### Taxation of the Company

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

#### *Chargeable Event*

However, Irish tax can arise on the happening of a “**chargeable event**” in the Company. A chargeable event includes any payments of distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the Company for a period of eight years or more. Where a chargeable event occurs, the Company is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland (“**Non-Irish Resident**”) and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to “**intermediary**” means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland (“**Irish Resident**”) or is

not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- 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 Revenue Commissioners; or
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking.

If the Company becomes liable to account for tax on a chargeable event, the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder as is 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.

#### *Deemed Disposals*

The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares in the Fund held by Shareholders who are Irish Resident and, who are not Exempt Irish Residents, as defined below, is 10 per cent or more of the Net Asset Value of a Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund as set out below. However, where the total value of Shares in the Fund held by such Shareholders is less than 10 per cent of the Net Asset Value of the Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves. Further details of this are set out below under the heading "Taxation of Irish Resident Shareholders."

#### *Irish Courts Service*

Where Shares are held by the Irish Courts Service the Company is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Court is applied to acquire Shares in the Company, the Courts Service assumes, in respect of the Shares acquired, the responsibilities of the Company to, *inter alia*, account for tax in respect of chargeable events and file returns.

#### **Exempt Irish Resident Shareholders**

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the Company is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Company is referred to herein as an "**Exempt Irish Resident**":

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;

- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) 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 of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;
- (l) the National Asset Management Agency;
- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (n) in certain circumstances, a company within the charge to corporation tax in respect of payments made to it by the Company; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

### **Taxation of Non-Irish Resident Shareholders**

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Shares in the Company which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self assessment system.

### **Taxation of Irish Resident Shareholders**

#### *Deduction of Tax*

Tax will be deducted and remitted to the Revenue Commissioners by the Company from any distributions made by the Company (other than on a disposal) to an Irish Resident Shareholder who is not an Exempt Irish Resident at the rate of 41 per cent.

Tax will also be deducted by the Company and remitted to the Revenue Commissioners from any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by such a

Shareholder at the rate of 41 per cent. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the Company is in possession of a relevant declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the Company from any distributions made by the Company to the Shareholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of shares by the Shareholder at the rate of 25 per cent.

#### *Deemed Disposals*

Tax will also be deducted by the Company and remitted to the Revenue Commissioners in respect of any deemed disposal where the total value of Shares in a Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is 10 per cent or more of the Net Asset Value of the Fund. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Shares in the Fund by such Shareholders. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, as described below where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41 per cent (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25 per cent). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Where the Company is obliged to account for tax on deemed disposals it is expected that the Company will elect to calculate any gain arising for Irish Resident Shareholders who are not Exempt Irish Residents by reference to the Net Asset Value of the relevant Fund on the later of the 30 June or 31 December prior to the date of the deemed disposal, in lieu of the value of the Shares on the relevant eighth year anniversary.

The Company may elect not to account for tax arising on a deemed disposal where the total value of Shares in the relevant Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is less than 10 per cent of the Net Asset Value of the Fund. In this case, such Shareholders will be obliged to account for the tax arising on the deemed disposal under the self-assessment system themselves. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary and the relevant cost of those Shares. The excess arising will be regarded as an amount taxable under Case IV of Schedule D and will be subject to tax where the Shareholder is a company, at the rate of 25 per cent, and where the Shareholder is not a company, at the rate of 41 per cent. Tax paid on a deemed disposal should be creditable against the tax payable on an actual disposal of those Shares.

#### *Residual Irish Tax Liability*

Corporate Shareholders resident in Ireland which receive payments from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25 per cent (or 41 per cent if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. A corporate Shareholder resident in Ireland which holds the Shares in connection with a trade will be taxable on any income or gains received from the Company as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Company. In practice, where tax at a rate higher than 25 per cent has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25 per cent should be available.

Subject to the comments below concerning tax on a currency gain, in general, non-corporate Irish Resident Shareholders will not be subject to further Irish tax on income arising on the Shares or gains made on disposal of the Shares, where the appropriate tax has been deducted by the Company from distributions paid to them.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted or who receives a gain on an encashment, repurchase, redemption, cancellation or other disposal from which tax has not been deducted, (for example,



because the Shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax as the case may be on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A of the TCA.

Pursuant to Section 891C of the TCA 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 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 investment number associated with 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. These provisions do not require such details to be reported in respect of Shareholders who are:

- Exempt Irish Residents (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,

however investors should note the section entitled "The OECD Common Reporting Standard" for information on additional investor information gathering and reporting requirements to which the Company is subject.

### **Overseas Dividends**

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

### **Stamp Duty**

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. However, where any subscription for or redemption of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities of a company or other corporate body not registered in Ireland, 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 of the TCA or a qualifying company within the meaning of Section 110 of the TCA) which is registered in Ireland.

### **Residence**

In general, investors in the Company will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

#### ***Individual Investors***

##### *Test of Residence*

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

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

#### *Test of Ordinary Residence*

If an individual has been resident for the three previous tax years then the individual will be deemed "ordinarily resident" from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

#### **Trust Investors**

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

#### **Corporate Investors**

A company will be resident in Ireland if its central management and control is in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location of a company's central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (i) in the case of a company incorporated before 1 January 2015, the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a "relevant territory", being an EU member state (other than Ireland) or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed, or (b) the principal class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory; or
- (ii) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

A company incorporated in Ireland and coming within either (i) or (ii) above will not be regarded as resident in Ireland unless its central management and control is in Ireland, PROVIDED however, a company coming within (i) above which has its central management and control outside of Ireland will still be regarded as resident in Ireland if (a) it would by virtue of the law of a relevant territory be tax resident in that relevant territory if it were incorporated in that relevant territory but would not otherwise be tax resident in that relevant territory, (b) is managed and controlled in that relevant territory, and (c) would not otherwise by virtue of the law of any territory be regarded as resident in that territory for tax purposes.

The exception from the incorporation rule of tax residence at (i) above in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property.

#### **Disposal of Shares and Irish Capital Acquisitions Tax**

##### **(a) Persons Domiciled or Ordinarily Resident in Ireland**

The disposal of Shares by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

##### **(b) Persons Not Domiciled or Ordinarily Resident in Ireland**

On the basis that the Company qualifies as an investment undertaking within the meaning of

Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax provided that;

- the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

### **Automatic Exchange of Information**

Ireland has implemented the "Standard for Automatic Exchange of Financial Account Information", also known as the Common Reporting Standard ("CRS"), into Irish law.

The CRS is a new, single global standard on Automatic Exchange of Information ("AEOI") which was approved by the Council of the Organisation for Economic Cooperation and Development ("OECD") in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. Over 90 jurisdictions have committed to exchanging information under the CRS and a group of over 40 countries, including Ireland, have committed to the early adoption of the CRS. For these early adopters, the first exchange of information in relation to accounts coming into existence from 1 January 2016 and individual high value accounts in existence at 31 December 2015 is expected take place by the end of September 2017, with information about individual low value accounts in existence at 31 December 2015 and entity accounts is expected to first be exchanged either by the end of September 2017 or September 2018 depending on when financial institutions identify them as reportable accounts.

Shareholders should note that the Company is required to disclose the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number and tax identification number(s) of each reportable person in respect of a reportable account for CRS and information relating to each Shareholder's investment (including but not limited to the value of and any payments in respect of the Shares) to the Revenue Commissioners who may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, the Company may require additional information and documentation from Shareholders.

By signing the application form to subscribe for Shares in the Company, each Shareholder is agreeing to provide such information upon request from the Company or its delegate. The non-provision of such information may result in mandatory redemption of Shares or other appropriate action taken by the Company. Shareholders refusing to provide the requisite information to the Company may also be reported to the Revenue Commissioners.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change.

Pursuant to information-sharing arrangements in place between Ireland and/or the European Union and certain third countries and/or dependant or associated territories of CRS-participating jurisdictions, to the extent that those countries or territories are not "Reportable Jurisdictions" under the CRS, the Administrator, or such other entity considered to be a paying agent for these purposes, may be obliged to collect certain information (including the tax status, identity and residency of the Shareholders) in order to satisfy the disclosure requirements under those arrangements and to disclose such information to the relevant tax authorities. Those tax authorities may in turn be obliged to provide the information disclosed to the tax authorities of other relevant jurisdictions.

Shareholders will be deemed by their subscription for Shares in a Fund to have authorised the automatic disclosure of such information by the Administrator, or other relevant person to the relevant tax authorities.

Pursuant to information-sharing arrangements in place between Ireland and/or the European Union and certain third countries and/or dependant or associated territories of CRS-participating jurisdictions, to the extent that those countries or territories are not "Reportable Jurisdictions" under the CRS, the

Administrator, or such other entity considered to be a paying agent for these purposes, may be obliged to collect certain information (including the tax status, identity and residency of the Shareholders) in order to satisfy the disclosure requirements under those arrangements and to disclose such information to the relevant tax authorities. Those tax authorities may in turn be obliged to provide the information disclosed to the tax authorities of other relevant jurisdictions.

Shareholders will be deemed by their subscription for Shares in a Fund to have authorised the automatic disclosure of such information by the Administrator, or other relevant person to the relevant tax authorities.

Each prospective investor should consult its own tax advisers on the requirements applicable to it under these arrangements.

### **U.S. Tax Considerations**

The foreign account tax compliance provisions (“**FATCA**”) of the Hiring Incentives to Restore Employment Act 2010 are designed to require certain U.S. persons’ direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported by foreign financial institutions (“**FFI**”) to the U.S. Internal Revenue Service (“**IRS**”). The Company may be regarded as a FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30 per cent with respect to certain U.S. source income (including dividends and interest) and, after 31 December 2016, gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to a FFI. Ireland has entered into an intergovernmental agreement with the U.S. to simplify the FATCA compliance process and minimise the risk of withholding tax. Under this agreement, FATCA compliance will be enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014, and reporting rules and practices. The Company may require additional information from Shareholders in order to comply with these provisions. The Company may disclose the information, certificates or other documentation that it receives from (or concerning) its Shareholders to the Irish tax authorities as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation. The Irish tax authorities will, in turn, report such information to the IRS. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor’s own situation. If applicable, investors should contact their intermediary regarding the application of this regime to their investments in the Company.

## **GENERAL**

### **Remuneration Policy**

The Company has adopted a remuneration policy as required by the UCITS Regulations (the “Remuneration Policy”). The Remuneration Policy seeks to be consistent with, and promote, sound and effective risk management and is designed to discourage risk-taking by the Company which is inconsistent with the risk profiles of the Funds. The Remuneration Policy applies to those categories of staff of the Company whose professional activities have a material impact on the risk profile of the Company or the Funds (“Identified Staff”). As at the date of this Prospectus, the Identified Staff comprise the Directors. While certain Directors are paid a fixed annual fee for their services to the Company, Directors that are employees of the Investment Manager or an affiliate are not paid any fees for their services as a director. Due to the size and internal organisation of the Company and the nature, scope and complexity of its activities, a remuneration committee has not been established by the Company. Any fee arrangement with a Director of the Company shall be subject to the approval of the Board of Directors. Please see the section entitled “Fees and Expenses” for details of the fees and expenses payable to the Directors. Further information on the current remuneration policy of the Company, including a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits is available at [www.shenkmancapital.com](http://www.shenkmancapital.com). A paper copy of this information is available free of charge upon request from the Investment Manager.

### **Conflicts of Interest and Best Execution**

The Company has adopted a policy designed to ensure that in all transactions, a reasonable effort is made to avoid conflicts of interest, and when they cannot be avoided, such conflicts are managed so that the Funds and their Shareholders are fairly treated. The Directors, Investment Manager, the Distributor, the Depositary, the Administrator and the Company Secretary may from time to time act as directors, investment manager, investment adviser, distributor, depositary, administrator, company secretary, dealer or distributor in relation to, or be otherwise involved in, other funds and accounts established by parties other than the Company which have similar investment objectives to those of the Company and any Fund. Such other funds and accounts may pay higher or lower fees than the Funds or performance-based fees for such services. The Investment Manager and its affiliates may invest,

directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Company. The Investment Manager also acts as investment adviser to companies that have, or may in the future have, Below Investment Grade Securities outstanding. The Investment Manager may purchase these securities for its client accounts, including for a Fund. Also, it may not always be possible for the same investment positions to be taken or liquidated at the same time or at the same price. Additionally, the Investment Manager and its affiliates may take positions in securities for their own accounts or the accounts of certain clients that they conclude are inappropriate for some or all of its clients, including a Fund. For instance, the Investment Manager and its affiliates may take short positions in the equity securities of certain issuers for their own account or for the account of any other client at the same time the securities and/or high yield bank loans of such issuers are held long in client accounts. Conversely, the Investment Manager and its affiliates may take long positions in the equity securities of certain issuers for their own account or for the account of any other client at the same time the securities and/or high yield bank loans of such issuers are held short in or have been sold out of client accounts. Moreover, the Investment Manager is not precluded from investing in securities of a company held in some of its client accounts in which such other of its clients have senior or subordinated rights relative to the other, or vice versa. The Investment Manager and its affiliates may give advice and effect transactions for their own accounts and for the accounts of other clients that may differ from the advice given, or the time or nature of action taken, with respect to a particular client account, including a Fund. Thus, the Investment Manager and its affiliates shall not be 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 any such opportunities on an equitable basis between the Company and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the Company and other clients. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company and any or all of the Funds. Each will, at all times, have regard in such event to its obligations to the Company and the Fund and will ensure that such conflicts are resolved fairly. In addition, any of the Directors, the Investment Manager or the Depositary, the delegates or sub-delegates of the Depositary (excluding any non-group company sub-custodians appointed by the Depositary) and any associated or group company of the Depositary or a delegate or sub-delegate may deal, as principal or agent, with the Company in respect of the assets of the Funds, provided that such dealings are negotiated on an arm's length basis. Such transactions shall be in the best interests of Shareholders.

The Company has adopted a policy designed to ensure that its service providers act in the Fund's best interests when executing decisions to deal and placing orders to deal on behalf of those Funds in the context of managing the Fund's portfolios. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, research services provided by the broker to the Investment Manager, or any other consideration relevant to the execution of the order. Information about the Company's execution policy and any material change to the policy is available to Shareholders at no charge upon request.

Dealings will be deemed to have been negotiated at arm's length if: (a) the value of the transaction is certified by either (i) a person who has been approved by the Depositary as being independent and competent or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Depositary; (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or (c) where (a) and (b) are not practical, the transaction is executed on terms which the Depositary or, in the case of a transaction involving the Depositary, the Directors, are satisfied are negotiated at arm's length and are in the best interests of Shareholders. The Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document how it complied with the requirements of paragraphs (a), (b) or (c) above. Where transactions are conducted in accordance with paragraph (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the principles outlined here.

Conflicts of interest may also arise as a result of transactions in financial derivative instruments and efficient portfolio management techniques and instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transaction may be related to the Fund or the Depositary. As a result those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such entities is subject to a valuation or haircut applied by a related party.

Additionally, the Investment Manager may assist the Administrator with valuing certain securities held by a Fund. The Investment Manager is paid a management fee which is a percentage of the Net Asset

Value of each Fund. Consequently, a conflict of interest could arise between its interest and those of a Fund. In the event of such a conflict of interest, the Investment Manager shall have regard to its obligations to the Company and each Fund and will ensure that such a conflict is resolved fairly and on a basis consistent with the best interests of the Shareholders.

### **The Share Capital**

The share capital of the Company shall at all times equal the Net Asset Value of the Company. The Directors are empowered to issue up to 500 billion Shares of no par value in the Company at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the Company. As of the date of this document the Company has issued Subscriber Shares to the value of EUR 300,000. The Subscriber Shares do not participate in the assets of the Funds. The Company reserves the right to redeem some or all of the Subscriber Shares provided that the Company at all times has a minimum issued share capital to the value of EUR 300,000.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Fund attributable to the relevant class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The proceeds from the issue of Shares shall be applied in the books of the Company to the relevant Fund and shall be used on behalf of such Fund for the acquisition assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

The Directors reserve the right to re-designate any class of Shares from time to time, provided that shareholders in that class shall first have been notified by the Company that the Shares will be re-designated and shall have been given the opportunity to have their Shares redeemed by the Company, except that this requirement shall not apply where the Directors redesignate Shares in issue in order to facilitate the creation of an additional class of Shares.

Each of the Shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those Shares. No class of Shares confers on the holder thereof any preferential or preemptive rights or any rights to participate in the profits and dividends of any other class of Shares or any voting rights in relation to matters relating solely to any other class of Shares.

Any resolution to alter the class rights of the Shares requires the approval in writing of all of the holders of the Shares or the approval of three quarters of the holders of the Shares, by value, represented or present and voting at a general meeting duly convened in accordance with the Articles of Association.

The Articles of Association of the Company empower the Directors to issue fractional Shares in the Company. Fractional shares may be issued and shall not carry any voting rights at general meetings of the Company or of the Fund or class and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company but do not entitle the holders to participate in the dividends or net assets of a Fund or of the Company.

### **The Funds and Segregation of Liability**

The assets and liabilities of each Fund will be allocated in the following manner:

- (a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Memorandum and Articles of Association;
- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and

- (d) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

Any liability incurred on behalf of, or attributable to, any Fund shall be discharged solely out of the assets of that Fund, and, neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

There shall be implied in every contract, agreement, arrangement or transaction entered into by the Company the following terms, that:

- (i) the party or parties contracting with the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;
- (ii) if any party contracting with the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the Company to pay a sum equal to the value of the benefit thereby obtained by it; and
- (iii) if any party contracting with the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

Any asset or sum recovered by the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the relevant Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from the Company but the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the court as it would have been if the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

### **Termination**

All of the Shares in the Company or all of the Shares in a Fund or class may be redeemed by the Company in the following circumstances:

- (i) a majority of votes cast at a general meeting of the Company or the relevant Fund or class, as appropriate, approves the redemption of the Shares;
- (ii) if so determined by the Directors, provided that not less than 21 days' written notice has been given to the holders of the Shares of the Company or the Fund or the class, as appropriate, that all of the Shares of the Company, the Fund or the class, as the case may be, shall be redeemed by the Company; or
- (iii) if no replacement depositary shall have been appointed during the period of 90 days commencing on the date the Depositary or any replacement thereof shall have notified the Company of its desire to retire as depositary or shall have ceased to be approved by the Central Bank.

Where a redemption of Shares would result in the number of Shareholders falling below 2 or such other minimum number stipulated by statute or where a redemption of Shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company may defer the redemption of the minimum number of Shares sufficient to ensure compliance with applicable law. The redemption of such Shares will be deferred until the Company is wound up or until the Company procures the issue of sufficient Shares to ensure that the redemption can be effected. The Company shall be entitled to select the Shares for deferred redemption in such manner as it may deem to be fair and reasonable and as may be approved by the Depositary.

On a winding up or if all of the Shares in any Fund are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Shares in proportion to the number of the Shares held in that Fund. The balance of any assets of the Company then remaining that are not attributable to any particular Fund shall be apportioned among the Funds pro rata to the Net Asset Value of each Fund immediately prior to any distribution to Shareholders and shall be distributed among the Shareholders of each Fund pro rata to the number of Shares in that Fund held by them. With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the Company may make distributions in specie to Shareholders or to any individual Shareholder who so consents. At the request of any Shareholder, the Company shall arrange the sale of such assets at the expense of such Shareholder and without any liability on the part of the Company, the Administrator, the Investment Manager if the proceeds of sale of any asset are less than the value of the assets at the time at which it was distributed in specie. The transaction costs incurred in the disposal of such investments shall be borne by the Shareholder. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of the Funds.

### **Meetings**

All general meetings of the Company or of a Fund shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting. The quorum for general meetings shall be 2 persons present in person or by proxy. Twenty-one clear day's notice shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a super majority of 75 per cent or more of the votes cast. The Articles of Association provide that matters may be determined by a meeting of Shareholders on a show of hands with each Shareholder having one vote unless a poll is requested by 5 Shareholders or by Shareholders holding 10 per cent or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

### **Reports**

In each year, the Directors shall cause to be prepared an annual report and audited annual accounts for the Company. These will be made available to Shareholders (by electronic mail or other form of electronic communication, including by posting them on a website where the Shareholder has agreed to this and been notified of this fact) within four months of the end of the financial year and at least 21 days before the annual general meeting. In addition, the Company shall prepare and make available to Shareholders within two months of the end of the relevant period a semi-annual report and unaudited semi-annual accounts for the Company in the same manner.

Annual accounts shall be made up to 30 June in each year and unaudited half-yearly accounts shall be made up to 31 December in each year.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be sent to each Shareholder free of charge (by post, or where a Shareholder so consents, by electronic communication) and will be sent, on request, to any potential investors, and will be made available for inspection at the registered office of the Company.

In accordance with the Articles of Association, any requirement for the consent of a Shareholder with regard to electronic communications and the use of a website shall be deemed to have been satisfied where the Shareholder subscribes for or holds Shares as the Shareholder is bound by the Articles of Association as if it had been signed by such Shareholder. The Shareholder may at any time revoke such consent by requesting the Company to communicate with that Shareholder in documented form; provided however, that this requirement to communicate in documented form shall not take effect until thirty days after written notice of the requirement is received by the Company.



## **Voting Policy**

The Company has developed a strategy for determining when and how voting rights are exercised. Details of the actions taken on the basis of those strategies are available to Shareholders at no charge upon request.

## **Complaints**

Information regarding the Company's complaint procedures is available to Shareholders free of charge upon request. Shareholders may file any complaints about the Company or a Fund free of charge at the registered office of the Company.

## **Miscellaneous**

- (i) The Company is not, and has not been since its incorporation, engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.
- (ii) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (iii) Teddy Otto and Yvonne Connolly are directors, members or employees of Carne Global Financial Services Limited, a company that also acts as the Company Secretary and that provides certain other services to the Company, including UCITS oversight and country registration services.
- (iv) Mark R. Shenkman is a director, member or employee of the Investment Manager or of companies or partnerships affiliated to the Investment Manager.
- (v) Frank X. Whitley is a director, member or employee of the Investment Manager or of companies or partnerships affiliated to the Investment Manager.
- (vi) As at 30 September 2016, Mr. Shenkman and Mr. Whitley indirectly held approximately 515 Shares in the Shenkman Short Duration High Income Fund. Any variation in such interests shall be disclosed at least in the semi-annual and annual financial reports of the Company. A copy of the register of directors' shareholdings is available on request from the Company Secretary.
- (vii) Save as disclosed above, neither the Directors nor their spouses nor their infant children nor any connected person have any direct or indirect interest in the share capital of the Company or any options in respect of such capital.
- (viii) No Director has:
  - (a) any unspent convictions in relation to indictable offences;
  - (b) become bankrupt or entered into any voluntary arrangement;
  - (c) been a director of any company or a partner of any firm which, at that time or within twelve months after his ceasing to become a director or a partner (as the case may be), had a receiver appointed to it or gone into compulsory liquidation, creditors, voluntary liquidation or into administration, or entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;
  - (d) owned an asset or been a partner of a partnership owning an asset over which a receiver has been appointed at that time or within twelve months after his ceasing to be a partner; or
  - (e) had any public criticism against him by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a court from acting as a director or acting in the management or conduct of the affairs of any company.
- (ix) No Share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- (x) Save as disclosed herein in the section entitled "Fees and Expenses" above, no commissions,

discounts, brokerage or other special terms have been granted by the Company in relation to Shares issued by the Company.

- (xi) The Company does not have, nor has it had since its incorporation, any employees or subsidiary companies.

### **Material Contracts**

The following contracts, details of which are set out in the section entitled "Management and Administration," have been entered into and are material:

- a) The Investment Management Agreement dated 30 June 2011 between the Company and the Investment Manager, pursuant to which the latter was appointed as investment manager and distributor in relation to the Company.
- b) The Depositary Agreement dated 1 July 2016 between the Company and the Depositary pursuant to which the latter acts as depositary in relation to the Company.
- c) The Administration Agreement dated 30 January 2015 between the Company and the Administrator pursuant to which the latter acts as administrator, registrar and transfer agent of the Company.

### **Supply and Inspection of Documents**

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) at the registered office of the Company:

- (a) the certificate of incorporation and Memorandum and Articles of Association of the Company;
- (b) the material contracts referred to above;
- (c) a memorandum detailing the names of all companies in which the Directors currently hold or have held directorships and firms in which they currently are or have been partners, within the five years prior to publication of this document; and
- (d) the UCITS Regulations and the UCITS Rules issued by the Central Bank thereunder.

Copies of the Memorandum and Articles of Association of the Company (each as amended from time to time in accordance with the requirements of the Central Bank) and the latest financial reports of the Company, as appropriate, may be obtained, free of charge, upon request at the registered office of the Company.

**SCHEDULE I**

**Description of Classes of Shares**

**Shenkman Global Convertible Bond Fund has the following Classes of Shares:**

**ACCUMULATING – CLASS A**

Class	Base Currency (Fund)	Initial Offer Price Per Share* (US\$)	Initial Offer Period Status	Minimum Initial Investment* (US\$)	Minimum Subsequent Investment* (US\$)	Minimum Holding Requirement* (US\$)
Class A USD	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A EUR	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A EUR Hedged	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A GBP	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A GBP Hedged	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A NOK	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A NOK Hedged	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A SEK	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A SEK Hedged	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A CHF	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A CHF Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A JPY	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A JPY Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A ARS	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A ARS Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A AUD	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A AUD Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A BRL	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A BRL Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A COP	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A COP Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000

\* All amounts are shown in U.S. Dollars. To the extent an investment is made in a non-U.S. dollar denominated Share Class, the minimum amounts shall be the U.S. Dollar equivalent of the relevant Share Class Currency on the relevant Dealing Day.

**ACCUMULATING – CLASS B**

Class	Base Currency (Fund)	Initial Offer Price Per Share* (US\$)	Initial Offer Period Status	Minimum Initial Investment* (US\$)	Minimum Subsequent Investment* (US\$)	Minimum Holding Requirement* (US\$)
Class B USD	US\$	1,000	Existing	10,000	1,000	10,000
Class B EUR	US\$	1,000	Existing	10,000	1,000	10,000
Class B EUR Hedged	US\$	1,000	Existing	10,000	1,000	10,000
Class B GBP	US\$	1,000	Existing	10,000	1,000	10,000
Class B GBP Hedged	US\$	1,000	Existing	10,000	1,000	10,000
Class B NOK	US\$	1,000	New	10,000	1,000	10,000
Class B NOK Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B SEK	US\$	1,000	New	10,000	1,000	10,000
Class B SEK Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B CHF	US\$	1,000	New	10,000	1,000	10,000
Class B CHF Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B JPY	US\$	1,000	New	10,000	1,000	10,000
Class B JPY Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B ARS	US\$	1,000	New	10,000	1,000	10,000
Class B ARS Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B AUD	US\$	1,000	New	10,000	1,000	10,000
Class B AUD Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B BRL	US\$	1,000	New	10,000	1,000	10,000
Class B BRL Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B COP	US\$	1,000	New	10,000	1,000	10,000
Class B COP Hedged	US\$	1,000	New	10,000	1,000	10,000

\* All amounts are shown in U.S. Dollars. To the extent an investment is made in a non-U.S. dollar denominated Share Class, the minimum amounts shall be the U.S. Dollar equivalent of the relevant Share Class Currency on the relevant Dealing Day.

### INCOME DISTRIBUTING – CLASS A

Class	Base Currency (Fund)	Initial Offer Price Per Share* (US\$)	Initial Offer Period Status	Minimum Initial Investment * (US\$)	Minimum Subsequent Investment* (US\$)	Minimum Holding Requirement* (US\$)
Class A USD Income Distributing	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A EUR Income Distributing	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A EUR Hedged Income Distributing	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A GBP Income Distributing	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A GBP Hedged Income Distributing	US\$	1,000	Existing	1,000,000	100,000	1,000,000
Class A NOK Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A NOK Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A SEK Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A SEK Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A CHF Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A CHF Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A JPY Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A JPY Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A ARS Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A ARS Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A AUD Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A AUD Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A BRL Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A BRL Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A COP Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A COP Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000

\* All amounts are shown in U.S. Dollars. To the extent an investment is made in a non-U.S. dollar denominated Share Class, the minimum amounts shall be the U.S. Dollar equivalent of the relevant Share Class Currency on the relevant Dealing Day.

### INCOME DISTRIBUTING - CLASS B

Class	Base Currency (Fund)	Initial Offer Price Per Share* (US\$)	Initial Offer Period Status	Minimum Initial Investment * (US\$)	Minimum Subsequent Investment* (US\$)	Minimum Holding Requirement* (US\$)
Class B USD Income Distributing	US\$	1,000	Existing	10,000	1,000	10,000

Class	Base Currency (Fund)	Initial Offer Price Per Share* (US\$)	Initial Offer Period Status	Minimum Initial Investment* (US\$)	Minimum Subsequent Investment* (US\$)	Minimum Holding Requirement* (US\$)
Class B EUR Income Distributing	US\$	1,000	Existing	10,000	1,000	10,000
Class B EUR Hedged Income Distributing	US\$	1,000	Existing	10,000	1,000	10,000
Class B GBP Income Distributing	US\$	1,000	Existing	10,000	1,000	10,000
Class B GBP Hedged Income Distributing	US\$	1,000	Existing	10,000	1,000	10,000
Class B NOK Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B NOK Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B SEK Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B SEK Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B CHF Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B CHF Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B JPY Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B JPY Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B ARS Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B ARS Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B AUD Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B AUD Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B BRL Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B BRL Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B COP Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B COP Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000

\* All amounts are shown in U.S. Dollars. To the extent an investment is made in a non-U.S. dollar denominated Share Class, the minimum amounts shall be the U.S. Dollar equivalent of the relevant Share Class Currency on the relevant Dealing Day.

**Shenkman Global High Yield Bond Fund has the following Classes of Shares:**

**ACCUMULATING – CLASS A**

Class	Base Currency (Fund)	Initial Offer Price Per Share* (US\$)	Initial Offer Period Status	Minimum Initial Investment* (US\$)	Minimum Subsequent Investment* (US\$)	Minimum Holding Requirement* (US\$)
Class A USD	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A EUR	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A EUR Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A GBP	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A GBP Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A NOK	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A NOK Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A SEK	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A SEK Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A CHF	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A CHF Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A JPY	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A JPY Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A ARS	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A ARS Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A AUD	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A AUD Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A BRL	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A BRL Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A COP	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A COP Hedged	US\$	1,000	New	1,000,000	100,000	1,000,000

\* All amounts are shown in U.S. Dollars. To the extent an investment is made in a non-U.S. dollar denominated Share Class, the minimum amounts shall be the U.S. Dollar equivalent of the relevant Share Class Currency on the relevant Dealing Day.

**ACCUMULATING – CLASS B**

Class	Base Currency (Fund)	Initial Offer Price Per Share* (US\$)	Initial Offer Period Status	Minimum Initial Investment* (US\$)	Minimum Subsequent Investment* (US\$)	Minimum Holding Requirement* (US\$)
Class B USD	US\$	1,000	New	10,000	1,000	10,000
Class B EUR	US\$	1,000	New	10,000	1,000	10,000
Class B EUR Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B GBP	US\$	1,000	New	10,000	1,000	10,000
Class B GBP Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B NOK	US\$	1,000	New	10,000	1,000	10,000
Class B NOK Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B SEK	US\$	1,000	New	10,000	1,000	10,000
Class B SEK Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B CHF	US\$	1,000	New	10,000	1,000	10,000
Class B CHF Hedged	US\$	1,000	New	10,000	1,000	10,000
Class B JPY	US\$	1,000	New	10,000	1,000	10,000
Class B JPY Hedged	US\$	1,000	New	10,000	1,000	10,000

\* All amounts are shown in U.S. Dollars. To the extent an investment is made in a non-U.S. dollar denominated Share Class, the minimum amounts shall be the U.S. Dollar equivalent of the relevant Share Class Currency on the relevant Dealing Day.

**INCOME DISTRIBUTING – CLASS A**

Class	Base Currency (Fund)	Initial Offer Price Per Share* (US\$)	Initial Offer Period Status	Minimum Initial Investment* (US\$)	Minimum Subsequent Investment* (US\$)	Minimum Holding Requirement* (US\$)
Class A USD Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A EUR Income	US\$	1,000	New	1,000,000	100,000	1,000,000

Distributing						
Class A EUR Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A GBP Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A GBP Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A NOK Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A NOK Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A SEK Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A SEK Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A CHF Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A CHF Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A JPY Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A JPY Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A ARS Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A ARS Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A AUD Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A AUD Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A BRL Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A BRL Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A COP Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000
Class A COP Hedged Income Distributing	US\$	1,000	New	1,000,000	100,000	1,000,000

\* All amounts are shown in U.S. Dollars. To the extent an investment is made in a non-U.S. dollar denominated Share Class, the minimum amounts shall be the U.S. Dollar equivalent of the relevant Share Class Currency on the relevant Dealing Day.

#### INCOME DISTRIBUTING - CLASS B

Class	Base Currency (Fund)	Initial Offer Price Per Share* (US\$)	Initial Offer Period Status	Minimum Initial Investment* (US\$)	Minimum Subsequent Investment* (US\$)	Minimum Holding Requirement* (US\$)
Class B USD Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B EUR Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B EUR Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B GBP Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B GBP Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B NOK Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B NOK Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B SEK Income Distributing	US\$	1,000	New	10,000	1,000	10,000

Class	Base Currency (Fund)	Initial Offer Price Per Share* (US\$)	Initial Offer Period Status	Minimum Initial Investment* (US\$)	Minimum Subsequent Investment* (US\$)	Minimum Holding Requirement* (US\$)
Class B SEK Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B CHF Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B CHF Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B JPY Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B JPY Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B ARS Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B ARS Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B AUD Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B AUD Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B BRL Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B BRL Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B COP Income Distributing	US\$	1,000	New	10,000	1,000	10,000
Class B COP Hedged Income Distributing	US\$	1,000	New	10,000	1,000	10,000

\* All amounts are shown in U.S. Dollars. To the extent an investment is made in a non-U.S. dollar denominated Share Class, the minimum amounts shall be the U.S. Dollar equivalent of the relevant Share Class Currency on the relevant Dealing Day.



## SCHEDULE II

### The Regulated Markets

With the exception of permitted investments in unlisted securities the investments of the Fund will be restricted to the following stock exchanges and markets:

- any stock exchange in the European Union and the EEA and any stock exchange in the U.S., Australia, Canada, Japan, New Zealand or Switzerland which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;
- the market conducted by listed money market institutions as described in the Financial Services Authority publication "The regulation of the wholesale cash and OTC derivative markets: The Grey Paper" (as amended from time to time);
- AIM, the Alternative Investment Market in the U.K. regulated and operated by the London Stock Exchange;
- the market organised by the International Capital Market Association which was created on 1 July 2005 following the merger of the International Primary Market Association with the International Securities Markets Association;
- NASDAQ in the U.S.; KOSDAQ in South Korea, SESDAQ in Singapore, TAISAQ/Gretai Market in Taiwan, RASDAQ in Romania;
- the market in U.S. government securities which is conducted by primary dealers regulated by the Federal Reserve Bank of New York and the U.S. Securities and Exchange Commission;
- the over-the-counter market in the United States conducted by primary and second dealers regulated by the U.S. Securities and Exchange Commission and by the Financial Industry Regulatory Authority (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- the market conducted by the "listed money market institutions" as described in the Financial Conduct Authority publication "The Regulation of Wholesale Cash and OTC Derivatives Markets' (The Grey Paper);"
- the French market for Titres de Créance Négociable (over-the-counter market in negotiable debt instruments);
- the market in Irish government bonds conducted by primary dealers recognised by the National Treasury Management Agency of Ireland;
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; and
- the over-the-counter market in Canadian government bonds regulated by the Investment Dealers Association of Canada.

The Company may invest in listed or over-the-counter financial derivative instruments and foreign exchange contracts, which are listed or traded on derivative markets in the European Economic Area and for financial derivative instruments ("FDI") investments the following exchanges and markets:

- (A) the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the Financial Industry Regulatory Authority and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Financial Services Authority publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as

amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the U.K., regulated by the London Stock Exchange; the French Market for Titres de Créance Négociable (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian government bonds regulated by the Investment Dealers Association of Canada; and

- (B) American Stock Exchange, Australian Stock Exchange, Bolsa Mexicana de Valores, Borsa Italiana, Chicago Board of Trade, Chicago Board Options Exchange, Chicago Mercantile Exchange, Copenhagen Stock Exchange (including FUTOP), Eurex Deutschland, Euronext Amsterdam, OMX Exchange Helsinki, Hong Kong Stock Exchange, Kansas City Board of Trade, Financial Futures and Options Exchange, Euronext Paris, Korea Exchange, MEFF Rent Fiji, MEFF Renta Variable, Mercado Mexicano de Derivados, Montreal Stock Exchange, New York Futures Exchange, New York Mercantile Exchange, New York Stock Exchange, New Zealand Futures and Options Exchange, EDX London, OM Stockholm AB, Osaka Securities Exchange, Pacific Stock Exchange, Philadelphia Board of Trade, Philadelphia Stock Exchange, Singapore Stock Exchange, South Africa Futures Exchange (SAFEX), Sydney Futures Exchange, The National Association of Securities Dealers Automated Quotations System (NASDAQ); Tokyo Stock Exchange; Toronto Stock Exchange.

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

### SCHEDULE III

#### Investment Restrictions applicable to the Fund

<b>1</b>	<b>Permitted Investments</b>
	Investments of a Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments, as prescribed in the UCITS Rules, 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.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, as defined in the UCITS Rules, other than those dealt on a Regulated Market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of alternative investment funds ("AIFs") as set out in the UCITS Rules.
<b>1.6</b>	Deposits with credit institutions as prescribed in the UCITS Rules.
<b>1.7</b>	Financial derivative instruments as prescribed in the UCITS Rules.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A Fund may invest no more than 10 per cent of Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of the Fund in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that;</p> <p>(a) the relevant securities are issued with an undertaking to register the securities with the SEC within one year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the Fund within 7 days at the price, or approximately at the price, at which they are valued by the Fund.</p>
<b>2.3</b>	A Fund may invest no more than 10 per cent of Net Asset Value 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 per cent is less than 40 per cent.
<b>2.4</b>	The limit of 10 per cent (in 2.3) is raised to 25 per cent 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 per cent of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80 per cent of the net asset value of the Funds. A Fund will not avail of this without the prior approval of the Central Bank.
<b>2.5</b>	The limit of 10 per cent (in 2.3) is raised to 35 per cent 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 per cent referred to in 2.3.
- 2.7** Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank Regulations held as ancillary liquidity shall not exceed:
- (a) 10% of the Net Asset Value of the Fund; or
  - (b) where the deposit is made with the Depositary, 20% of the net assets of the Fund.
- 2.8** The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5 per cent of net assets.
- This limit is raised to 10 per cent in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 and credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.9** Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of 2 or more of the following issued by, or made or undertaken with, the same body may not exceed 20 per cent of net assets:
- (i) investments in transferable securities or money market instruments;
  - (ii) deposits; and/or
  - (iii) 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 per cent 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 per cent of Net Asset Value 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 per cent of Net Asset Value 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:

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

	<p>Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC.</p> <p>The Fund must hold securities from at least 6 different issuers, with securities from any one issuer not exceeding 30 per cent of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
<b>3.1</b>	The Fund may not invest more than 20 per cent of Net Asset Value in any one CIS.
<b>3.2</b>	Investment in AIFs may not, in aggregate, exceed 30 per cent of Net Asset Value.
<b>3.3</b>	The CIS are prohibited from investing more than 10 per cent of Net Asset Value in other open-ended CIS.
<b>3.4</b>	When the Fund invests in the units of other CIS 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 CIS.
<b>3.5</b>	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 UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A Fund may invest up to 20 per cent of Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of a Fund is to replicate an index which satisfies the criteria set out in the UCITS Rules and is recognised by the Central Bank.
<b>4.2</b>	The limit in 4.1 may be raised to 35 per cent, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, Irish collective asset-management vehicle ("ICAV") or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10 per cent of the non-voting shares of any single issuing body;</li> <li>(ii) 10 per cent of the debt securities of any single issuing body;</li> <li>(iii) 25 per cent of the units of any single CIS;</li> <li>(iv) 10 per cent of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> </ul>

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

- 5.4** The 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 6 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, a Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
- 5.7** Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
- (i) transferable securities;
  - (ii) money market instruments\*;
  - (iii) units of investment funds; or
  - (iv) financial derivative instruments.
- 5.8** A Fund may hold ancillary liquid assets.
- 6** Financial Derivative Instruments ('FDIs')
- 6.1** The UCITS 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.)

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\* Any short selling of money market instruments by UCITS is prohibited

- 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

## **SCHEDULE IV**

### **Investment Techniques and Instruments**

#### **Permitted Financial Derivative Instruments ("FDI")**

1. The Company shall only invest assets of a Fund in an FDI if:
  - 1.1 the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations, including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies;
  - 1.2 the FDI does not expose the Fund to risks which the Fund could not otherwise assume;
  - 1.3 the FDI does not cause the Fund to diverge from its investment objectives;
  - 1.4 the FDI is dealt in on a Regulated Market or alternatively the conditions in paragraph 6 are satisfied.
  
2. The reference in 1.1 above to financial indices shall be understood as a reference to indices which fulfil the following criteria and the provisions of the UCITS Rules:
  - 2.1 they are sufficiently diversified, in that the following criteria are fulfilled:
    - (a) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
    - (b) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;
    - (c) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;
  - 2.2 they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:
    - (a) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
    - (b) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;
    - (c) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;
  - 2.3 they are published in an appropriate manner, in that the following criteria are fulfilled:
    - (a) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;
    - (b) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in 2.1, 2.2 or 2.3 above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices.



3. A transferable security or money market instrument embedding an FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:
  - 3.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;
  - 3.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
  - 3.3 it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
4. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.
5. Where the Company enters, on behalf of a Fund, into a total return swap or invests in other FDI with similar characteristics, the assets held by the Fund must comply with Regulations 70, 71, 72, 73 and 74 of the UCITS Regulations.

#### **OTC FDI**

6. The Company shall only invest assets of a Fund in an OTC FDI if the FDI counterparty is within at least one of the following categories:
  - 6.1 a credit institution that is within any of the categories set out in Regulation 7 of the Central Bank Regulations;
  - 6.2 an investment firm authorised in accordance with MIFID<sup>\*</sup>; or
  - 6.3 a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.
7. Where a counterparty within paragraphs 6.2 or 6.3:
  - 7.1 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
  - 7.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in paragraph 7.1 this shall result in a new credit assessment being conducted of the counterparty by the Company without delay.
8. Where an OTC FDI referred to in paragraph 6 is subject to a novation, the counterparty after the novation must be:
  - 8.1 an entity that is within any of the categories set out in paragraph 6; or
  - 8.2 a central counterparty that is:

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<sup>\*</sup> Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC.

- (a) authorised or recognised under EMIR; or
  - (b) pending recognition by ESMA under Article 25 of EMIR, an entity classified:
    - (A) by the SEC as a clearing agency; or
    - (B) by the Commodity Futures Trading Commission as a derivatives clearing organisation.
9. 9.1 Risk exposure to the counterparty shall not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations, assessed in accordance with paragraph 9.2.
- 9.2 In assessing risk exposure to the counterparty to an OTC FDI for the purpose of Regulation 70(1)(c) of the UCITS Regulations:
- (a) the Company shall calculate the exposure to the counterparty using the positive mark-to-market value of the OTC FDI with that counterparty;
  - (b) the Company may net FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC FDI with the same counterparty and not in relation to any other exposures the Fund has with the same counterparty;
  - (c) the Company may take account of collateral received by the FDI in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations.
10. OTC FDI must be subject to reliable and verifiable valuation on a daily basis and sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

**Issuer concentration limits**

11. For the purpose of Regulation 70 of the UCITS Regulations and the calculation of issuer concentration limits of a Fund, the Company shall:
- 11.1 include any net exposure to a counterparty generated through a securities lending or repurchase agreement, where net exposure means the amount receivable by the Fund less any collateral provided by the Fund;
  - 11.2 include exposures created through the reinvestment of collateral; and
  - 11.3 establish whether the exposure of the Fund is to an OTC counterparty, a broker, a central counterparty or a clearing house.
12. The position exposure of the Fund, if any, to the underlying assets of an FDI, including an FDI that is embedded in transferable securities, money market instruments or investment funds, when combined with positions resulting from direct investments:
- (a) shall be calculated in accordance with paragraph 13; and
  - (b) shall not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations.
13. For the purposes of paragraph 12:
- 13.1 when calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure and this position exposure shall be taken into account in the issuer concentration calculations;
  - 13.2 the Company shall calculate the position exposure of the Fund using the commitment approach or the maximum potential loss as a result of default by the issuer approach, whichever is greater; and

- 13.3 the Company shall calculate the position exposure, regardless of whether the Fund uses VaR for global exposure purposes.
14. Paragraph 12 does not apply in the case of an index-based FDI provided the underlying index meets the criteria set out in Regulation 71(1) of the UCITS Regulations.
15. Risk exposure to an OTC FDI counterparty may be reduced where the counterparty will provide the Fund with collateral. The Fund may disregard the counterparty risk on condition that the value of the collateral, valued at market price and taking into account appropriate discounts, exceeds the value of the amount exposed to risk at any given time.
16. Collateral received must at all times meet with the requirements set out in paragraphs 31 to 39 below.
17. Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.
18. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.

### **Cover requirements**

19. Where the initial margin posted to and variation margin receivable from a broker relating to an exchange-traded FDI or an OTC FDI is not protected by client money rules or other similar arrangements to protect the Fund in the event of the insolvency of the broker, the Company shall calculate exposure of the Fund within the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.
20. The Company shall ensure that, at all times:
- 20.1 the Fund is capable of meeting all its payment and delivery obligations incurred by transactions involving FDI;
- 20.2 the risk management process of the Company includes the monitoring of FDI transactions to ensure that every such transaction is covered adequately;
- 20.3 a transaction in FDI which gives rise to, or could potentially give rise to, a future commitment on behalf of a Fund is covered in accordance with the conditions specified in paragraph 21.
21. The conditions to which paragraph 20.3 refers are:
- 21.1 in the case of an FDI that is, automatically or at the discretion of the Fund, cash-settled, the Fund must, at all times, hold liquid assets that are sufficient to cover the exposure;
- 21.2 in the case of an FDI that requires physical delivery of the underlying asset, either:
- (a) the asset must at all times be held by a Fund; or
- (b) where either or both of the conditions in paragraphs 22.1 and 22.2 applies, the Fund must cover the exposure with sufficient liquid assets.
22. The conditions to which paragraph 21.2(b) refers are:
- 22.1 the underlying asset consists, or the underlying assets consist, of highly liquid fixed income securities;
- 22.2 (a) the exposure can be covered without the need to hold the underlying assets;
- (b) the specific FDI is addressed in the risk management process; and

- (c) details of the exposure are provided in the prospectus.

In this regard, please note that in the case of the instruments referred to in the section entitled "Investment Techniques and Instruments", the Company considers that from time to time the exposure may be covered with sufficient liquid assets.

### **Risk management process and reporting**

23. A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity. The initial filing is required to include information in relation to:
- 23.1 permitted types of FDI, including embedded FDI in transferable securities and money market instruments;
  - 23.2 details of the underlying risks;
  - 23.3 relevant quantitative limits and how these will be monitored and enforced; and
  - 23.4 methods for estimating risks.
24. 24.1 The Company shall in writing notify the Central Bank of material amendments to the initial filing of the risk management process of a Fund, in advance of the amendment being made.
- 24.2 The Central Bank may object to the making of any proposed amendment that is notified to it under paragraph 24.1.
- 24.3 (a) No proposed amendment to which the Bank has objected under paragraph 24.2 shall be made to the risk management process of a Fund.
- (b) Where the Central Bank has objected under paragraph 24.2 to the making of a proposed amendment to the risk management process of a Fund.

The relevant Fund shall not engage in any activity that is associated with or which would derive from the proposed amendment to which the objection has been made.

25. The Company must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information which reflects a true and fair view of the types of FDI used by the Funds, the underlying risks, the quantitative limits and the methods used to estimate those risks, must be submitted with the annual report of the Company. The Company must, at the request of the Central Bank, provide this report at any time.

### **Calculation of global exposure**

26. The Company shall ensure that in the case of each Fund, at all times:
- 26.1 the Fund complies with the limits on global exposure;
  - 26.2 the Fund establishes and implements appropriate internal risk management measures and limits, irrespective of whether the Fund uses a commitment approach or the VaR approach or any other methodology to calculate global exposure. For the purpose of subparagraph (1), paragraph 12 of Schedule 9 of the UCITS Regulations, a UCITS shall only select a methodology where ESMA has published guidelines on the selected methodology; and
  - 26.3 it calculates the global exposure in accordance with Schedule 2 to the Central Bank Regulations.

### **Efficient Portfolio Management**

#### **Portfolio Management Techniques**

27. The Company shall only use efficient portfolio management techniques and instruments for the purposes of Regulation 69(2) of the UCITS Regulations where same are in the best interests of the relevant Fund.

28. The Company shall ensure that all the revenues arising from efficient portfolio management techniques and instruments, net of direct and indirect operational costs, are returned to the relevant Fund.
29. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
- 29.1 they are economically appropriate in that they are realised in a cost-effective way;
  - 29.2 they are entered into for one or more of the following specific aims:
    - (a) reduction of risk;
    - (b) reduction of cost;
    - (c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulations 70 and 71 of the UCITS Regulations;
  - 29.3 their risks are adequately captured by the risk management process of the Fund; and
  - 29.4 they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.
30. Repurchase/reverse repurchase agreements and securities lending (i.e., efficient portfolio management techniques) may only be effected in accordance with normal market practice.

#### **Collateral**

31. The Company shall ensure, in engaging in efficient portfolio management techniques and instruments, that:
- 31.1 every asset that is received by a Fund as a result of engaging in efficient portfolio management techniques and instruments is treated as collateral;
  - 31.2 such techniques comply with the criteria set down in paragraph 24(2) of the Central Bank Regulations;
  - 31.3 at all times, collateral that is received by a Fund meets the criteria specified in paragraph 32.
32. The conditions for the receipt of collateral by a Fund, to which paragraph 31 refers, are:
- 32.1 **Liquidity:** Collateral received, other than cash, should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations.
  - 32.2 **Valuation:** Collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
  - 32.3 **Issuer credit quality:** Collateral received should be of high quality. The Company 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 sub-paragraph (a) this shall result in a new credit assessment being conducted of the issuer by the Company without delay.

32.4 **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Company to expect that it would not display a high correlation with the performance of the counterparty.

32.5 **Diversification (asset concentration):**

(a) Subject to sub-paragraph (b) below, collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20 per cent. of the Net Asset Value of the Fund. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20 per cent. limit of exposure to a single issuer.

(b) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30 per cent. of the Fund's Net Asset Value. The Member States, local authorities, third countries, or public international bodies or issuing or guaranteeing securities which a Fund is able to accept as collateral for more than 20 per cent. of its Net Asset Value shall 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, IMF, Euratom, The Asian Development Bank, ECB, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, the EU, 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 and Straight-A Funding LLC.

32.6 **Immediately available:** Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

33. The Company shall ensure that the Fund's risk management process identifies, manages and mitigates risks linked to the management of collateral, including operational risks and legal risks.

34. Where a Fund receives collateral on a title transfer basis, the Company shall ensure that the collateral is to be held by the Depositary. Where a Fund receives collateral on any basis other than a title transfer basis, that collateral may be held by a third party depositary, provided that that depositary is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.

35. The Company shall not sell, pledge or re-invest the non-cash collateral received by a Fund.

36. Where the Company invests cash collateral received by a Fund, such investments shall only be made in one or more of the following:

36.1 a deposit with a credit institution referred to in Regulation 7 of the Central Bank Regulations;

36.2 a high-quality government bond;

- 36.3 a reverse repurchase agreement provided the transaction is with a credit institution referred to in Regulation 7 of the Central Bank Regulations and the Fund is able to recall at any time the full amount of cash on an accrued basis; or
  - 36.4 short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (Ref: CESR/10-049).
37. Where the Company invests cash collateral received by a Fund: (a) that investment shall comply with the diversification requirements applicable to non-cash collateral; and (b) invested cash collateral shall not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.
38. The Company shall ensure that, where a Fund receives collateral for at least 30 per cent. of its assets, there is in place an appropriate stress testing policy and stress tests are carried out regularly under normal and exceptional liquidity conditions to enable the Company to assess the liquidity risk attached to the collateral. The stress testing policy should at least prescribe the following components:
- 38.1 the design of stress test scenario analysis including calibration, certification and sensitivity analysis;
  - 38.2 the empirical approach to impact assessment, including back-testing of liquidity risk estimates;
  - 38.3 the reporting frequency and the threshold(s) for limits and losses; and
  - 38.4 the mitigation actions to reduce loss including haircut policy and gap risk protection.
39. The Company shall establish and ensure adherence to a haircut policy for a Fund, adapted for each class of assets received as collateral. When devising the haircut policy, the Company shall take into account the characteristics of the assets, such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank Regulations. The Company shall document the haircut policy and the Company shall justify and document each decision to apply a specific haircut or to refrain from applying any haircut, to any specific class of assets.
40. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by the Company on behalf of a Fund:
- 40.1 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
  - 40.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Company without delay.
41. The Company shall ensure that it is at all times able to recall any security that has been lent out or to terminate any securities lending agreement to which it is party.

#### **Repurchase and reverse repurchase agreements**

- 42. Where the Company enters into a reverse repurchase agreement on behalf of a Fund it shall ensure that the Fund is at all times able to recall the full amount of cash or to terminate the relevant agreement on either an accrued basis or a mark-to-market basis.
- 43. In circumstances in which cash is, by virtue of the obligation under paragraph 42 recallable at any time on a mark-to-market basis, the Company shall use the mark-to-market value of the reverse repurchase agreement for the calculation of the Net Asset Value of the Fund.
- 44. Where the Company enters into a repurchase agreement on behalf of a Fund it shall ensure that the Fund is at all times able to recall any securities that are subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

45. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations, respectively.



## SCHEDULE V

### List of Sub-Custodians

As at the date of this Prospectus, the Depository has appointed the following sub-delegates:

Country/Market	Sub-custodian	Address
Argentina	Citibank N.A., Argentina * * On March 27, 2015, the Comisión Nacional de Valores (CNV: National Securities Commission) has appointed the central securities depository Caja de Valores S.A. to replace the branch of Citibank N.A. Argentina for those activities performed within the capital markets and in its role as custodian.	Bartolome Mitre 502/30 (C1036AAJ) Buenos Aires, Argentina
Australia	National Australia Bank Limited	12th Floor, 500 Bourke Street, Melbourne Victoria 3000, Australia
Australia	Citigroup Pty Limited	Level 16, 120 Collins Street, Level 16, 120 Collins Street, Australia
Austria	Citibank N.A. Milan	Via Mercanti, 12 20121 Milan Italy
Bahrain	HSBC Bank Middle East Limited	2nd Floor, Building No 2505, Road No 2832, Al Seef 428, Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited	Management Office, Shanta Western Tower, Level 4, 186 Bir Uttam Mir Shawkat Ali Shorok, (Tejgaon Gulshan Link Road) Tejgaon Industrial Area, Dhaka 1208, Bangladesh
Belgium	Citibank International Limited	Citigroup Centre Canada Square, Canary Wharf London E14 5LB United Kingdom
Bermuda	HSBC Bank Bermuda Limited	Custody and Clearing Department 6 Front Street Hamilton Bermuda HM11
Botswana	Stanbic Bank Botswana Limited	Plot 50672, Fairground Office Park Gaborone, Botswana
Brazil	Citibank N.A., Brazil	Citibank N.A. Avenida Paulista, 1111 – 12th floor Cerqueira Cesar – Sao Paulo, Brazil CEP: 01311-920
Brazil	Itau Unibanco S.A.	Praça Alfredo Egydio de Souza Aranha, 100, São Paulo, S.P. - Brazil 04344-902

<b>Country/Market</b>	<b>Sub-custodian</b>	<b>Address</b>
Bulgaria	Citibank Europe plc, Bulgaria Branch	48 Sitnyakovo Blvd Serdika Offices, 10th floor Sofia 1505, Bulgaria
Canada	CIBC Mellon Trust Company (CIBC Mellon)	320 Bay Street Toronto, Ontario, M5H 4A6 Canada
Cayman Islands	The Bank of New York Mellon	1 Wall Street New York, NY 10286 United States
Chile	Banco de Chile	Estado 260 2nd Floor Santiago, Chile Postal code 8320204
Chile	Bancau Itau S.A. Chile	Avenida Apoquindo 3457, Las Condes, 7550197, Santiago, Chile
China	HSBC Bank (China) Company Limited	33 Floor, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai, China (200120)
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Carrera 9A No 99-02 Piso 3 Bogota D.C., Colombia
Costa Rica	Banco Nacional de Costa Rica	1st and 3rd Avenue, 4th Street San José, Costa Rica
Croatia	Privredna banka Zagreb d.d.	Radnicka cesta 50 10 000 Zagreb Croatia
Cyprus	BNP Paribas Securities Services S.C.A., Athens	94 V. Sofias Avenue & 1 Kerasountos 115 28 Athens Greece
Czech Republic	Citibank Europe plc, organizacni slozka	Bucharova 2641/14 158 02 Prague 5, Czech Republic
Denmark	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
Egypt	HSBC Bank Egypt S.A.E.	306 Corniche El Nil, Maadi, Cairo, Egypt
Estonia	SEB Pank AS	Tornimäe Str. 2 15010 Tallinn Estonia
Finland	Finland Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
France	BNP Paribas Securities Services S.C.A.	Office Address: Les Grands Moulins de Pantin – 9 rue du Débarcadère 93500 Pantin, France  Legal address: 3 rue d'Antin, 75002 Paris, France
France	Citibank International Limited (cash deposited with Citibank NA)	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB United Kingdom

<b>Country/Market</b>	<b>Sub-custodian</b>	<b>Address</b>
Germany	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
Ghana	Stanbic Bank Ghana Limited	Stanbic Heights, Plot No. 215 South Liberation RD, Airport City, Cantonments, Accra, Ghana
Greece	BNP Paribas Securities Services S.C.A., Athens	94 V. Sofias Avenue & 1 Kerasountos 115 28 Athens Greece
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central Hong Kong
Hong Kong	Deutsche Bank AG	52/F International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
Hungary	Citibank Europe plc. Hungarian Branch Office	Szabadság tér 7 1051 Budapest Hungary
Iceland	Landsbankinn hf.	Austurstraeti 11 155 Reykjavik Iceland
India	Deutsche Bank AG	4th Floor, Block I, Nirlon Knowledge Park, W.E. Highway Mumbai - 400 063, India
India	HSBC Ltd	11F, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063, India
Indonesia	Deutsche Bank AG	7th Floor, Deutsche Bank Building Jl. Imam Bonjol No.80, Jakarta – 10310, Indonesia
Ireland	The Bank of New York Mellon	1 Wall Street New York, NY 10286 United States
Israel	Bank Hapoalim B.M.	50 Rothschild Blvd Tel Aviv 66883 Israel
Italy	Citibank N.A. Milan	Via Mercanti 12 20121 Milan Italy
Italy	Intesa Sanpaolo S.p.A.	Piazza San Carlo, 156, 10121 Torino, Italy.
Japan	Mizuho Bank, Ltd.	4-16-13, Tsukishima, Chuo-ku, Tokyo 104- 0052 Japan
Japan	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1-3-2, Nihombashi Hongoku-cho, Chuo-ku, Tokyo 103-0021, Japan
Jordan	Standard Chartered Bank	1 Basinghall Avenue London, EC2V5DD, England

<b>Country/Market</b>	<b>Sub-custodian</b>	<b>Address</b>
Kazakhstan	Joint-Stock Company Citibank Kazakhstan	Park Palace Building A, 41 Kazybek Bi Street, Almaty, Kazakhstan
Kenya	CfC Stanbic Bank Limited	First Floor, CfC Stanbic Centre P.O. Box 72833 00200 Chiromo Road, Westlands, Nairobi, Kenya
Kuwait	HSBC Bank Middle East Limited, Kuwait	Hamad Al-Saqr St., Qibla Area, Kharafi Tower, G/1/2 P.O. Box 1683, Safat 13017, Kuwait
Latvia	AS SEB banka	Meistaru iela 1 Valdlauci Kekavas pagasts, Kekavas novads LV-1076 Latvia
Lebanon	HSBC Bank Middle East Limited – Beirut Branch	Lebanon Head Office Minet EL-Hosn, P.O. Box: 11-1380 Beirut, Lebanon
Lithuania	AB SEB bankas	12 Gedimino Av. LT-01103 Vilnius Lithuania
Luxembourg	Euroclear Bank	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
Malaysia	Deutsche Bank (Malaysia) Berhad	Level 20, Menara IMC No 8 Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia
Malaysia	HSBC Bank Malaysia Berhad	HSBC Bank Malaysia Berhad, 12th Floor, South Tower, 2 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	5th Floor, HSBC Centre, 18 Cybercity, Ebene, Mauritius
Mexico	Banco Nacional de México S.A.	Isabel la Católica No. 44 Colonia Centro Mexico, D.F. C.P. 06000

<b>Country/Market</b>	<b>Sub-custodian</b>	<b>Address</b>
Morocco	Citibank Maghreb	Zenith Millenium, Immeuble 1 Sidi Maarouf, B.P. 40 20190 Casablanca Morocco
Namibia	Standard Bank Namibia Limited	N2nd Floor, Standard Bank Centre, Town Square Corner of Post Street Mall and Werner List Street Windhoek, Namibia
Netherlands	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
New Zealand	National Australia Bank Limited	12th Floor, 500 Bourke Street, Melbourne Victoria 3000, Australia
Nigeria	Stanbic IBTC Bank Plc	Walter Carrington Crescent, Victoria Island, Lagos, Nigeria
Norway	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
Oman	HSBC Bank Oman S.A.O.G.	2nd Floor, Head Office Building, P.O. Box 1727, Al Khuwair, Postal Code 111, Sultanate of Oman
Pakistan	Deutsche Bank AG	242-243, Avari Plaza, Fatima Jinnah Road Karachi – 75330, Pakistan
Peru	Citibank del Peru S.A.	Avenida Canaval y Moreyra, 480, 3rd floor Lima 27, Peru
Philippines	Deutsche Bank AG	23rd Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, 1226 Makati City Philippines
Poland	Bank Polska Kasa Opieki S.A.	53/57 Grzybowska Street 00-950 Warszawa
Portugal	Citibank International Limited, Sucursal em Portugal	Rua Barata Salgueiro, 30 1269-056 Lisbon Portugal
Qatar	HSBC Bank Middle East Limited, Doha	2nd Floor, Ali Bin Ali Tower, Building no: 150, Al Matar Street (Airport Road) P.O. Box 57, Street no. 950, Umm Ghuwalina Area, Doha, Qatar
Romania	Citibank Europe plc, Romania Branch	145, Calea Victoriei 010072 Bucharest Romania
Russia	Deutsche Bank Ltd	82 Sadovnicheskaya Street, Building 2 115035 Moscow, Russia
Russia	AO Citibank	8-10, building 1 Gasheka Street, Moscow 125047, Russia

<b>Country/Market</b>	<b>Sub-custodian</b>	<b>Address</b>
Saudi Arabia	HSBC Saudi Arabia Limited	HSBC Building, 7267 Olaya Road, Al-Murooj Riyadh 12283-22555, Kingdom of Saudi Arabia
Serbia	UniCredit Bank Serbia JSC	Rajiceva Street 27-29, 11000 Belgrade, Serbia
Singapore	DBS Bank Ltd	12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
Singapore	United Overseas Bank Ltd	80 Raffles Place, UOB Plaza, Singapore 048624
Slovak Republic	Citibank Europe plc, pobočka zahraničnej banky	Mlynske Nivy 43 825 01 Bratislava, Slovak Republic
Slovenia	UniCredit Banka Slovenia d.d.	Smartinska 140, 1000 - Ljubljana, Slovenia
South Africa	The Standard Bank of South Africa Limited	9th Floor 5 Simmonds Street Johannesburg 2001, South Africa
South Korea	The Hongkong and Shanghai Banking Corporation Limited	5th Floor, HSBC Building, 37, Chilpae-ro, Jung-Gu, Seoul, Korea, 100-161
South Korea	Deutsche Bank AG	18th Floor, Young-Poong Building 41 Cheonggyecheon-ro, Jongro-ku, Seoul 03188, South Korea
Spain	Banco Bilbao Vizcaya Argentaria, S.A.	Plaza San Nicolás, 4 48005 Bilbao Spain
Spain	Santander Securities Services S.A.U.	Ciudad Grupo Santander. Avenida de Cantabria s/n, Boadilla del Monte 28660 – Madrid, Spain
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	24 Sir Baron Jayathilake Mawatha Colombo 01, Sri Lanka
Swaziland	Standard Bank Swaziland Limited	Standard House, Swazi Plaza Mbabane, Swaziland
Sweden	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
Switzerland	Credit Suisse AG	Paradeplatz 8 8070 Zurich Switzerland
Switzerland	UBS Switzerland AG	Bahnhofstrasse 45, 8001 Zürich, Switzerland
Taiwan	HSBC Bank (Taiwan) Limited	16th floor, Building G, No. 3-1 Park Street Taipei 115, Taiwan
Taiwan	Standard Chartered Bank (Taiwan) Ltd.	No 168, Tun Hwa North Road, Taipei 105, Taiwan
Thailand	The Hongkong and Shanghai Banking Corporation Limited	Level 5, HSBC Building, 968 Rama IV Road, Bangrak Bangkok 10500, Thailand
Tunisia	Banque Internationale Arabe de Tunisie	70-72, Avenue Habib Bourguiba 1080 Tunis Tunisia

<b>Country/Market</b>	<b>Sub-custodian</b>	<b>Address</b>
Turkey	Deutsche Bank A.S.	Esentepe Mahallesi Büyükdere Caddesi Tekfen Tower No:209 K:17 Sisli TR-34394-Istanbul, Turkey
Uganda	Stanbic Bank Uganda Limited	Plot 17 Hannington Road Short Tower- Crested Towers P.O. Box 7131, Kampala, Uganda
Ukraine	Public Joint Stock Company "Citibank"	16G Dilova Street 03150 Kiev Ukraine
U.A.E.	HSBC Bank Middle East Limited, Dubai	Emaar Square, Building 5, Level 4 PO Box 502601 Dubai, United Arab Emirates
U.K.	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
U.K.	The Bank of New York Mellon	225 Liberty Street, New York, NY 10286, United States
U.S.A.	The Bank of New York Mellon	225 Liberty Street, New York, NY 10286, United States
Uruguay	Banco Itaú Uruguay S.A.	Dr. Luis Bonavita 1266 Toree IV, Piso 10 CP 11300 Montevideo, Uruguay
Venezuela	Citibank N.A., Sucursal Venezuela	Av. Casanova, Centro Comercial El Recreo Torre Norte, Piso 19 Sabana Grande, Caracas 1050 D.C. Venezuela
Vietnam	HSBC Bank (Vietnam) Ltd	The Metropolitan, 235 Dong Khoi Street District 1, Ho Chi Minh City, Vietnam
Zambia	Stanbic Bank Zambia Limited	Stanbic House, Plot 2375, Addis Ababa Drive P.O Box 31955 Lusaka, Zambia
Zimbabwe	Stanbic Bank Zimbabwe Limited	59 Samora Machel Avenue, Harare, Zimbabwe