

**EXTRACT PROSPECTUS FOR SWITZERLAND FOR NON-QUALIFIED INVESTORS**

**This Prospectus is a consolidation of the prospectus of the Company dated 24 January 2019. It is solely intended for the offer and the distribution of the Shares in the Company's Funds, as listed herein, in or from Switzerland. It only contains information relating to the Funds approved for distribution in or from Switzerland and does not constitute a prospectus for the purposes of Irish applicable law.**

**NEDGROUP INVESTMENTS FUNDS PLC**

An open-ended umbrella investment company with segregated liability between sub funds

A company incorporated with limited liability as an open-ended umbrella investment company with variable capital under the laws of Ireland

**PROSPECTUS**

This Prospectus is dated 2<sup>nd</sup> July 2019

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

## 1. INTRODUCTION

The information contained in this Prospectus, or any document referred to in it, including the relevant Supplement is not to be construed as legal, tax or investment advice. If you are in any doubt about the information contained in those documents, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

### **Nedgroup Investments Funds plc (the Company)**

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

**This Prospectus describes the Company, an open ended investment company with variable capital re-domiciled into Ireland on 13 May 2014. The Company is authorised by the Central Bank pursuant to the Regulations. This authorisation however, does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus and the Supplements.**

The Company is structured as an open-ended umbrella investment company with segregated liability between sub funds. Shares representing interests in different Sub-Funds of the Company may be issued from time to time by the Directors. Within each Sub-Fund, the Directors may issue Shares of more than one class. All Shares of each class will rank *pari passu* save as provided for in the relevant Supplement. A separate portfolio of assets will be maintained for each Sub-Fund (and accordingly not for each class of Shares) and will be invested in accordance with the investment objective and strategies applicable to the particular Sub-Fund. As the Company has segregated liability between its Sub-Funds, any liability incurred on behalf of or attributable to any Sub-Fund shall be discharged solely out of the assets of that Sub-Fund.

Particulars relating to individual Sub-Funds and the classes of Shares available therein are set out in the relevant Supplement. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus.

On the introduction of any new Sub-Fund (for which prior Central Bank approval is required) or any new class of Shares (which must be issued in accordance with the requirements of the Central Bank and notified to and cleared in advance by the Central Bank), the Company will prepare and will issue a new or updated Supplement setting out the relevant details of each such Sub-Fund or new class of Shares as the case may be.

Distribution of this Prospectus and the relevant Supplement is not authorised in any jurisdiction unless accompanied by a copy of the latest annual report and audited accounts, and if published after such report, a copy of the then latest published semi-annual report and unaudited accounts. Such reports, this Prospectus and the relevant Supplement together form the prospectus for the issue of Shares in the Company.

### **Restrictions on Distribution and Sale of Shares**

The distribution of this Prospectus and any Supplement and the offering or purchase of Shares may be restricted in certain jurisdictions and, accordingly, persons into whose possession this Prospectus and/or Supplement comes are required to inform themselves about, and to observe, such restrictions. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or in which the person making such offer or solicitation is not qualified to do.

Shares are offered only on the basis of the information contained in the current Prospectus

and relevant Supplement. The Company's annual and half yearly reports are incorporated by reference. They are available from our website at [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com) or on request by phone at + 44 (0) 1624 645150. No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription or sale of Shares other than those contained in the current Prospectus and the relevant Supplement and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company.

The Directors have the power to impose restrictions on the holding of Shares directly or indirectly by (and consequently to redeem Shares held by) such persons or entities as described under the **Mandatory Redemptions** section of this Prospectus.

### **Risk Factors**

Investors should read and consider the section of this Prospectus entitled **Risk Factors** before investing in the Company.

**The Directors are permitted to impose a Preliminary Charge of up to 3% of the Net Asset Value per Share. Details of any applicable charges will be disclosed in the relevant Supplement. In the event that such charges are imposed, the difference at any time between the sale and redemption price of Shares means that any investment in the Company should be viewed as medium to long term.**

### **Reliance on this Prospectus**

This Prospectus and any other documents referred to in it and the relevant Supplement(s) should be read in their entirety before making an application for Shares. Statements made in this Prospectus and any Supplement are based on the laws and practice in force in Ireland at the date of Prospectus or Supplement, as the case may be, which may be subject to changes. Neither the delivery of this Prospectus or any Supplement or Key Investor Information Document (**KIID**) nor the offer, placement, allotment or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus or any Supplement or KIID is correct as of any time subsequent to the date of this Prospectus or the relevant Supplement or KIID. This Prospectus, the Supplements or KIID may from time to time be updated and intending subscribers should enquire of the Investment Manager and Distributor as to the issue of any later versions or as to the issue of any reports and accounts of the Company.

The contents of this Prospectus are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters. Each prospective investor must rely upon such investor's own representatives, as to legal, economic, tax and related aspects of the investment described herein and as to its suitability for such investor.

**Prospective investors should inform themselves as to (a) the legal requirements within their own jurisdictions, (b) any exchange control requirements and foreign exchange restrictions, (c) the income and other tax consequences and (d) any other governmental or other consents or formalities which may apply in their own jurisdictions and which might be relevant to the purchase, holding or disposal of Shares.**

**Past performance of the Company or any Sub-Fund should not be relied upon as an indicator of future performance. The value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain a loss on their investment.**

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language

document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

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

The Company is required to and will comply with the Central Bank UCITS Regulations.

This Prospectus and the relevant Supplement shall be governed by and construed in accordance with Irish law. The Sub-Funds are available for investment to the public in Ireland.

The Sub-Funds will be promoted in South Africa to the same type of investors (including but not limited to public, institutions, government departments, pension schemes and other collective schemes) under the same or substantially similar requirements and conditions relating to the type of investors in Ireland (i.e. same target market in Ireland and South Africa).

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the **1933 Act**), or the securities laws of any state of the United States. Neither the Company nor any Sub-Fund will be registered under the United States Investment Company Act of 1940, as amended (the **1940 Act**), since the Shares will only be sold to U.S. Persons who are **Accredited Investors** as defined in Regulation D under the 1933 Act and **Qualified Purchasers**, as defined in Section 2(a)(51) of the 1940 Act and the regulations thereunder, or as otherwise consistent with Section 3(c)(7) of the 1940 Act (such investors, **Eligible U.S. Investors**).

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**, as defined in Regulation S under the 1933 Act, unless the Directors determine that (i) the transaction would be exempt from the registration requirements of the 1933 Act, and applicable state securities laws of the United States and (ii) the relevant Sub-Fund and the Company will continue to be entitled to an exemption from registration as an investment company under the 1940 Act. The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and may be offered inside the United States pursuant to the exemption from registration under Regulation D under the 1933 Act.

The Shares have not been approved or disapproved by the United States Securities and Exchange Commission (the **SEC**) or any state securities commission, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus and any relevant Supplement. Any representation to the contrary is unlawful.

The Directors do not intend to permit Shares acquired by employee benefit plans subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (**ERISA**), by plans subject to the prohibited transaction provisions of Section 4975 of the United States Internal Revenue Code of 1986, as amended (the **Code**), or by other **Benefit Plan Investors**, as defined in Section 3(42) of ERISA and applicable regulations, to equal or exceed twenty five per cent of the total value of any class of Shares.

The Investment Manager and Distributor is exempt from registration with the United States Commodity Futures Trading Commission (the **CFTC**) as a commodity pool operator with respect to each of the Company and any Sub-Funds pursuant to Rule 4.13(a)(4) under the United States Commodity Exchange Act of 1936, as amended (**CEA**). The Investment Manager and Distributor qualifies for this exemption based on the following criteria: (a) the Shares are exempt from registration under the 1933 Act; (b) the Shares are offered and sold without marketing to the public in the United States; and (c) the Investment Manager and

Distributor reasonably believes that (i) each natural person investor in the Company is a **qualified eligible person (QEP)** as defined in Rule 4.7(a)(2) under the CEA, and (ii) each non-natural person investor in the Company is a QEP as defined in Rule 4.7 under the CEA or an **Accredited Investor** as defined in Regulation D under the 1933 Act. Therefore, unlike a registered commodity pool operator, the Investment Manager and Distributor is not required to deliver a disclosure document and a certified annual report to participants in the Company or any Sub-Fund.

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## 2. DEFINITIONS

**Accounting Date** means the date by reference to which the annual accounts of each Sub-Fund shall be prepared and shall be 31 December in each year or such other date as the Directors in accordance with the requirements of the Central Bank may determine and notify in advance to Shareholders and (in the case of the termination of the Company or of a Sub-Fund) the date on which the final distributions shall have been made to Shareholders;

**Accounting Period** means a calendar year ending 31 December;

**Accumulating Shares** means shares of the Company carrying no right to any distribution of income but the income attributable to such shares is retained within the relevant Sub-Fund and reflected in the Net Asset Value of such shares;

**Administration Agreement** means the administration agreement dated 13 May 2014 between the Company and Citibank Europe plc as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;

**Administrator** means Citibank Europe plc or any successor thereto duly appointed as the administrator of the Company and each Sub-Fund in accordance with the requirements of the Central Bank;

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

**AML Acts** means the Criminal Justice Act 1994 (as amended) and the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 and 2013, as amended, supplemented, consolidated or replaced from time to time, including any regulations or guidance notes issued by the Central Bank pursuant thereto.

**Applicant** means any person who completes and submits the Subscription Agreement to the Investment Manager and Distributor in accordance with the manner set out in the Prospectus and any Supplement;

**Articles** means the Articles of Association of the Company as amended from time to time.

**Base Currency** means in relation to any Sub-Fund such currency as is specified in the Supplement for the relevant Sub-Fund;

**Business Day** means in relation to any Sub-Fund such day or days as is or are specified in the Supplement for the relevant Sub-Fund;

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

**Central Bank UCITS Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 as may be amended, supplemented or consolidated from time to time and any rules, guidance or notices made by the Central Bank pursuant to them which are applicable to the Company;

**CIS** means an open ended collective investment scheme within the meaning of Regulation 3(2) of the Regulations and which is prohibited from investing more than 10% of its assets in another such collective investment scheme;

**Class or Classes** means one or more particular division of Shares in a Sub-Fund;

**Companies Act** means the Irish Companies Act 2014 (as amended, consolidated or supplemented from time to time) including any regulations issued pursuant thereto, insofar as

they apply to open-ended investment companies with variable capital;

**Company** means Nedgroup Investments Funds plc;

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

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

**Dealing Day** means in respect of each Sub-Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Sub-Fund provided that there shall be at least two dealing days at regular intervals per Month;

**Dealing Deadline** means in relation to applications for subscription, redemption or switching of Shares in a Sub-Fund, the day and time specified in the Supplement for the relevant Sub-Fund;

**Depository** means Citi Depository Services Ireland Designated Activity Company or any successor thereto duly appointed depository of the Company in accordance with the requirements of the Central Bank;

**Depository Agreement** means the agreement dated 12 December 2016 between the Company and the Depository as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;

**Directors** means the Directors of the Company for the time being and any duly constituted committee or delegate thereof, each a **Director**;

**Distributing Shares** means Shares in a Sub-Fund in respect of which the net income and capital gains arising will be distributed;

**EEA** means the European Economic Area which comprises the Member States together with Iceland, Liechtenstein and Norway;

**EEA Member State** means a member state of the EEA;

**EU** means the European Union;

**Euro, EUR or €** means the lawful currency of the Eurozone or any successor currency;

**Eurozone** means those countries who use the Euro as their lawful currency;

**GDPR** means Regulation (EU) 2016/679 known as the General Data Protection Regulation, which comes into force on 25 May 2018;

**Hedged Share Class** has the meaning set out in the section entitled **Hedged Share Class**;

**Initial Issue Price** means the price per Share at which Shares are initially offered in a Sub-Fund during the Initial Offer Period as specified in the Supplement for the relevant Sub-Fund;

**Initial Offer Period** means the period during which Shares in a Sub-Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Sub-Fund;

**Investment Grade** means securities rated as Investment Grade, at the time of purchase, by Moody's or by Standard & Poor's and Fitch or an equivalent rating from another agency;

**Investment Management and Distribution Agreement** means the agreement dated 13 May 2014 between the Company and the Investment Manager and Distributor as substituted, amended, supplemented, novated or otherwise modified from time to time in accordance with the requirements of the Central Bank;

**Investment Manager and Distributor** means Nedgroup Investments (IOM) Limited or any successor or addition thereto duly appointed in accordance with the requirements of the Central Bank and/or as specified in the Supplement in respect of a Sub-Fund as the Investment Manager and Distributor for that relevant Sub-Fund;

**Ireland** means the Republic of Ireland;

**Issue Price** means the Net Asset Value per Share of the relevant Sub-Fund as at the Valuation Point;

**Member State** means a member state of the EU;

**Memorandum of Association** means the Memorandum of Association of the Company;

**Minimum Additional Investment Amount** means such amount (if any) as the Directors may from time to time prescribe as the minimum additional investment amount required by each Shareholder for Shares of each class in a Sub-Fund as is specified in the Supplement for the relevant Sub-Fund;

**Minimum Initial Investment Amount** means such amount (if any) as the Directors may from time to time determine as the minimum initial investment amount required by each Applicant for Shares of each class in a Sub-Fund as is specified in the Supplement for the relevant Sub-Fund;

**Minimum Fund Size** means such amount (if any) as the Directors may consider for a Sub-Fund and as set out in the Supplement for the relevant Sub-Fund;

**Minimum Shareholding** means such number or value of Shares of any class (if any) as specified in the Supplement for the relevant class of Shares within a Sub-Fund;

**Money Market Instruments** shall have the meaning prescribed in the Central Bank UCITS Regulations;

**Month(s)** means a calendar month;

**Net Asset Value** means in respect of the assets of a Sub-Fund or attributable to a Class thereof the amount determined in accordance with the Articles as described in the **Calculation of Net Asset Value/Valuation of Assets** section of this Prospectus;

**Net Asset Value per Share** means the Net Asset Value of a Sub-Fund divided by the number of Shares in issue in that Sub-Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to such number of decimal places as the Directors may determine in accordance with the Articles and as further described in the **Calculation of Net Asset Value/Valuation of Assets** section below as the Net Asset Value per Share;

**Non-Member State** means a state which is not a Member State;

**OECD** means the Organisation for Economic Co-operation and Development;

**OECD Member State** means a member state of the OECD;

**OTC derivative** means a financial derivative instrument dealt in over the counter;

**Preliminary Charge** means in respect of a Sub-Fund, the charge payable (if any) on the

subscription for Shares as is specified in the Supplement for the relevant Sub-Fund;

**Prospectus** means the current prospectus of the Company and any Supplements and addenda thereto;

**Redemption Charge** means in respect of a Sub-Fund the charge payable, if any, on a redemption of Shares as is specified in the Supplement for the relevant Sub-Fund;

**Redemption Price** means the Net Asset Value per Share of the relevant Sub-Fund as at the Valuation Point;

**Redemption Proceeds** means the amount reflecting the Net Asset Value of the Shares to be redeemed on the relevant Dealing Day;

**Regulated Market** means any exchange or market on which the Company may invest and which is regulated, recognised, open to the public and operating regularly and which is set out in Appendix I hereto;

**Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016, S.1. No. 143 of 2016, as may be amended, supplemented or consolidated from time to time and any rules, guidance or notices made by the Central Bank pursuant to them which are applicable to the Company;

**Relevant Period** means a period of 8 years beginning with the acquisition of a Share and each subsequent period of 8 years beginning immediately after the preceding relevant period;

**Settlement Date** means in respect of receipt of monies by the Investment Manager and Distributor (for onward submission to the Administrator) for subscription for Shares or dispatch of monies from the Investment Manager and Distributor for the redemption of Shares, the date specified in the Supplement for the relevant Sub-Fund. In the case of redemptions this date will be no more than five Business Days after the relevant Dealing Deadline;

**Shares** means participating shares in the Company representing interests in a Sub-Fund and where the context so permits or requires any class of participating shares representing interests in a Sub-Fund and Share means any one of them;

**Shareholders** means registered holders of Shares, and each a **Shareholder**;

**Sub-Investment Manager** means any entity for the time being duly appointed by the Investment Manager and Distributor as sub-investment manager of a Sub-Fund.

**Subscriber Shares** means the initial share capital represented by 100 shares at an issue price of US\$0.01 each per share;

**Subscription Agreement** means the agreement pursuant to the provisions of which an Applicant agrees to purchase Shares in and become a Shareholder of the Company as prescribed by the Company from time to time;

**Sterling, Pound, GBP, £** means the lawful currency of the United Kingdom or any successor currency thereto;

**Supplement** means any supplement to the Prospectus issued on behalf of the Company from time to time;

**Sub-Fund** means a separate portfolio of assets which is invested in accordance with the investment objective and strategies as set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such sub-fund shall be applied

and charged and **Sub-Funds** means all or some of the Sub-Funds as the context requires and any other funds as may be established by the Company from time to time with the prior approval of the Central Bank;

**Transferable Securities** shall have the meaning prescribed in the Regulations and/or the Central Bank UCITS Regulations;

**UCITS** means an undertaking for collective investment in Transferable Securities established pursuant to the UCITS Directive;

**UCITS Directive** means Council Directive No. 2009/65/EC of 13 July 2009 on the Co-ordination of laws, regulations and administration provisions relating to UCITS as amended by Directive 2014/9/EU of the European Parliament and of the Council of 23 July 2014 as may be amended, supplemented, consolidated or otherwise modified from time to time;

**Umbrella Cash Account** means a subscription and redemption account at umbrella level in the name of the Company.

**Unhedged Share Class** means a Class of Shares where typically Shares may be applied and paid for, income payments calculated and paid and redemption proceeds paid in a currency other than the Base Currency of the relevant Sub-Fund on the basis of a currency conversion at the prevailing spot currency exchange rate of the relevant Base Currency for the currency of the relevant Shares Class;

**United Kingdom and UK** means the United Kingdom of Great Britain and Northern Ireland;

**US Dollars, USD, US\$, Dollars and \$** means the lawful currency of the United States of America or any successor currency;

**Valuation Point** the point in time by reference to which the Net Asset Value of a Sub-Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Sub-Fund.

### 3. SUB-FUNDS

The Company has adopted an umbrella structure which may be comprised of different Sub-Funds with segregated liability between its Sub-Funds, to provide both individual and institutional investors with a choice of Shares in different Sub-Funds. Each Sub-Fund may be differentiated by its specific investment objective, strategy, currency of denomination or other specific features as described in the relevant Supplement. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with each Sub-Fund's respective investment objective. Because the Company has segregated liability between its Sub-Funds, any liability incurred on behalf of or attributable to any Sub-Fund shall be discharged solely out of the assets of that Sub-Fund. Shares may be issued in relation to each Sub-Fund.

#### 3.1. Classes

Each Sub-Fund may comprise of one or more Classes. The different Classes of Shares available for issue in each Sub-Fund will be set out in the Supplement for the relevant Sub-Fund. The different Classes of Shares in a Sub-Fund may, inter alia, have the following distinguishing features: may be Hedged Share Classes or Unhedged Share Classes; levels of fees and expenses charging structures, and may have different Minimum Initial/Minimum Additional Investment Amounts. The different Classes of Shares within a Sub-Fund together represent interests in the single pool of assets maintained for that Sub-Fund.

#### 3.2. Shares

Within each Sub-Fund and Class, the Company may issue Shares which shall represent

interests in the same distinct portfolio of investments. The net income per Distributing Share will be distributed in accordance with the dividend policy for the Sub-Fund as set out in the relevant Supplement and may be in the form of additional Shares to Shareholders. No declarations or distributions shall be made in respect of the Accumulating Shares. Any net income attributable to the Accumulating Shares shall be retained and the value of such Shares will rise accordingly.

### 3.3. **Investment Objective and Strategies**

The investment objective and policies of each Sub-Fund will be formulated by the Directors at the time of the creation of that Sub-Fund. Details of the investment objective and policies for each Sub-Fund of the Company appear in the Supplement for the relevant Sub-Fund.

Any change in the investment objective or material change in investment policies of a Sub-Fund will be subject to the prior written approval of all Shareholders of the Sub-Fund or approval by ordinary resolution passed at a general meeting of the relevant Sub-Fund duly convened or held. Subject and without prejudice to the preceding sentence of this paragraph, in the event of a change of investment objective and/or policies of a Sub-Fund on the basis of an ordinary resolution passed at a general meeting of the Shareholders of the Sub-Fund, a reasonable notification period must be given to each Shareholder of the Sub-Fund to enable a Shareholder to have its Shares repurchased prior to the implementation of such change.

The list of Regulated Markets on which a Sub-Fund's investments in securities and financial derivative instruments, other than permitted investments in unlisted securities and OTC derivative instruments, will be listed or traded is set out in Appendix I.

### 3.4. **Investment Restrictions**

The investment restrictions for each Sub-Fund will be formulated by the Directors at the time of the creation of the Sub-Fund. The Articles provide that investments may only be made as permitted by the Articles and the Regulations.

The following general investment restrictions apply to each Sub-Fund save to the extent that such restrictions are expressly or implicitly disapplied in accordance with the requirements of the Central Bank by investment policies and restrictions contained in the Supplement for the relevant Sub-Fund and any additional restrictions specified therein.

#### **Permitted Investments**

Investments of a Sub-Fund must be confined to:

- 1.1 Transferable Securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State and is listed in Appendix I;
- 1.2 recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;
- 1.3 money market instruments, as defined in the Regulations, other than those dealt in on a Regulated Market;
- 1.4 shares or units of UCITS;
- 1.5 Units of AIFs;
- 1.6 deposits with credit institutions; and
- 1.7 financial derivative instruments.

## Investment Limits

- 2.1 A Sub-Fund may invest no more than 10 per cent. of its Net Asset Value in Transferable Securities and money market instruments other than those referred to in paragraph 1 above.
- 2.2 A Sub-Fund may invest no more than 10 per cent. of its Net Asset Value in securities of the type to which Regulation 68(1)(d) of the Regulations apply. This restriction will not apply in relation to investment by a Sub-Fund in certain U.S. securities known as Rule 144A securities provided that the relevant securities have been issued with an undertaking to register the securities with the U.S. Securities and Exchange Commission within one year of issue and the securities are not illiquid securities, i.e. they may be realised by the Sub-Fund within seven days at the price, or approximately at the price, at which they are valued by the Sub-Fund.
- 2.3 A Sub-Fund may invest no more than 10 per cent. of its 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.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10 per cent. (as described in paragraph 2.3 above) 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 Sub-Fund invests more than 5 per cent. of its Net Asset Value 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 Sub-Fund.
- 2.5 The limit of 10 per cent. (as described in paragraph 2.3 above) 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 paragraphs 2.4. and 2.5 above shall not be taken into account for the purpose of applying the limit of 40 per cent. referred to in paragraph 2.3.
- 2.7 Deposits with any single credit institution, other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations shall not exceed (a) 10 per cent. of a Sub-Fund's Net Asset Value or (b) where the deposit is made with the Depositary 20% of the Net Asset Value of the Sub-Fund
- 2.8 The risk exposure of a Sub-Fund to a counterparty to an OTC derivative may not exceed 5 per cent. of its Net Asset Value.
- This limit is raised to 10 per cent. in the case of credit institutions authorised in the EEA, credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20 per cent. of a Sub-Fund's Net Asset Value: investments

in Transferable Securities or money market instruments; deposits; and/or counterparty risk exposures arising from OTC derivatives transactions.

- 2.10 The limits referred to in paragraphs 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 a Sub-Fund's Net Asset Value.
- 2.11 Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above. However, a limit of 20 per cent. of a Sub-Fund's Net Asset Value may be applied to investment in Transferable Securities and Money Market Instruments within the same group.
- 2.12 A Sub-Fund may invest up to 100 per cent. of its Net Asset Value in different Transferable Securities and Money Market Instruments issued or guaranteed by any Member State, its local authorities, Non-Member State or public international body of which one or more Member States are members.

The individual issuers may be drawn from the following list:

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

The Sub-Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30 per cent. of net assets.

#### **Investment in other collective investment schemes**

- 3.1 A Sub-Fund may not invest more than 20 per cent. of its Net Asset Value in any one CIS.
- 3.2 Investment in AIFs may not, in aggregate, exceed 30 per cent. of the Sub-Fund's Net Asset Value.
- 3.3 A Sub-Fund may not invest in another single structure CIS or a sub-fund of an umbrella CIS, which itself invests more than 10% of its net assets in other open-ended CIS.
- 3.4 When a Sub-Fund invests in the shares or units of other CIS that are managed, directly or by delegation, by the Investment Manager and Distributor or by any other company with which the Investment Manager and Distributor is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager and Distributor or other company may not charge subscription, switching or redemption fees on account of the investment by the Sub-Fund in the shares or units of such other CIS.
- 3.5 Where by virtue of investment in the units of another investment fund, the

Fund, the Investment Manager and Distributor or Sub-Investment Manager received a commission on behalf of the Sub-Fund (including a rebated commission), the Company shall ensure that the relevant commission is paid into the property of the Sub-Fund.

### **Index Tracking UCITS**

- 4.1 A Sub-Fund may invest up to 20 per cent. of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Sub-Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
- 4.2 The limit in paragraph 4.1 above may be raised to 35 per cent., and applied to a single issuer, where this is justified by exceptional market conditions.

### **General Provisions**

- 5.1 The Company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights that would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Sub-Fund may acquire no more than:
  - (i) 10 per cent. of the non-voting shares of any single issuing body;
  - (ii) 10 per cent. of the debt securities of any single issuing body;
  - (iii) 25 per cent. of the shares or units of any single CIS;
  - (iv) 10 per cent. of the Money Market Instruments of any single issuing body.

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

- 5.3 Paragraphs 5.1 and 5.2 above shall not be applicable to:
  - (v) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
  - (vi) Transferable Securities and Money Market Instruments issued or guaranteed by a Non-Member State;
  - (vii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
  - (viii) shares held by a Sub-Fund in the capital of a company incorporated in a Non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that Non-Member State, where under the legislation of that Non-Member State such a holding represents the only way in which the Sub-Fund can invest in the securities of issuing bodies of that Non-Member 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 paragraphs 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2 above and paragraphs 5.4, 5.5 and 5.6 below, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;

- (ix) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares or units at the request of share or unit holders exclusively on their behalf.
- 5.4 A Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments that form part of their assets.
- 5.5 The Central Bank may allow recently authorised Sub-Funds to derogate from the provisions of paragraphs 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 above for six Months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, the Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5.7 The Company may not carry out uncovered sales of Transferable Securities Money Market Instruments; shares or units of CIS; or financial derivative instruments.
- 5.8 A Sub-Fund may hold ancillary liquid assets.

#### **Financial Derivative Instruments (FDIs)**

- 6.1 A Sub-Fund's global exposure relating to FDI must not exceed its total net asset value.
- 6.2 Position exposure to the underlying assets of FDI, including embedded FDI in Transferable Securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations).
- 6.3 A Sub-Fund may invest in FDI dealt in over-the-counter (OTC) provided that the counterparties to the OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4 Investment in FDI are subject to the conditions and limits laid down by the Central Bank.

#### **3.5. Borrowing and Lending Powers and other Restrictions**

The Company may borrow up to 10% of a Sub-Fund's Net Asset Value at any time and the Depositary may charge the assets of such Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding. Assets of a Sub-Fund may not be passed outside the Depositary's custody network to secure borrowings. The Company may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the above mentioned 10% limit provided that the offsetting deposit (a) is denominated in the Base Currency of the relevant Sub-Fund and (b) equals or exceeds the value of the foreign

currency loan outstanding.

Without prejudice to the powers of the Company to invest in Transferable Securities, Money Market Instruments and other financial instruments referred to in paragraph 1 of the **Investment Restrictions** under the heading **Permitted Investments** above, the Company may not lend to, or act as guarantor on behalf of, third parties.

Any particular borrowing restrictions for a Sub-Fund will appear in the Supplement for the relevant Sub-Fund.

No Sub-Fund will invest in any instrument that compels the acceptance of physical delivery of a commodity and will not accept physical delivery of a commodity. No Sub-Fund will invest in synthetic exchange traded funds.

### 3.6. **Utilisation of FDI and Efficient Portfolio Management**

Subject to the Regulations and the conditions of, and within the limits laid down by, the Central Bank, each Sub-Fund may utilise FDI dealt on a regulated market and/or OTC FDIs for investment purposes, details of which shall be set out in the Supplement of the relevant Sub-Fund, where applicable.

The Investment Manager and Distributor, or a Sub-Investment Manager, on behalf of each Sub-Fund, may also use investment techniques and instruments, including FDI, relating to Transferable Securities and other financial instruments including but not limited to futures and options, forward currency contracts, warrants, repurchase agreements, reverse repurchase agreements, swap agreements, stocklending agreements and when issued securities for efficient portfolio management and/or hedging purposes subject to the conditions and within the limits prescribed from time to time by the Central Bank. Such techniques may involve the lending of portfolio securities by a Fund, but such stocklending must be secured by adequate collateral and will be subject to the conditions and limits set out in the Central Bank UCITS Regulations.

Techniques and instruments utilised for the purposes of efficient portfolio management may only be used in accordance with the investment strategy of the relevant Sub-Fund. Any such technique or instrument should be reasonably believed by the Investment Manager and Distributor or the Sub-Investment Manager to be economically appropriate to the efficient portfolio management of the relevant Sub-Fund, i.e., the use of such a technique or instrument may only be undertaken for the purpose of one or more of the following:

- (a) a reduction in risk;
- (b) a reduction in cost; or
- (c) an increase in capital or income returns to a Sub-Fund with a level of risk which is consistent with the risk profile of the Sub-Fund.

The specific techniques and instruments to be utilised by each Sub-Fund (if any) are set out in the Supplement for the relevant Sub-Fund.

For the purpose of providing margin or collateral in respect of transactions in FDI, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Sub-Fund.

Where any such operations concern the use of derivative transactions, this will be set out in the relevant Supplement and the Company will employ a risk-management process which enables it to accurately measure, monitor and manage at any time the risk of a Sub-Fund's positions and their contribution to the overall risk profile of the portfolio of assets of a Sub-Fund. It must employ a process for accurate and independent assessment of the value of OTC Derivatives. Before utilising any FDI on behalf of a Sub-Fund, the Company must file a risk management process report with the Central Bank and in accordance with particular

requirements of the Central Bank shall specify, for that purpose, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in any FDI applicable to a Sub-Fund. A Sub-Fund will not employ any instruments that are not included in the existing risk management process which has been cleared by the Central Bank. Prior to investing in financial derivative instruments which are not included in the cleared risk management process, a revised risk management process report will be cleared by the Central Bank. The Company will ensure that a Sub-Fund's global exposure to FDI does not exceed the total Net Asset Value of its portfolio and that counterparty risk exposure to any OTC Derivative transactions never exceeds the limits permitted under the Regulations.

The Company will on request provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Sub-Funds.

### 3.7. **Options**

Subject to the requirements laid down by the Central Bank, the Company on behalf of a Sub-Fund may purchase and sell option contracts. A call option on a security, such as an equity, is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. The writer (seller) of the call option, who receives the premium, has the obligation, upon exercise of the option, to deliver the underlying securities against payment of the exercise price. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. The writer (seller) of the put, who receives the premium, has the obligation to buy the underlying securities, upon exercise, at the exercise price.

### 3.8. **Forwards**

A Sub-Fund may use 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 or 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. They can be used to hedge currency exposure of an investment back to a Base Currency or to hedge a foreign currency Class against a Base Currency.

### 3.9. **Futures**

A Sub-Fund may use futures. Futures contracts essentially work on the same basis as forward contracts but are traded on exchanges. 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 initial margin must be deposited with the broker. 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 commodity 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.

### 3.10. Swaps and OTC contracts

Subject to the requirements laid down by the Central Bank, each Sub-Fund may enter into transactions in swaps or options on swaps (including credit default swaps, interest rate swaps, inflation swaps, currency swaps, equity swaps, swaps on an index and spread locks). The purchase of a cap entitles the purchaser, to the extent that a specified index exceeds a predetermined value, to receive payments on a notional principal amount from the party selling the cap. The purchase of a floor entitles the purchaser, to the extent that a specified index falls below a predetermined value, to receive payments on a notional principal amount from the party selling the floor. A collar combines elements of buying a cap and selling a floor. Spread locks are contracts that guarantee the ability to enter into an interest rate swap at a predetermined rate above some benchmark rate. A Sub-Fund will have to pay a periodic fee (fixed or floating payment) in exchange for its right to receive the total return of the Reference Asset (coupons or capital gains or losses). The Reference Asset can be almost any asset, index or basket of assets, which constitute an eligible investment for a Sub-Fund.

A Sub-Fund may enter into credit default swap agreements. A Sub-Fund may be either the buyer or seller in a credit default swap transaction. The “buyer” in a credit default contract is obligated to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If a Sub-Fund is a buyer and no event of default occurs, the Sub-Fund will lose its investment and recover nothing. On the other hand, if the Sub-Fund is a buyer and an event of default does occur, the Sub-Fund (the buyer) will receive the full notional value of the reference obligation that may have little or no value. Conversely, if the Sub-Fund is a seller and an event of default occurs, the Sub-Fund (the seller) must pay the buyer the full notional value, or “par value”, of the reference obligation in exchange for the reference obligation. As a seller, a Sub-Fund receives a fixed rate of income throughout the term of the contract, which typically is between six Months and three years, provided that there is no default event. If an event of default occurs, the seller must pay the buyer the full notional value of the reference obligation. A credit-linked note is a security that is structured by embedding a credit default swap agreement in a funded asset to form an investment that has credit risk and cash flow characteristics resembling a bond or a loan. An inflation swap transfers inflation risk from one party to another through an exchange of cash flows. An interest rate swap involves the exchange by a Sub-Fund with another party of their respective commitments to pay or receive cash flows (e.g., an exchange of floating rate payments for fixed-rate payments).

Swap agreements, including caps, floors and collars, can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the overall volatility of a Sub-Fund's investments and its share price and yield because, and to the extent, these agreements affect the Sub-Fund's exposure to long- or short-term interest rates, foreign currency values, mortgage-backed securities values, corporate borrowing rates or other factors such as security prices or inflation rates. Swap agreements will tend to shift a Sub-Fund's investment exposure from one type of investment to another. For example, if a Sub-Fund agrees to exchange payments in US Dollars for payments in the currency of another country, the swap agreement would tend to decrease the Sub-Fund's exposure to U.S. interest rates and increase its exposure to the other country's currency and interest rates. Caps and floors have an effect similar to buying or writing options.

Each Sub-Fund may also enter into options traded over-the-counter (or OTC options). Unlike exchange traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. While this type of arrangement allows a Sub-Fund great flexibility to tailor the option to its needs, OTC options generally involve greater risk than exchange-traded options, which are guaranteed by clearing

organisations of the exchanges where they are traded.

### 3.11. **To-be-Announced Securities**

A "to-be-announced" (TBA) security is structured so that the actual security that will be delivered to fulfil a TBA trade is not designated at the time the trade is made. The securities are "to be announced" prior to the actual trade settlement date. To that extent they are deemed to have a forward element.

### 3.12. **Warrants**

A warrant is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions and are usually of little value. Warrants are longer-dated options and are generally traded over the counter. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security.

### 3.13. **Convertible Securities**

These include bonds that can be converted into a predetermined amount of shares of common stock in the issuing company at certain times during its life, usually at the discretion of the bond holder. A convertible bond may be viewed as a bond with an embedded option to exchange the bond for equity. A Sub-Fund may receive convertible securities from time to time through corporate actions.

### 3.14. **Hedged Share Classes**

The Company may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Sub-Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management. In addition, a Class designated in a currency other than the Base Currency may be hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Sub-Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Where a Class is to be hedged this fact, and the extent to which the Class is to be hedged, will be disclosed in the Supplement for the Sub-Fund in which such Class is issued. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. Where the Company seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However, over-hedged positions will not be permitted to exceed 105 per cent of the Net Asset Value and hedged positions will be kept under review to ensure that positions materially in excess of 100 per cent of the Net Asset Value will not be carried forward from Month to Month. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line with the performance of the underlying assets with the result that Shareholders in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Sub-Fund are denominated.

In the case of an Unhedged Share Class, a currency conversion will take place on subscriptions, redemptions, switches and distributions at prevailing exchange rates. The value of the Share expressed in the Class currency will be subject to exchange rate risk in

relation to the Base Currency.

### 3.15. **Dividend Policy**

The Directors decide the dividend policy and arrangements relating to each Sub-Fund and where applicable, details are set out in the relevant Supplement. The Articles provide that the Directors are entitled to declare dividends out of a Sub-Fund being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) (less expenses) and/or (ii) realised and unrealised gains on the disposal/ valuation of investments less realised and unrealised losses of the relevant Sub-Fund and/or (iii) at the discretion of the Directors out of capital.

The Company will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Shareholder in any Sub-Fund who is or is deemed to be an Irish Taxable Person and pay such sum to the Irish tax authorities. Dividends (if any) will be paid in accordance with the policy of the Irish Stock Exchange, where applicable.

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

Dividends payable to Shareholders will be paid by electronic transfer to a bank account with the Investment Manager and Distributor for onward transmission by electronic transfer to the account designated by the Shareholder in the original Subscription Agreement (or as otherwise agreed with the Directors) at the expense of the payee and will be paid within four Months of the date the Directors declared the dividend.

The dividend policy for each Sub-Fund and the type of Shares available therein are set out in the Supplement for the relevant Sub-Fund. Any change in the dividend policy for a Sub-Fund will be notified to all Shareholders in that Sub-Fund in advance and full details of such a change will be provided in an updated Supplement for that Sub-Fund.

## 4. **RISK FACTORS**

### 4.1. **General**

The risks described below should not be considered to be an exhaustive list of the risks which potential investors should consider in addition to all of the information in this Prospectus and the relevant Supplement before investing in a Sub-Fund. Different risks may apply to different Sub-Funds and/or Classes. Details of risks specific to any Sub-Fund or Class in addition to those set out below will be disclosed in the relevant Supplement. Potential investors should be aware that an investment in a Sub-Fund may also be exposed to normal market fluctuations and other risks from time to time. Although care is taken to understand and manage the risks described below and in the relevant Supplement, the Sub-Funds and accordingly the Shareholders in the Sub-Funds will ultimately bear the risks associated with the investments of the Sub-Funds. Potential investors should consult their professional financial and tax advisers before making an investment. The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term. The attention of potential investors is also drawn to the taxation risks associated with investing in the Company, an overview of which are set out in the Section of the Prospectus entitled **Taxation**.

Among the principal risks of investing in the Sub-Funds which could adversely affect their Net Asset Value, yield and total return, are:

### 4.2. **General Risks**

An investment in a Sub-Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Shares of a Sub-Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount

invested in Shares may fluctuate up and/or down. An investment in a Sub-Fund involves certain investment risks, including the possible loss of principal and there is no assurance that that any appreciation in the value of investments will occur or that the investment objective of a Sub-Fund will actually be achieved and results may vary substantially over time. A Sub-Fund's investment strategy may carry considerable risks.

The Sub-Funds will be investing in assets in accordance with the respective investment objectives and policies of the Sub-Fund. The value of investments and the income from them, and therefore the value of and income from Shares relating to each Sub-Fund, will be closely linked to the performance of such investments. Investments made will be speculative and an investment in a Sub-Fund, therefore, involves a degree of risk.

#### 4.3. **Market Risk**

The value of securities may be affected by a decline in the entire market of an asset class in which investments are made thus affecting the prices and values of the assets in the Sub-Fund. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously. Equity securities generally have greater price volatility than fixed-income securities. In addition, some of the Regulated Markets on which a Sub-Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Sub-Fund may liquidate positions to meet redemption requests or other funding requirements. The higher the volatility of the market in which a Sub-Fund invests, the greater the market risk. Such markets are subject to greater fluctuations in return.

#### 4.4. **Liquidity Risk**

Liquidity risk is the risk of a Sub-Fund having insufficient realisable cash, investments and borrowing capacity to fund redemption requests net of subscriptions. A Sub-Fund's assets primarily comprise realisable securities which can be readily sold in normal market conditions. However, subject to the UCITS restrictions, not all securities or instruments invested in by a Sub-Fund may be listed or rated and consequently liquidity of such securities or instruments may be low. A Sub-Fund may also encounter difficulties in disposing of assets at their fair market price due to adverse market conditions. A Sub-Fund's liabilities arise primarily through its exposure to redemption of Shares that Shareholders wish to sell. It will be endeavoured to manage the Sub-Funds' investments, including cash, to meet its liabilities. However, investments may need to be sold if insufficient cash is available to finance such redemptions. If the size of disposals is sufficiently large, or the market is illiquid, then there is a risk that either the investments might not be sold or the price at which they are sold may adversely affect the Net Asset Value of a Sub-Fund. The Directors may, at their discretion, elect to restrict the total number of Shares redeemed in a Sub-Fund on any Dealing Day as described in the section entitled **Limitations on Redemption**, in which case all requests will be scaled down pro rata to the number of Shares requested to be redeemed. The remaining balance of Shares may be redeemed on the next Dealing Day provided no such restriction is applicable.

#### 4.5. **Credit Risk**

Credit risk also arises from the uncertainty surrounding the ultimate repayment of principal and interest or other investments by the issuers of such securities. There can be no assurance that the issuers of securities or other instruments in which a Sub-Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or other instruments. A Sub-Fund will also be exposed to a credit risk in relation to the counterparties with whom a Sub-Fund trades and may bear the risk of

settlement default. Changes in the credit quality of an issuer could affect the value of a security or other instrument or a Sub-Fund's share price.

#### 4.6. **Portfolio Currency Risk**

A Sub-Fund's investments may be acquired in a wide range of currencies other than the Base Currency of the Sub-Fund. Changes in the exchange rate between the Base Currency of the Sub-Fund and the currency of the asset may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Investment Manager and Distributor or the Sub-Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments.

A Sub-Fund may from time to time utilise techniques and instruments to seek to protect (hedge) currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Sub-Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline.

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

#### 4.7. **Share Currency Risk**

A Class of Shares of a Sub-Fund may be designated in a currency other than the Base Currency of the Sub-Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Investment Manager and Distributor or the Sub-Investment Manager may try but is not obliged to mitigate this risk by using financial instruments such as those described under the heading **Portfolio Currency Risk**, provided that such instruments shall in no case exceed 100% of the Net Asset Value attributable to the relevant Class of Shares of the Sub-Fund. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Sub-Fund are denominated. In such circumstances Shareholders of the relevant Class of Shares of the Sub-Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets/liabilities of the Sub-Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Shares of the Sub-Fund.

#### 4.8. **Emerging Markets Risk**

A Sub-Fund faces a number of additional risks because of any investments emerging markets, including:

*Investment and repatriation restrictions:* A number of emerging markets restrict, to varying degrees, foreign investment in securities. Restrictions may include maximum amounts foreigners can hold of certain securities, and registration requirements for investment and repatriation of capital and income. New or additional restrictions may be imposed subsequent to a Sub-Fund's investment in a given market.

Currency fluctuations can be severe in emerging markets that have both floating and/or "fixed" exchange rate regimes. The latter can undergo sharp one-time devaluations.

*Potential market volatility:* Many emerging markets are relatively small, have low trading volumes, suffer periods of illiquidity and are characterised by significant price volatility. Regulation and oversight of trading activity may not be up to the standards of developed countries.

*Political instability and government interference in the private sector:* This varies country by country, and may evolve to the detriment of Sub-Fund holdings. In particular, some emerging markets have no legal tradition of protecting shareholder rights.

*Financial disclosure and accounting standards:* Potential investments may be difficult to evaluate given lack of information as well as the use in emerging markets of accounting, auditing and financial reporting standards that differ from country to country and from those of developed countries.

*Taxation:* Taxation of dividends and capital gains varies among countries and, in some cases, is comparatively high. In addition, emerging markets typically have less-well-defined tax laws and procedures and such laws may permit retroactive taxation, so that a Sub-Fund could in the future become subject to local tax liability that had not been reasonably anticipated when an investment was made.

**Where a Sub-Fund invests more than 20% of its Net Asset Value in emerging markets an investment in that Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

#### 4.9. **Custody and Settlement Risk**

If a Sub-Fund invests in markets where custodial and/or settlement systems are not fully developed, such as emerging markets, the assets of the Sub-Funds 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 where by the Depository will have no liability. Such risks include (i) a non-true delivery versus payment settlement, (ii) a physical market, and as a consequence the circulation of forged securities, (iii) poor information in relation to corporate actions, (iv) registration process that impacts the availability of the securities, (v) lack of appropriate legal/fiscal infrastructure advices, and (vi) lack of compensation/risk fund with the relevant central depository. Furthermore, even when a Sub-Fund settles trades with counterparties on a delivery-versus-payment basis; it may still be exposed to credit risk to parties with whom it trades. The insolvency of the depository, or of any local broker, sub-custodian bank or clearing corporation used by the depository, may result in the loss of all or a substantial portion of the Sub-Fund's assets or in a significant delay in the Sub-Fund having access to those assets.

#### 4.10. **Political, Regulatory, Settlement and Sub-Custodial Risk**

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

Sub-Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of the a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Depository will have no liability.

#### 4.11. **Taxation Risk**

The income and gains of a Sub-Fund from its assets may suffer withholding tax which may or may not be reclaimable in the countries where such income and gains arise. If the position changes in the future and either the application of a higher or lower rate results in an additional payment of tax or a repayment to the relevant Sub-Fund respectively, the Net Asset Value will not be re-stated and the benefit or the cost will be allocated to the existing Shareholders of the relevant Sub-Fund rateably at the time of the adjustment.

In addition, potential Applicants' attention is drawn to the taxation risks associated with investing in the Company and in the Sub-Funds. See section headed **Taxation**.

#### 4.12. **Legal and Regulatory Risks**

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

#### 4.13. **Investment in Russia**

If a Sub-Fund invests in Russia, investors should note that Russia has weaker corporate governance, auditing and financial reporting standards to developed markets, which could result in a less thorough understanding of the financial condition, results of operations and cash flow of companies in which the Sub-Funds invest. Accordingly, an investment in a Russian corporate will not afford the same level of investor protection as would apply in more developed jurisdictions.

#### 4.14. **Valuation Risk**

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

In addition, assets in which a Sub-Fund invests may be valued on a less frequent basis than the Sub-Fund. Accordingly there is a risk that (i) the valuations of a Sub-Fund may not reflect the true value of assets held by a Sub-Fund at a specific time which could result in losses or

inaccurate pricing for a Sub-Fund and/or (ii) the valuations may not be available at the relevant Valuation Point so that some of the assets of the Sub-Fund may be valued at their probable realisation value.

#### 4.15. **Sub-Investment Grade Instruments**

A Sub-Fund may hold securities rated below “investment grade” or unrated securities of comparable quality. These securities are considered by credit rating agencies to be speculative and to carry a high level of risk. They have a significantly greater risk of default in payments of interest, principal, or both, than the risk of default for investment grade securities. Issuers of these securities present a higher risk of bankruptcy or reorganisation than issuers of investment grade securities, or may have recently been in bankruptcy or reorganisation proceedings.

The secondary market for high yield securities is typically much less liquid than the market for investment grade securities, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading. The market price of high yield securities will be affected by the market’s perception of credit quality and the effect of stronger or weaker economic growth as well as political developments. The market price of high yield securities will also be affected by general changes in interest rates (decreasing as rates rise, and increasing as rates fall) that affect the market price of all bonds, although high yield securities may be less sensitive to interest rate changes than investment grade securities. The high yield securities market at times will be very illiquid. Market prices of high yield securities may be affected by imbalances in sell and buy orders among institutional investors and dealers. In addition to credit risk and liquidity risk concerns, the market price of high yield securities in particular may be adversely impacted by legislative or regulatory developments, such as determinations that certain categories of institutional investors must divest their high yield securities holdings, or changes in rules regarding taxation or corporate reorganisations.

A Sub-Fund may also have to sell holdings of high yield securities at unfavourable prices in order to raise proceeds to pay for redemptions of Shares.

Any default in the payment of interest by an issuer to high yield securities will adversely affect a Sub-Fund if a distribution has already been made by it on the basis of such interest being due and payable to the Sub-Fund.

**Where a Portfolio invests more than 30% of its Net Asset Value in below investment grade securities an investment in that Portfolio should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

#### 4.16. **Investment Manager and Distributor Risk**

The Administrator may seek the advice of the Investment Manager and Distributor or a Sub-Investment Manager with respect to the valuation of certain investments and Shareholders should be aware of an inherent conflict of interest between the involvement of them in recommending the valuation price of a Sub-Fund’s investment and their other duties and responsibilities in relation to the Sub-Funds.

#### 4.17. **Securities of Other Investment Companies**

Investing in other investment companies involves substantially the same risks as investing directly in the underlying instruments, but may involve additional expenses at the investment company-level, such as portfolio management fees and operating expenses. The Company and/or the Investment Manager and Distributor or Sub-Investment Manager will not have control over the activities of any investment company or collective investment scheme invested in by a Sub-Fund. Administrators of collective investment schemes and companies in which a Sub-Fund may invest may manage the collective investment schemes or be managed in a manner not anticipated by them.

#### 4.18. **Cyber Security Risk**

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Company, the Administrator or the Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the ability to calculate the Net Asset Value of the Company; impediments to trading for the Company's portfolio; the inability of Shareholders to transact business with the Company; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Company invests, counterparties with which the Company engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks cannot be and/or have not been identified.

#### 4.19. **Derivatives and Techniques and Instruments Risk**

While the prudent use of financial derivative instruments (**FDI**) can be beneficial, FDI also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments.

A Sub-Fund may from time to time utilize various financial instruments both for investment purposes and for risk management purposes in order to seek to: (i) protect against possible changes in the market value of the Sub-Fund's investment portfolio resulting from fluctuations in the currency exchange rates, securities markets and/or changes in interest rates, (ii) protect the Sub-Fund's unrealized gains in the value of the Sub-Fund's investment portfolio, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Sub-Fund's portfolio, (v) hedge the interest rate or currency exchange rate on any of the Sub-Fund's liabilities or assets, (vi) protect against any increase in the price of any securities the Sub-Fund anticipates purchasing at a later date or (vii) for any other reason that the Investment Manager and Distributor or Sub-Investment Manager deems appropriate.

##### 4.19.1. **Techniques and Instruments**

The prices of derivative instruments are highly volatile. Price movements of derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select

the Sub-Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption requests.

#### 4.19.2. **Derivatives**

Derivatives, in general, involve special risks and costs and may result in losses to a Sub-Fund. The successful use of derivatives requires sophisticated management, and a Sub-Fund will depend on the ability of the Investment Manager and Distributor or Sub-Investment Manager to analyse and manage derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of a Sub-Fund may prove not to be what the Investment Manager and Distributor or Sub-Investment Manager expected. Other risks arise from the potential inability to terminate or sell derivatives positions. A liquid secondary market may not always exist for a Sub-Fund's derivatives positions at any time. In fact, many over-the-counter instruments will not be liquid and may not be able to be **closed out** when desired. Over-the-counter instruments also involve the risk that the other party will not meet its obligations to the Sub-Funds. The participants in **over-the-counter** markets are typically not subject to credit evaluation and regulatory oversight as are members of **exchange based** markets, and there is no clearing corporation which guarantees the payment of required amounts. This exposes a Sub-Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the relevant Sub-Fund to suffer a loss.

#### 4.19.3. **Counterparty Risk**

The Sub-Funds will be exposed to a credit risk on the counterparties with which they trade in relation to non-exchange traded contracts. Non-exchange traded contracts are not afforded the same protections as may apply to participants trading such contracts on organised exchanges, such as the performance guarantee of an exchange clearing house. Non-exchange traded contracts are agreements specifically tailored to the needs of an individual investor which enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific company or firm involved in the transaction rather than a recognised exchange and accordingly the insolvency, bankruptcy or default of a counterparty with which a Sub-Fund trades such contracts could result in substantial losses to a Sub-Fund. If settlement never occurs the loss incurred by the Sub-Fund will be the difference between the price of the original contract and the price of the replacement contract or, in the case where the contract is not replaced, the absolute value of the contract at the time it is voided. Furthermore, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if the Sub-Fund meets its settlement obligations but the counterparty fails before meeting its obligations under the relevant contract. Furthermore, if the creditworthiness of a derivative counterparty declines, the risk that the counterparty may not perform could increase, potentially resulting in a loss to the portfolio. Regardless of the measures a Sub-Fund may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that a Sub-Fund will not sustain losses on the transactions as a result.

#### 4.19.4. **OTC Markets Risk**

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

#### 4.19.5. **Forward Trading**

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

#### 4.19.6. **Foreign Exchange Transactions**

Where a Sub-Fund utilises derivatives which alter the currency exposure characteristics of Transferable Securities held by the Sub-Fund, the performance of the Sub-Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Sub-Fund may not correspond with the securities positions held.

#### 4.20. **Borrowing**

If a Sub-Fund borrows money, its share price may be subject to greater fluctuation until the borrowing is paid off.

#### 4.21. **Cross Liability**

The Company has segregated liability between its Sub-Funds and accordingly any liability incurred on behalf of or attributable to any Sub-Fund shall be discharged solely out of the assets of that Sub-Fund. While the provisions of the Companies Act provide for segregated liability between Sub-Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors claims.

Additional risk factors (if any) in respect of each Sub-Fund are set out in the Supplement for the relevant Sub-Fund.

#### 4.22. **Use of Umbrella Cash Account Risk**

Subscription monies received in respect of a Fund in advance of the issue of Shares may be held in the Umbrella Cash Subscription and Redemption Account (the **Umbrella Cash Account**) in the name of the Company and will be treated as an asset of the relevant Fund. Investors will be unsecured creditors of the relevant Fund with respect to the amount subscribed and held by the Company until Shares are issued on the Dealing Day and such amount will be held on trust for such investors. As such, investors will not benefit from any appreciation in the Net Asset Value of the relevant Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued on the relevant Dealing Day. In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Payment of redemption proceeds and dividends in respect of a particular Fund may be subject to receipt by the Administrator of original subscription documents and will be subject to compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the particular Fund, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Umbrella Cash Account in the name of the Company. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the relevant Fund, and will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Umbrella Cash Account. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors

in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of another Fund of the Company (the **Insolvent Fund**), recovery of any amounts held in the Umbrella Cash Account to which another Fund is entitled (the **Entitled Fund**), but which may have transferred to the Insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to the principles of Irish insolvency law and the terms of 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 Entitled Fund.

## **5. MANAGEMENT OF THE COMPANY**

### **5.1. Directors of the Company**

The Directors of the Company are described below:

#### **Andrew V Lodge**

Andrew V Lodge has been the managing director of the Investment Manager and Distributor since 1996 prior to which he was Managing Director of a UK offshore bank subsidiary. An experienced Investment Professional, Andrew was Chairman of the Isle of Man Fund Managers Association and has spoken at numerous Fund Industry conferences and Government Trade missions. In addition to being a director of the Company Mr. Lodge is also a director of Nedgroup Investments MultiFunds PLC, an Irish domiciled UCITS structured as an umbrella fund managed by the Investment Manager and Distributor. In his executive role for Nedbank Andrew holds directorships of numerous licensed Group Companies.

#### **Tracey A Wiltcher**

Tracey A Wiltcher joined Nedgroup Investments in 1993. Her vast experience is predominately concentrated on Investment Business initially for Private Clients and latterly on Collective Investment Schemes. Tracey is a director of the Investment Manager and Distributor responsible for the Investment Manager and Distributor's product management. In addition to being a director of the Company, Ms. Wiltcher is also a director of Nedgroup Investments MultiFunds PLC, an Irish domiciled UCITS structured as an umbrella fund managed by the Investment Manager and Distributor.

#### **Lorcan Murphy (Irish tax resident director)**

Lorcan Murphy is an independent non-executive director and marketing and distribution consultant of a number of Irish and UK companies providing 20 years knowledge of global mutual funds, spanning operational management, risk management, compliance, product development and asset gathering. He is former Head of Private Wealth, EMEA and former Head of Pooled Funds Group with Barclays Global Investors Ltd. Mr. Murphy is a member of the Institute of Chartered Accountants in Ireland and has a Bachelor of Business Science degree (Economics major) from Trinity College Dublin.

#### **Yvonne Connolly (Irish tax resident director)**

Yvonne Connolly is a Principal with Carne Global Financial Services Limited ("Carne") and has twenty years' experience in Financial Services. Her specialist areas are corporate governance, product development and fund administration. Yvonne has assisted investment managers and service providers with various aspects of change management and operational development. She also serves as a director for Irish management companies. Prior to joining Carne, Ms Connolly worked as an independent consultant to a number of the large service providers in Dublin. In addition she was 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.

**John Skelly (Irish tax resident director)**

John is a Principal with Carne and acts as a Director and Chairman on the boards of a number of industry-leading funds and Management Companies. He acts for both Irish and Cayman Funds. John is a specialist in compliance, risk, product development and operations for both traditional funds and hedge funds and has helped develop the operational infrastructure of a number of investment funds. He has in-depth understanding of hedge fund and traditional fund operational requirements and has project managed a number of fund launches. He has expert knowledge of the risk and compliance UCITS IV requirements. John regularly gives industry training on investment fund products, particularly UCITS. John is well known in the Industry and is currently on the Council of the Irish Funds Industry Association ("IFIA") and was formerly a member of the IFIA Marketing Committee, Trustee Committee and the Alternative Investments Committee. Prior to joining Carne in 2006 John held a number of senior management positions with leading banks and asset management companies including BNP Paribas Securities Services and Norwich Union Investments (now Aviva Investors). He qualified as a Chartered Accountant with Deloitte and holds a Bachelor of Commerce degree from University College Dublin.

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

**5.2. Investment Manager and Distributor**

The Company has appointed Nedgroup Investments (IOM) Limited to act as the Investment Manager and Distributor of the Company pursuant to an Investment Management and Distribution Agreement (further details of which are set out under the heading **Material Contracts** below and this is the entity that promotes the Company).

Nedgroup Investments (IOM) Limited (the **Investment Manager and Distributor**) is a private limited company incorporated on 23 March 1992 with unlimited duration under the provisions of the Companies Acts 1931-2004 of the Isle of Man with number 57917C. The Investment Manager and Distributor is a wholly-owned subsidiary of Nedbank Limited, a company incorporated with limited liability in South Africa.

The Investment Manager and Distributor is the holder of a licence issued under section 7 of the Financial Services Act 2008 of the Isle of Man. As such the Investment Manager and Distributor is an authorised person licensed by the Isle of Man Financial Service Authority to manage the Company.

The principal activity of the Investment Manager and Distributor is the management of collective investment schemes. In addition to the Fund, the Investment Manager and Distributor also manages: Nedgroup Investments MultiFunds PLC. As at 30 September 2018, the Investment Manager and Distributor had in excess of US\$3.5 billion assets under management.

The Investment Manager and Distributor, with the prior approval of the Central Bank, may from time to time seek the advice of or recommendation of any adviser, analyst, consultant or other suitably qualified person to assist it in the performance of its duties.

**5.3. Sub-Investment Manager**

The Investment Manager and Distributor may delegate some or all of its investment management responsibility for any of the Sub-Funds to a Sub-Investment Manager(s). Details of any Sub-Investment Manager appointed in respect of a Sub-Fund will be outlined in the Supplement of the relevant Sub-Fund.

**5.4. Depositary**

The Company has appointed Citi Depository Services Ireland Designated Activity Company as depository pursuant to the Depository Agreement.

The Depository is a limited liability company incorporated in Ireland on 18 September 1992. The Depository is authorised and regulated by the Central Bank of Ireland. The principal activity of the Depository is to provide trustee and custodial services to collective investment schemes and other portfolios, such as the Company.

Under the terms of the Depository Agreement, the Depository has been appointed as depository of the Company's assets and the assets of the Company have been entrusted to the Depository for safekeeping.

The key duties of the Depository are to perform the depository duties referred to in the UCITS Directive, essentially consisting of:

- (i) monitoring and verifying the Company's cash flows;
- (ii) safekeeping of the Company's assets, including, inter alia, verification of ownership;
- (iii) ensuring that the issue, redemption, cancellation and valuation of Shares are carried out in accordance with the Instrument of Incorporation and applicable law, rules and regulations;
- (iv) ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;
- (v) ensuring that the Company's income is applied in accordance with the Instrument of Incorporation, applicable law, rules and regulations; and
- (vi) carrying out instructions of the Company unless they conflict with the Instrument of Incorporation or applicable law, rules and regulations.

Under the terms of the Depository Agreement the Depository has the power to delegate certain of its depository functions.

In general, whenever the Depository delegates any of its custody functions to a delegate, the Depository will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depository. The use of securities settlement systems does not constitute a delegation by the Depository of its functions.

The list of sub delegates appointed by the Depository is set out in Appendix II 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.

The liability of the Depository will not be affected by the fact that it has delegated to a third party certain of its safekeeping functions in respect of the Company's assets.

From time to time conflicts may arise between the Depository and the delegates or sub-delegates, for example where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. In the event of any potential conflict of interest which may arise during the normal course of business, the Depository will have regard to the applicable laws.

Up-to-date information on the Depository, its duties, the safe-keeping functions delegated by the Depository, the list of delegates and sub-delegates and related conflicts of interest that may arise from such a delegation may be requested from the Company by Shareholders.

## 5.5. Administrator

The Company has appointed Citibank Europe plc to provide registrar and transfer agency, accounting and other administrative services to the Company pursuant to the Administration Agreement. The responsibilities of the Administrator with respect to the Company include shares registration and transfer agency services, calculation of the Net Asset Value per Share and assistance in the preparation of annual and interim reports.

Citibank Europe plc is a licensed bank, authorised and regulated by the Central Bank of Ireland. Citibank Europe plc was incorporated in Ireland on 9 June 1988 under registered number 132781 and is a member of the Citigroup group of companies, having its ultimate parent Citigroup Inc., a US publicly quoted company. Citibank Europe plc provides the general administration of the Company.

#### 5.6. **Portfolio Transactions and Conflicts of Interest**

Subject to the provisions of this section the Directors, the Investment Manager and Distributor, the Sub-Investment Manager(s), the Administrator, the Depositary, any other distributor, any Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a **Connected Person**) may contract or enter into any financial, banking or other transaction with one another or with the Company. This includes, without limitation, investment by the Company in securities of any Connected Person or investment by any Connected Persons in any company or bodies any of whose investments form part of the assets comprised in any Sub-Fund or be interested in any such contract or transactions. In addition, any Connected Person may invest in and deal in Shares relating to any Sub-Fund or any property of the kind included in the property of any Sub-Fund for their respective individual accounts or for the account of someone else. In the event of a conflict arising, each Connected Person shall ensure that the conflict will be resolved fairly.

Any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2010, of Ireland, as amended by the Central Bank and Financial Services Regulatory Authority of Ireland Acts, 2003 to 2004, with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

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

- (a) a certified valuation of such transaction by a person appointed by the Company and approved by the Depositary (or in the case of any such transaction entered into by the Depositary, the Company) as independent and competent has been obtained; or
- (b) such transaction has been executed on best terms on an organised investment exchange under its rules; or
- (c) where (a) and (b) are not reasonably practical, such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the Company are) satisfied conforms with the principles outlined here.

The Investment Manager and Distributor or Sub-Investment Manager may also, in the course of its business, have potential conflicts of interest with the Company in circumstances other than those referred to above. The Investment Manager and Distributor or Sub-Investment Manager will, however, have regard in such event to its obligations under the Investment Management and Distribution Agreement or Sub-Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Company so far as practicable,

having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly as between the Company, the relevant Sub-Funds and other clients. The Investment Manager and Distributor or Sub-Investment Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the Company and its other clients.

As the fees of the Investment Manager and Distributor, Sub-Investment Manager(s), Depository and Administrator are based on the Net Asset Value of a Sub-Fund, if the Net Asset Value of the Sub-Fund increases so too do the fees payable to them and accordingly there is a conflict of interest for them in cases where, for example, the Investment Manager and Distributor are responsible for determining or approving, as the case may be, the valuation price of a Sub-Fund's investments.

#### **5.7. Soft Commissions**

It is not intended, unless disclosed in the relevant Supplement, that any soft commission arrangements will be entered into in relation to any Sub-Fund created in respect of the Company. In the event that the Investment Manager and Distributor, the Sub-Investment Manager(s), the Depository, the Administrator or any of their respective subsidiaries, affiliates, associates, agents or delegates does enter into soft commission arrangement(s) they shall ensure that such arrangement(s) shall (i) be consistent with best execution standards (ii) assist in the provision of investments services to the relevant Sub-Fund and (iii) brokerage rates will not be in excess of customary institutional full-service brokerage rates. Details of any such arrangement will be contained in the next following report of the Sub-Fund. In the event that this is the unaudited semi-annual report, details shall also be included in the following annual report.

### **6. SHARE DEALINGS**

Shareholders should contact the Investment Manager and Distributor, as opposed to the Administrator, in the event they have any queries in connection with matters described in this section.

#### **Subscription for Shares**

#### **6.1. Purchases of Shares**

Issues of Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. The Dealing Deadline relating to each Sub-Fund is set out in the Supplement for the relevant Sub-Fund. The Directors may nominate additional Dealing Days upon advance notice to Shareholders.

Applications for the initial issue of Shares should be submitted to the Investment Manager and Distributor in writing by way of a signed original Subscription Agreement by post or sent by facsimile or other electronic methods (including email, FTP upload, secure internet based messaging or other similar means) as previously agreed with the Investment Manager and Distributor on or prior to the Dealing Deadline for onward transmission to the Administrator with the original and supporting documentation in relation to money laundering prevention checks to follow promptly by post to the Investment Manager and Distributor.

Applications for the initial issue of Shares can also be submitted to the Administrator via trading platforms as agreed with the Investment Manager on or prior to the Dealing Deadline with the original and supporting documentation in relation to money laundering prevention checks to follow promptly by post.

Applications received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline. The Investment Manager and Distributor and Administrator may, only with the agreement of the Directors, in exceptional circumstances, accept applications received after the Dealing Deadline provided they are

received prior to the Valuation Point for the relevant Dealing Day. Applications will be irrevocable unless the Investment Manager and Distributor otherwise agrees.

Subsequent subscription requests may be sent by facsimile or other electronic methods (including email, FTP upload, secure internet based messaging or other similar means) as previously agreed with the Investment Manager and Distributor for formatting and further transmission to the Administrator. (Subsequent subscription requests are not required by the Administrator). An original need not follow in respect of such applications for the additional issue of Shares.

Subsequent subscription requests can also be submitted to the Administrator via trading platforms as agreed with the Investment Manager on or prior to the Dealing Deadline.

Any changes to a Shareholder's payment details or payment instructions will only be made on receipt of an original instruction. No redemption payment may be made to a Shareholder until the original Subscription Agreement has been received by the Investment Manager and Distributor (including supporting documentation in relation to money laundering prevention checks) and anti-money laundering procedures have been completed.

The procedures of the Administrator and the Investment Manager and Distributor comply with the Central Bank's general principles on electronic dealing facilities as issued from time to time.

Applications from existing Shareholders, be they in respect of applications that were made for initial or subsequent issues of Shares in the Isle of Man, submitted before the date of the redomiciliation on 13 May 2014 will be retained by the Investment Manager and Distributor.

The Minimum Initial Investment Amount for Shares of each Sub-Fund that may be subscribed for by each Applicant on initial application and the Minimum Shareholding for Shares of each Sub-Fund is set out in the Supplement for the relevant Sub-Fund.

Fractions of Shares will be issued up to four decimal places. Subscription monies representing smaller fractions of Shares will not be returned to the Applicant but will be retained as part of the assets of the relevant Sub-Fund.

Under the Articles, the Directors have absolute discretion to accept or reject in whole or in part any applications for Shares without assigning any reason therefore. The Subscription Agreement contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Directors, the Investment Manager and Distributor, the Sub-Investment Manager, the Administrator, the Depositary and the other Shareholders for any loss suffered by them as a result of certain Applicants acquiring or holding Shares.

If an application is rejected, the Administrator will return application monies to an account of the Investment Manager and Distributor and the Investment Manager and Distributor will return such application monies or the balance thereof, without interest, by electronic transfer to the account from which it was paid within 6 Business Days of the rejection at the cost and risk of the Applicant, subject to any applicable laws.

## **6.2. Issue Price**

The Initial Issue Price for Shares in the relevant Sub-Fund shall be the amount set out in the Supplement for the relevant Sub-Fund.

Unless otherwise stated in the Supplement of the relevant Sub-Fund, the issue price at which Shares of any Class of any Sub-Fund will be issued on a Dealing Day when Shares are in issue after the Initial Offer Period is the Issue Price.

A Preliminary Charge of up to 3 per cent of the Issue Price may be charged by the Directors for payment to the Investment Manager and Distributor, Sub-Investment Manager or its

nominee. Details of such charge, if any, will be set out in the relevant Supplement.

### 6.3. **Payment for Shares**

Payment in respect of the issue of Shares must be made to the Investment Manager and Distributor by wire transfer in cleared funds in the currency of the relevant Shares for onward transmission to the Administrator by the relevant Settlement Date. The Directors may, at their discretion, accept payment in other currencies, but such payments will be converted into the currency of the relevant Class at the then prevailing exchange rate available to the Investment Manager and Distributor and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription monies. This may result in a delay in processing the application.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, all or part of any allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the Investment Manager and Distributor may treat the application as an application for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds. In such cases the Directors may charge the Applicant for any resulting loss incurred by the relevant Sub-Fund. The Directors reserve the right to charge interest at a reasonable commercial rate on subscriptions which are settled late.

### 6.4. **In Specie Issues**

The Directors may in their absolute discretion and as outlined in the relevant Supplement accept payment for Shares of a Sub-Fund in specie, provided that (a) the Depositary is satisfied that no material prejudice would result to any existing Shareholder in any Sub-Fund, allot Shares in any Sub-Fund against the vesting in the Depositary on behalf of the Company of investments which would form part of the assets of the relevant Sub-Fund provided and (b) such investments would qualify as an investment of the relevant Sub-Fund in accordance with its investment objective, policies and restrictions. The number of Shares to be issued in this way shall be the number which would on the day the investments are vested in the Depositary on behalf of the Company have been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described under the section entitled **Calculation of Net Asset Value/ Valuation of Assets** below.

### 6.5. **Anti-Money Laundering Provisions**

Measures provided for under the AML Acts which are aimed towards the prevention of money laundering, require identification and verification of the identity of each Applicant and its beneficial owners, as applicable, and on-going due diligence of the Applicant and the Applicant's account.

The Administrator and the Investment Manager and Distributor reserve the right to request information and documentation to comply with their requirements under the AML Acts or otherwise, including but not limited to information and documentation in relation to the verification of identity of an Applicant and its beneficial owners, as applicable, the source of funds and/or ongoing due diligence of an Applicant and its account. By way of example an individual will be required to produce a copy of a passport or national identification card which must display a photograph, signature (where required) and date of birth of the bearer and be duly certified by any other person specified in the application form, together with evidence of his address such as utility bills or bank statements (originals or certified copies) not more than six Months old. In the case of corporate Applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and the names, occupations, dates of birth and residential and business addresses of all directors or beneficial owners of the corporate Applicant. Additional information may be required at the Administrator's or the Investment Manager and Distributor's discretion to verify the source of the subscription monies. In the event of delay or failure by the Applicant to produce any information or documentation required for such

purposes, the Administrator or Investment Manager and Distributor may refuse to accept the application and return all subscription monies or compulsorily redeem such Shareholder's Shares and/or payment of redemption proceeds will be withheld and will not be dispatched to a Shareholder until such information or documentation is received by the Investment Manager and Distributor Manager and none of the Sub-Fund, the Directors, the Investment Manager and Distributor, the Sub-Investment Manager, the Depositary or the Administrator shall be liable to the Applicant or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed or redemption proceeds are withheld in such circumstances. If an application is rejected, the Investment Manager and Distributor will return application monies or the balance thereof by electronic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the Applicant.

#### **6.6. Form of Shares and Confirmation of Ownership**

Shares will be in non-certificated and registered form. A contract note(s) providing details of a trade on a Shareholder's account and confirmation of entry onto the register of shareholders will normally be issued within 5 working days after the trade and may be given by electronic means.

#### **6.7. Data Protection**

In the course of business, the Company may collect, record, store, adapt, transfer and otherwise process information by which Shareholders or prospective investors may be directly or indirectly identified. The Company is a data controller within the meaning of Data Protection Legislation and undertakes to hold any personal data provided by investors in accordance with Data Protection Legislation.

The Company and/or any of its delegates or service providers may process prospective investor's personal data for any one or more of the following purposes and legal bases:

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

The Company does not intend to keep personal data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Company shall have regard to any statutory or other obligations to retain information, including anti-money laundering, counter-terrorism, tax legislation. The Company will take reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where specific processing is based on an Shareholder's consent, that Shareholder has the right to withdraw it at any time. Shareholders may have the right to request access to their personal data kept by Company; the right to rectification or erasure of their data; to restrict or object to processing of their data, and to data portability, subject to any restrictions imposed by Data Protection Legislation and/or other applicable laws or regulations.

The Company and/or any of its delegates and service providers will not transfer personal data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection. Countries

included on this list may be changed by the European Commission at any time. If a country is not deemed to provide an adequate level of data protection by the European Commission, then the Company and/or any of its delegates and service providers will seek appropriate safeguards such as the model clauses (which are standardised contractual clauses, approved by the European Commission) or binding corporate rules, or relies on one of the derogations provided for in Data Protection Legislation.

Where processing is carried out on behalf of the Company, the Company shall engage a data processor, within the meaning of Data Protection Legislation, and seek sufficient assurances that such data processor implement appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and addresses the protection of the rights of Shareholders. The Company does not currently process personal data using automated decisions or profiling methods. If this position changes in the future, the Company will inform Shareholders who have the right to object to any automated decision-making where the outcome has a significant effect on the Shareholder.

Prospective investors and/or Shareholders may be required to provide their personal data for legal, tax, regulatory, and/or other legitimate business purposes. Failure to provide the required personal data may result in the Company being unable to permit, process, or release the Shareholder or prospective investor's investment in the Funds and this may result in the Company terminating its relationship with the individual.

If you have questions or concerns about our handling of your personal data, please contact us using the following contact information: DPO@nedgroupinvestments.com or by telephone South Africa: 0800 999 160 or Internationally: +44 (0)1624 645150.

#### 6.8. **Limitations on Purchases**

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

#### 6.9. **Umbrella Cash Account and Subscriptions**

The Company has established an Umbrella Cash Account and has not established such account at Sub-Fund level. All subscription, redemptions and dividends or cash dividends payable to or from a Sub-Fund will be channelled and managed through the Umbrella Cash Account. In the case of redemptions, please refer to the section entitled Redemption of Shares below.

#### 6.10. **Redemption of Shares**

All requests for the redemption of Shares should be made to the Investment Manager and Distributor in writing, by facsimile or other electronic methods (including email, FTP upload, secure internet based messaging or other similar means) as will be previously agreed with the Investment Manager and Distributor for formatting and further transmission to the Administrator. Redemption requests can also be submitted to the Administrator via trading platforms as agreed with the Investment Manager on or prior to the Dealing Deadline. All such requests must quote the relevant Shareholder account number, the relevant Sub-Fund(s) and Class and any other information that the Investment Manager and Distributor reasonably requires and must be signed by or on behalf of the Shareholder by a person authorised by the Shareholder with the ability to bind the Shareholder and where the details of any such authorised person have been previously provided to the Investment Manager and Distributor before payment of Redemption Proceeds can be made.

Redemption requests by facsimile or other electronic methods (including email, FTP upload,

secure internet based messaging or other similar means) as will be previously agreed with the Investment Manager and Distributor received in the prescribed format, containing all required information, and signed by or on behalf of the Shareholder by an authorised person will be treated as definite orders. Requests received on or prior to the relevant Dealing Deadline will, subject as mentioned in this section and in the relevant Supplement, normally be dealt with on the relevant Dealing Day. Redemption requests received after the Dealing Deadline shall, unless the Investment Manager and Distributor, only with the agreement of the Directors, shall otherwise agree in exceptional circumstances and provided they are received before the relevant Valuation Point, be treated as having been received by the following Dealing Deadline.

Shareholders must notify the Investment Manager and Distributor of any withdrawals of a redemption request by the Dealing Deadline unless otherwise specified in the relevant Supplement. The Investment Manager and Distributor may, only with the agreement of the Directors, in exceptional circumstances accept such withdrawals on less notice. No withdrawals will be accepted after the relevant Valuation Point.

If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary and notification to all of the Shareholders in the relevant Sub-Fund, agree to designate additional Dealing Days and Valuation Points for the redemption of Shares relating to any Sub-Fund.

The Directors, the Administrator or the Investment Manager and Distributor may decline to effect a redemption request which would have the effect of reducing the value of any holding of Shares relating to any Sub-Fund below the Minimum Shareholding for that Class of Shares of that Sub-Fund. Any redemption request having such an effect may be treated by the Company as a request to redeem the Shareholder's entire holding of that Class of Shares.

Neither the Investment Manager and Distributor nor the Administrator will accept redemption requests, which are incomplete, until all the necessary information is received in the prescribed form by them.

#### 6.11. **Redemption Price**

The price at which Shares will be redeemed on a Dealing Day is the Net Asset Value per Share of the relevant Class on the relevant Dealing Day less any duties and charges as set out in this Prospectus or the relevant Supplement. The method of establishing the Net Asset Value of any Sub-Fund and the Net Asset Value per Share of any Class of Shares in a Sub-Fund is set out in the Articles as described herein under the section entitled **Calculation of Net Asset Value/Valuation of Assets** below.

#### 6.12. **Payment of Redemption Proceeds**

**No redemption payment may be made to a Shareholder until the original Subscription Agreement and all documentation required by the Investment Manager and Distributor and the Administrator, including any document in connection with the AML Acts or other requirements and/or any anti-money laundering procedures have been completed, sent to and received by the Investment Manager and Distributor and (in respect of Shareholders admitted after 13 May 2014) forwarded to the Administrator as required. In respect of Shareholders that were admitted in the Isle of Man before 13 May 2014 all such documentation will be retained by the Investment Manager and Distributor in which case redemption payments will be made to Shareholders once the Administrator receives confirmation from the Investment Manager and Distributor that it is in receipt of the required documentation. Any changes to a Shareholder's payment details or payment instructions will only be made on receipt of an original instruction by the Investment Manager and Distributor.**

The Redemption Proceeds (minus any charge provided for above or in the relevant Supplement) will be paid at the Shareholder's risk and expense by electronic transfer to an account at the Investment Manager and Distributor for onward transmission by electronic

transfer to an account in the name of the Shareholder in the currency of denomination of the relevant Class (or in such other currency as the Directors shall determine) by the Settlement Date. In respect of redemption requests received by facsimile or other electronic methods (such as email or FTP upload), payment of such Redemption Proceeds will be made to the Investment Manager and Distributor for onward transmission to the registered Shareholder. Redemptions should be processed on receipt of electronic instructions only where payment is made to the account of record.

Any redemptions for which instructions are received within a 24 hour period of a change being made to the Shareholder's bank mandate instructions on record will be delayed until the new bank mandate instructions have been verified.

Subject to the terms of the sections entitled **Limitations on Redemption** and **Suspension of Calculation of Net Asset Value** below the Company will ensure that it is at all times sufficiently liquid to meet redemptions.

#### 6.13. **Limitations on Redemption**

The Company may not redeem Shares of any Sub-Fund during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under the section entitled **Suspension of Calculation of Net Asset Value** below. Shareholders requesting redemption of Shares will be notified of such postponement and, unless withdrawn, their applications will be processed as at the next Dealing Day following the ending of such suspension.

The Directors may at their discretion limit the number of Shares of any Sub-Fund redeemed on any Dealing Day to Shares representing ten per cent or more of the outstanding Shares in any Sub-Fund or Shares representing ten percent or more of the total Net Asset Value of that Sub-Fund on that Dealing Day. In this event, the limitation will apply *pro rata* so that all Shareholders wishing to have Shares of that Sub-Fund redeemed on that Dealing Day realise the same proportion of such Shares. Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day. If requests for redemptions are so carried forward, the Investment Manager and Distributor will inform the Shareholders affected.

#### 6.14. **In Specie Redemptions**

The Directors may at the request of the Shareholder satisfy a redemption request by a distribution of investments of the relevant Sub-Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Sub-Fund. In addition, the Articles contain special provisions where a redemption request received from a Shareholder would result in Shares representing more than five per cent of the Net Asset Value of any Sub-Fund being redeemed by the Company on any Dealing Day. In such a case, the Company may satisfy the redemption request by a distribution of investments of the relevant Sub-Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Sub-Fund. Where the Shareholder requesting such redemption receives notice of the Company's intention to elect to satisfy the redemption request by such a distribution of assets that Shareholder may require the Company, instead of transferring those assets, to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale. The particular assets to be transferred will be determined by the Directors on such basis as the Directors in their discretion, with the approval of the Depositary, consider not to be prejudicial to the interests of the remaining Shareholders in the Sub-Fund. The value of the assets to be transferred will be determined on the same basis as used in calculating the Net Asset Value and may be adjusted as the Directors may determine to reflect the liabilities of the Sub-Fund as a result of the transfer of such assets. Any shortfall between the value of the assets transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption will be satisfied in cash. Any decline in the value of the assets to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which such assets are delivered to the redeeming Shareholder will be borne by the

redeeming Shareholder.

#### 6.15. **Mandatory Redemptions**

The Company, at the discretion of the Directors, may redeem any holding which is less than the Minimum Shareholding. In such circumstances, the Company will give thirty (30) days' prior written notice to Shareholders whose Shares are being redeemed to allow them to purchase sufficient additional Shares of the Sub-Fund to avoid such redemption.

The Company may compulsorily redeem all of the Shares of any Sub-Fund if the Net Asset Value of the relevant Sub-Fund is less than the Minimum Fund Size specified in the Supplement for the relevant Sub-Fund.

The Company reserves the right to impose restrictions on the holding or transfer of Shares directly or indirectly by or to (and consequently to redeem Shares held by):

- (x) a person or entity who, in the opinion of the Directors is a U.S. Person (unless the Directors determine (i) the transaction is permitted under an exemption available under the 1933 Act and (ii) that the relevant Sub-Fund and the Company continue to be entitled to an exemption from registration as an investment company under the Investment Company Act if such person holds Shares);
- (xi) a person or entity who breached or falsified representations on the Subscription Agreement;
- (xii) a person or entity who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such entity is not qualified to hold Shares;
- (xiii) a person or entity who has not provided the required tax documentation or supporting documentation for money laundering prevention checks;
- (xiv) a person or entity if the holding of the Shares by that entity is unlawful or is less than the Minimum Shareholding or Minimum Initial Investment Amount set for that class of Shares by the Directors;
- (xv) a person or entity in circumstances which (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant), in the opinion of the Directors, might result in the relevant Sub-Fund incurring any liability to taxation or suffering any pecuniary liability to taxation or suffering other pecuniary, legal, regulatory or material administrative disadvantage which the relevant Sub-Fund might not otherwise have incurred or suffered (including where the relevant Sub-Fund suspects market timing) or might result in the relevant Sub-Fund being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or is otherwise prohibited by the Articles of Association;
- (xvi) a person under the age of 18 years or of unsound mind; and
- (xvii) any transfer in regard to which any payment of taxation remains outstanding.

If it shall come to the notice of the Directors or if the Directors shall have reason to believe that any Shares are owned directly or beneficially by any person or persons in breach of any restrictions imposed by the Directors, the Directors shall be entitled to (i) give notice (in such form as the Directors deem appropriate) to such person requiring him to request in writing the redemption of such Shares in accordance with the Articles of Association and/or (ii) as appropriate, compulsorily redeem and/or cancel such number of Shares held by such person and may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by such person including any interest or penalties payable thereon.

Any outstanding proceeds of such compulsory redemption will not be paid unless the original Subscription Agreement signed by or on behalf of the Shareholder has been received by the Investment Manager and Distributor and forwarded to the Administrator and all documentation required by them, including any document in connection with the AML Acts or other requirements and/or any anti-money laundering procedures have been completed.

#### 6.16. Umbrella Cash Account and Redemptions

The Company has established an Umbrella Cash Account and has not established such at Sub-Fund level. All subscriptions, redemptions and dividends or cash distributions payable to or from a Sub-Fund will be channelled and managed through the Umbrella Cash Account. In the case of subscriptions, please refer to section entitled Subscriptions for Shares.

#### 6.17. Exchange of Shares

Unless otherwise determined by the Directors, Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any Class in any Sub-Fund (the **Original Class**) for Shares in another Class in a Sub-Fund which are being offered at that time (the **New Class**) (such Class being in the same Sub-Fund or in a separate Sub-Fund) provided that all the criteria for applying for Shares in the New Class have been met (including being entitled to the same tax treatment/benefits under taxation treaties as the other Shareholders in the New Class) and by giving notice to the Investment Manager and Distributor on or prior to the Dealing Deadline for the relevant Dealing Day. The Directors may in their sole and absolute discretion accept requests for exchange received after the relevant Dealing Deadline in exceptional circumstances provided they are received prior to the relevant Valuation Point. The Directors may at their discretion nominate an additional Dealing Day to facilitate applications for exchange of Shares which will be notified in advance to all Shareholders. The Investment Manager and Distributor shall pay all costs associated with additional Dealing Days. The general provisions and procedures relating to the issue and redemption of Shares will apply equally to exchanges, save in relation to charges payable, details of which are set out below and in the relevant Supplement.

When requesting the exchange of Shares as an initial investment in a Sub-Fund, Shareholders should ensure that the value of the Shares exchanged is equal to, or exceeds, the Minimum Initial Investment Amount for the relevant New Class specified in the Supplement for the relevant Sub-Fund. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Shareholding for the Original Class.

The Directors may deduct a charge on an exchange of Shares which the Investment Manager and Distributor considers represents an appropriate figure to cover dealing costs, stamp duties, market impact and to preserve the value of the underlying assets of the Sub-Fund when there are net subscriptions and redemptions. Any such charge will be retained for the benefit of the relevant Sub-Fund the Directors reserve the right to waive such charge at any time.

The Directors may impose an exchange charge of up to 3% of the repurchase amount of the Shares being exchanged.

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

$$S = \frac{[(RP - EC)]}{SP}$$

where:

**S** = the number of Shares of the New Class to be issued;

**RP** = the Redemption Proceeds

<b>EC</b>	=	the Exchange Charge
<b>SP</b>	=	the Issue Price per Share of the New Class as at the Valuation Point for the applicable Dealing Day.

#### 6.18. **Limitations on Exchanges**

Shares may not be exchanged for Shares of a different Class during any period when the calculation of the Net Asset Value of the relevant Sub-Fund or Sub-Funds is suspended in the manner described under the section entitled **Suspension of Calculation of Net Asset Value** below. Applicants for the exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

#### 6.19. **Transfer of Shares**

Shares in each Sub-Fund will be transferable by instrument in writing in common form or in any other written form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. 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 with the Investment Manager and Distributor for formatting and further transmission to the Administrator together with such other evidence as may reasonably be required to show the right of the transferor to make the transfer and/or any evidence required to discharge the Company's and the Investment Manager and Distributor's and Administrator's duties in respect of any applicable AML Acts, laws and/or regulations.

The transferee will be required to complete a Subscription Agreement and any other documentation required by the Investment Manager and Distributor in addition to providing any documentation or information under the AML Acts or its anti-money laundering procedures.

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.

Shares may not be transferred to any person as described in the Mandatory Redemptions section above.

If the transferor is, or is deemed to be, or is acting on behalf of an Irish Taxable Person, the Company is entitled to redeem and cancel a sufficient portion of the transferor's Shares as will enable the Company to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.

In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

During a period of suspension transfers of shares will be accepted or refused at the Directors discretion.

#### 6.20. **Dealing Restrictions**

##### 6.20.1. **Market Timing**

The Company, at its discretion, reserves the right to refuse to accept any application for initial or subsequent subscription or to compulsorily redeem Shares held by any Shareholder, without giving any reason where the Company suspects market timing. Without limiting the foregoing, and as further described below, the Company may not be used as a vehicle for frequent trading in response to short term market fluctuations (so called **market timing**). Accordingly, the Company may reject any subscriptions

(or compulsorily redeem Shares) from any investor that it determines is engaged in market timing or other activity which it believes is harmful to the Company or any Sub-Fund. If a subscription is rejected, subscription proceeds will be returned without interest to the Applicant, as soon as practicable.

#### **6.20.2. Excessive Trading Policies**

The Company emphasises that all Applicants and Shareholders are bound to place their subscription, redemption or switching order(s) no later than the relevant Dealing Deadline for transactions in the Sub-Fund's Shares.

Excessive trading into and out of a Sub-Fund can disrupt portfolio investment strategies and increase the Sub-Fund's operating expenses. The Sub-Funds are not designed to accommodate excessive trading practices. The Directors reserve the right to restrict, reject or cancel purchase, redemption and switching orders as described above, which represent, in their sole judgment, excessive trading.

Shareholders seeking to engage in excessive trading practices may deploy a variety of strategies to avoid detection, and there is no guarantee that the Company or its agents will be able to recognise such Shareholders or curtail their trading practices. The ability of the Company and its agents to detect and curtail excessive trading practices may also be limited by operational systems and technological limitations.

To the extent that the Company or its agents are unable to curtail excessive trading practices in a Sub-Fund, these practices may interfere with the efficient management of the Sub-Fund's portfolio, and may result in the Sub-Fund engaging in certain activities to a greater extent than it otherwise would, such as maintaining higher cash balances, using a line of credit and engaging in portfolio transactions. Increased portfolio transactions and the use of a line of credit would correspondingly increase a Sub-Fund's operating costs and decrease the Sub-Fund's investment performance, and maintenance of a higher level of cash balances would likewise result in lower Sub-Fund investment performance during periods of rising markets.

#### **6.21. Calculation of Net Asset Value/Valuation of Assets**

The Net Asset Value of each Sub-Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of the Sub-Fund and deducting therefrom the liabilities of the Sub-Fund. The Net Asset Value of a Sub-Fund divided by the number of Shares of the relevant Sub-Fund in issue as at the relevant Valuation Point is equal to the Net Asset Value of a Share of the relevant Sub-Fund. Where there is more than one Class in issue in a Sub-Fund, the Net Asset Value per Share of the relevant Class is calculated by determining that proportion of the Net Asset Value of the relevant Sub-Fund which is attributable to the relevant Class at the Valuation Point, and adding thereto or deducting therefrom such sum (if any) as the Administrator may consider represents the appropriate provision for purchase or sales charges and by dividing this sum by the total number of Shares of the relevant Class in issue at the relevant Valuation Point (which is set out in the Supplement for the relevant Sub-Fund).

The price at which Shares of any class will be issued on a Dealing Day, after the initial issue, is based on the Net Asset Value per Share or Net Asset Value per Share of the relevant Class (where there is more than one Class in issue in a Sub-Fund) plus a provision for any duties and charges as set out in this Prospectus or in the relevant Supplement. The price at which Shares of any class will be redeemed on a Dealing Day, is based on the Net Asset Value per Share or Net Asset Value per Share of the relevant Class (where there is more than one Class in issue in a Sub-Fund) less a provision for any duties and charges as set out in this Prospectus or in the relevant Supplement. The Net Asset Value and the Net Asset Value per Share will in each case be rounded to four decimal places or such other number of decimal places as the Directors may determine.

The Articles provides for the method of valuation of the assets and liabilities of each Sub-

Fund and of the Net Asset Value of each Sub-Fund. The Company has delegated the calculation of the Net Asset Value to the Administrator. The assets and liabilities of a Sub-Fund will be valued as follows:-

In general, the Articles provides that the value of any investments quoted, listed or dealt in on a market shall be calculated by reference to the last traded price as at the relevant Valuation Point provided that the value of any investment listed or dealt in on a Regulated Market but acquired or traded at a premium or at a discount outside the relevant market 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 the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

Where such investment is quoted, listed or dealt in on more than one Regulated Market, the Directors shall, in their absolute discretion, select the Regulated Market which in its opinion constitutes the main Regulated Market for such investment for the foregoing purposes.

The value of any investment which is not quoted, listed or dealt in on a Regulated Market or of any investment which is normally quoted, listed or dealt in on a Regulated Market but in respect of which no price is currently available or the current price of which does not in the opinion of the Directors reflect the fair market value thereof in the context of currency, marketability, dealing costs and/or such other considerations as are deemed relevant, shall be the probable realisation value estimated with care and in good faith by (i) the Directors or (ii) by a competent person appointed by the Directors approved, for such purpose, by the Depositary or (iii) any other means provided that the value is approved by the Depositary. In determining the probable realisation value of any such investment, the Directors may accept a certified valuation from a competent independent person, or in the absence of any independent person, (notwithstanding that the Investment Manager and Distributor or Sub-Investment Manager has an interest in the valuation), the Investment Manager and Distributor or Sub-Investment Manager, who in each case shall be approved by the Depositary to value the relevant securities. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics. The matrix methodology will be compiled by the Directors or a competent person, firm or corporation appointed by the Directors and approved for the purpose by the Depositary or any other means provided that the value is approved by the Depositary.

Units or shares in collective investment schemes will be valued at the latest available net asset value as published by the collective investment scheme, or if listed, the latest market prices as described above.

The Articles further provide that cash in hand or on deposit and other liquid assets, prepaid expenses, cash dividends, interest declared or accrued and not yet received and tax reclaims filed and not yet received as at the relevant Valuation Point shall normally be valued at their face value (unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof).

The value of any exchange traded futures contracts, share price index futures contracts and options and other derivative instruments shall be the settlement price as determined by the Regulated Market in question as at the Valuation Point provided that where such settlement price is not available for any reason as at a Valuation Point, such value shall be the probable realisation thereof estimated with care and in good faith by (i) the Directors or (ii) a competent person appointed by the Directors, provided that the Directors or such other competent person have been approved for such purpose by the Depositary (iii) any other means provided that the value is approved by the Depositary.

Forward foreign exchange contracts shall be valued by reference to the prevailing market maker quotations, namely, the price as at the Valuation Point at which a new forward exchange contract of the same size and maturity could be undertaken, or if unavailable, at the

settlement price provided by the counterparty. The settlement price shall be valued at least daily by the counterparty and shall be verified at least weekly by a party who is independent from the counterparty and approved for such purpose by the Depositary.

In the case of a Sub-Fund which is a money market fund, the Directors or their delegates may value any investment through the use of amortised cost. The amortised cost method of valuation may only be used in relation to Sub-Funds which comply 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.

Money Market Instruments in a non-money market Sub-Fund may be valued by the Directors or their delegates at their amortised cost, in accordance with the Central Bank's requirements.

Notwithstanding the foregoing valuation rules, in the event of substantial or recurring net subscriptions (where total subscriptions of a Sub-Fund exceeds total redemptions), the Directors may adjust the Net Asset Value per Share to reflect the value of the Company's assets using the lowest market dealing offer price as at the relevant Valuation Point in order to preserve the value of the shareholding of continuing Shareholders. In the event of substantial or recurring net redemptions (where total redemptions of any Sub-Fund exceeds total subscriptions), the Directors may adjust the Net Asset Value per Share to reflect the value of the Company's assets using the lowest market dealing bid price in order to preserve the value of the shareholding of continuing Shareholders.

If in any case a particular value is not ascertainable as provided above or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Directors or another competent person appointed by the Directors shall determine, such method of valuation to be approved by the Depositary.

Notwithstanding the generality of the foregoing, the Directors may adjust the value of any such security if, having regard to currency, anticipated rate of dividend, applicable rate of interest, maturity, liquidity, marketability, dealing costs and/or such other considerations as the Directors and the Investment Manager and Distributor or Sub-Investment Manager may deem relevant, the Directors considers that such adjustment is required to reflect the fair value thereof as at any Valuation Point.

Any value expressed otherwise than in the Base Currency of the Sub-Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate which the Administrator shall determine to be appropriate in the circumstances.

Any particular valuation provisions applicable to a Sub-Fund are set out in the Supplement for the relevant Sub-Fund.

#### **6.22. Suspension of Calculation of Net Asset Value**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Sub-Fund or the issue, redemption and exchange of Shares and the payment of redemption proceeds:

- (i) during any period when any of the Regulated Markets on which a meaningful portion of the investments of the relevant Sub-Fund, from time to time, are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (ii) during 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 meaningful portion of the investments of the relevant Sub-Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Sub-Fund or if, in the opinion of the Directors, the Net Asset

Value of the Sub-Fund cannot be fairly calculated; or

- (iii) during any breakdown in the means of communication normally employed in determining the price of a meaningful portion of the investments of the relevant Sub-Fund, or when, for any other reason the current prices on any Regulated Market of any of the investments of the relevant Sub-Fund cannot be promptly and accurately ascertained; or
- (iv) during any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Sub-Fund or when payments due on the redemption of Shares from Shareholders cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
- (v) during any period when the Directors are unable to repatriate funds required for the purpose of making payments due on the redemption of Shares in the relevant Sub-Fund; or
- (vi) during any period when the Directors consider it to be in the best interest of the Shareholders of the relevant Sub-Fund; or
- (vii) upon mutual agreement between the Company and the Depositary, any period following the circulation to Shareholders of a notice of a general meeting at which a resolution for the purpose of terminating the Company or any Sub-Fund is to be proposed; or
- (viii) when any other reason makes it impracticable to determine the value of a meaningful portion of the assets of the Company or any Sub-Fund.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as practicable.

Shareholders who have requested issue or redemption of Shares of any class or the exchange of Shares of one class to another will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified on the same Business Day to the Central Bank and will be communicated without delay to Shareholders and to the competent authorities in any country in which the Shares are registered for sale.

#### **6.23. Notification of Prices**

The Net Asset Value per Share of each class of Shares in each Sub-Fund will be available from the Investment Manager and Distributor and the Administrator following calculation on each Valuation Point and will be published on the Investment Manager and Distributor's website [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com) or such other websites or newspapers as the Directors may decide from time to time and as notified to the Shareholders in advance. Such prices will be up to date but will be the prices applicable to the previous Dealing Day's trades and are therefore only indicative after the relevant Dealing Day.

### **7. FEES AND EXPENSES**

#### **7.1. Operating & Service Providers' Fees and Expenses**

The Company may pay out of the assets of each Sub-Fund the fees and expenses payable to the Investment Manager and Distributor, the Administrator, the Depositary, any other distributor at normal commercial rates, any facilities agent, any paying agent, the fees and expenses of sub-custodians (which will be at normal commercial rates), the fees and expenses of any investment advisers or any other delegates of the Company, the fees (if any) and expenses of the Directors, any fees in respect of circulating details of the Net Asset Value, stamp duties, all taxes and VAT, company secretarial fees, any costs incurred in respect of meetings of Shareholders, marketing and distribution costs, investment transaction

charges, costs incurred in respect of the distribution of income to Shareholders, pricing and bookkeeping costs, the fees and expenses of any other facilities agent or representative appointed in compliance with the requirements of another jurisdiction (which will be at normal commercial rates), any amount payable under indemnity provisions contained in the Articles or any agreement with any appointee of the Company, all sums payable in respect of directors' and officers' liability insurance cover, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax and legal advisers, regulatory fees, the fees connected with registering the Company for sale in other jurisdictions, the fees and expenses in connection with obtaining and maintaining a credit rating for any Sub-Fund, Class or Shares. The costs of printing and distributing this Prospectus, KIID, reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) may also be paid out of the assets of the Company. Further details of such fee arrangements shall be disclosed in the Supplement for the relevant Sub-Fund. All recurring expenses and fees will be charged against current income or against realised and unrealised capital gains, or, where there is not sufficient income or capital gains to cover the fees and expenses of the Company, against the capital or assets of the Company in such manner and over such period as the Directors may from time to time decide.

If a Sub-Fund invests more than 20% of its net assets in other CIS the maximum level of the management fees that may be charged in respect of that Sub-Fund and to the other CIS in which it intends to invest will be set out in the relevant Supplement. Details of such fees will also be contained in the Company's annual report.

When a Sub-Fund invests in the shares of other CIS and those other CIS are managed directly or by delegation, by the Investment Manager and Distributor or by any other company with which the Investment Manager and Distributor is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager and Distributor or other company shall not charge subscription, conversion or redemption fees on account of the investment of the Sub-Fund in the shares of such other CIS.

## **7.2. Investment Manager and Distributor Fees**

The Investment Manager and Distributor shall be paid such fees and in such manner as set out in the relevant Supplement.

## **7.3. Sub-Investment Manager Fees**

These are paid by the Investment Manager and Distributor.

## **7.4. Administrator Fees**

The Company pays the Administrator a fee, calculated and accrued on each Dealing Day and payable monthly in arrears, at a rate of between 0.02 and up to 0.05 per cent. per annum of the Net Asset Value of each Sub-Fund, and a minimum fee of Euro 20,000.

## **7.5. Depositary Fees**

The Company pays the Depositary a fee, calculated and accrued on each Dealing Day and payable monthly in arrears, of up to 0.04 per cent per annum of the Net Asset Value of each Sub-Fund. The level of charges is dependent upon the type of securities comprised in each sub fund.

## **7.6. Directors Fees**

Unless and until determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Those Directors who are not associated with the Investment Manager and

Distributor will be entitled to remuneration for their services as directors provided however that the aggregate emoluments of such Directors in each year shall not exceed €80,000 (excluding VAT). In addition, all of the Directors will be entitled to be reimbursed out of the assets of each Sub-Fund for their reasonable out of pocket expenses incurred in discharging their duties as directors, including all travelling, hotel and other out of pocket expenses properly incurred by them in connection with their attendance at meetings of Directors or committees established by the Directors or separate meetings of the holders of any class of Shares of the Company or otherwise in connection with the discharge of their duties.

#### **7.7. Preliminary Charge**

Shareholders may be subject to an initial charge calculated as a percentage of the Issue Price as specified in the relevant Supplement subject to a maximum of 3 per cent of the Issue Price of Shares purchased by Shareholders. The Preliminary Charge may be waived or reduced at the absolute discretion of the Directors.

#### **7.8. Redemption Charge**

Shareholders will not be subject to a Redemption Charge.

#### **7.9. Exchange Charge**

The Directors may impose an exchange charge of up to 3 per cent. of the repurchase amount of the Shares being exchanged for Shares in another Sub-Fund or another Class.

#### **7.10. Anti-Dilution Levy/Duties & Charges**

The Directors reserve the right to impose an anti-dilution levy representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of underlying assets of a Sub-Fund, in the event of receipt for processing of net subscription or redemption requests of a Sub-Fund, including as a result of requests for conversion from one Sub-Fund into another Sub-Fund which shall for this purpose be treated as a redemption request on the first Sub-Fund. Any such provision will be determined by the Directors as representing an appropriate figure for such purposes and will be added to the price at which Shares will be issued in the case of net subscription requests of the Sub-Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests of the Sub-Fund. The Directors may also apply a provision for market spreads and duties or charges in any other case where it considers such a provision to be in the best interests of a Sub-Fund. Any such sum will be paid into the account of the relevant Sub-Fund.

#### **7.11. Allocation of Fees**

Such fees, duties and charges will be charged to the Sub-Fund and within such Sub-Fund to the Class or Classes in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Sub-Fund or Class, the expense will be allocated by the Directors with the approval of the Depositary, in such manner and on such basis as the Directors in their discretion deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

### **8. TAXATION**

#### **8.1. General**

**The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning**

**possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this document and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

## 8.2. Ireland

### Irish Taxation

#### Tax on income and capital gains

##### The Company

On the basis that the Company or a sub-fund of the Company does not hold IREF assets as defined in Section 739K of the TCA and does not intend to hold such assets or conduct an IREF business, the Company (or a sub-fund) is not an IREF for the purposes of Part 27 Chapter 1B of the TCA.

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

A chargeable event occurs for example on:

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

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

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

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

In the absence of the appropriate declaration being received by the Company that a Shareholder is not an Irish Taxable Person or if the Company has information that would reasonably suggest that a declaration is incorrect and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Company will

be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Shareholder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution tax will be deducted at the rate of 41%, or at the rate of 25% where the Shareholder is a company and the appropriate declaration has been made, on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, not being a company which has made the appropriate declaration, on a transfer of Shares and on the eight year rolling chargeable event, tax will be deducted at the rate of 41% on the increase in value of the shares since their acquisition. Tax will be deducted at the rate of 25% on such transfers where the Shareholder is a company and the appropriate declaration has been made. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

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

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

### **Shareholders**

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

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

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

### **Stamp duty**

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

### **Capital acquisitions tax**

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

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

## Other tax matters

The income and/or gains of a Company from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to that Company, the net asset value of the Company will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

## Automatic Exchange of Information

### FATCA

Irish reporting financial institutions which may include the Company have reporting obligations in respect of certain investors under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and / or CRS / DAC II.

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

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

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

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

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

## CRS / DAC II

The CRS framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the **Standard**) was published, involving the use of two main elements, the Competent Authority Agreement (**CAA**) and the CRS.

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

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

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

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

### Irish Tax Definitions

The following definitions should be used:

- (a) **Irish Taxable Person** means any person, other than
- (i) a Foreign Person;
  - (ii) an Intermediary, including a nominee, for a Foreign Person;
  - (iii) a qualifying management company within the meaning of section 739B TCA;
  - (iv) a specified company within the meaning of section 734 TCA;
  - (v) an investment undertaking within the meaning of section 739B of the TCA;
  - (vi) an investment limited partnership within the meaning of section 739J of the TCA;

- (vii) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;
- (viii) a company carrying on life business within the meaning of section 706 TCA;
- (ix) a special investment scheme within the meaning of section 737 TCA;
- (x) a unit trust to which section 731(5)(a) TCA applies;
- (xi) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
- (xii) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA , section 787I TCA or section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);
- (xiii) the Courts Service;
- (xiv) a Credit Union;
- (xv) a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;
- (xvi) a company within the charge to corporation tax under section 110(2) TCA;
- (xvii) the National Asset Management Agency;
- (xviii) the National Treasury Management Agency or a Fund investment vehicle within the meaning of section 739D(6)(kb) TCA;
- (xix) the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 as amended);
- (xx) the State acting through the National Pensions Reserve Fund Commission or a Commission investment vehicle within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended); and
- (xxi) any other person as may be approved by the directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27 Chapter 1A of the TCA

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

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

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

and any conditions to which that approval is subject have been satisfied".

### **Residence - Company**

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

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

### **Residence - Individual**

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

1. Spends 183 or more days in the State in that tax year;
- Or
2. has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

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

### **Ordinary Residence - Individual**

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

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

An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2016 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2019.

### **Intermediary**

this means a person who:-

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

### **CRS**

This means the Common Reporting Standard more fully described in the Standard for

Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development and any treaty, law or regulation of any other jurisdiction which facilitates the implementation of the Standard including Council Directive 2014/107/EU on the Administrative Cooperation in the Field of Taxation (DAC II).

## **FATCA**

This means the US Foreign Account Tax Compliance Act as set forth in Section 1471 through 1474 of, and other amendments to, the US Internal Revenue Code of 1986 (including any intergovernmental agreement entered into in connection with the implementation of such sections and any regulatory legislation adopted pursuant to such intergovernmental agreement), as amended, and the relevant regulations, notices and announcements issued thereunder.

### **8.3. United Kingdom**

#### **Taxation**

**Warning:** The information contained below is relevant only to (i) individuals holding shares who are resident and domiciled for tax purposes in the UK and (ii) UK resident corporate shareholders – hereafter referred to collectively as “UK tax resident shareholders”, and is based on UK tax legislation and the known current HM Revenue & Customs (“HMRC”) interpretation thereof. This can vary according to individual circumstances and is subject to change. It is intended as a guide only and not a substitute for professional advice. It does not purport to be a complete analysis of all tax considerations relating to the holding of shares. The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the implications of subscribing for, purchasing, holding, switching or disposing of shares under the laws of any jurisdiction in which they may be subject to tax.

This summary in particular does not address the tax consequences for non UK resident persons who hold the shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or permanent establishment). In addition, the summary only addresses the tax consequences for UK investors who hold shares as an investment and not as trading stock. It does not deal with the position of certain classes of investors, such as dealers in securities and insurance companies, trusts and persons who have acquired their shares by reason of their or another's employment; nor does it deal with the position of individuals who are UK resident but non-domiciled.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The statements are based on current tax legislation, together with HMRC practice, all of which are subject to change at any time - possibly with retrospective effect.

#### **A Nature of investment**

Investors will acquire shares in a particular sub-fund of the Company. Nedgroup Investments Funds plc is an Irish incorporated open-ended investment company with variable capital and is structured as an umbrella company. The Company is authorised as a UCITS scheme in Ireland by the Central Bank in Ireland.

#### **B Taxation status of the Company**

We understand that the Company is not a transparent entity for UK taxation purposes. The Directors intend to conduct the affairs of the Company so that it does not become resident in the United Kingdom and does not carry on a trade within the United Kingdom for United Kingdom taxation purposes. Accordingly, whilst the position cannot be guaranteed, the Company should not be subject to United Kingdom income tax or corporation tax other than on certain United Kingdom source income.

In this regard, further comfort can be obtained from the provisions of s363A Taxation (International and Other Provisions) Act 2010 which provide that, where the Company is a corporate fund that is authorised as a UCITS under Article 5 of the UCITS Directive then the Company is not to be viewed as UK resident for UK income tax, corporation tax or capital gains tax purposes even if it would be so viewed under general UK tax principles.

If the Company should invest in UK investments any UK source income arising may be subject to UK withholding tax depending on the nature of those investments and whether the Company can make a valid treaty claim to avoid or minimise such withholding tax.

Each share class of the Company should be treated as an “offshore fund” for the purposes of the UK Offshore Company’s tax regime in Section 355 of the Taxation (International and Other Provisions) Act 2010. The UK’s reporting fund regime, which is contained in the Offshore Funds (Tax) Regulations 2009 (Statutory Instrument 2009/3001), therefore applies to these share classes.

Under the reporting fund regime, for UK taxpayers to secure capital gains tax treatment on the disposal of their investment in shares in a share class of the Company, that share class would need to be certified as a “reporting fund” through the entire period over which the UK taxpayer held the investment.

The Fund has registered for UK reporting fund status with HMRC in respect of some but not all share classes of the Company.

The Directors will take all steps that are practicable and consistent both with the laws and regulatory requirements of Ireland and the United Kingdom and with the investment objectives and policies of the Fund, to ensure that, in respect of each relevant share class, reporting fund status is obtained and retained for all accounting periods from and including the accounting period in which the relevant share class was registered with HMRC as a reporting fund. It must be appreciated, however, that no assurance can be given as to whether such approval will, in practice, be granted in the first instance, and retained in respect of any particular accounting period, especially since the exact conditions that must be fulfilled for the Fund to obtain that reporting fund status may be affected by changes in HMRC practice or by subsequent changes to the relevant provisions of UK tax legislation.

The comments below in relation to the UK taxation of UK resident investors in the Company are based on the assumption that each Reporting Fund Share Class (“RFSC”) will maintain reporting fund status with HMRC (from the accounting period in which the relevant share class was registered with HMRC as a RFSC) over the entire period in which it has UK resident investors. It is important to note that reporting fund status must be maintained on an annual basis by each share class. If reporting fund status is revoked by HMRC for any RFSC, that RFSC will be unable to regain reporting fund status and will thereafter be permanently outside the reporting fund regime. Certain elections may be available to UK resident investors who held shares in any share class prior to the date on which the share class became a RFSC to enable them to benefit from the reporting fund status.

Future share classes of each sub-fund of the Company will apply for UK Reporting Fund Status if considered appropriate by the Directors. An application for UK reporting fund status for any future share class of any sub-fund of the Company must be received by HMRC by the later of (i) the end of first period of account in which that share class is launched, and (ii) the expiry of a period of three months beginning with the first day on which interests in the relevant share class are made available to investors resident in the UK, if the expectation is that each share class will have UK Reporting Fund Status effective from the beginning of the first period of account in which the relevant share class is launched.

In the event that any future share class of any sub-fund does not apply to HMRC for UK reporting fund status for the period of account in which the share class is launched it should be noted that UK reporting fund status cannot be obtained retrospectively for any period and would therefore generally only be available from the period in which the Directors made the

appropriate applications to HMRC (and future periods).

For completeness, for any UK tax resident investor who held shares in any share class prior to the date on which the share class became a RFSC and does not make the necessary elections with HMRC, or in the event that the situation may arise where the decision is made not to apply for or maintain UK Reporting Fund Status in respect of any share class, section D below includes some comments in relation to the UK taxation implications of UK resident investors in any shares class of any sub-fund of the Company where the share class eventually proves not to have UK Reporting Fund Status through the entire period in which the investor held the shares (“non RFSC”).

## **C Taxation of UK resident investors**

The general comments at C.1 and C.2 are prepared on the basis that none of the RFSC in the Company are categorised as ‘bond funds’ under the relevant UK legislation. Broadly, a share class is likely to be viewed as a ‘bond fund’ for an accounting period if at any time in that accounting period the market value of its ‘qualifying investments’ being broadly government and corporate debt, securities or cash on deposit (other than cash awaiting investment) or certain derivative contracts or holdings in other funds which at any time in the relevant accounting period are categorised as ‘bond funds’ exceed more than 60% of the market value of its total assets.

Investors’ attention is particularly drawn to the fact that, based on the investment objectives in each supplement, it is considered possible that share classes in certain sub-funds of the Company could each be viewed as a ‘bond fund’ for UK tax purposes subject to actual investments made. However, this would need to be formally confirmed on an annual basis by review of the proportional weighting of the ‘qualifying investments’ to total assets throughout that period on a sub-fund basis (as a separate pool of assets is maintained for each sub-fund).

Dividends and other income distributions paid or deemed to be paid to UK resident and domiciled individual Shareholders in respect of shares in the Company which are deemed to be ‘bond funds’ may instead be taxed as ‘interest’ (as opposed to ‘dividends’ – discussed in C.2 below).

UK resident corporate Shareholders within the charge to UK corporation tax should note that under the loan relationships regime, if at any time in an accounting period they hold an interest in a ‘bond fund’ that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the share class are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.

### **C.1 Capital gains – general principles**

The relevance of reporting fund status for UK tax resident shareholders is that gains realized by investors on disposals of investments in reporting funds, which retain their reporting fund status for the entire period in which the investor holds the investment, will in most circumstances be treated as a ‘capital disposal’ for UK taxation purposes.

#### **C.1.1 UK individual investors in RFSC**

Individual shareholders who are resident and domiciled in the UK for tax purposes may be liable to capital gains tax in respect of capital disposals of their RFSC Shares.

Any capital increase in the value of the shares realised on eventual sale (when compared to deductible costs) is likely to be taxable under the UK capital gains code (current headline rate of 20%), subject to the availability of various exemptions and/or reliefs. Deductible costs should include the amount initially paid for the shares, as well as any accumulated and not distributed amounts that have been taxable as income in the hands of the individual, via the annual reported income of the share class.

### *C.1.2 UK corporate investors in RFSC*

UK corporates may be liable to UK corporation tax in respect of capital disposals of RFSC Shares.

The deemed distributions received by the corporate throughout their period of ownership of the RFSC Shares may in certain circumstances represent additional base cost on sale of the RFSC Shares.

## **C.2 Income and deemed distributions – general principles**

Broadly speaking, an investor will be taxed on income accruing in a RFSC on an annual basis, rather than when it is distributed to the investor. This is the case irrespective of whether any income is physically distributed to a RFSC shareholder in any period in respect of their holding.

UK investors will be viewed as receiving income equivalent to their proportionate share of the “reported income” of the RFSC; and the tax point for any “reported income” should be the date falling 6 months after the end of the reporting period (i.e. 30 June each year on the basis that the Fund continues to prepare financial statements to 31 December). Credit is given for actual dividends paid in calculating the reported income, although these cannot reduce the “reported income” to a negative amount.

For any share class that is not a ‘bond fund’ the excess of reported income over actual distributions should be viewed as foreign dividends for UK taxation purposes. For any share class that is a ‘bond fund’ the excess of reported income over actual distributions should be viewed as interest income for UK taxation purposes.

In certain specified circumstances, investors in receipt of dividends can be viewed as receiving trading income. The advice below assumes that all investors will be viewed as holding the shares as investment assets and that the dividends are treated as investment, rather than trading, income for tax purposes.

### *C.2.1 UK individual investors*

A UK resident individual who receives, or is deemed to receive, a relevant income distribution (including any “excess income”) from a RFSC may be subject to UK tax on the deemed distribution.

From 6 April 2018 UK resident and domiciled investors will not have to pay tax on the first £2,000 of dividend income, regardless of the quantum of non-dividend income received. However tax will be levied on any dividends received over £2,000 at 7.5% on dividend income within the basic rate band, 32.5% on dividend income within the higher rate band and 38.1% on dividend income within the additional rate band

### *C.2.2 UK corporate investors*

UK corporate investors may be exempt from UK corporation tax if the deemed distribution from the RFSC falls within one of the dividend exemption categories for corporate recipients. If the deemed dividends do not fall within one of the dividend exemption categories, then they are likely to represent taxable income in the hands of the corporate investor at their marginal rate of UK corporation tax.

### *C.2.3 UK exempt investors*

Some investors (e.g. approved pension funds) may be exempt from tax. Different rules may also apply in the case of certain non-residents (for more details, please consult your tax advisor).

## **D UK resident investors in non RFSC**

### **D.1 Capital gains**

UK tax resident shareholders may be liable to capital gains tax in respect of capital disposals of their non RFSC Shares. In broad terms, gains realised on disposals of investments in non RFSC are likely to be taxable as an income receipt (without credit for any indexation which may otherwise be available) under the UK offshore fund regime. Any amounts taxable as an income receipt should be deductible from the proceeds from a capital gains tax perspective.

### **D.2 Income received from non RFSC**

A UK tax resident investor in a non RFSC should only have a potential liability to UK tax in respect of actual distributions received. The tax point for such distributions is likely to be the date on which such distributions were paid. These distributions should be viewed as foreign dividend income for UK individual investors.

Dividends and other income distributions paid to UK resident and domiciled individual shareholders in respect of shares in any share class of the Fund which are deemed to be 'bond funds' may instead be taxed as 'interest' (as opposed to 'dividends').

UK resident corporate shareholders within the charge to UK corporation tax should note that under the loan relationships regime, if at any time in an accounting period they hold an interest in a 'bond fund' that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the share class are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.

## **E Certain UK anti-avoidance legislation**

The UK tax legislation contains a wide range of anti-avoidance legislation which could, depending on the specific circumstances of an investor, apply to shareholdings in the Fund. The comments below are not intended to be an exhaustive list of such anti-avoidance legislation, or a comprehensive summary of any of the provisions referred to. Investors who are concerned about the potential application of these provisions, or any other UK anti-avoidance provisions should seek detailed tax advice based on their own circumstances. However, as a high level guide the attention of prospective UK tax resident shareholders is particularly drawn to the following anti-avoidance provisions.

### **E.1 Section 13 of the Taxation of Chargeable Gains Act 1992 (“Section 13”)**

Section 13 applies to a “participator” in a company for UK taxation purposes (the term “participator” includes, but is not limited to, a shareholder) if the company is controlled by a sufficiently small number of persons such that, if it were a body corporate resident in the UK for taxation purposes, it would be a “close company”.

If at any time when (i) a gain accrues to the Fund which constitutes a chargeable gain for UK purposes (such as on a disposal by the Fund of any of its investments) and (ii) the provisions of Section 13 apply; a participator can be treated for the purposes of UK taxation as if a part of any chargeable gain accruing to the Fund had accrued to that shareholder directly. The gain accruing to the shareholder is equal to the proportion of the gain that corresponds to that shareholder’s proportionate interest in the Fund as a participator. A shareholder could therefore incur a liability to tax even if the gain accruing to the Fund had not been distributed by the Fund. No liability under Section 13 will be incurred by such a shareholder, however, where the proportionate interest of the shareholder in the company, together with their associates, means that 25% or less of the chargeable gain is apportioned to them under the Section 13 rules.

### **E.2 Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad)**

The attention of individuals resident in the UK for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad). These provisions are aimed at preventing the avoidance of income tax by individuals through the transfer of assets or income to persons (including companies) resident or domiciled outside the UK. These provisions may render them liable to taxation in respect of undistributed amounts which would be treated as UK taxable income and profits of the Fund (including, if the Fund or any Fund thereof were treated as carrying on a financial trade, profits on the disposition of securities and financial profits) on an annual basis. We would not expect these provisions to apply to income relating to a share class which has been certified by HMRC as a RFSC. Where a share class has not been certified as a RFSC, the provisions could apply but there are potential exemptions available where the transactions are genuine commercial transactions and avoidance of tax was not the purpose or one of the purposes for which the transactions were effected.

### **E.3** *Transaction in Securities*

The attention of shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if shareholders are seeking to obtain tax advantages in prescribed conditions.

### **F** **UK stamp duty**

The following comments are intended as a guide to the general UK stamp duty position and may not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

No UK stamp duty will be payable on the issue of the shares. Legal instruments transferring the shares should not be subject to UK stamp duty provided that such instruments are executed outside the UK and do not relate to matters done or to be done in the UK.

### **8.4. Other Jurisdictions**

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

## **9. GENERAL INFORMATION**

### **9.1. Reports and Accounts**

The Company's year end is 31 December in each year. The annual report and audited accounts of the Company will be made available and will, upon request, be sent to Shareholders within four Months after the conclusion of each accounting year, or will be available as mentioned at paragraph 9.6 (iv) below. The Company will also prepare semi-annual report and unaudited accounts which will be made available and will, upon request, be sent to Shareholders within two months after the six month period ending on 30 June in each year.

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

### **9.2. Share Capital**

The Company was incorporated as a public limited liability company in the Isle of Man on 28 January 1999 with the name “NIB International Investor Series PLC”; on 19 November 2007 it was resolved to change the name of the Company to “Nedgroup Investments Funds PLC” to reflect its ongoing association with the Nedbank Group. In 2009 the Company re-registered as a company limited by shares pursuant to the provisions of the Companies Act 2006 of the Isle of Man with company number 004500V.

The Company was registered (by way of continuation) in Ireland as an open-ended umbrella investment company with variable capital and with segregated liability between Sub-Funds on 13 May 2014. Accordingly, the Company is authorised/regulated by the Central Bank.

At the date hereof the authorised share capital of the Company is 100 Subscriber Shares of US\$0.01 each and 1,000,000,000,000 Shares of no par value initially designated as unclassified shares.

### 9.3. Memorandum and Articles of Association

Clause 2 of the Memorandum of Association provides that the sole object of the Company is the collective investment in Transferable Securities and/or other liquid financial instruments of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Articles contain provisions to the following effect:

- (ix) **Variation of rights.** The rights attached to any class may, be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy and the quorum at an adjourned meeting shall be one person holding Shares of the class in question or his proxy;
- (x) **Voting Rights.** On a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue. On a poll every holder present in person or by proxy shall have one vote for every Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. Holders who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Share;
- (xi) **Alteration of Share Capital.** The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe;

The Company may also by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into Shares of larger amount;
  - (b) subdivide its Shares, or any of them, into Shares of smaller amount or value;
  - (c) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the Shares so cancelled; or
  - (d) redenominate the currency of any class of Shares.
- (xii) **Winding up.**

The Articles contain provisions to the following effect:

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

(xiii) **Termination of Sub-Funds**

Any Sub-Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Depositary in any of the following events:-

- (a) if at any time the Net Asset Value of the relevant Sub-Fund shall be less than such amount as may be determined by the Directors in respect of that Sub-Fund; or
- (b) if any Sub-Fund shall cease to be authorised or otherwise officially approved; or
- (c) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Sub-Fund; or
- (d) if there is a change in material aspects of the business, in the economic or political situations relating to a Sub-Fund which the Directors consider would

have material adverse consequences on the investments of the Sub-Funds; or

- (e) the Directors shall have resolved that it is impracticable or inadvisable for a Sub-Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

#### 9.4. **Material Contracts**

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

- (a) the Investment Management and Distribution Agreement. This agreement provides that the appointment of the Investment Manager and Distributor as Investment Manager and Distributor will continue in force unless and until terminated by either party giving to the other 90 days' notice in writing although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. Under this agreement, the Investment Manager and Distributor shall not be liable to the Company or any Shareholders or otherwise for any error of judgement or loss suffered by the Company or any such Shareholder in connection with the Investment Management and Distribution Agreement unless such loss arises from the negligence, fraud, bad faith, wilful default or wilful misfeasance in the performance or non-performance by the Investment Manager and Distributor or persons designated by it of its obligations or duties under the agreement or breach of contract on the part of the Investment Manager and Distributor or any of its agents or delegates or their agents;
- (b) The Depositary Agreement between the Company and the Depositary dated 12 December 2016. The Depositary Agreement provides that it will continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. The Depositary Agreement contains indemnities in favour of the Depositary excluding matters arising by reason of its failure to satisfy its obligation of due skill, care and diligence, or by reason of its negligence, intentional failure or fraud.

Please also refer to the section entitled **Depositary** under the heading **Management of the Company** for further details.

- (c) The Administration Agreement. The Administration Agreement provides that the appointment of the Administrator shall continue until terminated by either party on not less than 90 days' notice or earlier upon certain breaches or the insolvency of either party. In the absence of fraud, negligence, recklessness, bad faith or wilful default, the Administrator will not be liable for any loss arising as a result of the performance or non-performance by the Administrator of its obligations and duties under the Administration Agreement. The Company has agreed to indemnify the Administrator against losses suffered by the Administrator in the performance or non-performance of its duties and obligations under the Administration Agreement, except for losses arising out of the fraud, recklessness, negligence, bad faith or wilful default of the Administrator in the performance or non-performance of its duties under the Administration Agreement.

Please refer to each Supplement for details of any other relevant material contracts (if any) in respect of a Sub-Fund.

#### 9.5. **Miscellaneous**

Save as may result from the entry by the Company into the agreements listed under **Material Contracts** above or any other fees, commissions or expenses discharged, no amount or

benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

Save as disclosed under the Portfolio Transactions and Conflicts of Interest section above, no commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

#### 9.6. **Policy**

The Company has a remuneration policy in place. This remuneration policy imposes remuneration rules on staff and senior management within the Company whose activities have a material impact on the risk profile of the Sub-Funds. The Company will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Sub-Funds and the Memorandum and Articles of Association, and will be consistent with the UCITS Directive. The Company will ensure that the remuneration policy includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times.

#### 9.7. **Documents Available for Inspection**

Copies of the following documents may be obtained free of charge from the Administrator and may be inspected free of charge during usual business hours during a Business Day at the registered office of the Company and (i) – (iv) are also available via the Investment Manager and Distributor's website [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com).

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the Prospectus (as amended and supplemented) and the Supplements;
- (iii) KIIDs;
- (iv) the most recent annual and semi-annual reports relating to the Company;
- (v) the Company's complaints procedure;
- (vi) remuneration policy.

## APPENDIX I

### The Regulated Markets

With the exception of permitted investments in unlisted investments and OTC derivative instruments, the investments of any Sub-Fund will be restricted to the following exchanges and markets:

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

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

- (viii) any of the following stock exchanges or markets:-

Argentina	-	Bolsa de Comercio de Buenos Aires
Argentina	-	Bolsa de Comercio de Cordoba
Argentina	-	Bolsa de Comercio de Rosario
Bahrain	-	Bahrain Stock Exchange
Bangladesh	-	Dhaka Stock Exchange
Bangladesh	-	Chittagong Stock Exchange
Bermuda	-	Bermuda Stock Exchange
Botswana	-	Botswana Stock Exchange
Brazil	-	Bolsa de Valores do Rio de Janeiro
Brazil	-	Bolsa de Valores de Sao Paulo
Chile	-	Bolsa de Comercio de Santiago
Chile	-	Bolsa Electronica de Chile
Chile	-	Bolsa de Valparaiso
Peoples' Rep. of China	-	Shanghai Securities Exchange
	-	Shenzhen Stock Exchange
Colombia	-	Bolsa de Bogota
Colombia	-	Bolsa de Medellin
Colombia	-	Bolsa de Occidente
Croatia	-	Zagreb Stock Exchange
Ecuador	-	Quito Stock Exchange
Egypt	-	Alexandria Stock Exchange
Egypt	-	Cairo Stock Exchange
Ghana	-	Ghana Stock Exchange
India	-	Bangalore Stock Exchange
India	-	Delhi Stock Exchange
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange of India
Indonesia	-	Jakarta Stock Exchange
Indonesia	-	Surabaya Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Jamaica	-	Jamaican Stock Exchange
Jordan	-	Amman Financial Market
Kazakhstan (Rep. Of)	-	Central Asian Stock Exchange
Kazakhstan (Rep. Of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Stock Exchange
Lebanon	-	Beirut Stock Exchange

Malaysia	-	Kuala Lumpur Stock Exchange
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
Mexico	-	Mercado Mexicano de Derivados
Morocco	-	Societe de la Bourse des Valeurs de
Casablanca		
New Zealand	-	New Zealand Stock Exchange
Nigeria	-	Nigerian Stock Exchange
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Russia	-	Moscow Exchange
Singapore	-	Singapore Stock Exchange
South Africa	-	Johannesburg Stock Exchange
	-	South African Futures Exchange
	-	Bond Exchange of South Africa
South Korea	-	Korea Stock Exchange/KOSDAQ Market
Sri Lanka	-	Colombo Stock Exchange
Taiwan		
(Republic of China)	-	Taiwan Stock Exchange Corporation
	-	Gre Tai Securities Market
	-	Taiwan Futures Exchange
Thailand	-	Stock Exchange of Thailand
	-	Market for Alternative Investments
	-	Bond Electronic Exchange
	-	Thailand Futures Exchange
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Turkey	-	Istanbul Stock Exchange
	-	Turkish Derivatives Exchange
Ukraine	-	Ukrainian Stock Exchange
Uruguay	-	Bolsa Electronica de Valores del Uruguay
SA		
Venezuela	-	Caracas Stock Exchange
	-	Maracaibo Stock Exchange
	-	Venezuela Electronic Stock Exchange
Zimbabwe	-	Zimbabwe Stock Exchange
	-	Zimbabwe Derivatives Exchange
Zambia	-	Lusaka Stock Exchange

(ix) any of the following markets:

the market organised by the International Capital Market Association;

the market conducted by the **listed money market institutions**, as described in the Financial Services Authority publication **The Investment Business Interim Prudential Sourcebook** which replaces the **Grey Paper** as amended from time to time;

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

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

NASDAQ in the United States;

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

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

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

NASDAQ Europe (is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);

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

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

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

in a Member State;

in a Member State in the European Economic Area (European Union Norway, Iceland Liechtenstein);

in the United States of America, on the

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

in China, on the Shanghai Futures Exchange;

in Hong Kong, on the Hong Kong Futures Exchange;

in Japan, on the

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

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

in Singapore, on the

- Singapore International Monetary Exchange;
- Singapore Commodity Exchange.

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

## APPENDIX II

As at the date of this Prospectus, the following sub-custodians have been appointed:

Country	Citibank NA ( Global Custody London global window)
<b>Argentina</b>	Euroclear( Citibank is a direct member of Euroclear SA/NV)
<b>Australia</b>	Citigroup Pty. Limited
<b>Austria</b>	Citibank, N.A., Milan Branch
<b>Bahrain</b>	Citibank, N.A., Bahrain
<b>Bangladesh</b>	Citibank, N.A., Bangladesh
<b>Belgium ( LUX)</b>	Citibank Europe plc,UK Branch branch
<b>Bermuda</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited
<b>Bosnia-Herzegovina (Sarajevo)</b>	UniCredit Bank d.d.
<b>Bosnia-Herzegovina: Srpska (Banja Luka)</b>	UniCredit Bank d.d.
<b>Botswana</b>	Standard Chartered Bank of Botswana Limited
<b>Brazil</b>	Citibank, N.A., Brazilian Branch
<b>Bulgaria</b>	Citibank Europe plc Bulgaria Branch
<b>Burkina Faso</b>	Standard Chartered Bank Cote D'ivoire
<b>Canada</b>	Citibank Canada
<b>Chile</b>	Banco de Chile
<b>China B Shanghai</b>	Citibank, N.A., Hong Kong Branch (For China B shares)
<b>China B Shenzhen</b>	
<b>China A Shares</b>	Citibank China Co ltd ( China A shares)
<b>China Hong Kong Stock Connect</b>	Citibank, N.A., Hong Kong Branch
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	banco Nacioanal de costa rica
<b>Croatia</b>	Privedna banka Zagreb d.d.
<b>Cyprus</b>	Citibank Europe plc,Greece branch
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka
<b>Denmark</b>	Nordea Bank Danmark A/S

<b>Egypt</b>	Citibank, N.A., Cairo Branch
<b>Estonia</b>	Swedbank AS
<b>Finland</b>	Nordea Bank Finland Plc
<b>France</b>	Citibank Europe plc UK branch
<b>Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	Citigroup global markets deutschland ag
<b>Ghana</b>	Standard Chartered Bank of Ghana Limited
<b>Greece</b>	Citibank Europe plc, Greece Branch
<b>Hong Kong</b>	Citibank NA Hong Kong
<b>Hungary</b>	Citibank Europe plc Hungarian Branch Office
<b>Iceland</b>	Citibank is a direct member of Clearstream Banking, which is an ICSD.
<b>India</b>	Citibank NA Mumbai Branch
<b>Indonesia</b>	Citibank, N.A., Jakarta Branch
<b>Ireland</b>	Citibank NA London Branch
<b>Israel</b>	Citibank, N.A., Israel Branch
<b>Italy</b>	Citibank, N.A., Milan Branch
<b>Jamaica</b>	Scotia Investments Jamaica Limited
<b>Japan</b>	Citibank Japan limited
<b>Jordan</b>	Standard Chartered Bank Jordan Branch
<b>Kenya</b>	Standard Chartered Bank Kenya Limited
<b>Korea (South)</b>	Citibank Korea Inc.
<b>Kuwait</b>	Citibank NA Kuwait Branch
<b>Latvia</b>	Swedbank AS acting through its agent Swedbank AS
<b>Lebanon</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited
<b>Lithuania</b>	Swedbank AS acting through its agent Swedbank AS
<b>Luxembourg</b>	Settlement only offered through the ICSD's ie Euroclear or Clearstream
<b>Macedonia</b>	Raiffeisen Bank International AG
<b>Malaysia</b>	Citibank Berhad

<b>Malta</b>	Citibank is a direct member of Clearstream Banking, which is an ICSD.
<b>Mauritius</b>	The Hong Kong & Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de Mexico, S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Namibia</b>	Standard Bank of South Africa Limited acting through its agent, Standard Bank Namibia Limited
<b>Netherlands</b>	Citibank Europe plc, UK Branch
<b>New Zealand</b>	Citibank, N.A., New Zealand Branch
<b>Nigeria</b>	Citibank Nigeria Limited
<b>Norway</b>	DNB Bank ASA
<b>Oman</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank, N.A. Karachi
<b>Panama</b>	Citibank NA Panama Branch
<b>Peru</b>	Citibank del Peru S.A
<b>Philippines</b>	Citibank, N.A., Manila Branch
<b>Poland</b>	Bank Handlowy w Warszawie SA
<b>Portugal</b>	Citibank Europe plc, sucursal em Portugal
<b>Qatar</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe plc, Dublin - Romania Branch
<b>Russia</b>	AO Citibank
<b>Serbia</b>	UniCredit Bank Srbija a.d.
<b>Singapore</b>	Citibank, N.A., Singapore Branch
<b>Slovak Republic</b>	Citibank Europe plc pobočka zahraničnej banky
<b>Slovenia</b>	UniCredit Banka Slovenia d.d. Ljubljana
<b>South Africa</b>	Citibank NA South Africa branch
<b>Spain</b>	Citibank Europe plc, Sucursal en Espana
<b>Sri Lanka</b>	Citibank NA Colombo Branch
<b>Sweden</b>	Citibank Europe plc, Sweden Branch
<b>Switzerland</b>	Citibank NA london branch

<b>Taiwan</b>	Citibank Taiwan Limited
<b>Tanzania</b>	Standard Bank of South Africa acting through its affiliate Stanbic Bank Tanzania Ltd
<b>Thailand</b>	Citibank, N.A.Bangkok Branch
<b>Tunisia</b>	Union Internationale de Banques
<b>Turkey</b>	Citibank, A.S.
<b>Uganda</b>	Standard Chartered Bank of Uganda Limited
<b>United Arab Emirates ADX &amp; DFM</b>	Citibank NA UAE
<b>United Arab Emirates NASDAQ Dubai</b>	Citibank NA UAE
<b>United Kingdom</b>	Citibank NA london branch
<b>United States</b>	Citibank NA New York offices
<b>Uruguay</b>	Banco Itau Uruguay S.A.
<b>Vietnam</b>	Citibank NA Hanoi Branch

## DIRECTORY

### Registered Office

2<sup>nd</sup> Floor Block E  
Iveagh Court  
Harcourt Road  
Dublin 2

### Secretary

Carne Global Financial  
Services Limited  
2<sup>nd</sup> Floor Block E  
Iveagh Court  
Harcourt Road  
Dublin 2

### Legal Advisers in Ireland

A&L Goodbody  
International Financial Services  
Centre  
North Wall Quay  
Dublin 1  
Ireland

### Administrator & Registrar

Citibank Europe plc  
1 North Wall Quay  
Dublin 1

### Depositary

Citi Depositary Services Ireland  
Designated Activity Company  
1 North Wall Quay  
Dublin 1

### Auditor

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1

### Investment Manager and Distributor

Nedgroup Investments (IOM)  
Limited  
First Floor  
St Mary's Court  
20 Hill Street, Douglas  
Isle of Man IM1 1EU  
British Isles



## Global Property Fund

### Supplement to the Prospectus

for

#### **NEDGROUP INVESTMENTS FUNDS PLC**

(an umbrella fund with segregated liability between Sub-Funds)

This Supplement contains specific information in relation to the Global Property Fund (the **Sub-Fund**), a Sub-Fund of Nedgroup Investments Funds plc (the **Company**) an umbrella fund with segregated liability between Sub-Funds constituted as an open-ended investment company with variable capital and with limited liability incorporated under the laws of Ireland and authorised pursuant to the Regulations.

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 24 January 2019.**

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

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 24 January 2019

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## 1. INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

### Investment Objective

The Sub-Fund's objective is to achieve an annual total return that exceeds the total return of the FTSE EPRA/NAREIT Developed Index NET TRI (**Benchmark**) after fees measured on a rolling three year basis.

### Investment Policies

The Sub-Fund will primarily invest in units of real estate investment trusts (REITs) and property related equity securities issued by companies (both the REITS and companies hereinafter referred to as **issuers**) listed on exchanges globally. Those issuers acquire and hold property from around the world including, office buildings, shopping centres, industrial warehouses, residential communities, hotels, self-storage and healthcare facilities and derive most of their returns from rental income from these property types. The Sub-Fund may also invest in issuers that derive fees from other real estate activities such as real estate construction or development or those that earn fees through providing contracting or management activities or services in the real estate sector.

The division of research responsibilities amongst the investment team of the sub-investment manager, Resolution Capital Limited (**Resolution Capital**) is by real estate sector, rather than region. Each member of the investment team is responsible for and specialises in one or more real estate sectors, such as retail, office, industrial, residential, lodging, self-storage and healthcare.

Resolution Capital believes that optimum returns can be achieved through a concentrated portfolio of 30 to 60 investments. In constructing the portfolio, investments are filtered from a broader universe of approximately 400 investments identified by Resolution Capital. The research and evaluation process begins with the distillation of data and information from numerous sources including but not limited to company financial reports, field visits to inspect the physical assets of the company and meetings with company management and industry contacts.

As part of their research and evaluation, Resolution Capital considers a range of factors relating to the issuers including but not limited to, the location and quality of their underlying properties, lease structures, 'contract versus market' rents, tenant credit, occupancy costs and capital expenditure requirements. Analysis of the management teams also forms an important part of the research process. Resolution Capital seeks to identify management teams that, in the opinion of Resolution Capital, have the ability to execute their stated investment strategy, demonstrated strong capital management and have the appropriate resourcing and experience.

Resolution Capital is focused on bottom up stock selection, which is biased towards:

- Issuers with high quality, hard to replicate strategic properties (for example high quality properties where demand for such assets is high), which are located in gateway cities (which may include capital cities and major financial centres throughout the world); and
- Issuers with sustainable earnings (with the majority of earnings derived from rental activities), not having large financial leverage levels or large dividend pay-out ratios,

The Benchmark is designed to track the performance of listed real estate companies and REITs worldwide. The Benchmark represents listed companies in the real estate sector and securities in the index are limited to three main regions, North America, Europe and Asia Pacific. The Benchmark does not include emerging market listings. The companies included in the Benchmark are divided into two sub-sectors, namely real estate investment trusts, regardless of market segment (office, industrial, commercial, residential or diversified), and property management and development companies. Further information in relation to the Benchmark may be obtained at the following website: <http://www.ftse.com/products/indices/epra-nareit>.

All of the investments (other than permitted unlisted investments) acquired by the Sub-Fund will be listed or traded on the markets referred to in Appendix I of the Prospectus.

### Portfolio Allocation

- 85-100% of the Net Asset Value of the Sub-Fund will be invested in investments which may be located in North America, UK, Europe and or the Asia Pacific region; and
- 0-15% of the Net Asset Value of the Sub-Fund will be invested in cash.

### Profile of a typical investor

Investment in the Sub-Fund is suitable for investors who are willing to tolerate medium to high risks and who expect to maintain their investment over a medium to long term horizon.

Prospective investors in the Sub-Fund should ensure that they understand fully the nature of the Sub-Fund, as well as the extent of their exposure to risks associated with an investment in the Sub-Fund and should consider the suitability of an investment in the Sub-Fund..

The volatility of the Sub-Fund is expected to be medium to high.

## 2. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the section of the Prospectus entitled **Investment Restrictions** shall apply.

The Sub-Fund may not invest more than 10 per cent. in aggregate in underlying collective investment funds.

## 3. BORROWING

The Sub-Fund may borrow up to 10% of its total Net Asset Value for temporary purposes to meet its obligations in relation to the administration of the Sub-Fund relating to settlement of purchase and sale transactions and repurchase or cancellation of interests and not for speculative purposes.

## 4. SUB-INVESTMENT MANAGER

The Investment Manager has appointed Resolution Capital as discretionary sub-investment manager of the assets of the Sub-Fund.

Resolution Capital is a limited liability company incorporated under the laws of Victoria on 31 March 2004 and is ultimately a wholly owned subsidiary of Foray Enterprises Pty Ltd with registered office is at Level 38, Australia Square Tower, Sydney NSW 2000, Australia.

Resolution Capital is regulated by the Australian Securities and Investment Commission (ASIC), Securities Exchange Commission (SEC) in respect of its asset management activities and acts as investment manager to a number of other Sub-Funds.

Subject to the overall supervision of the Investment Manager and to the Sub-Fund's investment objectives, policies and restrictions Resolution Capital will manage the investment and re-investment of the Sub-Fund's assets.

## 5. RISK FACTORS

The general risk factors under the heading **Risk Factors** in the Prospectus apply to the Sub-Fund.

## 6. DISTRIBUTION POLICY

It is not the intention of the Directors to declare a dividend in respect of Shares. Any distributable profits will remain in the Sub-Fund's assets and be reflected in the Net Asset Value of the Shares.

This section should be read in conjunction with the provisions set out in the Prospectus under the heading **Dividend Policy**.

## 7. GENERAL INFORMATION RELATING TO THE SUB-FUND

<b>Base Currency</b>	US Dollars
<b>Business Day</b>	When banks are open for business in Ireland and the Isle of Man excluding Saturdays and Sundays and public holidays in Ireland and the Isle of Man and any day on which the Directors may determine.

<b>Dealing Day</b>	Any day being a Business Day or such other day as the Directors may determine provided there is at least one Dealing Day per fortnight and all shareholders are notified in advance. If the Dealing Day falls on a day which is not a Business Day, then the Dealing Day shall be the following Business Day.
<b>Dealing Deadline</b>	For subscriptions and redemptions the Dealing Deadline will be at 4pm (Irish time) on the Business Day prior to the Dealing Day.
<b>Settlement Date</b>	For Subscriptions means two Business Days after the Dealing Day. For Redemptions means within five Business Days after the Dealing Day.
<b>Valuation Point</b>	11pm (Irish time) on the Business Day prior to the Dealing Day. Foreign Exchange rates will be taken at the London market close at 4pm (Irish time) on the Business Day prior to the Dealing Day.

## DESCRIPTION OF THE SHARES

### 7.1. Available Share Classes

Classes of Shares	Class A	Class C
<b>Class Currency</b>	US\$	US\$
<b>Initial Issue Price</b>	N/A	N/A
<b>Initial Offer Period</b>	N/A	N/A
<b>Minimum Initial Investment Amount*</b>	US \$4,000	US \$4,000
<b>Minimum Sub-Fund Size*</b>	US \$10,000,000	US \$10,000,000
<b>Preliminary Charge*</b>	Up to 3%	Up to 3%

\*The Directors reserve the right to waive or lower these amounts at their discretion.

## 8. FEES AND EXPENSES

### 8.1. Investment Manager and Distributor

The Investment Manager and Distributor is entitled to a fee as set out in the table below

<b>Class</b>	<b><u>Investment Management and Distribution Fee (% of NAV per annum)</u></b>
--------------	-------------------------------------------------------------------------------

Class A	1.25%
Class C	1.00%

This fee will accrue and be calculated at each Valuation Point and be payable monthly in arrears. The Investment Manager and Distributor will also be entitled to be reimbursed out of the assets of the Sub-Fund for all its own reasonable out of pocket costs and expenses. The Investment Manager and Distributor will be responsible for the payment of the fees of Resolution Capital.

The cost of establishing the Sub-Fund will be borne by the Investment Manager and Distributor.

Further details of the charges and expenses to be borne by the Sub-Fund are set out in the section of the Prospectus entitled **Fees and Expenses**.

## 9. MISCELLANEOUS

As at the date of this Supplement the Company has five other Sub-Funds, namely the Global Equity Fund, the

Global Flexible Fund, the Global Cautious Fund, the Core Global Fund and the Contrarian Value Equity Fund.

**Contrarian Value Equity  
Fund**

**Supplement to the  
Prospectus**

**for**

**NEDGROUP INVESTMENTS FUNDS PLC**  
(an umbrella fund with segregated liability between Sub-  
Funds)

This Supplement contains specific information in relation to the **Contrarian Value Equity Fund** (the **Sub-Fund**), a Sub-Fund of Nedgroup Investments Funds plc (the **Company**) an umbrella fund with segregated liability between Sub-Funds constituted as an open-ended investment company with variable capital and with limited liability incorporated under the laws of Ireland and authorised pursuant to the Regulations.

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 24 January 2019.**

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

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 24 January 2019

**A&L Goodbody**

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## 1. INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

### 1.1. Investment Objective

The Sub-Fund's objective is to provide investors with long term capital growth.

### 1.2. Investment Policies

The Sub-Fund may invest in equity securities which will primarily be common stocks and other securities with equity characteristics, comprising preferred stocks, warrants and rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company), as well as depository receipts (such as ADRs, EDRs and GDRs) for such securities and bonds convertible into such equity securities.

The allocation of the Sub-Fund between these types of securities may vary and is subject to the Investment Strategy described below.

The Sub-Fund may invest up to 5% of Net Asset Value in securities traded on Russian markets. Such investment will only be made in securities that are listed and/or traded on the Moscow Exchange.

The Sub-Fund may hold eligible private placements including securities issued pursuant to Rule 144A and/or Regulation S securities. Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended) that qualify as an eligible investment by the Sub-Fund.

The Sub-Fund may employ financial derivative instruments (**FDI**) comprising options, futures and forwards which may be in respect of interest rates, exchange rates, equities, bonds or currency, as well as equity swaps, as more particularly described in the Prospectus. Such FDI may be used for efficient portfolio management purposes, but not for investment purposes, within the limits laid down by the Central Bank as described in the Prospectus. Techniques and instruments used for the purposes of efficient portfolio management may be undertaken for the purpose of reducing risk, reducing cost or with a view to increasing capital or income returns to the Sub-Fund. Such techniques and instruments may accordingly be used, for example, to hedge the currency exchange rate on any of the Sub-Fund's assets which are not denominated in US dollars or to protect against possible changes in the market value of investments resulting from fluctuations in the relevant markets, interest rates or exchange rates. The sub-investment manager will ensure that all revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, are returned to the Sub-Fund.

The Sub-Fund's investments in securities and FDIs (other than permitted investments in unlisted investments) will be listed or traded on exchanges or markets listed in Appendix 1 to the Prospectus.

The Sub-Fund may also hold ancillary liquid assets as permitted by the Prospectus such as publicly traded securities issued by the U.S. government or agencies of the U.S. government, commercial paper, bankers' acceptances and other similar short-term bonds.

**The Net Asset Value of the Portfolio is expected to have a high volatility from time to time.**

**As investment in the Sub-Fund carries significant risk it may not be appropriate for all investors and should not constitute a substantial portion of an investor's overall investment strategy.**

### 1.3. Investment Strategy

The sub-investment manager adopts a contrarian value investment approach, looking for mispriced investments and buying those that they believe to be undervalued by the market, that have a compelling risk/reward proposition and that it believes have the potential to increase in market value. The sub-investment manager seeks to identify what it considers to be attractive investment through fundamental research and analysis, the primary sources of their research on investments include the issuer's management, suppliers, customers and competitors and reviewing financial statements, public filings and all publicly available information on the issuer. They also take into account the macroeconomic environment in security selection and portfolio construction and have a long term orientation. With this level of knowledge the sub-investment manager is able to develop a detailed understanding of an investment's risk and return.

They invest on an unconstrained, opportunistic and absolute basis across a variety of industries and geographies, including emerging markets. They are not bound by benchmarks, asset class constraints or targeted rate of return. As a result the sub-investment manager invests with a very expansive charter,

subject to the Sub-Fund's investment objectives, policies and restrictions.

#### 1.4. Profile of a typical investor

Investment in the Sub-Fund is suitable for investors seeking long term capital growth and who are prepared to accept a degree of high volatility of net asset value.

All investors must be able to afford to set aside the invested capital for a long term investment horizon. The Sub-Fund is suitable as an investment within a well-diversified portfolio.

### 2. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the section of the Prospectus entitled **Investment Restrictions** shall apply.

The Sub-Fund will not invest more than 10% in aggregate in collective investment funds.

### 3. BORROWING AND USE OF FDI

The Sub-Fund may borrow up to 10% of its total Net Asset Value for temporary purposes to meet its obligations in relation to the administration of the Sub-Fund relating to settlement of purchase and sale transactions and repurchase or cancellation of shares and not for speculative purposes.

The Sub-Fund may use FDI to the extent permitted by the Central Bank guidance. The Sub-Fund's global exposure relating to FDI must not exceed 100% of its Net Asset Value. The Sub-Fund will utilise the commitment approach for the purposes of calculating its global exposure.

### 4. SUB-INVESTMENT MANAGER

The Investment Manager has appointed First Pacific Advisors, LP (**FPA**) as discretionary sub-investment manager of the assets of the Sub-Fund.

FPA was formed in Delaware as a limited liability company in July 2004. It is owned by 10 internal partners. The activity of FPA is the giving of investment advice and discretionary investment management. FPA is registered with the Securities and Exchange Commission as an investment advisor. It is not and need not be a permitted person for the purposes of the Financial Services Act 2008. The registered and head office of FPA is at 11601 Wilshire Boulevard, Suite 1200, Los Angeles, California 90025.

### 5. RISKFACTORS

The general risk factors under the heading **Risk Factors** in the Prospectus apply to the Sub-Fund in particular the risks associated with Emerging Markets.

### 6. DISTRIBUTION POLICY

It is not the intention of the Directors to declare a dividend in respect of Shares. Any distributable profits will remain in the Sub-Fund's assets and be reflected in the Net Asset Value of the Shares.

This section should be read in conjunction with the provisions set out in the Prospectus under the heading Dividend Policy.

### 7. GENERAL INFORMATION RELATING TO THE SUB-FUND

<b>Base Currency</b>	US Dollars
<b>Business Day</b>	When banks are open for business in Ireland and the Isle of Man excluding Saturdays and Sundays and public holidays in Ireland and the Isle of Man and any day which the Directors may determine.

<b>Dealing Day</b>	Any day being a Business Day or such other day as the Directors may determine provided there is at least one Dealing Day per fortnight and all shareholders are notified in advance. If the Dealing Day falls on a day which is not a Business Day, then the Dealing Day shall be the following Business Day.
<b>Dealing Deadline</b>	For subscriptions and redemptions the Dealing Deadline will be at 4pm (Irish time) on the Business Day prior to the Dealing Day.
<b>Settlement Date</b>	For Subscriptions means two Business Days after the Dealing Day For Redemptions means within five Business Days after the Dealing Day.
<b>Valuation Point</b>	11pm (Irish time) on the Business Day prior to the Dealing Day. Foreign Exchange rates will be taken at the London market close at 4pm (Irish time) on the Business Day prior to the Dealing Day.

## DESCRIPTION OF THE SHARES

### 7.1. Available Share Classes

Classes of Shares	Class Currency	Initial Issue Price	Initial Offer Period	Minimum Investment	Minimum Fund Size *	Preliminary Charge *
<b>Class C</b>	US\$	US\$1	From 9 a.m. on the Business Day after the date of this Supplement to 5.30pm (Irish time) on 15 January 2019 or such earlier or later date as the Directors may determine and notify periodically to the Central Bank.	US\$4,000	US\$10,000,000	0-3%
<b>Class D</b>	US\$	N/A	N/A	US\$4,000	US\$10,000,000	0-3%

\*The Directors reserve the right to waive or lower these amounts at their discretion.

## 8. FEES AND EXPENSES

### 8.1. Investment Manager and Distributor

The Investment Manager and Distributor is entitled to a fee as set out in the table below

<b>Class</b>	<b><u>Investment Management and Distribution Fee (%) of NAV per annum)</u></b>
Class C	0.75%
Class D	0.60%

This fee will accrue and be calculated at each Valuation Point and be payable monthly in arrears. The Investment Manager and Distributor will also be entitled to be reimbursed out of the assets of the Sub-Fund for all its own reasonable out of pocket costs and expenses. The Investment Manager and Distributor will be responsible for the payment of the fees of FPA.

The costs of establishing the Sub-Fund will be borne by the Investment Manager and Distributor.

Further details of the charges and expenses to be borne by the Sub-Fund are set out in the section of the Prospectus entitled **Fees and Expenses**.

## 9. MISCELLANEOUS

As at the date of this Supplement the Company has five other Sub-Funds, namely the Global Flexible Fund, Global Equity Fund, the Global Cautious Fund, the Global Property Fund and the Core Global Fund.

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

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<sup>1</sup> §

**Global Flexible Fund**

**Supplement to the  
Prospectus**

**for**

**NEDGROUP INVESTMENTS FUNDS PLC**  
(an umbrella fund with segregated liability between Sub-Funds)

This Supplement contains specific information in relation to the Global Flexible Fund (the **Sub-Fund**), a sub-fund of Nedgroup Investments Funds plc (the **Company**) an umbrella fund with segregated liability between Sub-Funds constituted as an open-ended investment company with variable capital and with limited liability incorporated under the laws of Ireland and authorised pursuant to the Regulations.

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 24 January 2019.**

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

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 24 January 2019

**A&L Goodbody**

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## 1. INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

### 1.1. Investment Objective

The Sub-Fund's objective will be to provide investors with long term capital growth.

### 1.2. Investment Policies

The Sub-Fund may invest in equity securities which will primarily be common stocks and other securities with equity characteristics, comprising preferred stocks, warrants and rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company), as well as depository receipts (such as ADRs, EDRs and GDRs) for such securities and bonds convertible into such equity securities.

The Sub-Fund may also invest in a portfolio of fixed and floating rate bonds and debentures and convertible bonds around the world. These will include, but are not limited to, bonds and debentures issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international bodies of which one or more EU Member States are members and public authorities as well as corporate bonds and debentures, residential and commercial mortgage-backed securities and asset-backed securities, loan participation securities that qualify as Money Market Instruments. Investment in unsecured loan participations is limited to 10% of Net asset Value of the Sub-Fund.

The allocation of the Sub-Fund between these types of securities may vary and is subject to the Investment Strategy described below.

The Sub-Fund may invest up to 5% of Net Asset Value in securities traded on Russian markets.

The Sub-Fund may hold eligible private placements including securities issued pursuant to Rule 144A and/or Regulation S securities. Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended) that qualify as an eligible investment by the Sub-Fund.

The Sub-Fund may, as a by-product of the investment process rather than for a macro driven rationale, for example, if investment opportunities do not present themselves, invest substantially in deposits with credit institutions and money market instruments comprising units of money market funds and cash equivalents, including but not limited to commercial paper, certificates of deposit, banker's acceptance, notice deposits, time deposit, asset backed securities, fixed deposit, investment grade corporate and government bonds, floating rate note, term note, promissory notes and treasury bills. **There is a difference between the nature of a deposit and an investment in the Sub-Fund and the principal invested in the Sub-Fund is capable of fluctuation.**

The Fund may invest in collective investment schemes as an alternative means of gaining exposure to or as a hedge against the assets listed above and units in real estate investment trusts all of which qualify as an eligible investment by a Sub-Fund.

Any bonds in which the Sub-Fund may invest may be fixed or floating rate and may or may not be investment grade or may be unrated.

The Sub-Fund may employ financial derivative instruments (FDI) comprising options, futures and forwards all of which may be on interest rates, exchange rates, equities, bonds or currency, as well as equity swaps as more particularly described in the Prospectus may be used for the efficient portfolio management and for hedging purposes, within the limits laid down by the Central Bank as described in the Prospectus.

The Sub-Fund's investments in securities and FDIs (other than permitted investments in unlisted investments) will be listed or traded on exchanges or markets listed in Appendix 1 to the Prospectus.

**The Net Asset Value of the Portfolio is expected to have a high volatility from time to time.**

**As investment in the Sub-Fund carries significant risk it may not be appropriate for all investors and should not constitute a substantial portion of an investor's overall investment strategy.**

### 1.3. Investment Strategy

First Pacific Advisors, LP (**FPA**) adopts a contrarian value investment approach, looking for mispriced investments and buying those that FPA believes to be undervalued by the market, that has a compelling

risk/reward proposition and that it believes has the potential to increase in market value. FPA seeks to identify what it considers to be attractive investment through fundamental research and analysis, the primary sources of their research on investments include the issuer's management, suppliers, customers and competitors and reviewing financial statements, public filings and all publicly available information on the issuer. They also take into account the macroeconomic environment in security selection and portfolio construction and have a long term orientation. With this level of knowledge FPA are able to develop a detailed understanding of an investment's risk and return.

They invest on an unconstrained, opportunistic and absolute basis across a variety of market capitalisations, industries and geographies, including emerging markets. They are not bound by benchmarks, asset class constraints or targeted rate of return. As a result FPA invests with a very expansive charter, subject to the Fund's investment objectives, policies and restrictions.

Whether the Sub-Fund invests at any given time primarily on equity securities or fixed income securities will depend on FPA's view at that time on the relative attractiveness of each.

#### 1.4. Profile of a typical investor

Investment in the Sub-Fund is suitable for investors seeking long term capital growth and who are prepared to accept a degree of high volatility of net asset value.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Sub-Fund is suitable as an investment in a well-diversified portfolio.

## 2. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the section of the Prospectus entitled **Investment Restrictions** shall apply.

The Sub-Fund will not invest more than 10% in aggregate in underlying collective investment funds.

## 3. BORROWING AND USE OF FDI

The Sub-Fund may borrow up to 10% of its total Net Asset Value for temporary purposes to meet its obligations in relation to the administration of the Sub-Fund relating to settlement of purchase and sale transactions and repurchase or cancellation of interests and not for speculative purposes.

The Sub-Fund may use FDI to the extent permitted by the Central Bank guidance. The Sub-Funds global exposure relating to FDI must not exceed 100% of its Net Asset Value. The Fund will utilise the Commitment Approach for the purposes of calculating its global exposure.

## 4. SUB-INVESTMENT MANAGER

The Investment Manager has appointed FPA as discretionary sub-investment manager of the assets of the Sub-Fund.

FPA was incorporated in Delaware as a limited liability company in July 2004. It is owned by 9 internal partners. The activity of FPA is the giving of investment advice and discretionary investment management. FPA is registered with the Securities and Exchange Commission as an investment advisory firm. It is not and need not be a permitted person for the purposes of the Financial Services Act 2008. The registered and head office of FPA is at 11601 Wilshire Boulevard, Suite 1200, Los Angeles, California 90025.

## 5. RISK FACTORS

The general risk factors under the heading **Risk Factors** in the Prospectus apply to the Sub-Fund in particular the risks associated with Emerging Markets and Sub-Investment Grade Bonds.

## 6. DISTRIBUTION POLICY

It is not the intention of the Directors to declare a dividend in respect of Shares. Any distributable profits will remain in the Sub-Fund's assets and be reflected in the Net Asset Value of the Shares.

This section should be read in conjunction with the provisions set out in the Prospectus under the heading **Dividend Policy**.

## 7. GENERAL INFORMATION RELATING TO THE SUB-FUND

<b>Base Currency</b>	US Dollars
<b>Business Day</b>	When banks are open for business in Ireland and the Isle of Man excluding Saturdays and Sundays and public holidays in Ireland and the Isle of Man and any day on which the Directors may determine.
<b>Dealing Day</b>	Any day being a Business Day or such other day as the Directors may determine provided there is at least one Dealing Day per fortnight and all shareholders are notified in advance. If the Dealing Day falls on a day which is not a Business Day, then the Dealing Day shall be the following Business Day.
<b>Dealing Deadline</b>	For subscriptions and redemptions the Dealing Deadline will be at 4pm (Irish time) on the Business Day prior to the Dealing Day.
<b>Settlement Date</b>	For Subscriptions means two Business Days after the Dealing Day For Redemptions means within five Business Days after the Dealing Day.
<b>Valuation Point</b>	11pm (Irish time) on the Business Day prior to the Dealing Day. Foreign Exchange rates will be taken at the London market close at 4pm (Irish time) on the Business Day prior to the Dealing Day.

## DESCRIPTION OF THE SHARES

### 7.1. Available Share Classes

Classes of Shares	Class Currency	Initial Issue Price	Initial Offer Period	Minimum Investment	Minimum Fund Size *	Preliminary Charge *
<b>Class A</b>	US\$	N/A	N/A	US\$4,000	US\$10,000,000	Up to 3%
<b>Class B</b>	US\$	N/A	N/A	US\$4,000	US\$10,000,000	Up to 3%
<b>Class C</b>	US\$	N/A	N/A	US\$4,000	US\$10,000,000	0%
<b>Class C Hedged</b>	GBP	N/A	N/A	GBP4,000	GBP10,000,000	0%
<b>Class C Hedged</b>	EUR	N/A	N/A	EUR4,000	US\$10,000,000	0%
<b>Class C Hedged</b>	CHF	N/A	N/A	CHF4,000	CHF10,000,000	0%
<b>Class D</b>	US\$	US\$1	From 9 a.m. on the Business Day after the date of this Supplement to 5.30pm (Irish time) on 15 January 2019 or such earlier or later date as the Directors may determine and notify periodically to the Central Bank.	US\$1,000,000	US\$10,000,000	0%
<b>Class E</b>	US\$	US\$1	From 9 a.m. on the Business Day after the date of this Supplement to 5.30pm (Irish time) on 15 January 2019 or such earlier or later date as the Directors may determine and	US\$5,000,000	US\$10,000,000	0%

			notify periodically to the Central Bank.			
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\*The Directors reserve the right to waive or lower these amounts at their discretion.

**8. FEES AND EXPENSES**

8.1. Investment Manager and Distributor

The Investment Manager and Distributor is entitled to a fee as set out in the table below

<b><u>Class</u></b>	<b><u>Investment Management and Distribution Fee (% of NAV per annum)</u></b>
Class A	1.5%
Class B	2.00%
Class C	1.00%
Class D	1.15%
Class E	0.00%

This fee will accrue and be calculated at each Valuation Point and be payable monthly in arrears. The Investment Manager and Distributor will also be entitled to be reimbursed out of the assets of the Sub-Fund for all its own reasonable out of pocket costs and expenses. The Investment Manager and Distributor will be responsible for the payment of the fees of FPA.

Further details of the charges and expenses to be borne by the Sub-Fund are set out in the section of the Prospectus entitled **Fees and Expenses**.

**9. MISCELLANEOUS**

As at the date of this Supplement the Company has five other Sub-Funds, namely the Global Equity Fund the Global Cautious Fund, the Global Property Fund, the Core Global Fund and the Contrarian Value Equity Fund.



## **Global Cautious Fund**

### **Supplement to the Prospectus**

**for**

#### **NEDGROUP INVESTMENTS FUNDS PLC**

(an umbrella fund with segregated liability between Sub-Funds)

This Supplement contains specific information in relation to the Global Cautious Fund (the **Sub-Fund**), a sub-fund of Nedgroup Investments Funds plc (the **Company**) an umbrella fund with segregated liability between Sub-Funds constituted as an open-ended investment company with variable capital and with limited liability incorporated under the laws of Ireland and authorised pursuant to the Regulations.

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 24 January 2019.**

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

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

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 1 July 2019

**A&L Goodbody**

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## 1. INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

### 1.1. Investment Objective

The Sub-Fund's objective will be to achieve, over a longer-term horizon, higher returns than those available from money market instruments denominated in US Dollars. More specifically, this Sub-Fund will aim to generate a return above cash as measured by US Dollar one month LIBOR over a rolling three year period with volatility below that of equities.

### 1.2. Investment Policies

In order to pursue its objective, the Sub-Fund will employ an active management approach and will invest in a portfolio of bonds from around the world. These will include, but not be limited to, fixed and floating rate bonds and debentures, preferred issues, and convertible bonds. The bonds in which the Sub-Fund invests may or may not be of investment grade quality as rated by a recognised rating agency such as Moody's, Standard & Poor's and Fitch and may also be unrated. The bonds in which the Sub-Fund invests may be government or corporate.

The Sub-Fund will also invest in equity and other securities with equity like characteristics around the world. These will include, but are not limited to common stocks, depository receipts (such as ADRs and GDRs) for such securities. The Sub-Fund will not seek to be leveraged in any way through the use of any of the above instruments. The Sub-Fund is not managed in reference to any benchmark.

The Sub-Fund does not have a primary focus on either equities or bonds. It is unlikely that under normal market condition exposure to equity and other securities with equity like characteristics, will exceed 40% of Net Asset Value (**NAV**) (at the time of purchase).

The Sub-Fund may also hold ancillary liquid assets comprising cash, time deposits and cash equivalents, including but not limited to commercial paper, certificates of deposit, banker's acceptance, notice deposits, corporate and government bonds and treasury bills.

The Sub-Fund may employ financial derivative instruments (FDI) comprising equity index futures, fixed income futures, currency forwards, equity options and fixed income options as more particularly described in the Prospectus may be used for the efficient portfolio management and for hedging purposes, within the limits laid down by the Central Bank as described in the Prospectus.

The Sub-Fund's investments in securities and FDIs (other than permitted investments in unlisted investments) will be listed or traded on exchanges or markets listed in Appendix 1 to the Prospectus.

The Sub-Fund will aim to achieve volatility below that of equities through investment in a combination of the different asset types disclosed above.

### 1.3. Investment Strategy

Pyrford International Limited's (the **Sub-Investment Manager**) investment strategy focuses on fundamental research, with the objective of forecasting country and company earnings with a high degree of confidence and thereafter selecting its best ideas for portfolio construction. The Sub-Investment Manager believes this approach will deliver superior long-term and stable real returns.

Sub-Investment Manager's core investment beliefs are:

1. Macro country analysis and fundamental company research are important drivers of total return, although their respective contributions to total return will vary through the cycle;
2. Investments should be managed with a long-term view (> 5 years); and
3. Focus should be on managing absolute returns and absolute risk.

A key factor in generating superior long-term and stable real returns is utilising an investment strategy designed to avoid negative returns when markets fall through the application of strategic asset allocation between sovereign debt securities, equities, and cash, and investment selection on a global basis. A core value of the strategy is capital preservation.

The focus on capital preservation is managed by reducing the modified duration of the sovereign debt allocation when Sub-Investment Manager's economic analysis indicates there is a high probability of the yield curve shifting

upwards.

The strategy, in the equity component of the portfolio, seeks to achieve significant downside protection by avoiding equities which are perceived to be high risk on the basis of established fundamental value metrics (such as dividend yields, return on equity and price/earnings ratios). By seeking to deliver a low downside capture ratio and typically an upside capture ratio below 100% in respect of equities, the equity component of the portfolio should deliver lower volatility than the MSCI All Country World Index.

#### 1.4. Profile of a typical investor

Investment in the Sub-Fund is suitable for investors seeking to achieve a long-term return and who are prepared to accept a degree of volatility of NAV.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Sub-Fund is suitable as an investment in a well-diversified portfolio.

## 2. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the section of the Prospectus entitled **Investment Restrictions** shall apply.

The Sub-Fund will not invest more than 10% in aggregate in underlying collective investment funds.

## 3. BORROWING AND USE OF FDI

The Sub-Fund may borrow up to 10% of its total NAV for temporary purposes to meet its obligations in relation to the administration of the Sub-Fund relating to settlement of purchase and sale transactions and repurchase or cancellation of interests and not for speculative purposes.

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The Sub-Fund may use FDI to the extent permitted by the Central Bank and as set out in the Prospectus. Such FDI may be used for efficient portfolio management, but not for investment purposes. The Sub-Fund may engage in foreign currency and related hedging transactions in connection with investments denominated in currencies other than the Base Currency, as more particularly described in the Prospectus under the section Portfolio Currency Risk. The Sub-Investment Manager will ensure that all revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, are returned to the Sub-Fund. The Sub-Fund may not sell securities or other assets short or enter into similar transactions (other than for the purpose of hedging currency exposure). The Sub-Fund's gross notional exposure through any derivatives positions may not exceed 100% of its Net Asset Value. The Sub-Fund will utilise the commitment approach for the purpose of calculating its global exposure.

## 4. SUB-INVESTMENT MANAGER

The Investment Manager has appointed Pyrford International Limited as discretionary Sub-Investment Manager of the assets of the Sub-Fund.

The Sub-Investment Manager is authorised and regulated by the UK Financial Conduct Authority (FCA) and is a wholly-owned subsidiary of BMO Financial Group, a company listed on the Toronto Stock Exchange (ticker BMO). The Sub-Investment Manager's office is located in London and employs 35 people. It manages three core investment strategies of global total return, global equity and international equity, and has approximately \$11 billion of assets under management.

## 5. RISK FACTORS

The general risk factors under the heading **Risk Factors** in the Prospectus apply to the Sub-Fund in particular the risks associated with Sub-Investment Grade Bonds.

## 6. DISTRIBUTION POLICY

It is not the intention of the Directors to declare a dividend in respect of Shares. Any distributable profits will remain in the Sub-Fund's assets and be reflected in the NAV of the Shares.

This section should be read in conjunction with the provisions set out in the Prospectus under the heading **Dividend Policy**.

## 7. GENERAL INFORMATION RELATING TO THE SUB-FUND

<b>Base Currency</b>	US Dollars
<b>Business Day</b>	When banks are open for business in Ireland and the Isle of Man excluding Saturdays and Sundays and public holidays in Ireland and the Isle of Man and any day on which the Directors may determine.
<b>Dealing Day</b>	Any day being a Business Day or such other day as the Directors may determine provided there is at least one Dealing Day per fortnight and all shareholders are notified in advance. If the Dealing Day falls on a day which is not a Business Day, then the Dealing Day shall be the following Business Day.
<b>Dealing Deadline</b>	For subscriptions and redemptions the Dealing Deadline will be at 4pm (Irish time) on the Business Day prior to the Dealing Day.
<b>Settlement Date</b>	For Subscriptions means two Business Days after the Dealing Day. For Redemptions means within five Business Days after the Dealing Day.
<b>Valuation Point</b>	11pm (Irish time) on the Business Day prior to the Dealing Day. Foreign Exchange rates will be taken at the London market close at 4pm (Irish time) on the Business Day prior to the Dealing Day.

## 8. DESCRIPTION OF THE SHARES

### 8.1. Available Share Classes

Classes of Shares	Class A	Class B	Class C	Class Hedged C	Class D	Class E
<b>Class Currency</b>	US\$	US\$	US\$	GBP	US\$	US\$
<b>Initial Issue Price</b>	N/A	N/A	N/A	N/A	N/A	US\$1
<b>Initial Offer Period</b>	N/A	N/A	N/A	N/A	N/A	From 9 a.m. on the Business Day after the date of this Supplement to 5.30pm (Irish time) on 2 December 2019 or such earlier or later date as the Directors may determine and notify periodically to the Central Bank.
<b>Minimum Initial Investment Amount*</b>	US \$4,000	US \$4,000	US \$4,000	GBP 4,000	US \$1,000,000	US \$5,000,000
<b>Minimum Fund Size*</b>	US \$10,000,000	US \$10,000,000	US \$10,000,000	GBP 6,500,000	US \$10,000,000	US \$10,000,000
<b>Preliminary Charge*</b>	Up to 3%	Up to 3%	0%	0%	0%	0%

\*The Directors reserve the right to waive or lower these amounts at their discretion.

## 9. FEES AND EXPENSES

### 9.1. Investment Manager and Distributor

The Investment Manager and Distributor is entitled to a fee as set out in the table below

<b><u>Class</u></b>	<b><u>Investment Management and Distribution Fee (% of NAV per annum)</u></b>
Class A	1.35%
Class B	1.75%
Class C	0.85%
Class C Hedged	0.85%
Class D	0.75%
Class E	0.00%

This fee will accrue and be calculated at each Valuation Point and be payable monthly in arrears. The Investment Manager and Distributor will also be entitled to be reimbursed out of the assets of the Sub-Fund for all its own reasonable out of pocket costs and expenses. The Investment Manager and Distributor will be responsible for the payment of the fees of the Sub-Investment Manager.

Further details of the charges and expenses to be borne by the Sub-Fund are set out in the section of the Prospectus entitled **Fees and Expenses**.

## 10. MISCELLANEOUS

As at the date of this Supplement the Company has five other Sub-Funds, namely the Global Equity Fund, the Global Flexible Fund, the Global Property Fund, the Core Global Fund, the Contrarian Value Equity Fund, the Global Emerging Markets Equity Fund and the Global Diversified Equity Fund.

**Global Emerging  
Markets Equity Fund**

**Supplement to the  
Prospectus**

for

**NEDGROUP INVESTMENTS FUNDS PLC**  
(an umbrella fund with segregated liability between  
Sub-Funds)

This Supplement contains specific information in relation to the **Global Emerging Markets Equity Fund** (the **Sub-Fund**), a Sub-Fund of Nedgroup Investments Funds plc (the **Company**) an umbrella fund with segregated liability between Sub-Funds constituted as an open-ended investment company with variable capital and with limited liability incorporated under the laws of Ireland and authorised pursuant to the Regulations.

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 24 January 2019.**

**As investment in the Sub-Fund should not constitute a substantial portion of an investor's overall investment strategy and may not be appropriate for all investors.**

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

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 26 April 2019

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## 1. INVESTMENT OBJECTIVE, POLICIES AND PROFILE OF A TYPICAL INVESTOR

### 1.1. Investment Objective

The Sub-Fund's objective is to provide investors with long term capital growth through investment primarily in equity and equity related securities issued by companies domiciled in or whose principal business activities are conducted in emerging markets countries with no particular industry or geographical focus. The Sub-Fund may also invest from time to time on an opportunistic basis in countries which are considered as frontier or developed markets to a maximum of 15% in aggregate.

### 1.2. Investment Policies

The Sub-Fund may invest in equities and equity related instruments including, but not limited to, convertibles, options (including low exercise price options), participatory notes, preferred shares and depositary receipts (including ADRs and GDRs, as defined below) and warrants. The Sub-Fund may invest in initial public offerings.

The Sub-Fund may also invest in ancillary liquid assets as permitted by the Prospectus such as cash, and cash equivalents, including but not limited to certificates of deposit, banker's acceptance, bank deposits and treasury bills.

The Sub-Fund may invest up to 10% in Russian securities. Investment will only be made in securities that are listed / traded on the Moscow exchange, or Global Depository Receipts (**GDRs**) traded in London, American Depository Receipts (**ADRs**) traded in the U.S. or US listed securities in each case where the underlying country of risk is Russia.

The Sub-Fund's investment in equities may include direct investment in China A Shares through Stock Connect as further described below. Any such exposure is not expected, in aggregate, to represent more than 10% of the Sub-Fund at the time of purchase.

The Sub-Fund's investments in securities (other than permitted investments in unlisted investments) will be listed or traded on exchanges or markets listed in Appendix 1 to the Prospectus.

#### *Stock Connect*

Under Stock Connect, overseas investors (including the Sub-Fund) may be allowed, subject to the requirements of the Central Bank and any rules and regulations issued/amended from time to time, to seek exposure to stocks issued by companies listed on exchanges in the People's Republic of China (**PRC**) by directly trading certain eligible A-shares through the so-called Northbound Trading Links. Stock Connect comprises two Northbound Trading Links (for investment in A-shares), one between the Shanghai Stock Exchange (**SSE**) and The Stock Exchange of Hong Kong Limited (**SEHK**), and the other between the Shenzhen Stock Exchange (**SZSE**) and SEHK (the **Northbound Trading Links**).

Stock Connect currently comprises the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited (**HKEx**), China Securities Depository and Clearing Corporation Limited (**ChinaClear**) and SSE, with an aim to achieve mutual stock market access between Shanghai and Hong Kong. Similarly, the Shenzhen-Hong Kong Stock Connect is a securities trading clearing links program developed by HKEx, ChinaClear and SZSE, with an aim to achieve mutual stock market access between Shenzhen and Hong Kong.

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

**The Net Asset Value of the Portfolio is expected to have a high volatility over time.**

### 1.3. Investment Strategy

The Sub-Investment Manager actively manages the Sub-Fund, re-allocating assets between markets, based on its assessment of markets. Markets are assessed using a number of macroeconomic criteria (including but not limited to, inflation, interest rate and foreign exchange outlook and fiscal policies), liquidity analysis and political assessment. The Sub-Investment Manager's proprietary analysis provides insight to likely economic growth prospects in individual markets. It normally provides a 6-9 month lead indicator for the overall economic acceleration or deceleration. Its analysis of combined global monetary aggregates gives a liquidity backdrop which is likely to favour liquidity driven markets over markets

sensitive to the global economic cycle.

The Sub-Investment Manager uses a research-driven approach which complements its bottom-up fundamental company analysis with industry, sector and regional analysis. Companies are initially screened using the Sub-Investment Manager's proprietary economic value added (**EVA**) screening tool to determine whether existing and potential portfolio companies can be expected to generate high or improving returns on the capital employed in their businesses. The aim of the approach is to ensure that the Sub-Fund's risk exposure reflects the convictions of the Sub-Investment Manager's team in individual markets, sectors and companies. The Sub-Investment Manager will evaluate the companies to identify those companies which it considers to be poised for durable growth, with a distinct competitive advantage, high or improving return on invested capital and greater potential for positive earnings.

In constructing a portfolio for the Sub-Fund, the Sub-Investment Manager emphasizes countries, industries and companies that it believes have superior long-term growth potential based on its analysis and research-driven approach set out above. The Sub-Investment Manager uses EVA analysis to estimate a company's true return on invested capital less the weighted average cost of capital and to determine if companies will generate high or improving returns on capital.

The overall approach of the Sub-Investment Manager is to maximize exposure to what it consider to be the best market opportunities, while keeping the portfolio within acceptable risk tolerance levels and ensuring proper diversification of investment ideas in line with the screening factors and liquidity analysis outlined above.

#### 1.4. Profile of a typical investor

Investment in the Sub-Fund is suitable for investors seeking long term capital growth and who are prepared to accept a high degree of volatility of Net Asset Value, which appropriately reflects the nature of the underlying emerging market universe.

All investors must be able to afford to set aside the invested capital for a long-term investment horizon. The Sub-Fund is suitable as an investment within a well-diversified portfolio.

## 2. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the section of the Prospectus entitled **Investment Restrictions** shall apply.

The Sub-Fund will not invest more than 10% in aggregate in collective investment funds.

## 3. BORROWING AND USE OF FDI

The Sub-Fund may borrow up to 10% of its total Net Asset Value for temporary purposes to meet its obligations in relation to the administration of the Sub-Fund relating to settlement of purchase and sale transactions and repurchase or cancellation of shares and not for speculative purposes.

The Sub-Fund will not leverage its investments.

The Sub-Fund may use FDI to the extent permitted by the Central Bank guidance and as set out in the Prospectus. Such FDI may be used for efficient portfolio management, but not for investment purposes. The Sub-Fund may engage in foreign currency and related hedging transactions in connection with investments denominated in currencies other than the Base Currency, as set out in the section of the Prospectus entitled Portfolio Currency Risk. The Sub-Investment Manager will ensure that all revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, are returned to the Sub-Fund. The Sub-Fund may not sell securities or other assets short or enter into similar transactions (other than for the purpose of hedging currency exposure). The Sub-Fund's gross notional exposure through any derivatives positions may not exceed 100% of its Net Asset Value. The Sub-Fund will utilise the commitment approach for the purpose of calculating its global exposure.

## 4. SUB-INVESTMENT MANAGER

The Investment Manager has appointed NS Partners Ltd (**NSP**) as discretionary sub-investment manager of the assets of the Sub-Fund.

NSP was founded in the U.K. in 1988 and is incorporated under company number 01880176 as a private limited company. NSP is an affiliate of the Connor Clark & Lunn Financial Group (CC&LFG), a Canadian company with offices in Toronto and Vancouver. Ownership is split 50/50 between NSP and CC&LFG. NSP is authorized and regulated in the U.K. by the Financial Conduct Authority under registration number 141667. The company is also registered in the U.S with the Securities Exchange Commission under the Investment Advisors Act 1940 and as a Portfolio Manager and Investment Fund Manager with the Ontario Securities Commission (OSC) and Autorité des marchés financiers (AMF, Québec), and as a Portfolio Manager with the British Columbia Securities Commission (BCSC) and the Manitoba Securities Commission (MSC). Its registered office is at 1 Knightsbridge Green, London SW1X 7QA.

## 5. **RISK FACTORS**

The general risk factors under the heading **Risk Factors** in the Prospectus apply to the Sub-Fund and set out below are the particular risks associated with the Sub-Fund.

### 5.1. **Emerging Markets Risk**

The Sub-Fund faces a number of additional risks because of any investments in emerging markets, including:

- a) *Investment and repatriation restrictions:* A number of emerging markets restrict, to varying degrees, foreign investment in securities. Restrictions may include maximum amounts foreigners can hold of certain securities, and registration requirements for investment and repatriation of capital and income. New or additional restrictions may be imposed subsequent to a Sub-Fund's investment in a given market. These may contribute to the illiquidity of the relevant securities market, as well as create inflexibility and uncertainty as to the trading environment.
- b) *Foreign Exchange Risk:* Currency fluctuations can be severe in emerging markets that have both floating and/or "fixed" exchange rate regimes. The latter can undergo sharp one-time devaluations.
- c) *Potential market volatility:* Many emerging markets are relatively small, have low trading volumes, suffer periods of illiquidity and are characterised by significant price volatility.
- d) *Legal and Regulatory Risk:* Regulation and oversight of trading activity may not be up to the standards of developed countries. Political instability and government interference in the private sector varies country by country, and may evolve to the detriment of Sub-Fund holdings. In particular, some emerging markets have no legal tradition of protecting shareholder rights.
- e) *Custodial Risk:* Where the Sub-Fund's assets are held by the Depositary or third party depositaries and sub-custodians in emerging market jurisdictions, the Sub-Fund is exposed to greater custody risk due to the fact that emerging markets are by definition "in transformation" and are therefore exposed to the risk of swift political change and economic downturn. Political or economic instability may adversely affect the safe custody of the Sub-Fund's assets.
- f) *Settlement Risk:* Certain emerging market countries are known to experience long delays between the trade and settlement dates of securities purchased or sold
- g) *Financial disclosure and accounting standards:* Potential investments may be difficult to evaluate given lack of information as well as the use in emerging markets of accounting, auditing and financial reporting standards that differ from country to country and from those of developed countries.
- h) *Taxation:* Taxation of dividends and capital gains varies among countries and, in some cases, is comparatively high. In addition, emerging markets typically have less-well-defined tax laws and procedures and such laws may permit retroactive taxation, so that a Sub-Fund could in the future become subject to local tax liability that had not been reasonably anticipated when an investment was made. Any changes in tax policies may reduce the after-taxation returns of the underlying assets to which the performance of the Sub-Fund is

linked to.

**The Sub-Fund invests more than 20% of its Net Asset Value in emerging markets as such an investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

## 5.2. Stock Connect Risks

Investors in the Sub-Fund should be aware of the following risks associated with an investment through Stock Connect:

- a) *Quota limitations risk*: Stock Connect is subject to quota limitations on investment, which may restrict the Sub-Fund's ability to invest in A-shares through Stock Connect on a timely basis.
- b) *Suspension risk*: Trading may be suspended if necessary for ensuring an orderly and fair market and managing risks prudently which would adversely affect the Sub-Fund's ability to access the PRC market.
- c) *Differences in trading day*: Stock Connect operates on days when both the relevant PRC market and the Hong Kong market are open for trading and when banks in the relevant PRC market and the Hong Kong market are open on the corresponding settlement days. It is possible that there are occasions when it is a normal trading day for the relevant PRC market but Hong Kong and overseas investors (such as the Sub-Fund) cannot carry out any A-shares trading via Stock Connect. As a result, the Sub-Fund may be subject to a risk of price fluctuations in A-shares during the time when Stock Connect is not trading.
- d) *Clearing, settlement and custody risks*: ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. Should the event of a ChinaClear default occur and ChinaClear be declared as a defaulter The Hong Kong Securities Clearing Company Limited (**HKSCC**) will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

A-shares are issued in scripless form, so there will be no physical certificates of title representing the interests of the Sub-Fund in any A-shares. Hong Kong and overseas investors, such as the Sub-Fund, who have acquired Stock Connect securities through Northbound Trading Links should maintain Stock Connect securities with their sub-custodians' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to Stock Connect is available upon request at the registered office of the Sub-Investment Manager.

- e) *Operational risk*: Stock Connect provides a relatively new channel for investors from Hong Kong and overseas, such as the Sub-Fund, to access the China stock market directly. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the programme could be disrupted. The Sub-Fund's ability to access the A-share market will be adversely affected.
- f) *Nominee arrangements in holding A-shares*: HKSCC is the "nominee holder" of the Stock Connect securities acquired by overseas investors (including the Sub-Fund) through Stock Connect. The CSRC Stock Connect Rules expressly provide that investors enjoy the rights and benefits of the Stock Connect securities acquired through Stock Connect in accordance with applicable laws. However, it is still possible that the courts in the PRC may consider that

any nominee or custodian as registered holder of Stock Connect securities would have full ownership thereof, and that even if the concept of beneficial ownership is recognized under PRC law those Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the Stock Connect securities in the PRC or elsewhere. Therefore, although the relevant Sub-Fund's ownership may be ultimately recognised, the Sub-Fund may suffer difficulties or delays in enforcing its rights in A-shares.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Sub-Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Sub-Fund suffers losses resulting from the performance or insolvency of HKSCC.

As a beneficial owner the Sub-Fund will not have the right to attend shareholder meetings or appoint proxies to do so on its behalf.

- g) *Trading costs:* In addition to paying trading fees and stamp duties in connection with A-share trading, the Sub-Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock trades which are yet to be determined by the relevant authorities.
- h) *Regulatory risk:* The CSRC Stock Connect Rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognize such rules, e.g. in liquidation proceedings of PRC companies. Further, new regulations may be promulgated from time to time. The regulations are untested so far and there is no certainty as to how they will be applied. There can be no assurance that Stock Connect will not be abolished. The Sub-Fund's ability to invest in the PRC markets through Stock Connect may be adversely affected as a result of such changes

## 6. DISTRIBUTION POLICY

It is not the intention of the Directors to declare a dividend in respect of Shares. Any distributable profits will remain in the Sub-Fund's assets and be reflected in the Net Asset Value of the Shares.

This section should be read in conjunction with the provisions set out in the Prospectus under the heading Dividend Policy.

## 7. GENERAL INFORMATION RELATING TO THE SUB-FUND

<b>Base Currency</b>	US Dollars
<b>Business Day</b>	When banks are open for business in Ireland and the Isle of Man excluding Saturdays and Sundays and public holidays in Ireland and the Isle of Man and any day which the Directors may determine.
<b>Dealing Day</b>	Any day being a Business Day or such other day as the Directors may determine provided there is at least one Dealing Day per fortnight and all shareholders are notified in advance. If the Dealing Day falls on a day which is not a Business Day, then the Dealing Day shall be the following Business Day.
<b>Dealing Deadline</b>	For subscriptions and redemptions the Dealing Deadline will be at 4pm (Irish time) on the Business Day prior to the Dealing Day.

<b>Settlement Date</b>	For Subscriptions means two Business Days after the Dealing Day For Redemptions means within five Business Days after the Dealing Day.
<b>Valuation Point</b>	11pm (Irish time) on the Business Day prior to the Dealing Day. Foreign Exchange rates will be taken at the London market close at 4pm (Irish time) on the Business Day prior to the Dealing Day.

## DESCRIPTION OF THE SHARES

### 7.1. Available Share Classes

Classes of Shares	Class Currency	Initial Issue Price	Initial Offer Period	Minimum Investment*	Minimum Fund Size *	Preliminary Charge *
<b>Class A</b>	US\$	US\$1	From 9 a.m. on the Business Day after the date of this Supplement to 5.30pm (Irish time) on 12 September 2019 or such earlier or later date as the Directors may determine and notify periodically to the Central Bank.	US\$4,000	US\$10,000,000	0%
<b>Class C</b>	US\$	US\$1	From 9 a.m. on the Business Day after the date of this Supplement to 5.30pm (Irish time) on 12 September 2019 or such earlier or later date as the Directors may determine and notify periodically to the Central Bank.	US\$4,000	US\$10,000,000	0%
<b>Class C</b>	GBP	GBP1	From 9 a.m. on the Business Day after the date of this Supplement to 5.30pm (Irish time) on 12 September 2019 or such earlier or later date as the Directors may determine and notify periodically to the Central Bank	GBP4,000	GBP10,000,000	0%
<b>Class C</b>	Euro	Euro 1	From 9 a.m. on the Business Day after the date of this Supplement to 5.30pm (Irish time) on 12 September 2019 or such earlier or later date as the Directors may determine and notify periodically to the Central Bank	EUR4,000	EUR10,000,000	0%
<b>Class D</b>	US\$	US\$1	From 9 a.m. on the Business Day after the date of this Supplement to 5.30pm (Irish time) on 12 September 2019 or such earlier or later date as the Directors may determine and notify periodically to the Central Bank.	US\$4,000	US\$10,000,000	0%

<b>Class D</b>	GBP	GBP1	From 9 a.m. on the Business Day after the date of this Supplement to 5.30pm (Irish time) on 12 September 2019 or such earlier or later date as the Directors may determine and notify periodically to the Central Bank.	GBP4,000	GBP10,000,000	0%
<b>Class E</b>	US\$	US\$1	From 9 a.m. on the Business Day after the date of this Supplement to 5.30pm (Irish time) on 12 September 2019 or such earlier or later date as the Directors may determine and notify periodically to the Central Bank.	US\$5,000,000	US\$10,000,000	0%

\*The Directors reserve the right to waive or lower these amounts at their discretion.

## 8. FEES AND EXPENSES

### 8.1. Investment Manager and Distributor

The Investment Manager and Distributor is entitled to a fee as set out in the table below

<b><u>Class</u></b>	<b><u>Investment Management and Distribution Fee (% of NAV per annum)</u></b>
Class A	1.50%
Class C	1.00%
Class D	0.75%
Class E	0.00%

This fee will accrue and be calculated at each Valuation Point and be payable monthly in arrears. The Investment Manager and Distributor will also be entitled to be reimbursed out of the assets of the Sub-Fund for all its own reasonable out of pocket costs and expenses. The Investment Manager and Distributor will be responsible for the payment of the fees of NSP.

The costs of establishing the Sub-Fund will be borne by the Investment Manager and Distributor.

#### *Pricing / Dilution Adjustment*

In the event of there being net subscriptions or net redemptions on any Dealing Day, the Directors may adjust the Net Asset Value by applying a dilution adjustment as part of its valuation policy. An Anti-Dilution Levy may be added to the price at which Shares will be issued in the case of net subscription requests and may be deducted from the price at which Shares will be redeemed in the case of net redemption requests of the Sub-Fund. Any such provision will be applied to cover dealing costs and to preserve the value of the underlying assets of a Sub-Fund.

#### *Research Charge*

The Sub-Investment Manager uses externally produced insightful research as part of its investment process in seeking to achieve the Sub-Fund's investment objective. The regulatory regime relating to inducements and research has changed following the implementation of the Markets in Financial Instruments Directive II (**MiFID II**) and the accompanying changes to UK's Financial Conduct Authority's Rules. Historically, investment managers have been entitled to effect transactions for their clients with or through a broker or other intermediary who is willing to agree to also provide a manager with research services (or alternatively, to pay for such services provided to the investment manager by third party research providers). Accordingly, investment managers were required to make no direct payment for such research.

MiFID II has made various changes to the law in this respect. In particular, from 3 January 2018, the Sub Investment Manager is required to separately pay research providers for research services. However, the Sub-Investment Manager is entitled to propose that clients pay a research charge for this purpose.

To align its approach with the new regime, the Sub-Investment Manager has established a research payment account (a **Research Payment Account**) to which the Sub-Fund will contribute and used to pay for research by third party research providers at normal commercial rates. It is expected that the Research Payment Account will be funded on a transaction by transaction basis by a specific research charge made to the Sub-Fund. Such research charge will be based on a research budget for the Sub-Fund (the **Research Budget**) calculated by the Sub-Investment Manager annually and accrued on each Valuation Point. The Research Budget will be calculated for the purpose of establishing an estimate of the amount needed to cover the research required by the Sub-Investment Manager to adequately provide investment advisory and discretionary management services to the Sub-Fund in respect of the Sub-Fund's investment portfolio. In calculating the Research Budget, the Sub-Investment Manager will have due regard to the Sub-Fund's investment objective and policies.

The research charge will be collected through broker transactions which have been executed by the Sub Investment Manager on behalf of the Sub-Fund. On every trade that is transacted with a broker the previously bundled trade commission will be split between execution and a separately identified research charge. The two amounts will be collected together but the research element will go into a separate account held by the broker called a Research Charge Commission Account (**RCCA**) and from there will be transferred to a Research Payment Account (**RPA**). The research commissions collected in this manner will be continuously tracked against the Research Budget. Should the target amount for the annual Research Budget be met prior to year-end, no further research commissions will be applied and the pre-advised budget will not be exceeded or increased without prior approval of the Investment Manager. If the budgeted amount has not been fully met by the year end through research charge commissions, the outstanding accrual may, at the discretion of the Investment Manager, be carried forward to the budget for the following year.

The Sub-Investment Manager will also make up-to-date information on the following matters available to shareholders and potential investors in the Sub-Fund on request:

- (a) the budgeted amount for research, as determined annually for the Sub-Fund; and
- (b) any increase to the Research Budget or research charge from time to time.

Shareholders should contact the Investment Manager for details as to how this information can be obtained.

The Investment Manager will also provide information to investors on the total costs the Sub-Fund has incurred for third party research for a particular year, in the Company's annual report for that year.

Further details of the charges and expenses to be borne by the Sub-Fund are set out in the section of the Prospectus entitled **Fees and Expenses**.

## 9. MISCELLANEOUS

As at the date of this Supplement the Company has six other Sub-Funds, namely the Global Flexible Fund, the Global Equity Fund, the Global Cautious Fund, the Global Property Fund, the Core Global Fund and the Contrarian Value Equity Fund.

For the purposes of this Sub-Fund, the Sub-Fund's investments in securities (other than permitted investments in unlisted investments) will be listed or traded on exchanges or markets listed in Appendix 1 to the Prospectus and will include Qatar, Saudi Arabia and Vietnam. For securities issued by a country not included in Appendix 1 but which are eligible for settlement through the ICSDs/settlement systems of Euroclear, Clearstream or Euroclear UK & Ireland (Crest) there is no restriction on holding such securities even though the security is issued in a country not on this list. The relevant sub-custodians in respect of Qatar, Saudi Arabia and Vietnam are, The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited, The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Saudi Arabia Ltd and Citibank NA Hanoi Branch.

## APPENDIX VIII

### COUNTRY SUPPLEMENT TO THE PROSPECTUS OF NEDGROUP INVESTMENT FUNDS PLC

#### ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND

This updates and replaces the previously issued “Additional Information for Investors in Switzerland” from the date hereof.

Defined terms used in this information shall have the meaning given to them therein. Terms not defined herein shall have the meaning given to them in the Prospectus.

This Country Supplement forms part of, and is to be read in conjunction with the Prospectus of Nedgroup Investment Funds plc (the Fund), dated 24 January 2019.

#### Additional information concerning the distribution of the Fund in Switzerland

##### Information for Switzerland based investors

The representative of the Fund in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50 CH 8050 Zurich.

##### Place where the relevant documents may be obtained

The relevant documents such as the prospectus, the key investor information document (KIIDs), the statutes or the fund contract as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

##### Publications

Publications in respect of the investment fund will occur in Switzerland on the electronic platform of “fundinfo AG” ([www.fundinfo.com](http://www.fundinfo.com)). In particular, such publications include essential information for investors such as substantial amendments to the prospectus as well as the liquidation of the investment fund.

The issue and the redemption prices or the net asset value together with a footnote stating „excluding commissions“ will occur daily on the electronic platform of “fundinfo AG” ([www.fundinfo.com](http://www.fundinfo.com)) .

##### Place of performance and jurisdiction

In respect of the units distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative.

##### Language

The legal relationship between the investment fund and the investors in Switzerland is governed by the German version of the prospectus.

The Paying Agent in Switzerland is Banque Heritage SA with its registered office at 61, Route de Chêne, CH-1208 Geneva, Switzerland.

Tel +41 58 220 00 00. Fax. +41 58 220 01 61

Shares may be subscribed and/or redeemed with the Paying Agent. A handling commission will be charged by the Paying Agent and deducted from the subscription or redemption amount paid or received. If a subscription or redemption is made through the Paying Agent, instructions and money must be received by the paying agent at least 24 hours before the appropriate dealing cut-off time.

## **Expenses charged to the fund, retrocessions and rebates**

The fees and expenses associated with the representation, paying agency and other distribution items may be charged to the Fund. As applicable, the actual amount of such fees and expenses will be disclosed in the audited annual report.

### **Payment of Retrocessions and Rebates**

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

This remuneration may be deemed payment for any offering of the fund and the provision of ongoing advice to clients via an adviser or a fund dealing platform.

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

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

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the investment fund of the investor concerned.

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

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

The objective criteria for the granting of rebates by the investment fund respectively the fund management company is as follows:

- the volume subscribed by the investor or the total volume they hold in the investment fund or, where applicable, in the product range of the promoter;
- They arise where the level of annual management fee agreed with the client does not correspond with the annual management fee charged to any of the share classes available within a sub-fund
- Accordingly the value of the difference between the fee charged and the fee agreed is calculated and that difference is rebated (typically monthly) either in the form of additional shares (a reinvested rebate) or paid out in cash to the client.

At the request of the investor, the investment fund respectively the fund management company must disclose the amounts of such rebates free of charge.

**Dated: 31 January 2019**