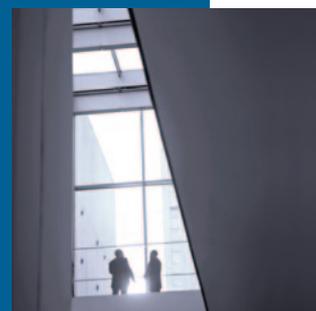


Established in Ireland

# Singapore Prospectus

## November 2019



This Singapore prospectus dated 13 November 2019 is a replacement Singapore prospectus lodged with the Monetary Authority of Singapore (the “MAS”) pursuant to Section 298 of the Securities and Futures Act, Chapter 289 of Singapore and it replaces the Singapore prospectus registered by the MAS on 21 March 2019 as supplemented by a first supplementary Singapore prospectus lodged on 30 September 2019.

This Singapore Prospectus forms part of, and should be read in conjunction with the Irish prospectus of Fidelity UCITS II ICAV dated 12 November 2019 (as supplemented by the Irish supplement dated 12 November 2019) (the “Irish Prospectus”). Fidelity UCITS II ICAV (the “Fund”) is an Irish collective asset-management vehicle constituted in Ireland (i.e. outside Singapore).



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**IMPORTANT INFORMATION**  
**FOR SINGAPORE INVESTORS**

The sub-funds of the Fund offered under this Singapore Prospectus (the “**Sub-Funds**”) are each a recognised collective investment scheme under the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”).

A copy of this Singapore Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “**MAS**”). The MAS assumes no responsibility for the contents of this Singapore Prospectus. The registration of this Singapore Prospectus by the MAS does not imply that the SFA or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the Sub-Funds.

**This Singapore Prospectus was registered with the MAS on 21 March 2019.** It is valid up to and including 20 March 2020 and will expire on 21 March 2020.

This Singapore Prospectus incorporates, and is not valid without, the Irish Prospectus. Unless otherwise stated, the terms defined in the Irish Prospectus have the same meanings when used in this Singapore Prospectus.

The directors (the “**Directors**”) of the Fund accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the accuracy of such information. The Directors accept responsibility accordingly.

This Singapore Prospectus may be updated to reflect material changes and you should ensure that you have the most updated version. No one is authorised to give any other information or to make any other representation concerning the Sub-Funds.

This Singapore Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or lawful, or if made by a person not qualified to make the offer or solicitation.

Shares of the Sub-Funds (the “**Shares**”) are not being and may not be, offered, sold or delivered directly or indirectly in the United States of America, its territories or possessions or in any state or the District of Columbia (the “**U.S.**”) or to or for the account or benefit of any U.S. Person as defined in Schedule I of the Irish Prospectus. Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or under the securities laws of any of the states of the U.S. and the Fund will not be registered under the U.S. Investment Company Act of 1940, as amended. Any re-offer or resale of any of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law.

You are to determine for yourself (a) the possible tax consequences, (b) the legal requirements and restrictions, and (c) any foreign exchange transaction or exchange control requirement that may be applicable to your subscription, purchase, holding or disposal of the Shares of the Sub-Funds. You should consult financial advisers or other professional advisers as to the suitability of investing in the Sub-Funds.

**The Sub-Fund may use financial derivative instruments (“**FDI**”) for efficient portfolio management purposes (which includes for hedging purposes) or investment purposes. Please refer to the supplements of this Singapore Prospectus (the “**Singapore Supplements**”) for details on each Sub-Fund’s use of FDI.**

Please direct your enquiries to the Singapore Representative.

## DIRECTORY

### **Registered office of the Fund**

George's Quay House  
43 Townsend Street  
Dublin 2  
Ireland

### **Directors of the Fund**

Catherine Fitzsimons  
David Greco  
Nick King  
Denise Kinsella

### **Manager**

FIL Fund Management (Ireland) Limited  
George's Quay House  
43 Townsend Street  
Dublin 2  
Ireland

### **Singapore Representative and Service Agent**

FIL Investment Management (Singapore) Limited  
8 Marina View  
#35-06, Asia Square Tower 1  
Singapore 018960

### **General Distributor**

FIL Distributors  
Pembroke Hall  
42 Crow Lane  
Pembroke HM19  
Bermuda

### **Legal advisors as to Singapore law**

Tan Peng Chin LLC  
50 Raffles Place  
#27-01, Singapore Land Tower  
Singapore 048623

## 1. STRUCTURE OF THE FUND

### 1.1 The Fund

Fidelity UCITS II ICAV was registered in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 on 14 November 2017 and is authorised by the Central Bank of Ireland (“**Central Bank**”) as an Undertaking for Collective Investment in Transferrable Securities (“**UCITS**”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended.

The Fund has been structured as an umbrella fund, with segregated liability between sub-funds. Each sub-fund of the Fund will bear its own liabilities and, under Irish law, none of the Fund, any of the service providers appointed to the Fund, the Directors, any receiver, examiner or liquidator, nor any other person will have access to the assets of a sub-fund of the Fund in satisfaction of a liability of any other sub-fund of the Fund.

Shares of a Sub-Fund may be divided into different classes (“**Classes**”) to accommodate, amongst other things, different dividend policies, charges, fee arrangements (including different total expense ratios), currencies, or to provide for foreign exchange hedging in accordance with the policies and requirements of the Central Bank from time to time. Although assets and liabilities are clearly attributable to each Class, there is no legal segregation between Classes within a Sub-Fund.

The Fund’s instrument of incorporation (“**Instrument of Incorporation**”) may be inspected at the Singapore Representative’s registered address during normal Singapore business hours.

Details on the structure of the Fund, the Sub-Funds and Classes are set out in the section “GENERAL INFORMATION” of the Irish Prospectus.

### 1.2 The Sub-Funds offered in Singapore

The Sub-Funds currently offered under this Singapore Prospectus are as follows:

Sub-Funds	Singapore Supplement
Fidelity Enhanced Reserve Fund	1

The general provisions applying to the Sub-Funds are set out in the main body of this Singapore Prospectus, subject to any specific terms and details applicable to a particular Sub-Fund (including the Classes offered in Singapore) and set out in the relevant Singapore Supplement.

**Please note that there are other sub-funds of the Fund and/or classes of the Sub-Funds stated in the Irish Prospectus that are not available for subscription in Singapore.**

## 2. MANAGEMENT AND ADMINISTRATION OF THE FUND, AND OTHER PARTIES

Please read the section “MANAGEMENT” of the Irish Prospectus for the roles, duties and other information relating to the Fund and each of the entities stated in paragraphs 2.1 to 2.6 below.

### 2.1 The Manager

FIL Fund Management (Ireland) Limited is the manager for the Fund and is responsible for the investment management and general administration of the Fund. It is regulated in Ireland by the Central Bank and has been managing collective investment schemes or discretionary funds since 2004. For information on what happens if the Manager becomes insolvent, please refer to the sub-section “The Manager” under the section “MANAGEMENT” of the Irish Prospectus.

The directors of the Manager are:

### **Catherine Fitzsimons**

With Fidelity International since 2015, Catherine acts as Head of Legal for Fidelity's European products, with responsibility for the legal support and advice in relation to all aspects of Fidelity's European fund ranges. She also advises on the products, operations and business of Fidelity International in Ireland, as well as in relation to certain of Fidelity's key global initiatives.

Prior to joining Fidelity, Catherine practiced financial services law with both international and domestic law firms, with specific focus on asset management and investment funds, advising a wide range of domestic and international clients on all aspects of their business, including their asset management activities and the structuring, establishment, marketing and sale of investment vehicles and products in Ireland and other jurisdictions. A member of the Law Society of Ireland, Catherine has also acted as a lecturer and internal examiner for the Law Society of Ireland.

Catherine holds a Bachelor in Civil Law from University College Dublin, as well as a Post Graduate Diploma in International Financial Services Law and a Diploma in Applied Finance Law.

### **David Greco**

David Greco has over twenty-five years' global experience working in the financial services industry and has been with Fidelity International for the last twelve years. David is the Head of Asset Management Operations for Fidelity International based in Dublin, Ireland. In this role, he leads an organisation that supports operational processing for over US\$350 billion in assets under management. He is responsible for managing several operational teams including trade management, asset valuation, fund accounting, corporate actions, investment performance and publishing. The organisation focus is on providing high quality administration services to both the business and its clients.

Previously, David was the Head of Investment Services & Fund Accounting for Asia Pacific and the Head of Japan Operations & Services based in Hong Kong from 2011 to July 2016. In this capacity, he had responsibility for a number of functional areas, covering six countries, including an offshore servicing team located in Dalian, China. From 2007 to 2011, he worked for FIL Investments (Japan) Limited based in Tokyo, Japan as Head of Investment Administration – Asia Pacific, where he was responsible for a range of activities including fund accounting, investment operations and project management. Prior to this, he worked for three years in the UK as a Director in Investment Administration. Before joining Fidelity International, he spent eight years with Deutsche Asset Management in the United States of America as the Vice President of Investment Accounting, and for the period between 1986 and 1995 David worked for Fidelity Investments in Boston, in a number of roles within fund accounting, fund operations and audit.

David holds a Master of Business Administration from the Questrom School of Business at Boston University and a Bachelor of Science degree in Business Administration from Northeastern University in Boston.

### **Nick King**

Nick King is the Head of Exchange Traded Funds at Fidelity International, with responsibility for developing the firm's ETF capabilities and product development. Prior to joining Fidelity International in 2015, Nick worked for BlackRock (since 2006) undertaking senior roles in ETF Product Development and Portfolio Management. In his time at BlackRock, Nick was responsible for the design and launch of ETF products covering multiple asset classes. He was also a Portfolio Manager for a number of flagship iShares ETFs. Earlier in his career, Nick worked as a Portfolio Manager within the Structured Beta & Indexing team of UBS Global Asset Management (2003-2006).

Nick holds a Bachelor of Science in Management Science & IT from the University of Exeter and a Master of Science in Mathematical Trading & Finance from Cass Business School. He is a CFA Charterholder.

**Denise Kinsella**

Denise Kinsella is an independent non-executive director with over twenty-five years' experience in international financial services. She is a former partner of Dillon Eustace Solicitors (1999 to 2005) and prior to that held a number of senior executive roles at Bank of Ireland including Director of Client Services at Bank of Ireland Securities Services (since acquired by Northern Trust). Denise is a past Chairman of Irish Funds (the Irish funds industry association) and its legal and regulatory sub-committee and represented the funds industry on a number of funds industry bodies including An Taoiseach's International Financial Services Committee and the *Fédération Européenne des Fonds et Sociétés d'Investissement* (FEFSI) (now the European Fund and Asset Management Association (EFAMA)). She served on the Central Bank of Ireland's Committee on Collective Investment Governance, was consulting editor to "Collective Investment Schemes in Luxembourg, Law and Practice" published by Oxford University Press and has lectured on financial services law at the Law Society of Ireland.

She holds a law degree from Trinity College Dublin, was admitted as a solicitor by the Law Society of Ireland and holds a diploma in company direction from the Institute of Directors (UK).

**Bronwyn Wright**

Bronwyn Wright is a former Managing Director for a global financial institution having worked in Capital Markets and Banking, where she was Head of Securities and Fund Services for Ireland with responsibility for the management, growth and strategic direction of the securities and fund services business which included funds, custody, security finance and global agency and trust. Due to her role in managing, leading and growing the European fiduciary business, Ms. Wright has extensive knowledge of regulatory requirements and best market practice in the UK, Luxembourg, Jersey and Ireland. She has sat and chaired the boards of the applicable legal vehicles for the fiduciary businesses in each jurisdiction. Due to her engagement in due diligence exercises she also understands the Nordics, Germany and Asia. She has also been engaged in pre-acquisition due diligence in Asia and led a post-acquisition integration across EMEA.

Ms. Wright holds a degree in Economics and Politics as well as a Masters degree in Economics from University College Dublin. Ms. Wright is past chairperson of the Irish Funds Industry Association committee for Trustee Services. Ms. Wright has contributed to the Irish Funds educational development in various capacities, including co-author of a Diploma in Mutual Funds, virtual web based lectures in financial services and part of an executive committee for a PhD finance programme. She has written numerous industry articles and chairs and participates in industry seminars in Europe and the US. Ms. Wright currently sits on the boards of a number of Irish regulated funds.

**The past performance of the Manager (including its directors) is not indicative of future performance.**

## 2.2 Investment Managers and sub-investment advisors

The Manager may delegate the investment management of the Sub-Funds to investment managers (the “**Investment Managers**”). The Manager or the Investment Managers may appoint sub-investment advisors to provide advice on the investments of the Sub-Funds. The Investment Managers and sub-investment advisors (if any) appointed for the Sub-Funds are set out in the Singapore Supplements. For information on what happens if an Investment Manager becomes insolvent, please refer to the section “INVESTMENT MANAGER” in the relevant Irish supplement of the Irish Prospectus.

Details on the Investment Managers are as follows:

- (a) **FIL Investment Management (Hong Kong) Limited**, domiciled in Hong Kong SAR, has managed collective investment schemes or discretionary funds in Hong Kong since 1981. Its regulatory authority is the Securities and Futures Commission of Hong Kong.

## 2.3 Depositary

The Fund has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited (the “**Depositary**”) to act as depositary for the safekeeping of all the investments, cash and other assets of the Fund and to ensure that (a) the issue and repurchase of Shares by the Fund and the calculation of the Net Asset Value and Net Asset Value per Share is carried out and (b) all income received and investments made are in accordance with the Instrument of Incorporation and the UCITS Regulations. The terms “Net Asset Value”, “Net Asset Value per Share” and “UCITS Regulations” are defined in “SCHEDULE I – DEFINITIONS” of the Irish Prospectus. For information on what happens if the Depositary becomes insolvent, please refer to the sub-section “Depositary” under the section “MANAGEMENT” of the Irish Prospectus.

The Depositary is regulated in Ireland by the Central Bank. It may delegate its safekeeping duties to third parties only in accordance with the UCITS Regulations and provided that:

- (a) the tasks are not delegated with the intention of avoiding the requirements of the UCITS Regulations;
- (b) the Depositary can demonstrate that there is an objective reason for the delegation; and
- (c) the Depositary has exercised all due skill, care and diligence in the selection and appointment of any third party to whom it has delegated its safekeeping duties either wholly or in part and continues to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any such third party and of the arrangements of such third party in respect of the matters delegated to it.

The Depositary has delegated its safekeeping functions under the UCITS Regulations to Brown Brothers Harriman & Co. (“**BBH&Co.**”), its global sub-custodian. As at the date of the Irish Prospectus, BBH&Co. has further appointed the entities listed in “SCHEDULE III – DEPOSITARY DELEGATES” of the Irish Prospectus as its local sub-custodians in the specified markets.

The sub-custodian appointment process for BBH&Co. and its subsidiaries and affiliates (collectively, “**BBH**”) involves a comprehensive review of potential service providers within a market. The evaluation of potential sub-custodians includes an assessment of the following factors:

- (a) financial standing and creditworthiness;
- (b) compliance with relevant regulations;
- (c) general reputation and standing in the market, including commitment to the custody business;
- (d) service capabilities, including extent of automation; and
- (e) contractual arrangements

BBH’s sub-custodian bank monitoring covers reviews and assessments of the risks associated with employing a bank for custody provision from an operational, legal, regulatory and financial perspective to assure adequate protection for the assets held by the bank. BBH’s policies and procedures establish on-going, robust processes for conducting reviews of the sub-custodian bank’s general reputation and standing, creditworthiness and financial health, controls and procedures, service level commitment and responsiveness, commitment to the industry, commitment to automation as well as business continuity preparedness. The local sub-custodians will be licensed and regulated in the relevant jurisdictions.

## 2.4 Auditor

The auditor of the Fund is PricewaterhouseCoopers.

## 2.5 Administrator and registrar

The Manager has appointed Brown Brothers Harriman Fund Administration Services (Ireland) Limited to act as administrator of the Fund (the “**Administrator**”). The Administrator is responsible for performing the day to day administration of the Fund and for providing fund accounting for the Fund, including the calculation of the Net Asset Value of each Sub-Fund and the Shares, and for providing transfer agency, registrar (as relevant) and related support services to the Fund.

## 2.6 General Distributor

The Manager has appointed FIL Distributors (the “**General Distributor**”) as a general distributor of the Shares. The General Distributor may appoint sub-distributors, including FIL Investment Management (Singapore) Ltd, to distribute the Shares in Singapore. The General Distributor and appointed sub-distributors are collectively referred to as the “**Distributors**” in this Singapore Prospectus.

## 2.7 Singapore Representative and Service Agent

FIL Investment Management (Singapore) Ltd is appointed to act as the Fund’s representative in Singapore (the “**Singapore Representative**”) and to carry out and facilitate certain key functions on behalf of the Fund, including:

- (a) facilitating the issue and redemption of Shares;
- (b) publishing or providing to Shareholders, the most recent published subscription price and redemption price of Shares;
- (c) facilitating the sending of reports of the Fund to Shareholders;
- (d) maintaining in Singapore either a subsidiary register of the Shareholders who subscribed for or purchased Shares in Singapore for inspection, or a facility that enables the inspection or extraction of the equivalent information;
- (e) allowing Shareholders and applicants to inspect or obtain copies of the Instrument of Incorporation and the latest annual report and semi-annual report of the Fund, at its office, free of charge; and
- (f) allowing Shareholders to obtain details or copies of any notices, advertisements, circulars and other documents of a similar nature that have been given or sent to Shareholders, at its office, free of charge.

Each Shareholder may access his information as contained in the subsidiary register or information facility (mentioned above) at the Singapore Representative’s office during normal Singapore business hours.

If the Singapore Representative goes into liquidation (except a voluntary liquidation for the purposes of reconstruction, amalgamation or merger on previously approved terms) or if a receiver is appointed to any of its assets or a judicial manager is appointed in respect of it, its appointment may be terminated in accordance with the terms of the Singapore representative agreement.

FIL Investment Management (Singapore) Limited has also been appointed by the Fund to act as the Fund’s local agent in Singapore (the “**Service Agent**”) to accept service of process on behalf of the Fund.

### 3. INVESTMENT OBJECTIVES AND POLICIES

The Directors may establish Sub-Funds that will seek to track an Index (“**Index Tracking Sub-Funds**”) or will be managed actively by the Investment Manager to seek to achieve a specific investment objective, which may include outperforming an Index (“**Actively Managed Sub-Funds**”). You should refer to the section “INVESTMENT OBJECTIVES AND POLICIES” of the Irish Prospectus for further details.

The specific investment objectives, strategies and policies for each Sub-Fund are set out in the Singapore Supplements.

### 4. DISCLOSURE ON CERTAIN INVESTMENTS

#### 4.1 Financial Derivative Instruments (“FDI”)

The Sub-Funds may use FDI for investment purposes or efficient portfolio management (which includes for hedging purposes).

Please refer to the sub-section “Use of Financial Derivative Instruments” under the section “INVESTMENT OBJECTIVES AND POLICIES” of the Irish Prospectus for a general description on the use of FDI and to the Singapore Supplements for specific details on the types of FDI which may be used by each Sub-Fund.

To the extent that a Sub-Fund uses FDI, there may be a risk that the volatility of the Sub-Fund’s Net Asset Value may increase. You should refer to the sub-section “Derivatives Related Risks” under the section “RISK INFORMATION” of the Irish Prospectus for details on the risks associated with the use of FDI.

#### 4.2 Securities lending and repurchase and reverse repurchase transactions

Where specified in the relevant Singapore Supplement, a Sub-Fund may enter into securities lending and/or repurchase and reverse purchase agreements, subject to the conditions and limits set out in the UCITS Regulations and for efficient portfolio management purposes only.

Please refer to the sub-sections “Securities Lending”, “Repurchase and Reverse Repurchase Agreements”, “Counterparties to Securities Lending, Repurchase and Reverse Repurchase Agreements and Swaps” and “Collateral” under the section “INVESTMENT OBJECTIVES AND POLICIES” of the Irish Prospectus for information on the types, purpose, limits and conditions of such transactions, the management of collateral, and the allocation of revenue generated.

Securities lending and repurchase and reverse purchase transactions carry risks and you should refer to the sub-sections “Securities Lending” and “Reverse Repurchase Agreements Risk” under the section “RISK INFORMATION” of the Irish Prospectus for details.

In addition, conflicts of interest may arise if the counterparties to these transactions are affiliated with the Manager or the Depositary. In such event, the relevant parties will endeavour to handle any conflicts pursuant to the paragraph 19 of this Singapore Prospectus on “Potential Conflicts of Interest”.

### 4.3 Risk management

Some of the risk management procedures employed by the Fund are described in the sub-sections “Collateral”, “Reinvestment of Collateral” and “Risk Management” under the section “INVESTMENT OBJECTIVES AND POLICIES” of the Irish Prospectus. The Manager will ensure that the risk management and compliance procedures are adequate and has or will be implemented, and that it has the necessary expertise to manage the risks relating to the use of FDI.

Unless otherwise stated in the Singapore Supplements, a Sub-Fund’s global exposure and leverage will be calculated using the commitment approach and the Sub-Fund’s global exposure, including through the use of FDI, will not exceed 100% of its Net Asset Value. The commitment approach converts the Sub-Fund’s FDI positions into the equivalent positions in the underlying assets and seeks to ensure that the FDI risk is monitored in terms of any future “commitments” to which it is (or may be) obligated.

The Fund 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. You may make this request by writing to the Fund at its registered office.

## 5. INVESTMENT RESTRICTIONS

The investment restrictions that apply to the Sub-Funds are set out in the section “INVESTMENT RESTRICTIONS” of the Irish Prospectus. Any additional investment restrictions applicable to a Sub-Fund are set out in the Singapore Supplements.

## 6. FEES AND EXPENSES

### 6.1 Fees and expenses payable by Shareholders

	Class A, I and Y Shares
<b>Subscription fee<sup>(1)</sup></b>	Up to 5% of the gross investment amount
<b>Initial sales charge<sup>(2)</sup></b>	As disclosed in the relevant Singapore Supplement
<b>Redemption fee</b>	Up to 3% of the gross redemption amount

<sup>(1)</sup> The subscription fee is charged by the Fund and may be waived, in whole or in part, at the discretion of the Directors (or the Manager as the Fund’s delegate).

<sup>(2)</sup> The initial sales charge is not payable to the Fund and is instead paid to the Distributor(s) and/or financial intermediaries or institutions.

Conversion (or switching) is effected by the redemption of the Shares of the original Sub-Fund and the subscription of Shares in the Sub-Fund to be converted into.

Please refer to the relevant Singapore Supplement for details relating to a particular Sub-Fund and Class, including the applicable rates and whether there is any restriction regarding conversion (or switching). In addition, please note that subscriptions for Shares through any Distributor may incur additional fees and charges. You are advised to check with the relevant Distributor if such additional fees and charges are imposed by the Distributor.

Any subscription fee and initial sales charge may be shared with any Distributor.

## 6.2 Fees and expenses payable out of the Sub-Funds

<b>Total expense ratio (“TER”)</b>
<p>Unless otherwise set out in the Singapore Supplements, all of the fees and expenses payable in respect of a Sub-Fund are paid as one single fee. This is referred to as the total expense ratio or “TER”.</p> <p>The Manager is responsible for arranging the payment from the TER of all operational expenses of the Fund allocable to the relevant Sub-Fund. Save where another party has agreed to reimburse the relevant Sub-Fund, the TER includes but is not limited to the Directors’, Auditors’, legal advisors’, Administrator’s, Depositary’s, Investment Manager’s, secretary’s, sub-investment advisor’s and other service providers’ fees and expenses and Class hedging costs.</p> <p>The Manager is entitled to an annual fee in respect of the services that it provides to the relevant Sub-Fund. However, this fee will only be paid in circumstances where there is a residual amount left from the TER after the other operational expenses have been paid.</p> <p>Subject to applicable law and regulation, the Manager, the Investment Manager, any sub-investment manager, the Administrator, the Depositary, the General Distributor or any Sub-Distributor may pay part or all of its fees to any person that invests in or provides services to the Fund or in respect of any Sub-Fund. In particular, the annual management fee payable to the Manager and/or the Investment Manager may be shared with any Distributor.</p> <p>The TER is calculated and accrued daily from the Net Asset Value of each Sub-Fund (subject to Duties and Charges (if any)) and payable in arrears at least quarterly.</p> <p>The TER of each Sub-Fund is listed in the relevant Singapore Supplement (save for those Sub-Funds which do not operate a TER). If a Sub-Fund’s expenses (not including the other fees, costs and expenses stated in the row below) exceed the TER outlined above in relation to operating the Sub-Fund, the Manager will cover any shortfall from its own assets.</p> <p>For those Sub-Funds which do not operate a TER, details of the fees and expenses payable by the Sub-Fund will be set out in the relevant Singapore Supplement.</p>
<b>Other fees, costs and expenses</b>
<p>The TER (described above) does not include extraordinary costs, transaction costs and related expenses, including but not limited to, transaction charges, stamp duty or other taxes on the investments of the Fund, including duties and charges for portfolio re-balancing, withholding taxes, Brokerage Commissions (as defined in the Irish Prospectus) incurred with respect to the Fund’s investments, interest on borrowings and bank charges incurred in negotiating, effecting or varying the terms of such borrowings, any Brokerage Commissions charged by intermediaries in relation to an investment in the Sub-Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to a Sub-Fund or the Fund), which will be paid separately out of the assets of the relevant Sub-Fund.</p> <p>These fees, costs and expenses are currently indeterminable as they depend on the investments of the Sub-Fund and/or are of an extraordinary or exception nature. They may, in aggregate, amount to 0.1% or more the Net Asset Value of the Sub-Fund.</p>
<b>Establishment expenses</b>
<p>All expenses relating to the establishment and organisation of the Fund and the initial Sub-Funds (including expenses relating to the negotiation and preparation of material contracts, the costs of preparing and printing the relevant prospectuses and the related marketing materials and the fees and expenses of professional advisors) were borne by the Manager.</p> <p>Thereafter, the manner in which the cost of establishing each new Sub-Fund (including expenses relating to the negotiation and preparation of material contracts, the costs of preparing and printing the relevant supplements and the related marketing materials and the fees and expenses of professional advisors) will be discharged will be set out in the Irish Prospectus.</p>

Details of the above fees, charges and expenses are set out in the sections “PURCHASE AND SALE INFORMATION” and “FEES AND EXPENSES” of the Irish Prospectus and in the Singapore Supplements.

The fees payable to the Singapore Representative, if any, will be paid by the Manager and not out of the assets of the Sub-Funds.

## 7. RISK CONSIDERATIONS

Investment in a collective investment scheme is meant to produce returns over the long-term. You should not expect to obtain short-term gains. The price of the Shares can go down as well as up and their value is not guaranteed. You may not receive, at redemption or liquidation, the amount that you originally invested in a Sub-Fund or any amount at all.

Please read the section “RISK INFORMATION” of the Irish Prospectus on the risks of investing in a Sub-Fund, which include (a) general risks that apply to all Sub-Funds, (b) equity related risks, (c) fixed income related risks, (d) country, concentration and style related risks, (e) emerging markets related risks, (f) index related risks and (g) derivatives related risks.

You should also refer to the section “Investment Risks” in the Singapore Supplements for details on any specific risks that apply to a Sub-Fund.

**Please note that the risks described above, in the Irish Prospectus and in the Singapore Supplements are not exhaustive. You should review the risks involved and consult with your professional advisers before subscribing for Shares in the Sub-Funds.**

### 7.1 Foreign exchange / currency risks

An investment in the Shares of any Sub-Fund may entail exchange rate risks, as the Shares may be denominated in a currency other than the Singapore Dollar or the underlying assets of the Sub-Fund may be denominated in currencies other than the currency of denomination (or “Base Currency”) of the Sub-Fund or the Shares. Please refer to the sub-section “Foreign Currency Risk” in the section “RISK INFORMATION” of the Irish Prospectus for details.

A Sub-Fund may enter into transactions for hedging the currency exposure of the underlying securities into the relevant Base Currency of the Sub-Fund. FDI, such as currency forwards, may be utilised for such hedging.

A Sub-Fund may use FDI on behalf of a specific Currency Hedged Share Class in order to hedge some or all of the foreign exchange risk for such Currency Hedged Share Class. There are two methods used for Share Class currency hedging, namely NAV Hedge and Portfolio Hedge. Where a Sub-Fund offers Currency Hedged Share Classes, it will be disclosed in the relevant Singapore Supplement whether those Currency Hedged Share Classes apply the NAV Hedge or the Portfolio Hedge.

For Sub-Funds or Classes that are not denominated in the Singapore Dollar or where a currency hedge against the Singapore Dollar is not applied to a Class, or is not stated or denoted in the name of a Class (i.e. “SGD Hedged”), the Manager does not intend to hedge the foreign currency exposure against the Singapore Dollar. You may therefore be exposed to the risk of exchange rate movements against the Singapore Dollar.

Please note that over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the Investment Manager.

A Sub-Fund that hedges foreign exchange risk for any Currency Hedged Share Class may enter into forward foreign exchange contracts in order to hedge some or all of the foreign exchange risk for the relevant Currency Hedged Share Class.

You should refer to the sub-sections “Currency Hedging at Portfolio Level” and “Currency Hedging at Share Class Level” under the section “INVESTMENT OBJECTIVES AND POLICIES” of the Irish Prospectus and the Singapore Supplements for details on the use of currency hedging.

## 8. INCLUSION UNDER THE CPF INVESTMENT SCHEME

The Sub-Funds are not included under the Central Provident Fund Investment Scheme.

## 9. SUPPLEMENTARY RETIREMENT SCHEME

Currently none of the Classes of the Sub-Funds are available for investment under the Supplementary Retirement Scheme (“SRS”).

## 10. SUBSCRIPTIONS FOR SHARES IN SINGAPORE

### 10.1 Subscription procedure

You may apply for Shares on any Singapore Dealing Day using the relevant subscription agreement (the “**Subscription Agreement**”) through the Distributors (apart from the Singapore Representative). The Subscription Agreement should be sent to the Distributor by such means as are acceptable to the Distributor.

Subscription monies may be provided by telegraphic transfer in the Base Currency of the relevant Class and must be received by the Administrator on or before the Settlement Deadline. You may be liable for any interest, losses or other costs incurred if the subscription monies are received after the Settlement Deadline.

The Singapore Dealing Day and Settlement Deadline for the Sub-Funds are set out in the Singapore Supplements.

The Manager may, in its absolute discretion, elect to accept subscription payments from investors, either in whole or in part, in specie or in kind rather than in cash, provided that the assets received would qualify as investments of the relevant Sub-Fund pursuant to its investment objective and policies. You should refer to the sub-section “Subscription Price” under the section “PURCHASE AND SALE INFORMATION” of the Irish Prospectus for the terms relating to payments in specie or in kind.

**Please note that in order for the Distributors to meet the Settlement Deadline and/or any other cut-off times set by the Administrator, the Distributors may have additional requirements or earlier deadlines, and you should check with your Distributor before subscribing.** The Subscription Agreement must be received and account opening completed by the Administrator before trading in the Shares can commence.

There is no “cooling-off” or cancellation period and you should check with the Distributor on whether it offers a cancellation period without incurring the subscription fee.

Any application may be rejected, in whole or in part, for any or no reason, in which event the application monies or any balance thereof will be returned to you without interest at your own risk within a reasonable period following the relevant Singapore Dealing Day.

Other information relating to the subscription of Shares, including how to apply directly to the Administrator for the subscription of Shares, is set out in the section “PURCHASE AND SALE INFORMATION” of the Irish Prospectus. Application to the Administrator is subject to such requirements and conditions as may be imposed by the Administrator from time to time in accordance with the requirements of Irish law.

The launch of a Sub-Fund is not conditional upon any minimum fund size.

### 10.2 Minimum initial and subsequent subscription amounts

You must make an initial subscription in an amount equal to or greater than the minimum initial subscription amount (the “**Minimum Initial Subscription Amount**”) specified in the Singapore Supplements. Subsequent subscriptions must be for an amount equal to or greater than the minimum additional subscription amount (the “**Minimum Additional Subscription Amount**”) specified in the Singapore Supplements. The Directors may, in their discretion, waive or reduce the Minimum Initial Subscription Amount and the Minimum Additional Subscription Amount and you should check with your Distributor before subscribing.

### 10.3 Pricing and dealing cut-off time

Shares of a Class subscribed during its initial offer period (the “**Initial Offer Period**”) will be issued at the initial offer price (the “**Initial Offer Price**”) specified in the Singapore Supplements.

If Shares of a Class were issued during its Initial Offer Period, Shares of that Class will be issued in respect of any Singapore Dealing Day after the Initial Offer Period, on a forward pricing basis at the Net Asset Value per Share as of the applicable Valuation Day, plus an amount in respect of Duties and Charges (if any).

Subscription Agreements must be received by the Distributor no later than the Singapore Dealing Deadline. If received after the Singapore Dealing Deadline, the subscription will be held over without interest until the next applicable Singapore Dealing Day.

The Singapore Dealing Day, Singapore Dealing Deadline and Valuation Day for the Sub-Funds are set out in the Singapore Supplements.

### 10.4 Numerical example of the calculation of Shares allotted

The following is a hypothetical illustration of the number of Shares that will be allotted with a gross investment amount of USD 1,000.00, at a Net Asset Value per Share of USD 1.00, and a subscription fee and initial sales charge totalling 5%:

USD 1,000.00	–	USD 50.00	=	USD 950.00
Gross investment amount		Subscription fee and initial sales charges totalling 5%		Net investment amount
USD 950.00	÷	USD 1.00	=	950.00
Net investment amount		Net Asset Value per Share		Number of Shares allotted

This is only an illustration. The actual Net Asset Value per Share, subscription fee and initial sales charge will vary according to the Sub-Fund and Class you subscribed for. Please refer to the relevant Singapore Supplement for details.

### 10.5 Confirmation of purchase

You will be notified of the allotment and issue of Shares of the relevant Classes as soon as possible (and in any event, within 1 Business Day), following the completion of the Net Asset Value computation after the relevant Dealing Day.

## 11. REGULAR SAVINGS PLAN

The Fund currently does not offer a regular investment plan (“**RSP**”) to Singapore investors. However, RSP may be available from Distributors. As the RSP is offered and operated by the Distributors, the terms and conditions may vary. Distributors may have differing application and termination procedures, minimum initial and periodic investment amounts, and periodic investment periods. You should contact your Distributor for details (including when monies are deducted from your account and when the Shares subscribed are allotted to you each period) before applying.

You may cease participation in the RSP without suffering any penalty by giving prior written notice to the Distributor from whom you applied for the RSP. The notice period should be at least 30 days (or such other notice period determined by the Distributor so long as it is not longer than the periodic investment period).

## 12. REDEMPTION OF SHARES SUBSCRIBED IN SINGAPORE

### 12.1 Redemption procedure

You may request for the redemption of your Shares on any Singapore Dealing Day by completing and submitting a redemption application (the “**Redemption Application**”) to the Distributor through whom you subscribed for the Shares. The Redemption Application must be sent by such means as are acceptable to the Distributor. Save in the event of a suspension of the calculation of Net Asset Value or redemptions, submitted Redemption Applications are irrevocable.

The Singapore Dealing Day for the Sub-Funds is set out in the Singapore Supplements.

Other information relating to the redemption of Shares, including how to apply directly to the Administrator for the redemption of Shares, is set out in the section “PURCHASE AND SALE INFORMATION” of the Irish Prospectus. Application to the Administrator is subject to such requirements and conditions as may be imposed by the Administrator from time to time in accordance with the requirements of Irish law.

### 12.2 Minimum redemption and minimum holding amounts

A partial redemption application must be for the minimum redemption amount (the “**Minimum Redemption Amount**”) specified in the Singapore Supplements and must not result in the Shareholder holding less than the minimum holding amount (the “**Minimum Holding Amount**”) specified in the Singapore Supplements.

If a partial redemption results in a Shareholder holding less than the applicable Minimum Holding Amount, the Directors may, in their sole discretion:

- (a) treat such redemption application as a request to redeem that Shareholder’s entire holding of the relevant Class;
- (b) reject such partial redemption request; or
- (c) accept such partial redemption request.

Shareholders will be notified (either before or after the relevant Dealing Day) if the Directors decide to act in accordance with (a) or (b) above.

Please note that the Directors may in their discretion, waive or reduce the above threshold amounts and you should check with your Distributor before redeeming.

### 12.3 Pricing and dealing deadline

Shares may be redeemed on a forward pricing basis at the Net Asset Value per Share as of the applicable Valuation Day for the relevant Singapore Dealing Day in respect of which the redemption is effected, subject to Duties and Charges (if any).

Redemption Applications must be received by the Distributor no later than the Singapore Dealing Deadline. Redemption Applications received after the Singapore Dealing Deadline will be held over until the next Singapore Dealing Day.

The Singapore Dealing Day, Singapore Dealing Deadline and Valuation Day for the Sub-Funds are set out in the Singapore Supplements.

## 12.4 Numerical example of the calculation of redemption proceeds

The following is a hypothetical illustration of the net redemption proceeds payable on a redemption of 1,000 Shares at a Net Asset Value per Share of USD 1.00 and redemption fee of 3%.

1,000.00	x	USD 1.00	=	USD 1,000.00
Number of Shares being redeemed		Net Asset Value per Share		Gross redemption proceeds
USD 1,000.00	–	USD30.00	=	USD 970.00
Gross redemption proceeds		Redemption fee (3%)		Net redemption proceeds

This is only an illustration. The actual Net Asset Value per Share and redemption fee will vary according to the Class of Shares being redeemed. Please refer to the relevant Singapore Supplement for details.

## 12.5 Payment of redemption proceeds

Payments for redemptions will be made by telegraphic transfer to the bank account on record of the Shareholder. No payments will be made to third parties.

Payments will be made normally on or prior to the third Business Day following the Dealing Day on which the redemption is effected but in any event on or prior to the tenth Business Day following the relevant Singapore Dealing Deadline.

Redemption proceeds will ordinarily be paid in cash but a redemption may be made in specie or in kind, at the discretion of the Manager. You should read the sub-section “Redemption Price” under the section “PURCHASE AND SALE INFORMATION” of the Irish Prospectus for details relating to any redemptions made in specie or in kind.

Redemptions proceeds will not be paid where the original documentation that was required for the initial subscription for Shares (e.g. the original Subscription Agreement) or any other requested documentation, has not been received by the Administrator. Please refer to the sub-section “Anti-Money Laundering and Counter Terrorist Financing Requirements” under the section “PURCHASE AND SALE INFORMATION” of the Irish Prospectus for details.

## 12.6 Compulsory redemptions

The Sub-Funds are established for an unlimited period and may have unlimited assets. However, the Fund may (but is not obliged to) redeem all of the Shares of any Sub-Fund or Class in issue if:

- (a) the Shareholders of the relevant Sub-Fund or Class pass a special resolution providing for such redemption at a general meeting of the holders of the Shares of that Sub-Fund or Class or in writing;
- (b) the Directors deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the relevant Sub-Fund in any way;
- (c) the Net Asset Value of the relevant Sub-Fund or Class falls below €50 million or the prevailing currency equivalent in the currency in which Shares of the relevant Sub-Fund or Class are denominated; or
- (d) the Directors deem it appropriate for any other reason.

Please refer to the sub-section “Compulsory Redemptions of Shares” under the section “PURCHASE AND SALE INFORMATION” of the Irish Prospectus for details on the other circumstances under which the Fund may compulsorily redeem your Shares, and the consequences following compulsory redemptions.

**12.7 Limitation on redemptions**

If total requests for redemption on any Dealing Day for a given Sub-Fund exceed 10% of the total number of Shares in that Sub-Fund or 10% of the Net Asset Value of that Sub-Fund, the Directors may refuse to redeem any Shares in excess of 10%. Any request for redemption on such Dealing Day will be reduced rateably and the redemption requests will be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed. The Directors may determine to impose such restrictions at any time before, during or after the Dealing Day with respect to which such restrictions are to be imposed.

**13. CONVERSION (OR SWITCHING) OF SHARES SUBSCRIBED IN SINGAPORE**

A conversion (or switch) of Shares is executed by the redemption of Shares of the original Class and the subscription for Shares in another Class (the “**New Shares**”).

On this basis and unless otherwise stated in the Singapore Supplements, you will be entitled on any Singapore Dealing Day to convert any or all of your Shares of any Class in any Sub-Fund into Shares of another Class in the same Sub-Fund or Shares of any Class in another Sub-Fund, provided that you meet all of the normal criteria for subscriptions for the New Shares, except where dealings in the relevant Shares have been temporarily suspended in the circumstances described in this Singapore Prospectus. Conversions will be subject to an appropriate provision for Duties and Charges.

Please note that the Shares subscribed in Singapore may only be converted into the Classes of the Sub-Funds offered, at the time of the conversion, under a registered Singapore Prospectus.

If you wish to convert your Shares, please contact the Distributor through whom you subscribed for your Shares.

**14. NET ASSET VALUE, DUTIES AND CHARGES, AND VALUATION METHOD**

The Net Asset Value per Share in a Sub-Fund will be calculated at the relevant Valuation Point on each Valuation Day. The relevant Valuation Point and Valuation Day for the Sub-Funds are set out in the Singapore Supplements.

In calculating the Net Asset Value per Share of a Sub-Fund in connection with any subscription application or redemption request, the Directors may on any Dealing Day when there are net subscriptions or redemptions, adjust the Net Asset Value per Share by adding or deducting Duties and Charges (as defined in “SCHEDULE I – DEFINITIONS” of the Irish Prospectus) to cover dealing costs and to act as an anti-dilution levy to preserve the value of the underlying assets of the relevant Sub-Fund. Any such Duties and Charges will account for actual expenditure on the purchase or sale of the assets of the relevant Sub-Fund and will be retained for the benefit of the Sub-Fund. The Directors reserve the right to waive such charge at any time.

You should read the details regarding the valuation of assets and the rules for determining of the Net Asset Value per Share as set out in the section “DETERMINATION OF NET ASSET VALUE” of the Irish Prospectus.

**15. SUSPENSION OF DEALING AND VALUATION**

The circumstances regarding the suspension of the calculation of the Net Asset Value and transactions are set out in the sub-section “Temporary Suspension of Dealings” under the section “DETERMINATION OF NET ASSET VALUE” of the Irish Prospectus.

**16. OBTAINING PRICE INFORMATION**

The last available Net Asset Value of the Shares for each Singapore Dealing Day will be published on Bloomberg and may also be posted on the Singapore Representative’s website at [www.fidelity.com.sg](http://www.fidelity.com.sg).

The Net Asset Value will be published in the Base Currency of the relevant Class. The Singapore Representative may, at its discretion, also publish on its website the Net Asset Value in the Singapore Dollar (which is indicative only, as it is computed at the applicable exchange rate and is subject to exchange rate fluctuations).

As the Shares are priced on a forward-pricing basis, the published prices do not represent the actual prices of the Shares on the day of publication. As publishers independently publish the prices, the Fund, the Manager and the Singapore Representative are not responsible for their timeliness, accuracy or otherwise.

## 17. PAST PERFORMANCE OF THE SUB-FUNDS

The past performances of the Classes of Shares offered for each Sub-Fund in Singapore are set out in the Singapore Supplements. In relation to the figures shown, please note:

- (a) “NAV-to-NAV (adjusted)” means that performance calculations of the Class are on an NAV-to-NAV pricing (adjusted to take into account any subscription fee, initial sales charge and redemption fee) in the Base Currency of the Class. “NAV” refers to the Net Asset Value, subject to Duties and Charges (if any). Calculations are on the basis of dividends (if any) reinvested taking into account all charges which would have been payable upon such reinvestments. For periods exceeding one year, calculations are on an average annual compounded basis. Performance calculations of the benchmark are in the Base Currency of the reference Class.
- (b) If there were changes to the benchmark during the relevant performance period, the benchmark figures shown is a blend of the current and historical benchmarks figures.
- (c) The TER (as stated in paragraph 6.2 of the Singapore Prospectus and in the Singapore Supplements) are calculated in accordance with the Investment Management Association of Singapore (“IMAS”) guidelines for the disclosure of expense ratios and based on figures in the Sub-Fund’s latest audited accounts. The following expenses (where applicable) are excluded from the calculation of the TER:
  - (i) interest expense;
  - (ii) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
  - (iii) foreign exchange gains and losses of the Sub-Fund, whether realised or unrealised;
  - (iv) tax deducted at source or arising on income received including withholding tax;
  - (v) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund (if any); and
  - (vi) dividends and other distributions paid to Shareholders.
- (d) The turnover ratio is a composite figure for the Sub-Fund as a whole and not calculated at a Class level. It means a ratio of the number of times per year that a dollar of assets is reinvested. It is computed in accordance with the MAS’ Code on Collective Investment Schemes (i.e. based on the lesser of purchases or sales of underlying investments of the Sub-Fund expressed as a percentage of daily average Net Asset Value).
- (e) Past performance is not necessarily indicative of future performance.

## 18. SOFT COMMISSIONS AND COMMISSION SHARING

It is the normal policy of the Manager and the Investment Manager to use full service brokerage houses which will, in addition to routine order execution, provide a range of other services. When orders are executed on behalf of the Fund through such a broker or other person, the charges of that broker or person are passed onto the Fund and in exchange, goods or services additional to that execution service are received by the Manager or Investment Manager. The benefits provided under such arrangement assist in the provision of investment services to the Fund and may contribute to an improvement in a Sub-Fund’s performance. Details on the types of services that may be received and the circumstances and conditions under which such arrangements may arise are set out in the sub-section “Conflicts of Interest Risk” under the section “RISK INFORMATION” of the Irish Prospectus. Details of such arrangements will also be disclosed in the periodic reports of the Fund.

## 19. POTENTIAL CONFLICTS OF INTEREST

The Directors, the Manager, the Investment Manager, any sub-investment manager, the Administrator, the Depositary, the General Distributor, any sub-distributor and any other service provider or advisor to the Fund and their respective affiliates, officers, directors and shareholders, employees and agents (collectively, the “Parties”) are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Fund or a Sub-Fund and/or their respective roles with respect to the Fund. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisors or agents of other funds or companies, including funds or companies in which the Fund may invest. In particular, the Manager, Investment Manager and/or any sub-investment manager may advise or manage other collective investment schemes which have similar or overlapping investment objectives to or with the Fund or its Sub-Funds.

Where the Manager, Investment Manager and/or any sub-investment manager may advise or manage other collective investment schemes which have similar or overlapping investment objectives to or with the Fund or the Sub-Fund(s), then in terms of order allocation, where purchase orders exceed available supply or where sell orders exceed available demand in the market, allocations will be made in line with the Manager, Investment Manager or sub-investment manager’s internal trading desk policy in order to ensure fair treatment to all clients across the collective investment schemes.

Where the Manager or an associated company of the Manager holds a high proportion of the Shares of a Sub-Fund or Class in issue (e.g. investments to ensure that the Sub-Fund or Class has a viable minimum size or is able to operate more efficiently), the Manager or its associated company shall be treated in a manner that does not conflict with the overall interests of any other investor or would-be investor of the Sub-Fund or Class in issue, or create conflicts between the overall interests of different investors.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly.

Please refer to the sub-section “Conflicts of Interest Risk” under the section “RISK INFORMATION” of the Irish Prospectus for further details of the potential conflicts of interest that may arise in relation to the Sub-Funds and their management. You should also read the disclosure on conflicts of interest in relation to the Depositary set out in the sub-section “Depositary” under the section “MANAGEMENT” of the Irish Prospectus.

## 20. REPORTS AND ACCOUNTS

Unless specified otherwise in the Singapore Supplements, each Sub-Fund’s accounting period will end on 31 January.

Unless specified otherwise in the Singapore Supplements, each Sub-Fund’s annual report and audited annual accounts will be available within four months of the end of the financial period to which they relate and the unaudited half-yearly reports and accounts will be published within two months of the end of the half year period to which they relate.

A copy of the reports may be requested from the Singapore Representative during normal Singapore business hours.

## 21. FOREIGN ACCOUNT TAX COMPLIANCE ACT, OECD COMMON REPORTING STANDARD AND TAX CONSIDERATIONS

Please read the provisions regarding the Fund’s registration and reporting obligations under the U.S. Foreign Account Tax Compliance Act (“FATCA”) and the Organisation for Economic Co-operation and Development Common Reporting Standard (“CRS”) as set out in the sub-sections “FATCA” and “OECD Common Reporting Standard” under the section “TAX INFORMATION” of the Irish Prospectus.

You should also read the section “TAX INFORMATION” of the Irish Prospectus for a summary of the tax consequences of your investment in the Fund. You are advised to consult your tax or professional advisers on the consequences of, and the reporting requirements attributable to, the purchase, ownership and disposition of the Shares. In particular, you should determine the consequences of dealing in the Shares in Singapore.

## 22. QUERIES AND COMPLAINTS

If you have any questions on your investments in the Sub-Funds, please contact the Singapore Representative at telephone number (65) 6511 2200 during normal Singapore business hours.

## 23. OTHER MATERIAL INFORMATION

### 23.1 Distribution policy

The Index-Tracking Sub-Funds may declare dividends out of net income (including dividend income, securities lending income and interest income, less expenses) in respect of investments of the relevant Sub-Fund (collectively, “**Net Income**”). An Actively Managed Sub-Fund may declare dividends out of either (i) Net Income and capital or (ii) Net Income only.

Each Sub-Fund may have either accumulating classes (“**Accumulating Classes**”) or distributing classes (“**Distributing Classes**”) or both. For Accumulating Classes, all net income attributable to such Accumulating Classes will be accumulated and dividends will not be declared. For Distributing Classes, the Directors may declare dividends out of Net Income and/or capital of the relevant Sub-Fund (as specified in the Singapore Supplements).

Where dividends are declared out of capital, you should be aware that the capital of such Shares will be eroded and such distributions will be achieved by forgoing the potential for future capital growth and that this cycle may be continued until all capital in respect of the Shares is depleted. You should also be aware that payments of distributions out of capital by the Fund may have different tax implications for you to distributions of income and you are therefore recommended to seek tax advice in this regard. Distributions from capital are likely to diminish the value of future returns and can be understood as a type of capital reimbursement. **Please note that Distributions made will normally reduce the Net Asset Value of the relevant Class.**

Under normal circumstances, the Directors intend that dividends be declared on the dates specified in the relevant Singapore Supplement in each year for the relevant period. Where dividends are paid out of capital, they will generally be intended to reflect the amount of gross income received by the relevant Sub-Fund. In cases where expenses exceed income, this will result in a payment out of capital. Please note that the Directors may, in their discretion, decide not to make such payment in respect of a Distributing Class.

Dividends will be automatically paid out to Shareholders in cash unless the Shareholder elects to reinvest the dividends in the Fund in respect of which the dividend is declared.

You should refer to the section “DISTRIBUTIONS” of the Irish Prospectus, which contains other information regarding dividend payments.

### 23.2 Other material information

You should read the Irish Prospectus and the Instrument of Incorporation for further disclosures and terms relating to the Fund including (without limitation) the holding of the annual general meetings for the Fund, the circumstances regarding the winding up of the Fund, the operation of umbrella cash accounts and the transfer of Shares.

**SINGAPORE SUPPLEMENT 1: FIDELITY ENHANCED RESERVE FUND**

Unless otherwise defined in this Singapore Supplement or unless the context otherwise requires, all defined terms used in this Singapore Supplement will bear the same meaning as defined in the main body of this Singapore Prospectus.

<b>A. KEY INFORMATION</b>	
<b>Investment Manager</b>	FIL Investment Management (Hong Kong) Limited
<b>Sub-investment advisor</b>	Not applicable
<b>Base Currency of the Sub-Fund</b>	USD
<b>Initial Offer Period</b>	The period for the relevant Share Class as set out in Table B below or such earlier or later date as the Directors may determine.
<b>Business Day</b>	Any day with the exception of Saturdays, Sundays, New Year's Day, Christmas Day and Good Friday and/or such other day or days as the Directors may determine and notify in advance to Shareholders.
<b>Singapore Business Day</b>	A Business Day, which is also a day on which the banks in Singapore are open for business.
<b>Dealing Day</b>	Each Business Day will be a Dealing Day.
<b>Singapore Dealing Day</b>	A Dealing Day, which is also a day on which the banks in Singapore are open for business.
<b>Singapore Dealing Deadline</b>	2:00 PM (Singapore time) on the relevant Singapore Dealing Day
<b>Settlement Deadline</b>	The Business Day following the relevant Dealing Day
<b>Valuation Day</b>	Each Business Day will be a Valuation Day. For any given Dealing Day, the same day shall be the relevant Valuation Day.
<b>Valuation Point</b>	12:00 noon (Irish time) on each Valuation Day

<b>B. CLASSES OFFERED IN SINGAPORE</b>				
<b>Class name</b>	<b>Class Base Currency</b>	<b>Currency hedged</b>	<b>Dividend distribution policy</b>	<b>Initial Offer Price &amp; Initial Offer Period</b>
A-ACC USD	USD	No	Accumulating	10.00 USD
A-ACC HKD*	HKD	No	Accumulating	10.00 HKD 13 November 2019 to 12 May 2020
A-MINCOME(G)-USD	USD	No	Gross income monthly distributing	10.00 USD
A-MINCOME(G)-HKD*	HKD	No	Gross income monthly distributing	10.00 HKD 13 November 2019 to 12 May 2020
A-ACC-SGD Hedged	SGD	Yes, NAV Hedge	Accumulating	10.00 SGD
A-MINCOME(G)-SGD Hedged	SGD	Yes, NAV Hedge	Gross income monthly distributing	10.00 SGD
A-MINCOME(G)-AUD Hedged	AUD	Yes, NAV Hedge	Gross income monthly distributing	10.00 AUD
A-MINCOME(G)-EUR Hedged	EUR	Yes, NAV Hedge	Gross income monthly distributing	10.00 EUR
A-MINCOME(G)-GBP Hedged	GBP	Yes, NAV Hedge	Gross income monthly distributing	10.00 GBP
I-QINCOME(G)-USD	USD	No	Gross income quarterly distributing	10.00 USD
Y-ACC USD	USD	No	Accumulating	10.00 USD
Y-ACC HKD*	HKD	No	Accumulating	10.00 HKD 13 November 2019 to 12 May 2020
Y-ACC-SGD Hedged	SGD	Yes, NAV Hedge	Accumulating	10.00 SGD
Y-MINCOME(G)-USD	USD	No	Gross income monthly distributing	10.00 USD
Y-MINCOME(G)-HKD*	HKD	No	Gross income monthly distributing	10.00 HKD 13 November 2019 to 12 May 2020
Y-MINCOME(G)-EUR Hedged*	EUR	Yes, NAV Hedge	Gross income monthly distributing	10.00 EUR 13 November 2019 to 12 May 2020
Y-MINCOME(G)-AUD Hedged*	AUD	Yes, NAV Hedge	Gross income monthly distributing	10.00 AUD 13 November 2019 to 12 May 2020
Y-MINCOME(G)-GBP Hedged*	GBP	Yes, NAV Hedge	Gross income monthly distributing	10.00 GBP 13 November 2019 to 12 May 2020
Y-MINCOME(G)-SGD Hedged*	SGD	Yes, NAV Hedge	Gross income monthly distributing	10.00 SGD 13 November 2019 to 12 May 2020

(1) Where no Initial Offer Period in respect of a Share Class is stated above, it means that the period has closed and Shares in this Share Class will be issued at their Net Asset Value per Share on each Dealing Day.

(2) Share Classes marked with "\*" will only be available for investment under this Singapore Prospectus with effect from 21 November 2019.

C.1 FEES & CHARGES PAYABLE BY INVESTORS	
Subscription fee	Currently NIL.
Initial sales charge	Currently up to 3.38% of the gross investment amount.
Redemption fee	Currently NIL.

C.2 FEES & CHARGES PAYABLE BY THE SUB-FUND		
Class name	TER <sup>(1)</sup>	Annual management fee (AMF) <sup>(2)</sup>
A-ACC USD	0.60	0.50
A-ACC HKD	0.60	0.50
A-MINCOME(G)-USD	0.60	0.50
A-MINCOME(G)-HKD	0.60	0.50
A-ACC-SGD Hedged	0.63	0.50
A-MINCOME(G)-SGD Hedged	0.63	0.50
A-MINCOME(G)-AUD Hedged	0.63	0.50
A-MINCOME(G)-EUR Hedged	0.63	0.50
A-MINCOME(G)-GBP Hedged	0.63	0.50
I-QINCOME(G)-USD	0.30	0.20
Y-ACC USD	0.40	0.30
Y-ACC HKD	0.40	0.30
Y-ACC-SGD Hedged	0.43	0.30
Y-MINCOME(G)-USD	0.40	0.30
Y-MINCOME(G)-HKD	0.40	0.30
Y-MINCOME(G)-EUR Hedged	0.43	0.30
Y-MINCOME(G)-AUD Hedged	0.43	0.30
Y-MINCOME(G)-GBP Hedged	0.43	0.30
Y-MINCOME(G)-SGD Hedged	0.43	0.30

(a) Retained by the Manager and/or Investment Manager: 40% - 100% of the AMF  
(b) Paid to Distributors (trailer fee): 0% - 60%<sup>3</sup> of the AMF

Other fees, costs and expenses payable by the Sub-Fund are stated in paragraph 6.2 above.

<sup>(1)</sup> Total Expense Ratio (% of Net Asset Value of the Class, subject to Duties and Charges (if any)).

<sup>(2)</sup> The AMF is payable to the Manager and/or the Investment Manager and forms part of the TER.

<sup>(3)</sup> Your Distributor is required to disclose to you the amount of trailer fees it receives.

<b>D. MINIMUM AMOUNTS</b>			
<b>(i) All Share Classes (except Share Classes denominated in the Singapore Dollar)</b>			
	<b>Class A</b>	<b>Class I</b>	<b>Class Y</b>
Minimum Subscription Amount	USD 2,500	USD 10,000,000	USD 2,500
Minimum Additional Subscription Amount	USD 1,500	USD 100,000	USD 1,000
Minimum Holding Amount	USD 2,500	USD 10,000,000	USD 2,500
Minimum Redemption Amount	USD 1,500	USD 100,000	USD 1,000
<b>(ii) Share Classes denominated in the Singapore Dollar</b>			
	<b>Class A</b>	<b>Class I</b>	<b>Class Y</b>
Minimum Subscription Amount	SGD 2,500	SGD 10,000,000	SGD 2,500
Minimum Additional Subscription Amount	SGD 1,500	SGD 100,000	SGD 1,000
Minimum Holding Amount	SGD 2,500	SGD 10,000,000	SGD 2,500
Minimum Redemption Amount	SGD 1,500	SGD 100,000	SGD 1,000

<b>E. INVESTMENT OBJECTIVE AND POLICY</b>
<p><b>Investment Objective</b> The investment objective of the Sub-Fund is to provide an attractive level of risk adjusted total return (income plus capital appreciation) from a portfolio of debt securities issued worldwide.</p> <p><b>Investment Policy</b> The investment policy of the Sub-Fund is to invest primarily in a broad range of fixed income securities and money market instruments which are issued by governments of, government agencies or corporate issuers worldwide. The Sub-Fund may invest in such securities issued in both developed and emerging market countries.</p> <p>The Investment Manager will not focus on any particular market sector or industry and investments may be in a number of sectors, including the financial services, industrials, and technology sectors. The Investment Manager will approach investment opportunities from a total return perspective, benefiting not only from the debt securities' regular coupon payments but also from capital appreciation. The Investment Manager will seek to deliver attractive risk adjusted returns by extracting the highest level of return per unit of risk or minimising the risk for each unit of return. Accordingly, for every level of risk the Investment Manager will look for debt securities with the most attractive yield and for any level of yield, the Investment Manager will aim to purchase debt securities with the lowest level of risk. The Investment Manager believes that this approach results in a portfolio that has an attractive total return per unit of risk taken. The selection of investments shall be driven by bottom-up security selection, based on fundamental and relative-value credit analysis.</p> <p>As noted above, the Sub-Fund's investments will primarily be fixed income securities and money market instruments. Such securities and instruments include bonds, bonds with warrants, convertible bonds, contingent convertible bonds (including corporate hybrid securities as discussed below), subordinated bonds, dim sum bonds (i.e., bonds issued outside of China but denominated in Chinese renminbi), debentures and notes (including freely transferable notes and freely transferable promissory notes). They will include fixed and floating rate securities and investment grade, high yield and unrated debt securities.</p> <p>The Sub-Fund may also invest in asset-backed securities, being securities that derive interest and principal payments from specified assets. These assets include mortgages (both residential and commercial) and pools of other kinds of receivables (e.g., payments owed by a debtor (whether corporate or consumer) to a creditor, such as credit card debt, consumer loan repayments, royalties). The asset-backed securities may be issued by government entities or be privately issued. The asset-backed securities may be pass-through (where the payments from the underlying borrower(s) are passed-through to the holder of the security). The asset-backed securities may be backed by payments from the underlying borrower(s) that are interest-only, principal-only or a combination of both.</p>

The Sub-Fund may invest in Sukuk structures, which are Islamic debt instruments which represent a proportionate beneficial ownership in an asset or pool of assets. For a determined period, the return associated with the cash flows generated from the assets belongs to the Sukuk holders. The characteristics of a Sukuk are therefore similar to a conventional debt security, with the difference that Sukuks are generally asset-based or asset-backed and carry no interest rate but rather pass the returns generated by the underlying assets to the Sukuk holder.

As mentioned above, the Sub-Fund may invest in corporate hybrid securities (e.g. a bond that has features of an ordinary bond but is influenced by movements of the stock into which it is convertible), which are highly structured instruments that combine both equity and fixed income features. They generally offer a means for issuers to borrow money from investors in return for interest payments. Such corporate issuers may utilise hybrid debt for a variety of reasons, including bolstering their capital levels, lowering their weighted average cost of capital, diversifying their funding sources and managing credit ratings. Though terms and conditions have become increasingly standardised, the specific characteristics of each instrument (such as payment conditions, the ratio of debt and equity-like features, time frames and applicable rates) can vary.

Investment grade securities are highly rated securities, generally those that are assigned a rating of BBB-/Baa3 or higher from Standard & Poor's or equivalent rating from an internationally recognised rating agency (in case of divergent ratings, the worst of the best two credit ratings applies), while high yield securities are medium or lower rated securities, generally those not rated as investment grade. The Investment Manager will seek to maintain an average credit rating, across the portfolio, of at least investment grade; however, this is not guaranteed.

The fixed income securities may have any duration (i.e., the time remaining until maturity), although the Investment Manager will seek to maintain an average duration, across the fixed income securities in the portfolio, of below two years.

Money market instruments may be fixed or floating rate. The Sub-Fund may also invest in floating or variable rate notes, debentures and short-dated government or corporate bonds that are rated as investment grade or below or are unrated.

With the exception of permitted investments in transferable securities and money market instruments which are unlisted, all securities invested in by the Sub-Fund will be listed, dealt or traded on Recognised Markets (as defined in the Irish Prospectus) globally.

In addition, the Sub-Fund may invest up to 10% of its Net Asset Value in collective investment schemes which are themselves exposed to investments that are similar to the Sub-Fund's other investments. Such collective investment schemes may include those that are managed by the Investment Manager or its affiliates and will comply with the requirements of the UCITS Regulations.

The Sub-Fund may, for efficient portfolio management purposes (which includes for hedging purposes) or investment purposes, in accordance with the conditions and limits imposed by the Central Bank, use the following FDI:

- Interest rate swaps;
- Credit default swaps;
- Futures contracts (bond futures and interest rate futures); and
- Forward foreign exchange contracts.

The use of the above-mentioned FDI for efficient portfolio management purposes or investment purposes are described under "Use of Financial Derivative Instruments" in the "INVESTMENT OBJECTIVES AND POLICIES" section of the Irish Prospectus. In particular, such FDI will be used to manage the duration of the Sub-Fund's exposures to the assets it holds directly (as described above) or to gain indirect exposure to assets where this is more efficient than gaining direct exposure. While the Sub-Fund may be leveraged as a result of its use of FDI, the primary purpose of the use of FDI is to reduce risk and it is expected that such leverage, calculated using the using the commitment approach, will not exceed 50% of the Sub-Fund's Net Asset Value.

Cash may be held on deposit by the Sub-Fund and cash equivalents may also be held by the Sub-Fund from time to time. Cash equivalents may include certificates of deposits, commercial paper, treasury bills and short-dated government bonds, provided these securities are listed, traded or dealt in on a Recognised Market and are rated investment grade or better. From time to time, the Sub-Fund may hold up to 100% of its Net Asset Value in cash deposits, cash equivalents, short-term fixed income securities and / or money market instruments for temporary defensive purposes.

The Sub-Fund does not have any exposure to total return swaps, repurchase agreements or securities lending.

#### **Investment Restrictions**

The following investment restrictions will apply, in addition to those set out in the Irish Prospectus:

- A maximum of 30% of the Sub-Fund's Net Asset Value may be invested in below-investment grade securities.
- A maximum of 50% of the Sub-Fund's Net Asset Value may be invested in dim sum bonds (described above).
- An aggregate maximum of 20% of the Sub-Fund's Net Asset Value may be invested directly in onshore China fixed income securities through either the China Inter-bank Bond Market or the QFII programme (in the manner described in the Irish Prospectus), subject to a maximum of 10% of the Sub-Fund's Net Asset Value being invested through the QFII programme.

#### **Investment in China**

The Sub-Fund may invest in fixed income securities listed on the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the China Inter-bank Bond Market. Please refer to the Irish Prospectus for further information in respect of investment in China.

## **F. INVESTMENT RISKS**

Investment in the Sub-Fund carries with it a degree of risk including the risks described in the "RISK INFORMATION" section of the Irish Prospectus and the following risks.

#### **Lower Rated/Unrated Securities**

The Sub-Fund may invest in lower-rated and unrated securities, which may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and accentuated market expectations, and consequently greater fluctuations in market values, than higher-rated securities. They are often subject to greater credit and market risks than higher-rated securities.

#### **Emerging Markets Related Risks**

Prices of emerging market securities may be more volatile than securities in more developed markets due to political and economic factors. This volatility may be exacerbated by legal, trading liquidity, settlement, transfer of securities and currency factors.

#### **Dim Sum Bond Market**

The Sub-Fund may invest in "dim sum" bonds (i.e., bonds issued outside of China but denominated in Chinese renminbi). The "dim sum" bond market is relatively small. As with some global fixed income markets, it may be more susceptible to volatility and illiquidity, and should there be any new rules which limit or restrict the ability of issuers to raise Chinese renminbi funding by way of bond issuance and/or the reversal or suspension of the liberalisation of the Chinese market by relevant regulator(s), the operation of the "dim sum" bond market and new issuances could be disrupted and could potentially cause a loss to the Sub-Fund.

The Sub-Fund is not expected to have an above average risk profile or high volatility as a result of its use of FDI.

**G. INVESTOR PROFILE**

Typical investors in the Sub-Fund are expected to be retail and institutional investors whose investment objectives are geared towards the achievement of growth in the value of their investment, and who, in order to achieve this investment objective, are willing to accept an investment strategy involving a low level of volatility and risk in the management of their investment, with a short term investment horizon.

**H. PAYMENT OF REDEMPTION PROCEEDS**

Settlement will normally take place within one Singapore Business Day of the Singapore Dealing Day but may take longer depending on the settlement schedule of the underlying markets. In any event, settlement will not take place later than the tenth Business Day following the relevant Singapore Dealing Deadline.

**I. CONVERSION (SWITCHING) OF SHARES**

No conversion (switching) of Shares between Classes of the Sub-Fund or with Shares of other Sub-Funds is allowed.

**J. DIVIDEND DISTRIBUTIONS**

The Directors currently intend, subject to any de minimis threshold, to declare dividends out of gross income attributable to each of the Distributing Classes. Distributions out of gross income are made up of Net Income and capital.

Under normal circumstances, the Directors intend that: (a) in respect of monthly Distributing Classes, dividends shall be declared on the first Business Day of each month and paid on the fifth Business Day of each month, or any such other Business Day that the Directors deem appropriate; and (b) in respect of quarterly Distributing Classes, dividends shall be declared on the first Business Day of February, May, August and November and paid on the fifth Business Day of February, May, August and November, or any such other Business Day that the Directors deem appropriate.

<b>K. PAST PERFORMANCE AS AT 31 JULY 2019</b>					
<b>Class name</b>	<b>1 Year (%)</b>	<b>3 Years (%)</b>	<b>5 Years (%)</b>	<b>10 Years (%)</b>	<b>Since inception (%)</b>
A-ACC USD (incepted on 26 March 2018) NAV-to-NAV (adjusted)	1.1	N.A.	N.A.	N.A.	1.3
A-MINCOME(G)-USD (incepted on 26 March 2018) NAV-to-NAV (adjusted)	1.1	N.A.	N.A.	N.A.	1.3
A-ACC-SGD Hedged (incepted on 26 March 2018) NAV-to-NAV (adjusted)	0.3	N.A.	N.A.	N.A.	0.4
A-MINCOME(G)-SGD Hedged (incepted on 26 March 2018) NAV-to-NAV (adjusted)	0.3	N.A.	N.A.	N.A.	0.4
A-MINCOME(G)-AUD Hedged (incepted on 26 March 2018) NAV-to-NAV (adjusted)	0.6	N.A.	N.A.	N.A.	0.8
A-MINCOME(G)-EUR Hedged (incepted on 26 March 2018) NAV-to-NAV (adjusted)	-1.9	N.A.	N.A.	N.A.	-1.7
A-MINCOME(G)-GBP Hedged* (incepted on 10 August 2018) NAV-to-NAV (adjusted)	N.A.	N.A.	N.A.	N.A.	N.A.
I-QINCOME(G)-USD (incepted on 26 March 2018) NAV-to-NAV (adjusted)	5.0	N.A.	N.A.	N.A.	4.2
Y-ACC USD (incepted on 26 March 2018) NAV-to-NAV (adjusted)	4.9	N.A.	N.A.	N.A.	4.1
Y-ACC-SGD Hedged (incepted on 26 March 2018) NAV-to-NAV (adjusted)	4.0	N.A.	N.A.	N.A.	3.2
Y-MINCOME(G)-USD* (incepted on 16 November 2018) NAV-to-NAV (adjusted)	N.A.	N.A.	N.A.	N.A.	N.A.

(1) As of the stated performance date, Share Classes marked with “\*” have not been incepted or have been incepted for less than one year.

(2) As of 13 November 2019, the following Share Classes have not been incepted:

- A-ACC HKD
- A-MINCOME(G)-HKD
- Y-ACC HKD
- Y-MINCOME(G)-HKD
- Y-MINCOME(G)-EUR Hedged
- Y-MINCOME(G)-AUD Hedged
- Y-MINCOME(G)-GBP Hedged
- Y-MINCOME(G)-SGD Hedged

(3) There is no benchmark for the Sub-Fund as the Sub-Fund is a liquidity vehicle which uses short dated bonds to deliver a more attractive yield. Given the Sub-Fund’s portfolio characteristics, the Manager is of the view that there is no appropriate benchmark for the Sub-Fund.

L. EXPENSE AND TURNOVER RATIOS FOR THE YEAR ENDED 31 JANUARY 2019		
Class name	TER (%)	Turnover ratio (%)
A-ACC USD*	0.60	8.51
A-ACC HKD	N.A.	
A-MINCOME(G)-USD*	0.60	
A-MINCOME(G)-HKD	N.A.	
A-ACC-SGD Hedged*	0.63	
A-MINCOME(G)-SGD Hedged*	0.63	
A-MINCOME(G)-AUD Hedged*	0.63	
A-MINCOME(G)-EUR Hedged*	0.63	
A-MINCOME(G)-GBP Hedged*	0.63	
I-QINCOME(G)-USD*	0.30	
Y-ACC USD*	0.40	
Y-ACC HKD	N.A.	
Y-ACC-SGD Hedged*	0.43	
Y-MINCOME(G)-USD*	0.40	
Y-MINCOME(G)-HKD	N.A.	
Y-MINCOME(G)-EUR Hedged	N.A.	
Y-MINCOME(G)-AUD Hedged	N.A.	
Y-MINCOME(G)-GBP Hedged	N.A.	
Y-MINCOME(G)-SGD Hedged	N.A.	
<p>(1) "N.A." means that the Share Class has not been inception as of the stated year-end.</p> <p>(2) Share Classes marked with "*" have been inception for less than one year as of the stated year-end, and their respective TER is calculated from the relevant inception date and is annualised. Please refer to Table K above for the Share Classes' inception dates.</p> <p>(3) The turnover ratio for the Sub-Fund is calculated from the inception date of the Sub-Fund (i.e. 26 March 2018).</p>		

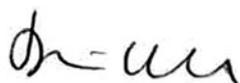
The past performance of the Sub-Fund is not necessarily indicative of its future performance.

FIDELITY UCITS II ICAV  
REPLACEMENT SINGAPORE PROSPECTUS LODGED PURSUANT TO  
THE SECURITIES AND FUTURES ACT

Signed:



**Denise Kinsella**  
Director of Fidelity UCITS II ICAV



**Denise Kinsella**  
for and on behalf of

**Catherine Fitzsimons**  
Director of Fidelity UCITS II ICAV

**Nick King**  
Director of Fidelity UCITS II ICAV

**David Greco**  
Director of Fidelity UCITS II ICAV

**FIDELITY UCITS II ICAV**

**SCHEDULE**

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**Irish Prospectus**

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Prospective investors should review this Prospectus (the “Prospectus”) and the Relevant Supplement(s) carefully and in their entirety and, before making any investment decision with respect to an investment in the Fund, should consult a stockbroker, bank manager, lawyer, accountant or other financial advisor for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Prospectus and the Relevant Supplement(s).

## FIDELITY UCITS II ICAV

An Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between Sub-Funds with registration number C174793 and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended

## PROSPECTUS

12 NOVEMBER 2019

The directors (the “**Directors**”) of Fidelity UCITS II ICAV (the “**Fund**”) whose names appear in the “*Management*” section accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the accuracy of such information. The Directors accept responsibility accordingly.

## IMPORTANT INFORMATION

No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the offer of each Sub-Fund's Shares and, if given or made, the information or representations must not be relied upon as having been authorised by the Fund. Neither the delivery of this Prospectus or any Relevant Supplement nor any sale of Shares shall under any circumstance imply that the information contained herein is correct as of any date after the date of this Prospectus.

The key investor information documents (each a "KIID") for each of the Sub-Funds provide important information in respect of the Sub-Funds, including the applicable synthetic risk and reward indicator, charges and, where available, the historical performance associated with the Sub-Funds. Before subscribing for Shares, each investor will be required to confirm that they have received the relevant KIID.

Investors should be aware that the price of Shares may fall as well as rise and investors may not get back any of the amount invested. The Fund may also charge a subscription fee of up to 5% in the case of subscriptions and/or a redemption fee of up to 3% in the case of redemptions. The difference at any one time between the subscription and redemption price of Shares means that an investment in any Sub-Fund should be viewed as medium to long term. Risk factors for each investor to consider are set out in the "*Risk Information*" section.

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

Shareholders should be aware that the Directors may declare distributions out of capital in respect of the Distributing Classes of Actively Managed Sub-Funds and that in the event that they do, the capital of such Shares will be eroded, such distributions will be achieved by forgoing the potential for future capital growth and that this cycle may be continued until all capital in respect of the Shares is depleted. Investors in Distributing Classes of Actively Managed Sub-Funds should also be aware that the payment of distributions out of capital by the Fund may have different tax implications for them to distributions of income and you are therefore recommended to seek tax advice in this regard. Distributions from capital likely will diminish the value of future returns and can be understood as a type of capital reimbursement.

Shares are not being and may not be, offered, sold or delivered directly or indirectly in the United States of America, its territories or possessions or in any State or the District of Columbia (the "U.S.") or to or for the account or benefit of any U.S. Person as defined in Schedule I hereto. Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or under the securities laws of any of the States of the U.S. and the Fund will not be registered under the U.S. Investment Company Act of 1940, as amended. Any re-offer or resale of any of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law.

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## DIRECTORY

FIDELITY UCITS II ICAV  
GEORGE'S QUAY HOUSE  
43 TOWNSEND STREET  
DUBLIN 2 D02 VK65

### **Directors:**

Catherine Fitzsimons  
David Greco  
Nick King  
Denise Kinsella

### **Administrator:**

Brown Brothers Harriman Fund  
Administration Services  
(Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

### **Legal Advisors:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### **General Distributor:**

FIL Distributors  
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42 Crow Lane  
Pembroke HM19  
Bermuda

### **Manager and Secretary:**

FIL Fund Management (Ireland) Limited  
George's Quay House  
43 Townsend Street  
Dublin 2  
Ireland

### **Depository:**

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(Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

### **Auditors:**

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### **Euronext Dublin Sponsoring Broker:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## GENERAL INFORMATION

This section is an introduction to this Prospectus and any decision to invest in the Shares should be based upon consideration of the Prospectus as a whole, including the Relevant Supplements. Capitalised terms used in this Prospectus are defined in Schedule I hereto.

**Corporate Information.** The Fund was registered in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 on 14 November 2017 under registration number C174793 and is authorised by the Central Bank as a UCITS. The object of the Fund is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS Regulations. The Fund has been structured as an umbrella fund, with segregated liability between Sub-Funds, in that the Directors may from time to time, with the prior approval of the Central Bank, create different series of Shares effected in accordance with the requirements of the Central Bank representing separate portfolios of assets, each such series comprising a Sub-Fund. Each Sub-Fund will bear its own liabilities and, under Irish law, none of the Fund, any of the service providers appointed to the Fund, the Directors, any receiver, examiner or liquidator, nor any other person will have access to the assets of a Sub-Fund in satisfaction of a liability of any other Sub-Fund. Details of the promoter may be found under “*The Manager*” in the “*Management*” section.

The Fund is incorporated in Ireland and is therefore subject to the Act and is required to comply with the corporate governance requirements of the UCITS Regulations. The Directors have committed to maintain a high standard of corporate governance and will seek to comply with the Act, the UCITS Regulations and the Central Bank’s requirements for UCITS.

**Sub-Funds.** The portfolio of assets maintained for each series of Shares and comprising a Sub-Fund will be invested in accordance with the investment objectives and policies applicable to such Sub-Fund as specified in the Relevant Supplement. Different Shares shall be designated as either ETF Shares (being Shares that are intended to be actively traded on a Secondary Market) or Non-ETF Shares (being Shares which are not intended to be actively traded on a Secondary Market). Shares may be divided into different Classes to accommodate, amongst other things, the distinction between ETF Shares and Non-ETF Shares, different dividend policies, charges, fee arrangements (including different total expense ratios), currencies, or to provide for foreign exchange hedging in accordance with the policies and requirements of the Central Bank from time to time.

Under the Instrument of Incorporation, the Directors are required to establish a separate Sub-Fund, with separate records, in the following manner:

- (a) the Fund will keep separate books and records of account for each Sub-Fund. The proceeds from the issue of Shares issued in respect of a Sub-Fund will be applied to the Sub-Fund and the assets and liabilities and income and expenditure attributable to that Sub-Fund will be applied to such Sub-Fund;
- (b) any asset derived from another asset in a Sub-Fund will be applied to the same Sub-Fund as the asset from which it was derived and any increase or diminution in value of such an asset will be applied to the relevant Sub-Fund;
- (c) in the case of any asset which the Directors do not consider as readily attributable to a particular Sub-Fund or Sub-Funds, the Directors have the discretion to determine, acting in a fair and equitable manner and with the consent of the Depositary, the basis upon which any such asset will be allocated between Sub-Funds and the Directors may at any time and from time to time vary such basis;
- (d) any liability will be allocated to the Sub-Fund or Sub-Funds to which in the opinion of the Directors it relates or if such liability is not readily attributable to any particular Sub-Fund the Directors will have discretion to determine, acting in a fair and equitable manner and with the consent of the Depositary, the basis upon which any liability will be allocated between Sub-Funds and the Directors may, with the consent of the Depositary, at any time and from time to time vary such basis;
- (e) in the event that assets attributable to a Sub-Fund are taken in execution of a liability not attributable to that Sub-Fund and in so far as such assets or compensation in respect thereof cannot otherwise be restored to that Sub-Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Sub-Fund affected and transfer or pay from the assets of the

Sub-Fund or Sub-Funds to which the liability was attributable, in priority to all other claims against such Sub-Fund or Sub-Funds, assets or sums sufficient to restore to the Sub-Fund affected, the value of the assets or sums lost to it;

- (f) where the assets of the Fund (if any) attributable to the Subscriber Shares give rise to any net profit, the Directors may allocate assets representing such net profits to such Sub-Fund or Sub-Funds as they may deem appropriate, acting in a fair and equitable manner; and
- (g) subject as otherwise provided in the Instrument of Incorporation, the assets held for the account of each Sub-Fund shall be applied solely in respect of the Shares to which such Sub-Fund appertains and shall belong exclusively to the relevant Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Sub-Fund and shall not be available for any such purpose.

Each of the Shares (other than the Subscriber Shares) entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Sub-Fund in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Fund but do not entitle the holders to participate in the dividends or net assets of any Sub-Fund.

At the date of this Prospectus, the Fund comprises the following Sub-Funds:

Fidelity Alternative Listed Equity Fund	Fidelity MSCI Europe Index Fund
Fidelity Asia Pacific ex-Japan Equity Fund	Fidelity MSCI Eurozone Index Fund
Fidelity Enhanced Reserve Fund	Fidelity MSCI Japan Index Fund
Fidelity Europe ex-UK Equity Fund	Fidelity MSCI Pacific ex-Japan Index Fund
Fidelity Global Aggregate Bond Fund	Fidelity MSCI UK Index Fund
Fidelity Global Emerging Markets Equity Fund	Fidelity MSCI World Index Fund
Fidelity Global Equity Fund	Fidelity North America Equity Fund
Fidelity Global Sub-IG Fixed Income Fund	Fidelity S&P 500 Index Fund
Fidelity Japan Equity Fund	Fidelity UK Equity Fund
Fidelity MSCI Emerging Markets Index Fund	

**Reports and Accounts.** Unless specified otherwise in the Relevant Supplement, each Sub-Fund's accounting period will end on 31 January. Each Sub-Fund will publish an annual report and audited annual accounts within four months of the end of the financial period to which they relate. Unless specified otherwise in the Relevant Supplement, the unaudited half-yearly reports of each Sub-Fund will be made up to 31 July. Each Sub-Fund's unaudited half-yearly report will be published within two months of the end of the half year period to which they relate. The annual report and the half-yearly report will be made available on the Website and may be sent to Shareholders by electronic mail or other electronic means of communication, although Shareholders and prospective investors may also, on request, receive hard copy reports by mail. The annual report and audited annual accounts of each Sub-Fund which has issued Shares listed on Euronext Dublin will also be forwarded to the Companies Announcements Office of Euronext Dublin, once published.

**Annual General Meeting.** Pursuant to the Act, the Directors have elected to dispense with the holding of annual general meetings. Notwithstanding this, one or more Shareholders holding, or together holding, not less than 10% of the voting rights in the Fund, or the auditors of the Fund, may require the Fund to hold an annual general meeting in a specific year, by giving notice in writing to the Fund in the previous year or at least one month before the end of that year and the Fund shall hold the required meeting.

**Instrument of Incorporation.** Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Instrument of Incorporation, copies of which are available as described below under "*Further Information*".

**Share Capital.** The authorised share capital of the Fund is 500,000,000,002 Shares of no par value divided into 2 Subscriber Shares of no par value and 500,000,000,000 shares of no par value. The Directors are empowered to issue up to all of the Shares of the Fund on such terms as they think fit. The Subscriber Shares entitle the holders to attend and vote at any general meetings of the Fund but do not entitle the holders to participate in the profits or assets of the Fund except for a return of capital on a winding-up. For the purpose of complying with minimum initial capital requirements, the Fund has issued 2 Subscriber Shares of no par value for €1.00 each. The Shares entitle the holders

to attend and vote at general meetings of the Fund and (other than the Subscriber Shares) to participate equally in the profits and assets of the Sub-Fund to which the Shares relate, subject to any differences between fees, charges and expenses applicable to different Classes. The Fund may from time to time by ordinary resolution increase its capital, consolidate the Shares or any of them into a smaller number of Shares, sub-divide the Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The Fund may by special resolution from time to time reduce its share capital in any way permitted by law. At a meeting of Shareholders, on a show of hands, each Shareholder shall have one vote and, on a poll, each Shareholder shall have one vote for each whole Share held by such Shareholder.

**Distribution and Selling Restrictions.** The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute and may not be treated as an offer or solicitation by or to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

Shares are offered only on the basis of the information contained in this Prospectus. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Fund, the Directors or the Investment Manager. Statements in this Prospectus are in accordance with the law and practice in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Fund have not changed since the date hereof.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, this English language Prospectus will prevail, except that where a Prospectus in another language is required by law of any jurisdiction where the Shares are sold and an action is brought that is based upon disclosure in such Prospectus, the language of the Prospectus on which such action is based shall prevail. All disputes as to the contents of this Prospectus shall be governed in accordance with the laws of Ireland.

**Listing.** Application may be made to Euronext Dublin for Shares of any Class issued or to be issued to be admitted to its Official List and to trading on the Main Securities Market. This Prospectus, together with the Relevant Supplements, including all information required to be disclosed by the listing requirements of Euronext Dublin, comprise Listing Particulars for the purposes of any such application for listing. Neither the admission of Shares to the Official List and to trading on the Main Securities Market of Euronext Dublin nor the approval of this Prospectus pursuant to the listing requirements of Euronext Dublin constitutes a warranty or representation by Euronext Dublin as to the competence of the service providers or any other party connected with the Fund, the adequacy of information contained in this Prospectus or the suitability of the Fund for investment purposes. As at the date of this Prospectus, no Director or person closely associated with any Director, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director, whether or not held by another party, has any interest, beneficial or non-beneficial, in the share capital or in any options in the share capital of the Fund. Save for the information given in this Prospectus, no further information is required to be given in respect of the Directors pursuant to the listing requirements of Euronext Dublin.

The ETF Shares of a Sub-Fund will be listed for trading on the relevant Listing Stock Exchange(s). The launch and listing of various Classes within a Sub-Fund may occur at different times and, therefore, at the time of the launch of a given Class(es), the pool of assets to which a given Class relates may have commenced to trade. Financial information in respect of the relevant Sub-Funds will be published from time to time and the most recently published audited and unaudited financial information will be available to Shareholders and potential investors upon request.

**Winding Up.** In accordance with the Act, if the Fund is wound up, a liquidator will be appointed to settle outstanding claims and distribute the remaining assets of the Fund. The liquidator will use the assets of the Fund in order to satisfy claims of creditors. Thereafter, the liquidator will distribute the remaining assets among the Shareholders. The Instrument of Incorporation contains provisions that will require, firstly, the distribution of assets to the Shareholders

of each Sub-Fund after settlement of the liabilities of that Sub-Fund and, thereafter, distribution to the holders of Subscriber Shares of the nominal amount paid in respect of those Subscriber Shares. Where distributions in specie are effected on a winding up, any Shareholder may request that all or a portion of the assets attributable to his/her shareholding be sold at his/her expense and determine to receive the cash proceeds instead of that sale.

**Operation of Umbrella Cash Accounts.** The Fund has established one or more cash accounts at umbrella level in the name of the Fund (each, an “**Umbrella Cash Account**”) and has not established such accounts in respect of each Sub-Fund. All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from, a Sub-Fund will be channelled and managed through an Umbrella Cash Account.

Monies in an Umbrella Cash Account, including subscription monies received in respect of a Sub-Fund in advance of the Dealing Deadline, will not be subject to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers. Pending the issue of Shares or pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the Sub-Fund in respect of amounts paid by or due to it.

Subscriptions amounts paid into an Umbrella Cash Account will be paid into an account in the name of the Depositary on behalf of the relevant Sub-Fund on the contractual settlement date. Where subscription monies are received in an Umbrella Cash Account without sufficient documentation to identify the investor or the relevant Sub-Fund, such monies shall, subject to compliance with relevant anti-money laundering requirements, be returned to the relevant investor within the timescales and as specified in the operating procedure in respect of the Umbrella Cash Account.

Redemptions and distributions, including blocked redemptions or distributions, will be held in an Umbrella Cash Account until payment due date (or such later date as blocked payments are permitted to be paid) and will then be paid to the relevant or redeeming Shareholder. Blocked redemptions and distributions will be held in a separate Umbrella Cash Account until such date as such blocked payments are permitted to be paid and will then be paid to the relevant or redeeming Shareholder.

Failure to provide the necessary complete and accurate documentation in respect of subscriptions, redemptions or dividends is at the investor’s risk.

One or more Umbrella Cash Accounts have been opened in the name of the Fund. The Depositary will be responsible for safe-keeping and oversight of the monies in each Umbrella Cash Account and for ensuring that relevant amounts in an Umbrella Cash Account are attributable to the appropriate Sub-Funds.

The Manager and the Depositary have agreed an operating procedure in respect of the Umbrella Cash Accounts, which identifies the participating Sub-Funds, the procedures and protocols to be followed in order to transfer monies from the Umbrella Cash Accounts, the daily reconciliation processes and the procedures to be followed where there are shortfalls in respect of a Sub-Fund due to late payment of subscriptions, and / or transfers to a Sub-Fund of monies attributable to another Sub-Fund due to timing differences.

**Further Information.** Copies of the following documents may be inspected during normal business hours on any Dealing Day at the registered office of the Investment Manager, as set out in the “*Directory*” section:

- (a) the Instrument of Incorporation; and
- (b) the UCITS Regulations and the Central Bank UCITS Regulations.

In addition, the Instrument of Incorporation and any yearly or half-yearly reports may be obtained from the Administrator free of charge or may be inspected at the registered office of the Administrator during normal business hours on any Dealing Day.

Details of each ETF Sub-Fund’s portfolio are available on the Website and are updated at an appropriate frequency determined by the Manager.

**No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the offer of each Sub-Fund’s Shares and, if given or made, the information or representations must not be relied upon as having been authorised by the Fund. Neither the delivery of this Prospectus or any Relevant Supplement nor any sale of Shares shall under any circumstance imply that the information contained herein is correct as of any date after the date of this Prospectus.**

## INVESTMENT OBJECTIVES AND POLICIES

**The Investment Objective and Strategy of a Sub-Fund.** The Fund has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The specific investment objectives, strategies and policies for each Sub-Fund will be set out in the Relevant Supplement.

The assets of each Sub-Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised in the “*Investment Restrictions*” section and such additional investment restrictions, if any, as may be adopted by the Directors for any Sub-Fund and specified in the Relevant Supplement. The Directors may establish Sub-Funds that will seek to track an Index (“**Index Tracking Sub-Funds**”) or will be managed actively by the Investment Manager to seek to achieve a specific investment objective, which may include outperforming an Index (“**Actively Managed Sub-Funds**”).

Information in relation to the investment objectives and types of instruments or securities in which the relevant Sub-Fund will invest will be set out in the Relevant Supplement.

**Index Tracking Sub-Funds.** Index Tracking Sub-Funds will seek to track the performance of an Index while seeking to minimise as far as possible the tracking error between the Sub-Fund’s performance and that of its applicable Index. Such Sub-Funds will seek to achieve this objective by using a replication strategy, an optimisation strategy, or a stratified sampling strategy, depending on which the Investment Manager considers to be the most appropriate strategy for the particular Sub-Fund at the relevant time. The Relevant Supplement will specify and describe the strategy the applicable Sub-Fund intends to use and provide details of where information on the Index tracked by that Sub-Fund may be obtained.

- **Replicating Funds.** Replicating Funds seek to replicate, to the extent possible, the Index by physically holding all the Index Securities in as close as practicable proportion to their weighting in the Index.
- **Non-Replicating Funds.** In certain situations, the Investment Manager may consider that it is not in the best interests of investors or practicable for a Sub-Fund to gain exposure to all of the Index Securities of its respective Index in their proportionate weightings or to purchase them at all due to various factors, including the costs and expenses involved and the concentration limits set out in this Prospectus. In these circumstances, the Investment Manager may, in tracking an Index, decide to hold a representative sample of the securities contained in an Index.

The Investment Manager may employ a range of techniques designed to select those Index Securities which will create the representative sample that tracks the performance of the Index as closely as possible, including optimisation and stratified sampling techniques.

Optimisation for those Sub-Funds investing in equities seeks to minimise tracking error through proprietary quantitative portfolio analysis. This analysis may include consideration of matters such as how a securities price changes in relation to another over time, scenario analysis (which involves estimating the change in an investment portfolio’s value given a change in key risk factors) and stress testing. The optimisation process analyses portfolio holdings, benchmark weights and risk model data and then computes an optimal portfolio. Transaction costs to implement the target portfolio are also analysed before constructing the Sub-Fund’s portfolio. Investment constraints typically include a number of holdings (for large benchmark universes) and maximum relative weightings across security, sector and country. The use of optimisation may not always result in tracking error being minimised as intended.

Stratified sampling seeks to minimise tracking error by dividing the constituents of the relevant Index into distinct, non-overlapping risk groups called strata and selecting those securities in the Index, which match the risk characteristic of these groups. The strata could include but are not limited to, the market capitalisation of the companies, currency, country, industry sectors, credit quality, key rate duration, convexity (which is measure of how a change in interest rates affects the duration of a bond), capital structure, and bond specific covenants, i.e., a legally binding term of an agreement between a bond issuer and a bond holder.

The extent of sampling used in any Sub-Fund will be determined by the nature of the Index Securities, taking into account such factors as correlation, diversification, and market weighting. Some Sub-Funds may use sampling more extensively than other Sub-Funds. Regardless of the amount of sampling, investors will be exposed to the performance of the underlying securities comprised in an Index. Sub-Funds may also hold some securities which

provide similar performance and risk characteristics to certain securities in the Index, even if such securities are not themselves Index Securities, where the Investment Manager believes this to be appropriate in light of the investment objective and investment restrictions of the Sub-Fund or other factors.

In addition, the replication methodology used in respect of a Sub-Fund may vary over time. For example, a newly launched Sub-Fund may not have adequate assets under management to efficiently employ the replication strategy and so may seek to employ either the optimisation or stratified sampling strategy initially, before gradually switching to full replication over time. Similarly, a Sub-Fund employing the replication strategy may no longer be able to acquire all of the components of an Index because of changes in the Index or underlying market with the result that it can no longer fully replicate the Index, or can no longer do so efficiently and is obliged to switch to either the optimisation or stratified sampling technique.

Changes to the composition and/or weighting of Index Securities will ordinarily require that Sub-Fund to make corresponding adjustments to its investments in order to seek to track the Index. The Investment Manager will accordingly seek to rebalance the composition and/or weighting of the securities held by a Sub-Fund or to which a Sub-Fund is exposed from time to time to the extent practicable and possible to conform to changes in the composition and/or weighting of the Index. Other rebalancing measures may be taken from time to time to seek to maintain the correspondence between the performance of a Sub-Fund and the performance of the Index. For example, in the event that the weighting of any particular component within the Index exceeds the permitted investment restrictions, the Fund shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Shareholders. For further details on the factors which may limit the ability of the Sub-Fund to track the performance of an Index exactly, investors should also read the risk warning headed “*Index Tracking Risk*” in the “*Risk Information*” section. Information on the anticipated level of tracking error in respect of a Sub-Fund, as well as the rebalancing frequency of the Index, can be found in the Relevant Supplement and information on the level of tracking error experienced by a Sub-Fund will be contained in the most recent financial statements published by the Fund.

There may be circumstances in which the holding of Index Securities may be prohibited by regulation, or may not otherwise be in the interests of investors. These include but are not limited to, where:

- (i) restrictions on the proportion of each Sub-Fund’s value which may be held in individual securities arise from compliance with the UCITS Regulations;
- (ii) changes to the Index Securities cause the Investment Manager to determine that it would be preferable to implement different investment strategies to provide similar performance and a similar risk profile to that of the Index;
- (iii) Index Securities are unavailable or no market exists for such security, in which case, a Sub-Fund may instead hold depository receipts relating to such securities (e.g. American depository receipts (“*ADRs*”) and global depository receipts (“*GDRs*”)) or may hold FDI giving exposure to the performance of such securities;
- (iv) corporate actions occur in respect of Index Securities, in which case the Investment Manager has discretion to manage these events in the most efficient manner;
- (v) a Sub-Fund holds ancillary liquid assets and /or has receivables, in which case the Investment Manager may purchase FDI, for direct investment purposes, to produce a return similar to the return on the Index;
- (vi) Index Securities held by a Sub-Fund Index become illiquid or are otherwise unobtainable at fair value, in which circumstances, the Investment Manager may use a number of techniques, including purchasing securities whose returns, individually or collectively, are seen to be well-correlated to desired constituents of the Index or purchasing a sample of stocks in the Index;
- (vii) following consideration of the costs of any proposed portfolio transaction, the Investment Manager believes that that it is not efficient to execute transactions to bring the Sub-Fund perfectly into line with the Index at all times; and
- (viii) a Sub-Fund sells Index Securities in anticipation of their removal from the Index, or purchases securities which are not currently represented in the relevant Index, in anticipation of their becoming Index Securities.

The Investment Manager will rely solely on each Index Provider for information as to the composition and/or weighting of Index Securities. If the Investment Manager is unable to obtain or process such information in relation to any Index on any Business Day, then the most recently published composition and/or weighting of that Index will be used for the purpose of all adjustments.

**Changes of Index.** The Directors may in their absolute discretion decide, if they consider it to be in the interests of any Sub-Fund, to change or substitute the relevant Index for a Sub-Fund. The Board of Directors may, for instance, decide to substitute an Index in the following circumstances:

- (a) the transferable securities or other techniques or instruments described in the “*Investment Restrictions*” section which are necessary for the implementation of the relevant Sub-Fund’s investment objective cease to be sufficiently liquid or otherwise be available for investment in a manner which is regarded as acceptable by the Directors;
- (b) the quality, accuracy and availability of data of a particular Index has deteriorated;
- (c) the components of the applicable Index would cause the Sub-Fund to be in breach of the limits contained in the “*Investment Restrictions*” section and/or materially affect the taxation or fiscal treatment of the Fund or any of its investors;
- (d) the particular Index ceases to exist or, in the determination of the Directors, there is, or is expected to be, a material change in the formula for, or the method of, calculating the Index or a component of the Index or there is, or is expected to be, a material modification of the Index or a component of the Index;
- (e) the Index Provider increases its licence fees to a level which the Directors consider excessive or changes its terms and conditions such that the Directors consider tracking the Index to no longer be in the interests of the relevant Sub-Fund and its Shareholders;
- (f) there is a change of ownership of the relevant Index Provider to an entity not considered acceptable by the Directors and/or a change of name of the relevant Index; or
- (g) a new index becomes available which is regarded as being of greater benefit to the investors than the existing Index.

The above list is indicative only and cannot be understood as being exhaustive in respect of the ability of the Directors to change the Index in any other circumstances as they consider appropriate. The Prospectus and any of the Relevant Supplements will be updated in the case of substitution or change of the existing Index of a Sub-Fund for another Index.

Any proposal by the Directors to change an Index shall be subject to the prior approval of the Shareholders of the relevant Sub-Fund by ordinary resolution only if it is deemed to be a change of investment objective or a material change of investment policy of the Sub-Fund. Otherwise, in accordance with the requirements of the Central Bank, Shareholders will be given reasonable advance notice of the proposed change.

Where a change of Index impacts the name of a Sub-Fund, the Directors will change the name of a Sub-Fund appropriately. Any change to the name of a Sub-Fund will be approved in advance by the Central Bank and the relevant documentation will be updated.

**Actively Managed Sub-Funds.** An Actively Managed Sub-Fund’s investments will be managed actively by the Investment Manager or its delegates to seek to achieve the investment objective stated in the Relevant Supplement.

**General Investment Techniques.** A Sub-Fund may, for cash management purposes, hold cash, commercial paper (i.e. short-term paper issued by credit institutions) and short-term government paper (i.e. short-term paper issued by governments).

A Sub-Fund may also, in accordance with the requirements of the Central Bank, invest in other collective investment schemes, including those operated by the Manager, Investment Manager or their respective affiliates and including exchange traded funds and money market funds, where the objectives of such funds are consistent with the objective of the Sub-Fund. Unless otherwise stated in the Relevant Supplement and, notwithstanding sub-section

3.1 of the “*Investment Restrictions*” section, a Sub-Fund’s investments in other collective investment schemes will be limited to 10% of Net Asset Value.

The collective investment schemes in which the Sub-Fund may invest will be eligible collective investment schemes in accordance with the Central Bank’s rules, which may be domiciled in member states of the Relevant Jurisdictions, Jersey, Guernsey, the Isle of Man or the United States of America and will be regulated by their home state regulator as (i) UCITS or (ii) alternative investment fund schemes which comply in all material respects with the provisions of the UCITS Regulations. Such collective investment schemes may or may not be managed by the Manager, the Investment Manager or their respective affiliates and will comply with the requirements of the UCITS Regulations in respect of such investments. Collective investment schemes in which the Sub-Fund invests may be leveraged but such collective investment schemes will not generally be leveraged: (i) in excess of 100% of their net asset value; or (ii) so that their 1 month absolute value-at-risk exceeds 20% of their net asset value with a 99% confidence level; or (iii) so that their 1 month relative value-at-risk exceeds twice the value-at-risk of a comparable benchmark portfolio with a 99% confidence level, depending on how such collective investment schemes measure their global exposure. Where value-at-risk is used to measure global exposure, risk factors must be based upon historical observation data over a period of at least 1 year (250 business days) and parameters used in the model must be updated at least quarterly.

**Currency Hedging at Portfolio Level.** A Sub-Fund may enter into transactions for the purposes of hedging the currency exposure of the underlying securities into the relevant Base Currency. FDI such as currency forwards may be utilised if the Sub-Fund engages in such hedging.

#### **Currency Hedging at Share Class Level**

A Sub-Fund may use FDI on behalf of a specific Currency Hedged Share Class in order to hedge some or all of the foreign exchange risk for such Currency Hedged Share Class.

There are two methods used for Share Class currency hedging:

- **NAV Hedge.** This type of hedging seeks to minimise the effect of exchange rate fluctuations between the Base Currency and the Class currency of the Currency Hedged Share Class. It is typically used when most portfolio holdings are either denominated in, or hedged back to, the Base Currency. Where such hedging is undertaken, the Class currency of the Currency Hedged Share Class is systematically hedged to the Base Currency. Where the NAV Hedge is applied successfully in respect of a Currency Hedged Share Class, the performance of the Currency Hedged Share Class is likely to move in line with the performance of the Share Classes denominated in the Base Currency. The use of the NAV Hedge may substantially limit the holders of the relevant Currency Hedged Share Class from benefiting if the currency of the Currency Hedged Share Class decreases in value relative to the Base Currency.
- **Portfolio Hedge.** This type of hedging seeks to minimise the effect of exchange rate fluctuations between the currency exposures of the portfolio holdings and the Class currency of the Currency Hedged Share Class. It is typically used when most of the portfolio holdings are neither denominated in, nor hedged back to, the Base Currency. Where such hedging is undertaken, the currency exposures of the assets of the Sub-Fund are systematically hedged back to the Class currency of the Currency Hedged Share Class in proportion to the Currency Hedged Share Class’ share of the Net Asset Value of the Sub-Fund, unless for specific currencies, it is impractical or not cost effective to apply the Portfolio Hedge. The use of the Portfolio Hedge may substantially limit the holders of the relevant Currency Hedged Share Class from benefiting if the currency of the Currency Hedged Share Class decreases in value relative to the currencies in which the underlying assets of the Sub-Fund being hedged are denominated.

Where a Sub-Fund offers Currency Hedged Share Classes, it will be disclosed in the Relevant Supplement whether those Currency Hedged Share Classes apply the NAV Hedge or the Portfolio Hedge.

Where currency hedging transactions are entered into to hedge any relevant currency exposure in respect of a Currency Hedged Share Class, each such transaction will be clearly attributable to the specific Currency Hedged Share Class and any costs shall be for the account of that Currency Hedged Share Class only. Accordingly, all such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share of such Currency Hedged Share Class.

Over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the

Investment Manager, however, hedged positions will be kept under review to ensure that: (i) over-hedged positions do not exceed 105% of the Net Asset Value of the Currency Hedged Share Class; and (ii) under-hedged positions do not fall below 95% of the portion of the Net Asset Value of the Currency Hedged Share Class. The hedged positions will be kept under review to ensure that under-hedged positions do not fall below the levels set out above and are not carried forward from month to month and that over-hedged positions materially in excess of 100% of the Net Asset Value of the relevant Class and any under-hedged positions falling short of the level above will not be carried forward from month to month.

A Sub-Fund that hedges foreign exchange risk for any Currency Hedged Share Class may enter into forward foreign exchange contracts in order to hedge some or all of the foreign exchange risk for the relevant Currency Hedged Share Class.

**Changes to Investment Objective and Policies of a Sub-Fund.** Any change in the investment objectives and any material change in the investment policies of a Sub-Fund will require prior approval by ordinary resolution of the Shareholders in that Sub-Fund. A non-material change in the investment policy will not require Shareholder approval. A reasonable notification period will be provided by the Sub-Fund prior to implementation of any change in the investment objectives and any material change in the investment policies to enable Shareholders to redeem their Shares prior to implementation of the change.

**Securities Lending.** Where specified in the Relevant Supplement, a Sub-Fund may enter into securities lending agreements, subject to the conditions and limits set out in the Central Bank UCITS Regulations. Any such securities lending agreements may only be used for efficient portfolio management purposes.

Under a securities lending transaction, the Sub-Fund makes a loan of securities which it holds to a borrower upon terms that require the borrower to return equivalent securities to the Sub-Fund within a specified period and to pay the Sub-Fund a fee for the use of the securities during the period that they are on loan. The Sub-Fund will ensure that it is able, at any time, to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

The Sub-Fund may lend its portfolio securities via a securities lending program through an appointed securities lending agent to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions and for other purposes. Pursuant to the terms of the relevant securities lending agreement, the appointed lending agent will be entitled to retain a portion of the securities lending revenue to cover the fees and costs associated with the securities lending activity, including the delivery of loans, the management of collateral and the provision of any securities lending indemnity and such fees paid will be at normal commercial rates. However, the Manager shall ensure that all revenues from securities lending, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund. Any securities lending agent appointed may be an affiliate of the Depositary or the Manager.

**Repurchase and Reverse Repurchase Agreements.** Where specified in the Relevant Supplement, a Sub-Fund may enter into repurchase and reverse repurchase agreements, subject to the conditions and limits set out in the Central Bank UCITS Regulations. Any such agreements may only be used for efficient portfolio management purposes and the types of assets used for the agreements will be specified in the Relevant Supplement.

A repurchase agreement is an agreement pursuant to which a Sub-Fund acquires securities from a counterparty who agrees, at the time of sale, to repurchase the security at a mutually agreed-upon date and price, thereby determining the yield to the relevant Sub-Fund during the term of the agreement. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchased security. A Sub-Fund may enter into reverse repurchase agreements under which it sells a security and agrees to repurchase it at a mutually agreed upon date and price.

Where a Sub-Fund enters into a reverse repurchase agreement it must be able to recall the full amount of the cash at any time or terminate the reverse repurchase agreement on either an accrued basis or a mark to market basis. Where cash is recallable at any time on a mark to market basis, the mark to market basis value of the reverse repurchase agreement must be used to calculate the net asset value of the relevant Sub-Fund.

Where a Sub-Fund enters into a repurchase agreement it should be able to recall the securities or terminate the repurchase agreement at any time. Fixed term repurchase agreements that do not exceed seven days shall be deemed to comply with this requirement.

Direct and indirect operational costs and fees may be paid to the relevant counterparty and the Manager shall ensure that all revenues from repurchase and reverse repurchase agreements, net of direct and indirect operational costs and fees, will be paid to the Sub-Fund. Repurchase and reverse repurchase agreements do not constitute borrowing or lending for the purposes of the UCITS Regulations.

**Counterparties to Securities Lending, Repurchase and Reverse Repurchase Agreements and Swaps.** The Sub-Fund will only enter into securities lending agreements, repurchase and reverse repurchase agreements and swaps with counterparties with respect to whom a credit assessment has been undertaken. Where the counterparty is subject to a credit rating by any agency registered and supervised by the European Securities and Markets Authority (“ESMA”), that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay. Such counterparties will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank usually but not always located in OECD jurisdictions and may be affiliated with the Manager or the Depositary. Investors should also read the “*Securities Lending*” and “*Reverse Repurchase Agreements Risk*” risk warnings and the “*Risks in relation to specific derivative instruments; Swap Agreements*” in the “*Risk Information*” section.

**Use of Financial Derivative Instruments.** The use of FDI by any Sub-Fund for investment purposes or for efficient portfolio management will be described in the Relevant Supplement. In this context, efficient portfolio management means the reduction of risks, including the risk of tracking error between the performance of a Sub-Fund and the performance of the Index tracked by the relevant Sub-Fund, the reduction of costs to the Fund, the generation of additional capital or income for the Fund and hedging against market movements, currency exchange or interest rate risks, subject to the general restrictions outlined in the “*Investment Restrictions*” section. To the extent that a Sub-Fund uses FDI, there may be a risk that the volatility of the Sub-Fund’s Net Asset Value may increase. Please refer to the “*Risk Information*” section for further details about the risks associated with the use of FDI.

The following is a summary description of each of the types of FDI, which may be used for investment purposes or for efficient portfolio management by a Sub-Fund. More information on the types of FDI used by each Sub-Fund is contained in the Relevant Supplement, as appropriate.

- **Futures.** Futures contracts are agreements to buy or sell a fixed amount of an index, equity, bond or currency at a fixed date in the future. Futures contracts are exchange-traded instruments and their dealing is subject to the rules of the exchanges on which they are dealt.
- **Forward Foreign Exchange Contracts.** Forward foreign exchange contracts are agreements between parties to exchange fixed amounts of different currencies at an agreed exchange rate at an agreed time in the future. Forward foreign exchange contracts are similar to currency futures, except that they are not exchange-traded, but are instead over-the-counter instruments. Forward foreign exchange contracts may be used to manage currency exposures represented in the Sub-Fund. Non-deliverable forward foreign exchange contracts may be used for the same reasons. They differ from standard forward foreign exchange contracts in that at least one of the currencies in the transaction is not permitted to be delivered in settlement of any profit or loss resulting from the transaction.
- **Options.** Options are contracts in which the writer (seller) promises that the contract buyer has the right, but not the obligation, to buy or sell a certain index, equity, bond or currency at a certain price (the strike price) on or before a certain expiration date, or exercise date. An option giving the buyer the right to buy at a certain price is called a call, while one that gives him/her the right to sell is called a put. A Sub-Fund may purchase and write call and put options on securities (including straddles), securities indices and currencies and use options on futures contracts (including straddles) and swap agreements and / or hedge against changes in interest rates, currency exchange rates or securities prices. A Sub-Fund may also use options as a substitute for taking a position in other securities and funds and/or to gain an exposure within the limits laid down by the Central Bank.
- **Swaps.** A swap is a contract under which one party agrees to provide the other party with something, for example a payment at an agreed rate, in exchange for receiving something from the other party, for example the performance of a specified asset or basket of assets. Where specified in the Relevant Supplement, a Sub-Fund may enter into swap agreements (including total return swaps, contracts for differences and credit default swaps (“CDS”)) with respect to various underlyings, including currencies, interest rates,

securities, collective investment schemes and indices. A Sub-Fund may use these techniques to protect against changes in interest rates and currency exchange rates. A Sub-Fund may also use these techniques to take positions in or protect against changes in securities indices and specific securities prices. Where a Sub-Fund enters into total return swaps (or invests in other financial derivative instruments with the same characteristics), direct and indirect operational costs and fees may be paid to the relevant counterparty and all revenues from repurchase and reverse repurchase agreements, net of direct and indirect operational costs and fees, will be paid to the Sub-Fund.

A CDS is a swap used to transfer the risk of default on an underlying security from the holder of the security to the seller of the swap. For example, if a Sub-Fund buys a CDS (which could be to take a short position in respect of the credit of security's issuer or to hedge an investment in the relevant security), it will be entitled to receive the value of the security from the seller of the CDS should the security's issuer default on its payment obligations under the security. Where a Sub-Fund sells a CDS (which is taking a long position in respect of the credit of the security's issuer) it will receive a fee from the purchaser and hope to profit from that fee in the event that the issuer of the relevant security does not default on its payment obligations.

- **Warrants.** Warrants grant the right to acquire an underlying security from the issuer (as opposed to an option where a third party grants a right to acquire an underlying security as described above) at a fixed price. A Sub-Fund may hold warrants on securities as a substitute for taking a position in the underlying security and/or to gain an exposure within the limits laid down by the Central Bank.

In the event that a Sub-Fund invests in non-fully funded FDI, the Sub-Fund may invest (i) cash representing up to the notional amount of such FDI less margin payments (if any) and (ii) any variation margin cash collateral received in respect of such FDI (together, "**FDI Cash Holdings**") in one or more daily dealing money market collective investment schemes. For more information, please see the sections below entitled "*Collateral*" and "*Reinvestment of Collateral*".

Where disclosed in the Relevant Supplement, a Sub-Fund may also invest in convertible bonds, contingent convertible bonds, asset-backed products such as asset-backed securities, mortgage-backed and mortgage related securities, and collateralised loan obligations, each of which may embed an FDI of the types described above and, consequently, leverage. Such leverage will be included in the global exposure calculations.

The Sub-Funds will not invest in fully funded FDI.

**Collateral.** All assets received in respect of a Sub-Fund in the context of OTC (over-the-counter) FDI or securities lending, repurchase and reverse repurchase transactions will be considered as collateral for the purposes of the Central Bank UCITS Regulations and will comply with the criteria below. The Fund seeks to identify and mitigate risks linked to the management of collateral, including operational and legal risks, by risk management procedures employed by the Fund. Any collateral received by a Sub-Fund will meet, at all times, the following criteria:

- **Liquidity.** Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should comply with the provisions of Regulation 74 of the UCITS Regulations and shall be used in accordance with the requirements of this Prospectus and the UCITS Regulations.
- **Valuation.** Collateral should be valued on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- **Issuer Credit Quality.** Collateral should be of high quality. A Sub-Fund must ensure that where one or more credit rating agencies registered and supervised by ESMA have provided a rating of the issuer, the credit quality assessment process employed on behalf of the Sub-Fund has regard inter alia to those ratings. While there will be no mechanistic reliance on such external ratings, a downgrade below the two highest short-term credit ratings by any agency registered and supervised by ESMA that has rated the issuer must lead to a new assessment of the credit quality of the issuer to ensure the collateral continues to be of high quality.
- **Correlation.** Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

- **Diversification.** Collateral should be sufficiently diversified in terms of country, markets and issuers. Non-cash collateral will be considered to be sufficiently diversified if the relevant Sub-Fund receives from a counterparty a basket of collateral with a maximum exposure to any one issuer of 20% of the Sub-Fund's Net Asset Value. When the Sub-Fund is exposed to a variety of different counterparties, the various baskets of collateral are aggregated to ensure exposure to a single issuer does not exceed 20% of Net Asset Value.

By way of derogation from this sub-paragraph, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Sub-Fund will receive securities from at least six different issues and securities from any single issue will not account for more than 30% of the Sub-Fund's Net Asset Value. Sub-Funds that intend to be fully collateralised in securities issued or guaranteed by a Member State will disclose this fact in the Relevant Supplement and also identify the Member States, local authorities, third country, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their Net Asset Value.

It is proposed that each Sub-Fund may only accept the following types of collateral:

- cash;
- government or other public securities;
- certificates of deposit issued by Relevant Institutions;
- letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions;
- equity securities traded on a stock exchange in the Relevant Jurisdictions, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia, New Zealand, Taiwan, Singapore or Hong Kong; and
- bonds/commercial paper issued by Relevant Institutions or by non-bank issuers.

The Fund has implemented a haircut policy in respect of each class of assets to be received as collateral. The policy applied to collateral will be negotiated on a counterparty-by-counterparty basis and will vary depending on the class of asset received by the Fund, taking into account of the characteristics of the relevant asset class, the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. Collateral obtained under such agreement: (a) must be marked to market daily; and (b) must equal or exceed, in value, at all times the value of the exposure to the relevant counterparty, taking into the account the relevant counterparty exposure limits under the UCITS Regulations.

Collateral (including any assets subject to securities lending, repurchase and reverse repurchase agreements and swaps) must be held by the Depositary or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer, in which case the collateral can be held by a third party custodian which is subject to prudential supervision and unrelated to the provider of the collateral.

Any Sub-Fund receiving collateral for at least 30% of its assets will undergo regular stress testing in accordance with the Fund's liquidity stress-testing policy to assess the liquidity risk attached to the collateral it has received.

**Reinvestment of Collateral.** Non-cash collateral received cannot be sold, pledged or reinvested by the Fund. Cash received as collateral may not be invested or used other than as set out below:

- placed on deposit, or invested in certificates of deposit issued by Relevant Institutions;
- invested in high-quality government bonds; or
- invested in a Short Term Money Market Fund, as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref: CESR/10-049).

Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral. Where cash collateral is re-invested, the Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. There is also a risk that reinvestment could result in a reduction of the value of the collateral (because the investment declines in value). This in turn may cause losses to the Fund because it is obliged to return collateral equivalent to the value of the returned security. In order to manage this risk, the Fund reinvests cash collateral in accordance with the

restrictions set out above. In addition, invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

**Risk Management.** The use of the efficient portfolio management techniques other than those described above by a given Sub-Fund will be disclosed in its investment policies. Any use of efficient portfolio management techniques by a Sub-Fund shall not result in a change to the Sub-Fund's investment objective nor substantially increase the risk profile of the Sub-Fund.

Unless otherwise stated in the Relevant Supplement, the Sub-Funds' global exposure and leverage will be calculated using the commitment approach and the Sub-Funds' global exposure will not exceed 100% of Net Asset Value. The commitment approach converts each Sub-Fund's FDI positions into the equivalent positions in the underlying assets and seeks to ensure that the FDI risk is monitored in terms of any future "commitments" to which it is (or may be) obligated.

The Investment Manager employs a risk management process in respect of each Sub-Fund which enables it to accurately measure, monitor and manage the various risks associated with FDI, the use of efficient portfolio management techniques and the management of collateral. The Investment Manager will only employ FDI that are covered by the Fund's risk management process, as amended from time to time. A statement of this risk management process has been submitted to and cleared by the Central Bank. In the event of a Sub-Fund proposing to use additional types of FDI, the risk management process and the Relevant Supplement will be amended to reflect this intention and the Sub-Fund will not utilise such FDI until such time as the risk management process providing for its use has been submitted to and cleared by the Central Bank. The Fund 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 investment.

**Borrowing Money.** Each Sub-Fund may borrow money from a bank up to a limit of 10% of its Net Asset Value, but only on a temporary basis. A Sub-Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this way is not classified as borrowing for the purposes of Regulation 103(1) of the UCITS Regulations provided that the offsetting deposit: (a) is denominated in the Base Currency of the Sub-Fund; and (b) equals or exceeds the value of the foreign currency loan outstanding. Currency risks may arise where the offsetting balance is not maintained in the Base Currency of the Sub-Fund. The Manager will ensure that where foreign currency borrowings exceed the value of a back to back deposit, the excess will be treated as borrowing for the purposes of Regulation 103(1) of the UCITS Regulations.

**Cross-Investment.** Subject to Regulation 10 of the Central Bank UCITS Regulations, a Sub-Fund (the "**Investing Fund**") may invest in another Sub-Fund (the "**Second Fund**"), provided always that: (i) the Second Fund may not apply a subscription, redemption or switching fee in respect of such investment; (ii) the Second Fund does not itself hold Shares in respect of any other Sub-Fund; and (iii) the rate of the annual management or investment management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Fund's assets invested in the Second Fund (whether such fee is paid directly at the Investing Fund level, indirectly at the level of the Second Fund or a combination of both) shall not exceed the rate of the maximum annual management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Fund's assets, such that there shall be no double charging of the annual management or investment management fee to the Investing Fund as a result of its investments in the Second Fund.

## INVESTMENT RESTRICTIONS

The assets of each Sub-Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised below and such additional investment restrictions, if any, as may be adopted by the Directors, the details of such additional investment restrictions will be set out below and/or in the Relevant Supplement.

### 1 Permitted Investments

Investments of a UCITS are confined to:

- 1.1 Transferable securities and money market instruments, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money market instruments, other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of alternative investment funds.
- 1.6 Deposits with credit institutions.
- 1.7 Financial derivative instruments.

### 2 Investment Restrictions

- 2.1 A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 (1) Subject to paragraph (2), a UCITS shall not invest any more than 10% of assets in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.  
(2) Paragraph (1) does not apply to an investment in such securities which are US Securities known as “Rule 144 A Securities” provided that:
  - (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and
  - (b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.
- 2.3 A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) may be raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments across all issuers may not exceed 80% of the net asset value of the UCITS.
- 2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.7 Cash booked in accounts and held as ancillary liquidity with any one credit institution shall not exceed 20% of the net assets of the UCITS.

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

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- investments in transferable securities or money market instruments;
- deposits, and/or
- counterparty risk exposures arising from OTC derivatives transactions.

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

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

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

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

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

### **3 Investment in Collective Investment Schemes ("CIS")**

3.1 A UCITS may not invest more than 20% of net assets in any one CIS.

3.2 Investment in alternative investment funds may not, in aggregate, exceed 30% of net assets.

3.3 The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.

3.4 When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.

3.5 Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.

#### 4 Index Tracking UCITS

4.1 A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Central Bank

4.2 The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

#### 5 General Provisions

5.1 An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

5.2 A UCITS may acquire no more than:

- (i) 10% of the non-voting shares of any single issuing body;
- (ii) 10% of the debt securities of any single issuing body;
- (iii) 25% of the units of any single CIS;
- (iv) 10% of the money market instruments of any single issuing body.

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

5.3 5.1 and 5.2 shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.
- (v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

5.4 UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

- 5.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
- 5.7 Neither an investment company, ICAV, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
- transferable securities;
  - money market instruments\*;
  - units of CIS; or
  - financial derivative instruments.
- 5.8 A UCITS may hold ancillary liquid assets.

## 6 Financial Derivative Instruments ('FDIs')

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

As set out in "*General Investment Techniques*" in the "*Investment Objectives and Policies*" section and notwithstanding sub-section 3.1 of the "Investment Restrictions" section, unless otherwise stated in the Relevant Supplement a Sub-Fund's investments in other collective investment schemes will be limited to 10% of Net Asset Value.

The Fund may acquire real and personal property that is required for the purpose of its business. The Fund shall not acquire either precious metals or certificates representing them.

The Directors may at their absolute discretion from time to time impose such further investment restrictions as shall be compatible with or in the interests of investors, in order to comply with the laws and regulations of the countries where investors are located.

The investment restrictions referred to above are deemed to apply at the time of purchase of the investments. If such limits are exceeded for reasons beyond the control of the Fund, or as a result of the exercise of subscription rights, the Fund must adopt, as a priority objective, the remedying of the situation, taking due account of the interests of Shareholders.

### **Additional tax information and investment restrictions applying to Sub-Funds registered in Germany:**

The Fund, in consultation with the Manager, intends to make the Shares of certain Sub-Funds available in Germany. In this context, Shareholders should note that:

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

- The Fund is registered in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 and is authorised by the Central Bank as a UCITS. The competent supervisory authority in the Fund's home state is the Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1, Ireland.
- The Fund is constituted as an umbrella fund with segregated liability between sub-funds pursuant to the UCITS Regulations. Shares can normally be traded on an exchange within the meaning of § 2 paragraph 1 of the German Stock Exchange Act or on a comparable foreign exchange.
- As a UCITS, the Fund may market its Shares in certain Member States.
- The Fund's assets are held in different sub-funds (herein referred to as the "**Sub-Fund**" or "**Sub-Funds**"). Each Sub-Fund is a separate portfolio of securities and other assets managed in accordance with specific investment objectives. Each Sub-Fund is subject to risk diversification requirements, which means at least a holding of more than three assets with different investment risks.

As a consequence of making certain Shares available in Germany, the Fund will comply with the following investment restrictions or conditions under the German Investment Tax Act ("**GITA**") in respect of the relevant Sub-Funds, in addition to the investment restrictions set out above:

- The Sub-Funds will invest at least 90% of their Net Asset Value into "qualifying assets"\* (as defined below).
- Sub-Funds will invest no more than 20% of their Net Asset Value into shares issued by companies that are neither admitted to trading on a stock exchange or another organized market. The Sub-Funds shall invest no more than 10% of their Net Asset Value into shares issued by companies that are not admitted to or dealt in on a Recognised Market, as set forth in Schedule II below.
- The Sub-Funds' holding of shares in a company must represent less than 10% of the capital of the company.
- Credit (borrowings by the Sub-Funds) is only permitted in accordance with the UCITS Regulations and if it is short dated and a borrowing limit of up to 10% of Net Asset Value applies.

\* Provided that they comply with the eligibility rules as set forth above, "qualifying assets" as per the above investment restrictions include, inter alia:

- Securities
- Money market instruments
- Derivatives
- Bank deposits
- Shares or units issued by investment funds that also meet the (above) investment restrictions under the GITA.

Since 1 January 2018, a new version of the GITA applies to the taxation at fund level as well as to the taxation at investor level. One of the major new elements, the so-called "partial tax exemption", provides for tiered rates of German tax relief at investor level upon taxable income derived from German or foreign funds. The scope of relief depends on both the investor category (e.g. private individual investor or corporate investor) as well as the category of fund (e.g. "equity fund" or "mixed fund" both as defined by German tax law).

- To qualify for "equity fund" status (section 2, sub-section 6 of the GITA), the investment conditions of the Sub-Fund must provide that it invests more than 50% of its assets in "equity participations" (as defined in section 2, sub-section 8 of the GITA) on an ongoing basis.
- To qualify for "mixed fund" status (section 2, sub-section 7 of the GITA) the investment conditions of the Sub-Fund must provide that it invests at least 25% of its assets in such "equity participations" on an ongoing basis.

The Relevant Supplement shall state whether a particular Sub-Fund qualifies for “equity fund” or “mixed fund” status. This status applies to all Share Classes of a given Sub-Fund.

**Calculation and reporting of equity participation ratio according to the GITA:**

The Fund will calculate the equity participation ratio for each relevant Sub-Fund on each Valuation Day and report this to the Shareholders.

**Additional investment restrictions applying to Sub-Funds registered in Korea:**

The Fund, in consultation with the Manager, intends to make the Shares of certain Sub-Funds available in Korea. As a consequence of making certain Shares available in Korea, the Fund will comply with the following investment restrictions in respect of the relevant Sub-Funds, in addition to the investment restrictions set out above:

- 60% or more of the net assets must be invested in non-KRW denominated assets;
- the Sub-Fund should not invest in more than 10% of the total number of the issued and outstanding equity shares of one company;
- the Sub-Fund shall not grant loans (other than call loans) or guarantees in favour of a third party with the fund asset;
- the Sub-Fund shall not invest more than 35% of its assets in transferable securities and money market instruments: (i) issued by a government or its local authorities (which is not a member state of either the EU or OECD), or (ii) issued by a single body and guaranteed by a government referred to in item (i);
- an amount equal to 10% or more of the Shares of the Sub-Fund must be issued outside Korea; and
- the OTC derivatives must be subject to reliable valuation on a daily basis and can be liquidated or terminated at their fair value.

For details of the Sub-Funds registered in Korea, please refer to the list of Sub-Funds registered in Korea available on the Website.

## RISK INFORMATION

This section provides information regarding some of the general risks applicable to an investment in the Sub-Funds. Additional risk information specific to individual Sub-Funds is specified in the Relevant Supplement. This section is not intended to be a complete explanation and other risks may be relevant from time to time. In particular, the Fund's and each Sub-Fund's performance may be affected by changes in market, economic and political conditions and in legal, regulatory and tax requirements.

**Before making an investment decision with respect to an investment in any Sub-Fund, prospective investors should carefully consider all of the information set out in this Prospectus and the Relevant Supplement, as well as their own personal circumstances and should consult their own stockbroker, bank manager, lawyer, accountant and/or financial advisor. An investment in Shares is only suitable for investors who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.**

**The price of the Shares can go down as well as up and their value is not guaranteed. Investors may not receive, at redemption or liquidation, the amount that they originally invested in a Sub-Fund or any amount at all. For Index Tracking Sub-funds, the primary risk for portfolio management is tracking error. Portfolio optimisation and trading activity can both contribute to tracking error.**

### 1) GENERAL RISKS THAT APPLY TO ALL SUB-FUNDS

The following statements are intended to inform investors of the uncertainties and risks associated with investments and transactions in transferable securities and other financial instruments. Although care is taken to understand and manage these risks, the Sub-Funds and accordingly the Shareholders in the Sub-Funds will ultimately bear the risks associated with the investments of the Sub-Funds.

#### **Historical Performance**

Past performance information relating to each Sub-Fund will be set out in the KIID. Past performance should not be seen as an indication of how a Sub-Fund will perform in the future and cannot in any way provide a guarantee of future returns.

#### **Fluctuations in Value**

The investments of each Sub-Fund are subject to market fluctuations and other risks inherent in investing in securities and other financial instruments. There can be no assurance that any appreciation in value of investments will occur, and the capital value of your original investment is not guaranteed. The value of investments and the income from them may go down as well as up, and you may not get back the original amount invested. There is no assurance that the investment objective of each Sub-Fund will actually be achieved.

#### **Termination of Sub-Funds and Classes of Shares**

In the event of the termination of a Sub-Fund or a Class, the assets of the Sub-Fund or the Class will be realised, the liabilities discharged and the net proceeds of realisation distributed to Shareholders in proportion to their holding of Shares in that Sub-Fund or Class. It is possible that at the time of such realisation or distribution, certain investments held by the Sub-Fund or Class may be worth less than the initial cost of such investments, resulting in a loss to the Shareholders. All normal operating expenses incurred up to the point of termination will be borne by the Sub-Fund or the Class.

#### **Legal Risks**

In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Further, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally.

#### **Foreign Currency Risk**

A Sub-Fund's total return and balance sheet can be significantly affected by foreign exchange rate movements if the Sub-Fund's assets and income are denominated in currencies other than the Base Currency of the Sub-Fund and this means that currency movements may significantly affect the value of a Sub-Fund's Share price. The three principal areas of foreign currency risk are where movements in exchange rates affect the value of investments,

short-term timing differences or income received. A Sub-Fund may, or may not, hedge these risks using either spot or forward foreign exchange contracts and the associated risks are explained below in the section on Derivatives Related Risks.

Investors should be aware of the fact that the Chinese Renminbi (“RMB”) is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: one in the People’s Republic of China (the “PRC”) and one outside the PRC (primarily in Hong Kong). The RMB traded in the PRC is not freely convertible and is subject to exchange controls and certain requirements by the government of the PRC. The RMB traded outside the PRC, on the other hand, is freely tradable. Whilst the RMB is traded freely outside the PRC, the RMB spot, forward foreign exchange contracts and related instruments reflect the structural complexities of this evolving market. Accordingly, the Sub-Funds may be exposed to greater foreign exchange risks. In addition, there may be liquidity risks associated with RMB products, especially if such investments do not have an active secondary market and their prices are subject to significant bid and offer spread. The relevant Investment Manager will nevertheless seek to invest the assets of the Sub-Funds in such a manner which will enable the relevant Sub-Fund to meet its obligations to redeem Shares on request.

### **Share Currency Designation Risk**

A Class may be designated in a currency other than the Base Currency of the relevant Sub-Fund. In such circumstances, adverse exchange rate fluctuations between the Base Currency of the Sub-Fund and the Class currency may result in a decrease in return and/or a loss of capital for Shareholders.

In the case of a Class which is designated in a currency other than the Base Currency of the relevant Sub-Fund, a currency conversion will take place on subscriptions, redemptions, exchanges and distributions at the prevailing rate of exchange available to the Manager and the cost of conversion will be deducted from the relevant Class. As a result, the value of a Class which is designated in a currency other than the Base Currency of the relevant Sub-Fund will be subject to exchange rate risk in relation to the Base Currency.

### **Liquidity Risk**

In normal market conditions the assets of each Sub-Fund comprise mainly realisable investments which can be readily sold. A Sub-Fund’s main liability is the redemption of any Shares that investors wish to sell. In general, the investments, including cash, of each Sub-Fund are managed so that it can meet its liabilities. Investments held may need to be sold if insufficient cash is available to finance such redemptions. If the size of the disposals are 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 the Sub-Fund. The Fund employs an appropriate liquidity risk management process, which takes into account efficient portfolio management transactions employed by the Sub-Funds, in order to ensure that each Sub-Fund is able to comply with its stated redemption obligations. However, it is possible that in the type of circumstances described above, a Sub-Fund may not be able to realise sufficient assets to meet all redemption requests that it receives or the Fund may determine that the circumstances are such that meeting some or all of such requests is not in the best interests of the Shareholders in a Sub-Fund as a whole. In such circumstances, the settlement of redemption proceeds may be delayed and/or the Fund may take the decision to apply the redemption gate provisions described under “*Procedure for Dealing on the Primary Market*” and “*Limitation on Redemptions*” in the “*Purchase and Sale Information*” section or suspend dealings in the relevant Sub-Fund as described under “*Temporary Suspension of Dealings*” in the “*Determination of Net Asset Value*” section.

### **Pricing and Valuation Risk**

The Fund’s assets comprise mainly quoted investments where a valuation price can be obtained from an exchange or similarly verifiable source. However, the Fund may also invest in unquoted investments which will increase the risk of mispricing. Further, the Administrator, acting on behalf of the Fund will compute Net Asset Values when some markets are closed for holidays or other reasons. In these and similar cases when an objective verifiable source of market prices is not available, the Administrator will be required to invoke the fair value process as agreed with the Manager to determine a fair value price for the relevant investments; this fair value process involves assumptions and subjectivity.

### **Counterparty Credit & Settlement Risk**

All security investments are transacted through brokers who have been approved by the Investment Manager as an acceptable counterparty. The list of approved brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations to the Sub-Funds, for example, the possibility that a counterparty may default, by failing to make payments due, or make payments in a timely manner. 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. Further, 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.

#### **Reverse Repurchase Agreements Risk**

If the seller of a reverse repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Sub-Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. If the seller becomes insolvent, a bankruptcy court may determine that the securities do not belong to the Sub-Fund and order that the securities be sold to pay off the seller's debts. The relevant Sub-Fund may experience both delays in liquidating the underlying securities and losses during the period while it seeks to enforce its rights thereto, including possible sub-normal levels of income and lack of access to income during the period and expenses in enforcing its rights.

#### **Securities Lending**

Securities Lending involves risks in that (a) if the borrower of securities lent by a Sub-Fund fails to return them there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded and that (b) delays in the return of securities on loans may restrict the ability of a Sub-Fund to meet delivery obligations under security sales.

#### **Investment Horizon Risk**

The selection of investments for each Sub-Fund is undertaken according to the Sub-Fund's investment objectives and may not closely align with investors' investment horizon. If investors do not accurately select a Sub-Fund that closely aligns with their investment horizon, there may be a risk of potential mismatch between the investors' investment horizon and the Sub-Fund's investment horizon.

#### **Cross Share Class Liabilities**

Although assets and liabilities are clearly attributable to each Class, there is no legal segregation between Classes within a Sub-Fund. This means that if the liabilities of a Class exceed its assets, creditors of such Class may have recourse without restriction to assets which are attributable to the other Classes within the same Sub-Fund. Hence, Shareholders should note that currency hedging transactions may be entered into for the benefit of a particular Class but result in liabilities for the other Classes within the same Sub-Fund.

#### **Cash Position Risk**

A Sub-Fund may hold a significant portion of its assets in cash or cash equivalents at the Investment Manager's discretion. If a Sub-Fund holds a significant cash position for an extended period of time, its investment returns may be adversely affected and it may not achieve its investment objective.

#### **Conflicts of Interest Risk**

The Directors, the Manager, the Investment Manager, any sub-investment manager, the Administrator, the Depositary, the General Distributor, any Sub-Distributor and any other service provider or advisor to the Fund and their respective affiliates, officers, directors and shareholders, employees and agents (collectively, the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Fund or a Sub-Fund and/or their respective roles with respect to the Fund. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisors or agents of other funds or companies, including funds or companies in which the Fund may invest. In particular, the Manager, Investment Manager and/or any sub-investment manager may advise or manage other collective investment schemes which have similar or overlapping investment objectives to or with the Fund or its Sub-Funds.

The Investment Manager and/or any sub-investment manager may be consulted by the Manager in relation to the valuation of investments which are not listed, quoted or dealt in on an exchange. There may be a conflict of interest between any involvement of the Investment Manager or a sub-investment manager in this valuation process and with the Investment Manager's or a sub-investment manager's entitlement to any proportion of a management fee or performance fee (if applicable) which are calculated on the basis of the Net Asset Value.

A Sub-Fund may invest in or be exposed to entities where controlling interests are held by other managed funds and accounts to whom any of the Manager, Investment Manager or sub-investment manager or any of their affiliates provides investment advice and/or discretionary management. The Fund may purchase assets from, and sell assets to, such entities and may also invest in or be exposed to different tranches of securities in such entities.

The Investment Manager or any sub-investment manager or any of their affiliates may contract or enter into any financial or other transaction with any Shareholder of a Sub-Fund or with any company or body any of whose shares or securities are held by or for the account of the Fund and may be interested in any such contracts or transaction.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly.

The Fund shall only enter into a transaction with the Depositary, the Manager, the Investment Manager, the Administrator or delegates or group companies of these where it is effected on normal commercial terms negotiated at arm's length and such transactions are in the best interests of Shareholders. Transactions permitted are subject to:

- (a) a certified valuation by a person approved by the Depositary (or in the case of a transaction involving the Depositary, the Fund) as independent and competent; or
- (b) execution on best terms on an organised investment exchange under their rules; or
- (c) where (a) and (b) above are not practical, execution on terms which the Depositary (or in the case of a transaction involving the Depositary, the Fund) is satisfied conform to the principles that the transaction is negotiated at arm's length and is in the best interests of the Shareholders.

The Depositary, or the Fund in the case of transactions involving the Depositary, must document how it complied with paragraphs (a), (b) or (c) above and, where transactions are conducted in accordance with paragraph (c), must document the rationale for being satisfied that the transaction conformed to the principles outlined in that paragraph.

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

It is the normal policy of the Manager and the Investment Manager to use full service brokerage houses which will, in addition to routine order execution, provide a range of other services the nature of which is such that the benefits provided under the arrangement must be those which assist in the provision of investment services to the Fund and may contribute to an improvement in a Sub-Fund's performance. In any event, the execution of transactions will be consistent with best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates. Details of such arrangements shall be disclosed in the periodic reports of the Fund. The precise services will vary, but where the Manager or the Investment Manager executes orders on behalf of the Fund through such a broker or other person, passes on that person's charges to the Fund and receives in return goods or services additional to that execution service, it will satisfy itself on reasonable grounds that such additional goods and services (i) are related to the execution of trades on behalf of its customers or comprise the provision of research; (ii) will reasonably assist the Manager or the Investment Manager in the provision of its services to the Fund and (iii) do not, and are not likely to, impair the Manager or the Investment Manager's compliance with its duty to act in the best interests of the Fund. Such goods and services might include, by way of example, research in the form of periodic and one-off newsletters, reports and market analyses and execution facilities such as access to particular markets or trading forums, execution software, market-making, block trading and stock-lending facilities, trade confirmation and settlement services and execution-related information and advice.

The reasons for selecting of individual brokers will vary but will include factors such as the quality of research, financial security, quality and range of execution services, charges, and reliability and responsiveness to client demands. In some cases the value of the services provided may depend upon a minimum threshold of broker commissions or a percentage of such commissions. The receipt of these benefits assists the Manager or the Investment Manager in providing a better service to its clients but also assists it in containing its costs and ultimately

its charges to clients, including the Fund. The Manager and the Investment Manager are able to enter into such arrangements and obtain such benefits, inter alia, due to their ability to deal collectively and aggregate transactions on behalf of clients and obtain benefits which would not be available to an individual investor.

The Investment Manager will provide the Fund with periodic disclosure of the arrangements entered into, including details of the goods and services relating to execution and to research respectively.

The Manager may enter into an agreement with an affiliate of the Depositary and the Administrator pursuant to which such affiliate shall provide certain calculation and other services in relation to spot, forward and other foreign exchange contracts entered into by or on behalf of the hedged currency Classes of the Index Tracking Sub-Funds.

### **Foreign Exchange Transactions**

Foreign exchange transactions for the Fund may be carried out by FIL Group companies acting as agent on the instruction of the Manager and any of its duly appointed delegates at rates approved by the Manager.

To avail of economies of scale and efficiencies with the aim of lowering costs for the benefit of the Fund and other clients of the Manager or its affiliates, these foreign exchange transactions may be aggregated with foreign exchange transactions to be effected on behalf of other collective investment schemes and individual client investment portfolios managed by Fidelity.

### **Custodial Risk**

There are risks involved in dealing with the Depositary, sub-custodians or brokers who hold or settle a Sub-Fund's trades. It is possible that, in the event of the insolvency or bankruptcy of the Depositary, a sub-custodian or a broker, a Sub-Fund would be delayed or prevented from recovering its assets from the Depositary, sub-custodian or broker, or its estate and may have only a general unsecured claim against the Depositary, sub-custodian or broker for those assets. The Depositary will hold assets in compliance with applicable laws and such specific provisions as agreed in the Depositary Agreement. These requirements are designed to protect the assets against the insolvency in bankruptcy of the Depositary but there is no guarantee they will successfully do so. In addition, as the Fund may invest in markets where custodial and/or settlement systems and regulations are not fully developed, including emerging markets, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of sub-custodians is necessary, may be exposed to risk in circumstances where the Depositary will have no liability, where a loss to the Fund has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. Please also refer to the "Depositary" sub-section of the "Management" section for further detail on the provisions in relation to the liability of the Depositary.

### **Credit Risk with respect to Cash**

The Fund will be exposed to the credit risk of the Depositary or any sub-custodian used by the Depositary where cash is held by the Depositary or sub-custodians. Credit risk is the risk that an entity will fail to discharge an obligation or commitment that it has entered into with the Fund. Cash held by the Depositary and sub-custodians will not be segregated in practice but will be a debt owing from the Depositary or other sub-custodians to the Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Depositary and/or sub-custodians. In the event of the insolvency of the Depositary or sub-custodians, the Fund will be treated as a general unsecured creditor of the Depositary or sub-custodians in relation to cash holdings of the Fund. The Fund may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the relevant Sub-Fund(s) will lose some or all of their cash.

The Fund may enter into additional arrangements (for example, placing cash in money market collective investment schemes) in order to mitigate credit exposure for its cash holdings but may be exposed to other risks as a result.

To mitigate the Fund's exposure to the Depositary, the Manager employs specific procedures to ensure that the Depositary is a reputable institution and that the credit risk is acceptable to the Fund. If there is a change in Depositary then the new custodian will be a regulated entity subject to prudential supervision with high credit ratings assigned by international credit rating agencies.

### **Investment Management Risk**

Each Sub-Fund is subject to investment management risk. The Investment Manager's judgments about the selection and application of indexing models and the most effective ways to minimise tracking error (i.e. the difference

between the Sub-Fund's returns and the relevant Index returns) may prove to be incorrect and there can be no assurance that they will produce the desired results. Each Sub-Fund will be dependent to a substantial degree on the continued service of members of the Investment Manager. In the event of the death, disability or departure of any such individuals, the performance of the applicable Sub-Fund may be adversely impacted.

### **Money Market and Cash Management Risk**

The Fund, with a view to mitigating credit exposure to depositories, may arrange for cash holdings (including pending dividend payments) to be placed into money market collective investment schemes, including other funds managed by the Manager, the Investment Manager or their respective affiliates. A money market collective investment scheme which invests a significant amount of its assets in money market instruments may be considered as an alternative to investing in a regular deposit account. However, a holding in such a scheme is subject to the risks associated with investing in a collective investment scheme and, while a money market collective investment scheme is designed to be a relatively low risk investment, it is not entirely free of risk. Despite the short maturities and high credit quality of investments of such schemes, increases in interest rates and deteriorations in the credit quality can reduce the scheme's yield and the scheme is still subject to the risk that the value of such scheme's investment can be eroded and the principal sum invested will not be returned in full. In adverse market conditions, the investments of such a scheme may yield zero or negative returns which may in turn impact on the return of the relevant Sub-Fund and result in negative investment income. The Depository may also deposit cash in accounts overnight with approved counterparties with the intention of reducing the Fund's exposure to the Depository and diversifying that risk across the various counterparties (the "**Cash Management Programme**"). However, the Fund is then exposed to the risk of insolvency of each of those counterparties in the Cash Management Programme to the extent that its cash is deposited with them.

### **Payments**

The Fund or its authorised agent will pay dividends or redemption proceeds to the applicable depository appointed in respect of the relevant Shares to which such payment relates. The Fund is not responsible for any onward payment to the holders of the beneficial ownership of the Shares and will have discharged its duty in full by making payment to the relevant depository. Investors shall have no claim directly against the Fund or its agents in respect to such payments.

### **Portfolio Turnover Risk**

Portfolio turnover involves a number of direct and indirect costs and expenses to the relevant Sub-Fund, including, for example, Brokerage Commissions, dealer mark-ups and bid/offer spreads and transaction costs on the sale of securities and reinvestment in other securities. Nonetheless, a Sub-Fund may engage in frequent trading of investments in furtherance of its investment objective. The costs related to increased portfolio turnover have the effect of reducing a Sub-Fund's investment return and the sale of securities by a Sub-Fund may result in the realisation of taxable capital gains, including short-term capital gains.

### **Regulatory Risk**

The Fund is regulated by the Central Bank in accordance with the UCITS Regulations. There can be no guarantee that the Fund will continue to be able to operate in its present manner and future regulatory changes may adversely affect the performance of the Sub-Funds and/or their ability to deliver their investment objectives.

### **Risk of Investment in Other Collective Investment Schemes**

If a Sub-Fund invests in another collective investment scheme or investment vehicle, it is exposed to the risk that the other investment vehicle will not perform as expected. The Sub-Fund is exposed indirectly to all of the risks applicable to an investment in such other investment vehicle. In addition, lack of liquidity in the underlying vehicle could result in its value being more volatile than the underlying portfolio of securities and may limit the ability of the Sub-Fund to sell or redeem its interest in the vehicle at a time or at a price it might consider desirable. Subject to the limit in set out at 3.1 in the "*Investment Restrictions*" section, the investment policies and limitations of the other investment vehicle may not be the same as those of the Sub-Fund. As a result, the Sub-Fund may be subject to additional or different risks, or may achieve a reduced investment return, as a result of its investment in another investment vehicle. A Sub-Fund also will bear its proportionate amount of the expenses of any investment vehicle in which it invests. Please also refer to "*Conflicts of Interest*" in this section in relation to the potential conflicts of interest which may arise from investing in another collective investment scheme or investment vehicle. Where a Sub-Fund invests in another collective investment scheme or investment vehicle to the extent that it becomes a feeder fund in respect of such other fund (which shall have broadly similar investment policies and limitations as the relevant Sub-Fund), the risks associated with such an investment as described above will increase commensurately. A Sub-Fund will not be subject to any preliminary/initial/redemption charge in respect

of investments made in any other Sub-Fund or in any other investment fund whose manager is an affiliate of the Manager or the Investment Manager. In addition, any commission that the Manager or the Investment Manager receives by virtue of an investment of a Sub-Fund into another collective investment scheme or other Sub-Fund, must be paid into the assets of the investing Sub-Fund. Neither the Manager nor the Investment Manager, where paid out of the assets of a Sub-Fund, may charge any management fees in relation to that portion of that Sub-Fund's assets invested in other Sub-Funds.

### **Share Subscriptions and Redemptions**

Where requests for subscription or redemption are received late, there will be a delay between the time of submission of the request and the actual date of subscription and redemption. Such deferrals or delays may affect the amount paid or received. Further details on subscriptions and redemption are set out in the “*Purchase and Sale*” section.

### **Tax Risk**

The tax information provided in the “*Tax Information*” section is based on the advice received by the Directors in respect of tax law and practice as at the date of this Prospectus and is subject to 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 Fund and any Sub-Fund, affect the value of the relevant Sub-Fund's investments in the affected jurisdiction, affect the relevant Sub-Fund's ability to achieve its investment objective and/or alter the after-tax returns to investors. Where a Sub-Fund invests in derivative contracts, these considerations may also extend to the jurisdiction of the governing law of the derivative contract and/or the relevant counterparty and/or to the markets to which the derivative contract provides exposure. The availability and value of any tax reliefs available to investors depend on the individual circumstances of each investor. The information in the “*Tax Information*” section is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in a Sub-Fund. Where a Sub-Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, the Fund, the relevant Sub-Fund, the Manager, the Investment Manager, the Depositary and the Administrator shall not be liable to account to any investor for any payment made or suffered by the Fund or the relevant Sub-Fund in good faith to a fiscal authority for taxes or other charges of the Fund or the relevant Sub-Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered.

The Fund may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Fund may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Fund may not, therefore, be able to reclaim any foreign withholding tax borne by it in particular countries. If this position changes and the Fund obtains a repayment of foreign tax, the Net Asset Value of the Sub-Fund from which the relevant foreign tax was originally deducted will not be restated and the benefit will be reflected in the Net Asset Value of the Sub-Fund at the time of repayment.

Investors should be aware that the performance of Index Tracking Sub-Funds, as compared to an Index, may be adversely affected in circumstances where the assumptions about tax made by the relevant Index Provider in their index calculation methodology differ to the actual tax treatment of the underlying securities in the Index held within Sub-Funds.

### **Risks relating to the Umbrella Cash Account**

Subscriptions monies received in respect of a Sub-Fund in advance of the issue of Shares will be held in an Umbrella Cash Account in the name of the Fund. Investors will be unsecured creditors of such Sub-Fund with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the Net Asset Value of the Sub-Fund or any other shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of the Fund or the Sub-Fund, there is no guarantee that the Fund or Sub-Fund will have sufficient funds to pay unsecured creditors in full.

Payment by the Sub-Fund of redemption proceeds and dividends is subject to receipt of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, from the relevant redemption date. Redeeming Shareholders and Shareholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the Sub-Fund, and will not benefit from any appreciation in the Net Asset Value of the Sub-Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of the Fund or the Sub-Fund during this period, there is no guarantee that the Fund or Sub-Fund will have sufficient funds to pay unsecured creditors in full.

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

In the event of the insolvency of another Sub-Fund, recovery of any amounts to which a given Sub-Fund is entitled (including subscription monies due from investors), but which may have transferred to such other Sub-Fund as a result of the operation of an Umbrella Cash Account, will be subject to the principles of Irish trust 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 Sub-Fund may have insufficient funds to repay amounts due to the relevant Sub-Fund. Accordingly, there is no guarantee that such Sub-Fund or the Fund will recover such amounts. Furthermore, there is no guarantee that in such circumstances such Sub-Fund or the Fund would have sufficient funds to repay any unsecured creditors.

### **Potential Implications of Brexit**

The decision made in the British referendum to leave the EU has led to volatility in the financial markets of the United Kingdom and more broadly across Europe and may also lead to weakening in consumer, corporate and financial confidence in such markets. The extent and process by which the United Kingdom will exit the EU, and the longer term economic, legal, political and social framework to be put in place between the United Kingdom and the EU are unclear at this stage and are likely to lead to ongoing political and economic uncertainty and periods of exacerbated volatility in both the United Kingdom and in wider European markets for some time. In particular, the decision made in the British referendum may lead to a call for similar referendums in other European jurisdictions which may cause increased economic volatility in the European and global markets. This mid to long term uncertainty may have an adverse effect on the economy generally and on the ability of the Fund and its investments to execute their respective strategies and to receive attractive returns.

In particular, currency volatility may mean that the returns of the Fund and its investments are adversely affected by market movements. Potential decline in the value of the Great British Pound and/or the Euro against other currencies, along with the potential downgrading of the United Kingdom's sovereign credit rating, may also have an impact on the performance of portfolio companies or investments located in the United Kingdom or Europe.

## **2) EQUITY RELATED RISKS**

### **Equities**

For Sub-Funds which invest in stocks, the value of those stocks may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events. Currency exchange rate movements will also cause changes in value when the currency of the investment is other than the Base Currency of the Sub-Fund holding that investment.

### **Depository Receipts**

ADRs and GDRs are designed to offer exposure to their underlying securities. In certain situations, the Investment Manager may use ADRs and GDRs to provide exposure to the underlying securities within the Index, for example where the underlying securities cannot be, or are unsuitable to be, held directly or where direct access to the underlying securities is restricted or limited. However, in such cases the Investment Manager is unable to guarantee that a similar outcome will be achieved to that if it were possible to hold the securities directly, due to the fact ADRs and GDRs do not always perform in line with the underlying security.

In the event of suspension or closure of a market(s) on which the underlying securities are traded, there is a risk that the value of the ADR or GDR will not closely reflect the value of the relevant underlying securities. Additionally, there may be some circumstances where the Investment Manager cannot, or it is not appropriate to, invest in an ADR or GDR, or the characteristics of the ADR or GDR do not exactly reflect the underlying security.

In the event that a Sub-Fund invests in ADRs or GDRs in the circumstances set out above, the Sub-Fund's tracking of the Index may be impacted, i.e. there is a risk that the Sub-Fund's return varies from the return of the Benchmark Index.

## **3) FIXED INCOME RELATED RISKS**

### **Bonds, Debt Instruments & Fixed Income (including High Yielding Securities)**

For Sub-Funds which invest in bonds or other debt instruments, the value of those investments will depend on market interest rates, the credit quality of the issuer and liquidity considerations. The Net Asset Value of a

Sub-Fund invested in debt instruments will change in response to fluctuations in interest rates, perceived credit quality of the issuer, market liquidity and also currency exchange rates (when the currency of the investment is other than the Base Currency of the Sub-Fund holding that investment). Some Sub-Funds may invest in high yielding debt instruments where the level of income may be relatively high (compared to investment grade debt instruments); however the risk of depreciation and realisation of capital losses on such debt instruments held will be significantly higher than on lower yielding debt instruments.

### **Investment Grade Risk**

Certain Sub-Funds may invest in investment grade debt securities. Investment grade debt securities are assigned ratings within the top rating categories by rating agencies (Fitch, Moody's and/or Standard & Poor's) on the basis of the creditworthiness or risk of default of a bond issue. Generally, investment grade fixed income securities are assigned a rating of BBB-/Baa3 or higher from Standard & Poor's or equivalent rating from an internationally recognised rating agency (in case of divergent ratings, the worst of the best two credit ratings applies). Investment grade debt securities, like other types of debt securities, involve credit risk and may be subject to ratings downgrades by the rating agencies in the period between their issuance and maturity. Such downgrades may occur during the period in which the Sub-Fund invests in these securities. In the instance of one or more downgrades, below investment grade or otherwise, Sub-Funds may continue to hold such securities.

### **Lower Rated/Unrated Securities**

Certain Sub-Funds may invest in lower-rated and unrated securities. The credit quality of debt instruments is often assessed by rating agencies. Medium-rated, lower-rated securities and un-rated securities of comparable quality may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and accentuated market expectations, and consequently greater fluctuations in market values, than higher-rated securities. They are often subject to greater credit and market risks than higher-rated securities. Changes in such ratings, or expectation of changes, will be likely to cause changes in yield and market values, at times significantly so. If this were to occur, the values of such securities held by a Sub-Fund may become more volatile and the Sub-Fund could lose some or all of its investment.

### **Credit Risk**

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest bond or other debt instrument investments. In both cases the entire deposit or purchase price of the debt instrument is at risk of loss if there is no recovery after default. The risk of default is usually greatest with bonds and debt instruments that are classed as 'sub-investment' grade.

### **Securitised or Structured Debt Instruments**

Sub-Funds may invest in securitised or structured debt instruments (collectively referred to as structured products). Such instruments include asset-backed securities, mortgage-backed securities, collateralised debt instruments and collateralised loan obligations. Asset-backed securities are securities that derive interest and principal payments from specified assets. These assets include mortgages (both residential and commercial) and pools of other kinds of receivables (e.g. payments owed by a debtor (whether corporate or consumer) to a creditor, such as credit card debt, consumer loan repayments and royalties). The asset-backed securities may be issued by government entities or be privately issued and may be pass-through (where the payments from the underlying borrower(s) are passed-through to the holder of the security). The asset-backed securities may be backed by payments from the underlying borrower(s) that are interest-only, principal-only or a combination of both. Structured products provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. Some of such products involve multiple instruments and cash flow profiles such that it is not possible to predict with certainty the outcome from all market scenarios. Also, the price of such an investment could be contingent on, or highly sensitive to, changes in the underlying components of the structured instrument. The underlying assets can take many forms, including, but not limited to, credit card receivables, residential mortgages, corporate loans, manufactured housing loans or any type of receivables from a company or structured vehicle that has regular cash flows from its customers. Some structured products may employ leverage which can cause the price of the instruments to be more volatile than if they had not employed leverage. In addition, investments in structured products may be less liquid than other securities. The lack of liquidity may cause the current market price of assets to become disconnected from the underlying assets' value and consequently, Sub-Funds investing in securitised products may be more susceptible to liquidity risk. The liquidity of a structured product can be less than a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

## **Corporate Hybrid Securities**

Sub-Funds may invest in corporate hybrid securities (e.g. a bond that has features of an ordinary bond but is influenced by movements of the stock into which it is convertible), which are highly structured instruments that combine both equity and fixed income features. They generally offer a means for issuers to borrow money from investors in return for interest payments. Such corporate issuers may utilise hybrid debt for a variety of reasons, including bolstering their capital levels, lowering their weighted average cost of capital, diversifying their funding sources and managing credit ratings. Though terms and conditions have become increasingly standardised, the specific characteristics of each instrument (such as payment conditions, the ratio of debt and equity-like features, time frames and applicable rates) can vary.

## **Contingent Convertible Bonds**

Contingent convertible bonds are a type of debt security that may be converted into equity or could be forced to suffer a write down of principal upon the occurrence of a pre-determined event (“the trigger event”). Generally, convertible securities are subject to the risks associated with both fixed income securities and equities, namely credit risk, interest rate risk and market price risk. Contrary to traditional convertible securities which may be converted into equity by the holder, contingent convertible bonds may be converted into equity or be forced to suffer a write down of principal upon the occurrence of a trigger event. As such, contingent convertible bonds expose the holder to specific risks such as trigger risk, write down risk, coupon cancellation, capital structure inversion risk and call extension risk.

### **Trigger Risk**

Contingent convertible bonds are a type of debt security that may be converted into equity or could be forced to suffer a write down of principal upon the occurrence of a trigger event. The trigger event is ordinarily linked to the financial position of the issuer and therefore the conversion is likely to occur as a result of a deterioration of the relative capital strength of the underlying. As a result, it is likely that the conversion to equity would occur at a share price which is lower than when the bond was issued or purchased. In stressed market conditions, the liquidity profile of the issuer can deteriorate significantly, and it may be difficult to find a ready buyer, which means that a significant discount may be required in order to sell it.

### **Write-Down Risk**

In some cases, the issuer may cause a convertible security to be written down in value based on the specific terms of the individual security if a pre-specified trigger event occurs. There is no guarantee that a Sub-Fund will receive return of principal on contingent convertible securities.

### **Coupon Cancellation Risk**

Coupon payments may be discretionary and could thus be cancelled at any time, for any reason. As a result, investment in contingent convertible bonds can carry higher risk than investment in traditional debt instruments/convertibles and, in certain cases, equities; the volatility and risk of loss can be significant.

### **Capital Structure Inversion Risk**

Contingent convertible securities are typically structurally subordinated to traditional convertible bonds in the issuer’s capital structure. In certain scenarios, investors in contingent convertible securities may suffer a loss of capital ahead of equity holders or when equity holders do not.

### **Call Extension Risk**

Contingent convertible bonds can be issued as perpetual instruments (i.e. bonds without a maturity date) and may only be callable at predetermined dates upon approval of the applicable regulatory authority. There is no guarantee that a Sub-Fund will receive a return of principal on contingent convertible securities.

### **Yield/Valuation Risk**

The valuation of contingent convertible securities is influenced by many unpredictable factors such as:

- (i) the creditworthiness of the issuer and the fluctuations in the issuer’s capital ratios;
- (ii) the supply and demand for contingent convertible securities;
- (iii) the general market conditions and available liquidity; and
- (iv) the economic, financial and political events that affect the issuer, the market it is operating in or the financial markets in general.

### **Liquidity Risk**

Contingent convertible securities may experience periods of lower liquidity caused by market events, lower new

issues during a period or large sales and such events may raise the risk that these securities will not be able to be sold during those periods or may have to be sold at reduced prices. Those events may influence the value of a Sub-Fund, as the lower liquidity in these assets may be reflected in a corresponding reduction in the Net Asset Value of the Sub-Fund.

#### **Unknown Risk**

Contingent convertible bonds are a relatively new instrument and the trigger events are generally untested, therefore it is uncertain how the asset class will perform in stressed market conditions and risk to capital, and volatility could be significant.

### **4) COUNTRY, CONCENTRATION AND STYLE RELATED RISKS**

#### **Country Concentration**

Sub-Funds which invest in essentially only one country will have greater exposure to market, political, legal, economic and social risks of that country than a Sub-Fund which diversifies country risk across a number of countries. There is a risk that a particular country may impose foreign exchange and/or conversion controls or regulate in such a way as to disrupt the way the markets in that country operate. The consequences of these actions, and others such as confiscation of assets, could be to hinder the normal operation of the Sub-Fund with regard to the purchase and sale of investments and possibly the ability to meet redemptions. In such cases, the Sub-Fund may be suspended and investors may not be able to acquire or redeem Shares in the Sub-Fund. These and other actions could also adversely affect the ability to price investments in the Sub-Fund which could affect the Net Asset Value of the Sub-Fund in a material way. However, diversification across a number of countries could introduce other risks such as currency risk. In certain countries, and for certain types of investments, transaction costs are higher and liquidity is lower than elsewhere.

#### **Holdings and Sector Concentration**

Some Sub-Funds may invest in a relatively small number of investments or may be concentrated in a specific industry sector and the Net Asset Value of the Sub-Fund may be more volatile as a result of this concentration of holdings relative to a Sub-Fund which diversifies across a larger number of investments or sectors.

#### **Investments in Medium and Small Sized Firms**

There may be limited opportunities to find alternative ways of managing cash flows especially where the focus of investment is on small and medium sized firms. The prices of securities of small and medium sized companies generally are more volatile than those of larger companies; the securities are often less liquid and these companies may be subject to more abrupt fluctuations in market price than larger, more established companies. Investments in securities of companies with smaller market capitalisations are generally considered to offer greater opportunity for appreciation but also may involve greater risks than customarily associated with more established companies as they are generally more likely to be adversely affected by poor economic or market conditions. These companies may have limited product lines, markets or financial resources, or they may be dependent upon a limited management group. In addition to exhibiting greater volatility, small to medium sized companies' stocks may, to a degree, fluctuate independently of larger company stocks (i.e. small and medium sized company stocks may decline in price as the prices of large company stock rise or vice versa). For funds specialising in such firms, transactions, particularly those large in size, are likely to have a greater impact on the costs of running a fund than similar transactions in larger funds or similar transactions in large sized firms because of the relatively illiquid nature of markets in small and medium sized companies' shares.

### **5) EMERGING MARKETS RELATED RISKS**

#### **Emerging Markets, including Russia**

Several of the Sub-Funds invest, in part or in whole, in emerging market securities to the extent set out in the Relevant Supplement. The price of these securities may be more volatile than those of securities in more developed markets. As a result, there may be a greater risk of price fluctuation or of the suspension of redemptions in such Sub-Funds, compared to Sub-Funds investing in more mature markets. This volatility may stem from political and economic factors and be exacerbated by legal, trading liquidity, settlement, transfer of securities and currency factors. Some emerging market countries have relatively prosperous economies but may be sensitive to world commodity prices and/or volatile inflation rates. Less stringent regulatory, accounting and disclosure requirements for issuers and markets are common in certain countries. Others are especially vulnerable to economic conditions. Additional risks of investing in various countries include trading, settlement, custodial and other operational risks due to different systems, procedures and requirements in a particular country and varying laws regarding

withholding and other taxes. Although care is taken to understand and manage these risks, the respective Sub-Funds and accordingly the Shareholders in those Sub-Funds will ultimately bear the risks associated with investing in these markets.

Certain Sub-Funds, where provided for in the Relevant Supplement, may invest physically in Indian securities. In that case, the Sub-Fund is required to be registered as a Foreign Portfolio Investor (“FPI”) under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations 2014. In order to be registered as an FPI, the Sub-Fund may be required to adhere to a certain broad based criteria in respect of the number of investors in the Sub-Fund and the maximum percentage holding of such investors. In the event the Sub-Fund is required to adhere to broad based criteria applicable under FPI, the Directors have determined that no investor may hold over 49% of Shares (by number or by value) of such a Sub-Fund, with the exception of the nominee of a common depositary. Investors should be aware that purchase of Shares of such a Sub-Fund may be cancelled and their subscription monies returned, if such a purchase would bring their ownership of the Shares in issue of the relevant Sub-Fund as at the date of the proposed purchase to more than 49% (by number or by value).

Some of the Sub-Funds may invest a portion of their net assets in Russia. A Sub-Fund may not invest more than 10% of its net assets in Russian securities which are unlisted securities not dealt on a regulated market. Investors should be aware that the Russian market presents specific risks in relation to the settlement and safekeeping of securities as well as regarding the registration of assets where registrars are not always subject to effective government or other supervision. The lack of corporate governance provisions in Russia, under-developed or non-existent rules regarding management’s duties to shareholders and the lack of general rules or regulations relating to investor protection or investments also represent additional risks. Russian securities are not on physical deposit with the Depositary or its local agents in Russia. Therefore, neither the Depositary nor its local agents in Russia can be considered to be performing a physical safekeeping or custody function in accordance with recognised international standards. The Depositary’s liability only extends to its own negligence and/or wilful default and to negligence and wilful misconduct of its local agents in Russia and does not extend to losses due to the liquidation, bankruptcy, negligence and wilful default of any registrar. In the event of such losses, the Fund will have to pursue its rights against the issuer and/or the appointed registrar of the securities.

In regards to the fact that a Sub-Fund may invest in sukuk structures, investors in these Sub-Funds should be aware that investments in sukuk structures may be less liquid and more volatile in price than other fixed income securities, may be subject to higher dealing costs and may be unrated by recognised rating agencies.

Some, or all, of the risks attributed to investing in Russia may also apply in other emerging markets.

## 6) INDEX RELATED RISKS

### Index Related Risks

As prescribed by this Prospectus, in order to meet its investment objective, each Index Tracking Sub-Fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant Index as published by the Index Provider. There is no assurance that the Index Provider will compile the Index accurately, or that the Index will be determined, composed or calculated accurately. While the Index Provider does provide descriptions of what the Index is designed to achieve, the Index Provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the Index, and does not guarantee that the Index will be in line with the described methodology.

The mandate of the Investment Manager appointed in respect of each Index Tracking Sub-Fund, as described in this Prospectus, is to manage the relevant Sub-Fund consistently with the relevant Index provided to the Investment Manager. Consequently, the Investment Manager does not provide any warranty or guarantee for index provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, particularly where the indices are less commonly used. Therefore gains, losses or costs associated with Index Provider errors will be borne by the Sub-Funds and their investors. For example, during a period where the Index contains incorrect constituents, a Sub-Fund tracking such published Index would have market exposure to such constituents and would be underexposed to the constituents that should have been included in the Index. As such, errors may result in a negative or positive performance impact to the Sub-Funds and their investors. Investors should understand that any gains from Index Provider errors will be kept by the relevant Sub-Fund and its investors and any losses resulting from Index Provider errors will be borne by the relevant Sub-Fund and its investors.

Apart from scheduled rebalances, the Index Provider may carry out additional ad hoc rebalances to the Index in order, for example, to correct an error in the selection of Index constituents. Where the Index of an Index Tracking Sub-Fund is rebalanced and the Sub-Fund in turn rebalances its portfolio in line with its Index, any transaction costs (including capital gains tax and/or transaction taxes) and market exposure arising from such portfolio rebalancing will be borne directly by the Sub-Fund and its investors. Unscheduled rebalances to the Indices may also expose the Sub-Funds to tracking error risk, which is the risk that its returns may not track exactly those of the Index. Therefore, errors and additional ad hoc rebalances carried out by the Index Provider to an Index may increase the costs and market exposure risk of the relevant Sub-Fund.

Where an Index Tracking Sub-Fund's Index aims to identify securities that meet criteria which have an element of being forward looking (for example, securities that are expected to provide a high yield or which are selected on the basis of their liquidity, percentage of company earnings allocated to shareholders, levels of profit generated from business operations, market capitalisation, and corporate governance credentials), there is no guarantee that the Index will meet its objective. Many factors can affect the performance of a security and the impact of these factors on its price can be difficult to predict.

### **Index Licence Risk**

If in respect of an Index, at any time, the licence granted (if required) to the Fund, the Manager or the Investment Manager (or their affiliates) to replicate or otherwise use the Index for the purposes of an Index Tracking Sub-Fund terminates, or such a licence is otherwise disputed, impaired or ceases (for any reason), the Directors may be forced to replace the Index with another index which they determine to track substantially the same market as the Index in question and which they consider to be an appropriate index for the relevant Sub-Fund to track and such a substitution or any delay in such a substitution may have an adverse impact on the Sub-Fund. In the event that the Directors are unable to identify a suitable replacement for the relevant index, they may be forced to terminate the Sub-Fund.

### **Index Tracking Risk**

There is no guarantee that the investment objective of any Index Tracking Sub-Fund will be achieved. In particular, no financial instrument enables the returns of any index to be reproduced or tracked exactly and the use of portfolio optimisation techniques by a Sub-Fund instead of full replication may increase the risk of tracking error. Changes in the investments of any Sub-Fund and re-weightings of the relevant index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact a Sub-Fund's tracking of an Index. Furthermore, the total return on investment in the Shares of a Sub-Fund will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable Index. Moreover, in the event of the temporary suspension or interruption of trading in the Investments comprising the index, or of market disruptions, rebalancing a Sub-Fund's investment portfolio may not be possible and may result in deviations from the return of the Index.

### **Optimisation Strategy**

It may not be practical or cost efficient for certain Sub-Funds to replicate their respective Indices. Where it is not part of a Sub-Fund's investment policy to replicate its Index, such Sub-Fund may use optimisation techniques to track the performance of their respective Indices. Optimisation techniques may include the strategic selection of some (rather than all) of the securities that make up the Index, holding securities in proportions that differ from the proportions of the Index and/or the use of FDI to track the performance of certain securities that make up the Index. The Investment Manager may also select securities which are not underlying constituents of the relevant Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the relevant Index. Optimising Sub-Funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Indices. Further detail on the optimisation strategy is set out in the "*Investment Objective and Policies*" section.

### **EU Benchmark Regulation**

On 30 June 2016, the European Parliament and the Council of the EU adopted a regulation that came into force on 1 January 2018 requiring further transparency on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**EU Benchmark Regulation**"). In accordance with the EU Benchmark Regulation, the Manager will maintain an index contingency plan setting out the actions to be taken in the event that a benchmark changes materially or ceases to be provided. Actions taken by the Manager or the Fund on the foot of the Index Contingency Plan may result in changes to the investment objectives or investment policies of a Sub-Fund, which may have an adverse impact on the value of an investment in the Fund. Any such changes will be implemented in accordance with the requirements of the Central Bank and the terms of this Prospectus.

## 7) DERIVATIVES RELATED RISKS

### Financial Derivative Instruments

The Fund may use various Financial Derivative Instruments to reduce risks or costs or to generate additional capital or income in order to meet the investment objectives of a Sub-Fund. Certain Sub-Funds may use derivatives extensively and/or for more complex strategies (i.e. have extended derivative powers) as further described in their respective investment objectives contained in the Relevant Supplement. Throughout this section and others that refer to derivatives, privately negotiated or non-exchange traded derivatives are referred to as being 'over-the-counter', which is abbreviated to OTC.

Investors may wish to consult their independent financial advisor about the suitability of a particular Sub-Fund for their investment needs bearing in mind its powers with regard to the use of derivatives. While the judicious use of derivative instruments by experienced investment advisors such as the Investment Manager can be beneficial, derivative instruments also involve risks different from, and, in certain cases, greater than, the risks associated with more traditional investments. The use of derivatives may give rise to a form of leverage, which may cause the Net Asset Value of these Sub-Funds to be more volatile and/or change by greater amounts than if they had not been leveraged. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the respective Sub-Funds' portfolio securities and other instruments.

The following are important risk factors and issues concerning the use of derivative instruments that investors should understand before investing in these Sub-Funds.

- **Market Risk** – This is the general risk applicable to all investments that the value of a particular investment may fluctuate. Where the value of the underlying asset (either security or reference benchmark) of a derivative instrument changes, the value of the instrument will become positive or negative, depending on the performance of the underlying asset. For non-option derivatives the absolute size of the fluctuation in value of a derivative will be very similar to the fluctuation in value of the underlying security or reference benchmark. In the case of options, the absolute change in value of an option will not necessarily be similar to the change in value of the underlying because, as explained further below, changes in options values are dependent on a number of other variables.
- **Liquidity Risk** – Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative instrument transaction is particularly large or if the relevant market is illiquid (as can be the case with OTC derivative instruments), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.
- **Counterparty Credit Risk** – This is the risk that a loss may be sustained by a Sub-Fund as a result of the failure of the other party to a derivative instrument (usually referred to as a 'counterparty') to comply with the terms of the derivative instrument contract. The counterparty credit risk for exchange-traded derivative instruments is generally less than for OTC derivative instruments, since the clearing firm, which is the issuer or counterparty to each exchange-traded derivative instrument, provides a guarantee of clearing. This guarantee is supported by a daily payment system (i.e. margin requirements) operated by the clearing firm in order to reduce overall counterparty credit risk. Assets deposited as margin with the brokers and/or exchanges may not be held in segregated accounts by these counterparties and may therefore become available to the creditors of such counterparties in the event of default by them. For privately negotiated OTC derivative instruments, there is no similar clearing firm guarantee. Therefore, the Investment Manager adopts a counterparty risk management framework which measures, monitors and manages counterparty credit risk, taking into account both current and potential future credit exposure, through the use of internal credit assessments and external credit agency ratings. Privately negotiated OTC derivative instruments are not standardised. They are an agreement between two parties and can therefore be tailored to the requirements of the parties involved. The documentation risk is reduced by adhering to standard ISDA documentation.

A Sub-Fund's exposure to an individual counterparty shall not exceed 10% of the relevant Sub-Fund's net assets. Counterparty credit risk may be further mitigated through the use of collateral agreements. However, collateral arrangements are still subject to the insolvency risk and credit risk of the issuers or depository of the collateral. Further, collateral thresholds exist below which collateral is not called for and timing differences between calculating the need for collateral and its receipt by the fund from the counterparty will both mean that not all the current exposure will be collateralised.

- **Settlement Risk** – Settlement risk exists when futures, forwards, contracts for differences, swaps and options are not settled in a timely manner, thereby increasing counterparty credit risk prior to settlement and potentially incurring funding costs that would otherwise not be experienced. If settlement never occurs the loss incurred by the Sub-Fund will be the same as it is for any other such situation involving a security namely 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.
- **Fund Management Risk** – Derivative instruments are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative instrument requires an understanding not only of the underlying asset but also of the derivative instrument itself, without necessarily the benefit of observing the performance of the derivative instrument under all possible market conditions. Further the price of an OTC derivative might not move in line with the price of the underlying instrument in some market conditions.
- **Other Risks** – Other risks in using derivative instruments include the risk of mispricing or improper valuation. Some derivative instruments, in particular privately negotiated OTC derivative instruments, do not have prices observable on an exchange and so involve the use of formulae, with prices of underlying securities or reference benchmarks obtained from other sources of market price data. OTC options and swaps can involve the use of models, with assumptions, which increases the risk of pricing errors. Improper valuations could result in increased cash payment requirements to counterparties or a loss of value to the Sub-Funds. Derivative instruments do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to track. There may also be legal risks arising from the form of contract used to document derivative trading. Consequently, the Sub-Funds' use of derivative instruments may not always be an effective means of, and sometimes could be counterproductive to, furthering the Sub-Funds' investment objective. In adverse situations, the Sub-Funds' use of derivative instruments may become ineffective and the Sub-Funds may suffer significant losses.

#### **Risks in relation to specific derivative instruments**

For Sub-Funds using one or a combination of the following instruments the following risks should be considered, as applicable:

Security Forward Contracts and Contracts for Difference: the risk to the buyer or seller of such contracts is the change in value of the underlying security. When the value of the underlying security changes, the value of the contract becomes positive or negative. Unlike futures contracts (which are settled through a clearing firm), OTC forward contracts and contracts for difference are privately negotiated between two parties and are not standardised. Further, the two parties must bear each other's credit risk, which is not the case with a futures contract and collateral is arranged to mitigate this risk. Also, since these contracts are not exchange traded, there is no marked-to-market margin requirement, which allows a buyer to avoid almost all capital outflow initially.

Equity Index, Single Stock, Interest Rate and Bond Futures: the risk to the buyer or seller of an exchange-traded future is the change in value of the underlying reference index/security/contract/bond. Futures contracts are forward contracts, meaning they represent a pledge to make a certain economic transfer at a future date. The exchange of value occurs by the date specified in the contract; the majority of contracts have to be cash settled and where physical delivery is an option the underlying instrument is actually rarely exchanged. Futures are distinguished from generic forward contracts in that they contain standardised terms, trade on a formal exchange, are regulated by overseeing agencies, and are guaranteed by clearing firms. Also, in order to ensure that payment will occur, futures have both an initial margin and a margin requirement which moves in line with the market value of the underlying asset that must be settled daily.

Exchange-Traded and OTC Options: options are complex instruments whose value depends on many variables, including the strike price of the underlying (versus the spot price both at the time the option is transacted and subsequently), the time to maturity of the option, the type of option (European or American or other type) and volatility among others.

The most significant contributor to market risk resulting from options is the market risk associated with the underlying when the option has an intrinsic value (i.e. it is 'in-the-money'), or the strike price is near the price of the underlying ('near-the-money').

In these circumstances the change in value of the underlying will have a significant influence on the change in value of the option. The other variables will also have an influence, which will likely be greater the further away the strike price is from the price of the underlying. Unlike exchange traded option contracts (which are settled through a clearing firm), OTC option contracts are privately negotiated between two parties and are not standardised. Further, the two parties must bear each other's credit risk and collateral is arranged to mitigate this risk. The liquidity of an OTC option can be less than an exchange traded option and this may adversely affect the ability to close out the option position, or the price at which such a close out is transacted.

Forward Foreign Exchange Contracts: these involve the exchange of an amount in one currency for an amount in a different currency on a specific date. Once a contract has been transacted the value of the contract will change depending on foreign exchange rate movements and, in the case of forwards, interest rate differentials. To the extent that such contracts are used to hedge non-Base Currency foreign currency exposures back to the Base Currency of the Sub-Fund, there is a risk that the hedge may not be perfect and movements in its value may not exactly offset the change in value of the currency exposure being hedged. Since the gross amounts of the contract are exchanged on the specified date, there is a risk that if the counterparty with whom the contract has been agreed goes into default between the time of payment by the Sub-Fund but before receipt by the Sub-Fund of the amount due from the counterparty, then the Sub-Fund will be exposed to the counterparty credit risk of the amount not received and the entire principal of a transaction could be lost.

Swap Agreements: Swaps may be subject to various types of risks, including market risk, liquidity risk, structuring risk, tax risk, and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty. Swaps can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease a Sub-Fund's exposure to equity or debt securities, long-term or short-term interest rates, foreign currency values, mortgage-backed securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates and may increase or decrease the overall volatility of the Sub-Fund's portfolio. Swap agreements can take many different forms and are known by a variety of names. A Sub-Fund is not limited to any particular form of swap agreement if the Investment Manager determines that other forms are consistent with the Sub-Fund's investment objective and policies. The most significant factor in the performance of swaps is the change in individual equity values, specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap calls for payments by the Sub-Fund, the Sub-Fund must have sufficient cash availability to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of a swap agreement would be likely to decline, potentially resulting in losses to the Sub-Fund.

## 8) ETF SPECIFIC RISKS

### **Costs of Buying or Selling ETF Shares Risk**

Investors buying or selling ETF Shares in the Secondary Market may pay brokerage commissions or other charges determined and imposed by the applicable broker. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of ETF Shares. In addition, Secondary Market investors will incur the cost of the difference between the price that an investor is willing to pay for ETF Shares (the "bid" price) and the price at which an investor is willing to sell ETF Shares (the "ask" price). This difference in bid and ask prices is often referred to as the "spread" or "bid/ask spread". The bid/ask spread varies over time for ETF Shares based on the underlying securities, trading volume and market liquidity and is generally lower if a Sub-Fund's ETF Shares have more trading volume and market liquidity and higher if a Sub-Fund's ETF Shares have little trading volume and market liquidity. Further, increased market volatility may cause increased bid/ask spreads. Due to the costs of buying or selling ETF Shares, including bid/ask spreads, frequent trading of ETF Shares may significantly reduce investment results and an investment in ETF Shares may not be advisable for investors who wish to trade regularly in relatively small amounts.

### **Counterparty Risk to the Dividend Paying Agent – Dividend Monies**

A dividend paying agent for the Sub-Funds with ETF Shares (the "Dividend Paying Agent") is responsible for arranging dividend payments to Shareholders on the relevant dividend payment date. Shortly before the dividend payment date, monies for distribution to Shareholders as dividends will be transferred from the Fund's cash accounts with the Depository to the Dividend Paying Agent. During the interim period, dividend monies are held with the Dividend Paying Agent (or its associated depository bank) in the form of cash and the Fund will have credit risk exposure, in respect of such cash, to the Dividend Paying Agent and its associated depository bank. Cash held by the Dividend Paying Agent will not be segregated in practice but will be a debt owing from the Dividend Paying Agent (or its associated depository bank) to the Fund as a depositor. In the event of the insolvency of the

Dividend Paying Agent (or its associated depositary bank) during the interim period, the Fund will be treated as a general and unsecured creditor of the Dividend Paying Agent (or its associated depositary bank) in relation to the cash. The Fund may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Fund may lose some or all of the dividend monies being distributed by the Dividend Paying Agent resulting in a reduction to the value of the relevant Sub-Fund(s).

### **Dealing Day Risk**

As foreign exchanges can be open on days which are not Dealing Days or days when a Sub-Fund may have suspended calculation of its Net Asset Value and the subscription and redemption of Shares and, therefore, Shares in the Sub-Fund are not priced, the value of securities in the Sub-Fund's portfolio may change on days when a Sub-Fund's Shares will not be able to be purchased or sold.

### **Failure to Settle Risk**

If an Authorised Participant submits a dealing request and subsequently fails or is unable to settle and complete that dealing request (including, for example, where the Authorised Participant no longer has the monies to fund the settlement), the recourse available to the Fund may be limited to that agreed contractually with the Authorised Participant. In the event that limited or no recourse is available to the Fund, loss may be suffered by the Fund and its investors.

### **Fluctuation of Net Asset Value and Market Pricing Risk**

The Net Asset Value per Share will generally fluctuate with changes in the market value of a Sub-Fund's securities holdings. The market price of ETF Shares will generally fluctuate in accordance with changes in a Sub-Fund's Net Asset Value and supply and demand of ETF Shares on the relevant Listing Stock Exchange(s). It cannot be predicted whether ETF Shares will trade below, at or above the Net Asset Value per Share. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for ETF Shares will be closely related to, but not identical to, the same forces (including whether or not a given market is open) influencing the prices of the Sub-Fund's securities holdings trading individually or in the aggregate at any point in time. The market price of ETF Shares may deviate significantly from the Net Asset Value per Share during periods of market volatility. However, given that ETF Shares can be created and redeemed in large volumes, large discounts or premiums to the Net Asset Value per Share should not be sustained. While the creation/redemption feature is designed to help make it likely that ETF Shares normally will trade close to the Net Asset Value per Share, disruptions or suspensions to creations and redemptions may result in trading prices that differ significantly from the Net Asset Value per Share. Losses may be incurred, or profits reduced, if ETF Shares are purchased at a time when the market price is at a premium to the Net Asset Value per Share or sold at a time when the market price is at a discount to the Net Asset Value per Share.

### **Secondary Market Trading Risk**

Although the ETF Shares of a Sub-Fund will be listed for trading on the relevant Listing Stock Exchange(s), there can be no assurance that an active trading market for such ETF Shares will develop or be maintained. Trading in ETF Shares on a Listing Stock Exchange may be halted due to market conditions or for reasons that, in the view of the relevant Listing Stock Exchange, make trading in ETF Shares inadvisable. In addition, trading in ETF Shares on a Listing Stock Exchange is subject to trading halts caused by extraordinary market volatility pursuant to stock exchange "circuit breaker" rules. There can be no assurance that the requirements of a Listing Stock Exchange necessary to maintain the listing of a Sub-Fund will continue to be met or will remain unchanged or that the ETF Shares will trade with any volume, or at all, on any stock exchange. Furthermore, any securities that are listed and traded on stock exchanges can also be bought or sold by members of those exchanges to and from each other and other third parties on terms and prices that are agreed on an "over-the-counter" basis and may also be bought or sold on other multi-lateral trading facilities or platforms. The Fund has no control over the terms on which any such trades may take place. There can be no guarantee that once the Shares are listed or traded on a Listing Stock Exchange they will remain listed or traded on that Listing Stock Exchange.

**Shares purchased on the Secondary Market cannot usually be sold directly back to the Fund. Investors must buy and sell ETF Shares with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value per Share when buying ETF Shares and may receive less than the current Net Asset Value per Share when selling them.** In exceptional circumstances, whether as a result of disruptions in the Secondary Market or otherwise, investors who have acquired ETF Shares on the Secondary Market are entitled to apply to the Fund in writing to have the ETF Shares in question registered in their own name, to enable them to access the redemption facilities described under "Procedure for Dealing on the Primary Market" in the "Purchase and Sale Information" section.

### Differences between Listed and Unlisted Share Classes

The ETF Sub-Funds may issue both ETF Shares (which will be listed for trading on the relevant Listing Stock Exchange(s)) and Non-ETF Shares (which will not be listed for trading on the relevant Listing Stock Exchange(s)). Investors should note the differences between investing in ETF Shares and Non-ETF Shares, including, but not limited to, the following:

Item	Non-ETF Shares	ETF Shares
<b>Dealing Arrangements</b>	<ul style="list-style-type: none"> <li>Investors purchase and redeem Non-ETF Shares directly from the Fund.</li> <li>Investors can purchase and sell Non-ETF Shares once on each Dealing Day.</li> </ul>	<ul style="list-style-type: none"> <li>Investors purchase and redeem ETF Shares on the relevant Listing Stock Exchange through a market participant (e.g. a stockbroker).</li> <li>Investors can, where the relevant Listing Stock Exchange is open for trading, purchase and sell ETF Shares throughout each Dealing Day.</li> </ul>
<b>Dealing Mechanism</b>	Non-ETF Shares are purchased directly from the Fund.	Investors must generally deal through a broker in order to purchase and sell ETF Shares.
<b>Costs of Dealing</b>	See the section of this Prospectus entitled “Subscription Price” for information on the fees and costs associated with purchasing Non-ETF Shares and the section entitled “Redemption Price” for information on the fees and costs associated with selling Non-ETF Shares.	See the sections of this Prospectus entitled “Secondary Market Prices” and “Costs of Buying or Selling ETF Shares Risk” for information on the fees and costs associated with purchasing and selling ETF Shares.
<b>Minimum Dealing Amounts</b>	In the case of Non-ETF Shares, an investor must make an initial subscription in an amount equal to or greater than the minimum initial subscription amount (if any) specified in the Relevant Supplement.	In the case of ETF Shares purchased on the Secondary Market, given that the ETF Shares are not purchased directly from the Fund, the Fund does not apply a minimum initial subscription amount for the purchase of ETF Shares on the Secondary Market.
<b>Shareholder Rights</b>	In the case of Non-ETF Shares, the investor (or its nominee) is the registered holder of such Non-ETF Shares.	An investor in ETF Shares is not the registered holder of such ETF Shares on the Register, but instead the ETF Shares are registered in the name of the Common Depositary’s nominee on behalf of Euroclear Bank SA/NV (“Euroclear”) (which is the applicable ICSD in respect of the ETF Shares).

### Trading Currency Exposure

Shares may be traded in various currencies on various Listing Stock Exchanges. In addition, subscriptions and redemption of Shares in a Sub-Fund will ordinarily be made in the Base Currency of the Sub-Fund and may in some cases be permitted in other currencies. The currencies in which the underlying investments of a Sub-Fund are denominated may also differ from the Base Currency of the Sub-Fund (which may, in the case of an Index Tracking Sub-Fund, follow the base currency of the Sub-Fund’s Index). Depending on the currency in which an investor invests in a Sub-Fund, foreign exchange fluctuations between currency of investment and the Base Currency of the Sub-Fund and/or the currencies in which the Sub-Fund’s underlying investments are denominated, will have impact on, and may adversely affect, the value of such investor’s investments.

**The foregoing risk factors do not purport to be a complete explanation of the risks involved in investing in the Shares. Prospective investors should read the entire Prospectus and the Relevant Supplement(s) and consult with their legal, tax and financial advisors before making any decision to invest in the Fund.**

## PURCHASE AND SALE INFORMATION

Certain Sub-Funds are exchange traded funds (the “**ETF Sub-Funds**”) which means that the Shares of the ETF Sub-Funds are listed on one or more Listing Stock Exchanges. The ETF Sub-Funds may issue both ETF Shares (which are intended to be actively traded on a Secondary Market) and Non-ETF Shares (which will not be listed for trading on a Secondary Market).

Certain Sub-Funds may also be established as non-ETF sub-funds (the “**Non-ETF Sub-Funds**”) and only issue Non-ETF Shares, being Shares which are not intended to be actively traded on a Secondary Market. Please see the section titled “Non-ETF Sub-Funds” below for purchase and sale information in respect of the Non-ETF Sub-Funds.

### ETF SUB-FUNDS

For the ETF Sub-Funds, certain market makers and brokers, as well as affiliates of the Investment Manager, are authorised by the Fund to subscribe and redeem ETF Shares of those ETF Sub-Funds directly with the Fund in the Primary Market and they are referred to as “Authorised Participants”. Such Authorised Participants generally have the capability to deliver the ETF Shares of the ETF Sub-Funds within the clearing systems relevant to the Listing Stock Exchange. Authorised Participants usually sell the ETF Shares they subscribe on one or more stock exchanges, the Secondary Market, where such ETF Shares become freely tradable. Potential investors who are not Authorised Participants can purchase and sell the ETF Shares of the ETF Sub-Funds on the Secondary Market through a broker/dealer on a recognised stock exchange or over-the-counter. For further details of such brokers please contact the Manager.

### Procedure for Dealing on the Primary Market

The Primary Market is the market on which ETF Shares of the ETF Sub-Funds are issued or redeemed by the Fund at the request of Authorised Participants. Only Authorised Participants are able to effect subscriptions and redemptions of ETF Shares on the Primary Market.

Applicants wishing to deal on the Primary Market in respect of the ETF Sub-Funds have to satisfy certain eligibility criteria, and be registered with the Fund, to become Authorised Participants. In addition, all applicants applying to become Authorised Participants must first complete the Subscription Agreements which may be obtained from the Investment Manager or Administrator and satisfy certain anti-money laundering checks. The signed original Subscription Agreement should be sent to the Administrator in accordance with the details set out in the Subscription Agreement. Applicants wishing to become Authorised Participants should contact the Manager for further details.

Authorised Participants may submit dealing requests for subscriptions or redemptions of ETF Shares in an ETF Sub-Fund via APEX or any system developed and implemented by the Manager in due course. “**APEX**” is the web based portal and online order entry facility operated by the Administrator. The use of APEX is subject to the prior consent of the Investment Manager and the Administrator and must be in accordance with and comply with the requirements of the Central Bank. Requests for subscriptions and redemptions placed electronically are subject to the Dealing Deadlines stated in the Relevant Supplement. Alternative dealing methods (i.e. dealing other than through APEX, for example via other electronic means) are available with the consent of the Investment Manager and in accordance with the requirements of the Central Bank. The Fund, the Investment Manager and the Administrator shall not be responsible for any losses arising in the transmission of any dealing request through APEX or any alternative dealing method approved by the Investment Manager.

Subscriptions and redemptions are made in baskets of ETF Shares or in cash at the discretion of the Manager or the Investment Manager. Subscription and redemption orders will normally be accepted in multiples of the minimum number of ETF Shares set at the discretion of the Manager or the Investment Manager. Authorised Participants should refer to APEX or the Manager for details of the minimum subscription and redemption orders for the ETF Sub-Funds.

The Fund has absolute discretion to accept or reject in whole or in part any application for ETF Shares (prior to the issue of ETF Shares to an applicant and notwithstanding the application having been accepted) without assigning any reason therefor and to revoke any authorisation to act as an Authorised Participant. Dealing requests, once submitted, shall (save as determined by the Investment Manager at its discretion) be irrevocable. Any amendments to registration details and payment/settlement instructions will only be effected upon receipt of original documentation by the Administrator.

ETF Shares may be subscribed for during the Initial Offer Period for the relevant ETF Sub-Fund at the Initial Offer Price specified in the Relevant Supplement. Such ETF Shares will be issued upon the closure of the Initial Offer Period for the relevant ETF Sub-Fund, as specified in the Relevant Supplement. Thereafter, ETF Shares may be subscribed for and redeemed on each Dealing Day by making an application before the Dealing Deadline specified for each ETF Sub-Fund in the Relevant Supplement. Such ETF Shares will be issued or redeemed at the Net Asset Value per Share plus (in the case of subscriptions) or less (in the case of redemptions) an amount in respect of Duties and Charges, where applicable, on each Dealing Day.

All ETF Shares issued will be in registered form and a written trade confirmation will be sent to Authorised Participants.

Authorised Participants are responsible for ensuring that they are able to satisfy their purchase and redemption settlement obligations when submitting dealing requests on the Primary Market. Authorised Participants making redemption requests must first ensure that they have a sufficient holding of ETF Shares available for redemption. Redemption requests will be processed only where the payment is to be made to the Authorised Participant's account of record.

### **Dealings in Kind, in Cash and Directed Cash Dealings**

ETF Shares may be subscribed for and redeemed on each Dealing Day.

The Fund has absolute discretion to accept or reject in whole or in part any application for ETF Shares without assigning any reason therefor. The Fund also has absolute discretion (but shall not be obliged) to reject or cancel in whole or in part any subscription for ETF Shares prior to the issue of ETF Shares to an applicant (notwithstanding the application having been accepted) and, registration of same in the name of the relevant nominee in the event that any of the following occurs to the Authorised Participant (or its parent company or ultimate parent company): an Insolvency Event; a downgrading of credit rating; being placed on a watchlist (with negative implications) by a credit rating agency; or where the Fund (or the Manager or the Investment Manager) has reasonable grounds to conclude that the relevant Authorised Participant may be unable to honour its settlement obligations or that the Authorised Participant poses a credit risk to the Fund. In addition, the Fund may impose such restrictions as it believes necessary to ensure that no ETF Shares are acquired by persons who are Unqualified Persons.

The Fund may accept subscriptions and pay redemptions either in kind or in cash or in a combination of both. The Fund may determine whether to accept subscriptions in kind and/or in cash at its absolute discretion.

ETF Shares may be subscribed at the Net Asset Value thereof together with associated Duties and Charges which may be varied to reflect the cost of execution. ETF Shares may be redeemed at the Net Asset Value thereof less any associated Duties and Charges which may be varied to reflect the cost of execution. The Instrument of Incorporation empowers the Fund to charge such sum as the Manager considers represents an appropriate figure for Duties and Charges. The level and basis of calculating Duties and Charges may also be varied depending on the size of the relevant dealing request and the costs relating to, or associated with, Primary Market transactions. In addition, a subscription fee of up to 5% of the Net Asset Value of ETF Shares being subscribed and/or a redemption fee of up to 3% of the Net Asset Value of the ETF Shares being redeemed may be charged by the Manager. Where Authorised Participants request subscriptions or redemptions in cash in a currency that is different from the currencies in which the relevant ETF Sub-Fund's underlying investments are denominated, the foreign exchange transaction costs associated with converting the subscription amount to the currencies needed to purchase the underlying investments (in the case of a subscription) or converting the sale proceeds from selling the underlying investments to the currency needed to pay redemption proceeds (in the case of a redemption) will be included in the Duties and Charges which are applied to the relevant subscription or redemption amounts (respectively) paid or received (as the case may be) by such Authorised Participants.

In some cases, the level of Duties and Charges has to be determined in advance of the completion of the actual purchase or sale of investments or execution of associated foreign exchange by or on behalf of the Fund and the subscription or redemption price may be based on estimated Duties and Charges (which could be based on historic information concerning the costs incurred or expected costs in trading the relevant securities in the relevant markets). Where the sum representing the subscription or redemption price is based on estimated Duties and Charges which turn out to be different to the costs actually incurred by an ETF Sub-Fund when acquiring or disposing of investments as a result of a subscription or redemption, the Authorised Participant shall reimburse the ETF Sub-Fund for any shortfall in the sum paid to the ETF Sub-Fund (on a subscription) or any excess sum received from the ETF Sub-Fund (on a redemption), and the ETF Sub-Fund shall reimburse the Authorised Participant for any excess received by the

ETF Sub-Fund (on a subscription) or any shortfall paid by the ETF Sub-Fund (on a redemption), as the case may be. Authorised Participants should note that no interest will accrue or be payable on any amount reimbursed or to be reimbursed by an ETF Sub-Fund. In order to protect the ETF Sub-Funds and their Shareholders, the Fund and the Manager reserve the right to factor into the estimated Duties and Charges a buffer to protect the ETF Sub-Funds from potential market and foreign exchange exposure pending the payment of the actual Duties and Charges.

Dealing orders will normally be accepted above the minimum number of ETF Shares. Such minima may be reduced or increased in any case at the discretion of the Manager. Authorised Participants should refer to the Administrator for details of minimum subscription and redemption orders for the ETF Sub-Funds. Details in relation to the Valuation Points and Dealing Deadlines for the ETF Sub-Funds are also set out in the Relevant Supplement. Details of the Dealing Deadlines are also available from the Administrator. Details of the Initial Offer Period and Initial Offer Price are set out in the Relevant Supplement.

Applications received after the times listed in the Relevant Supplement will generally not be accepted for dealing on the relevant Dealing Day and will be carried over to the next Dealing Day. However, such applications may be accepted for dealing on the relevant Dealing Day, at the discretion of the Fund, the Manager or the Investment Manager, in exceptional circumstances, provided they are received prior to the Valuation Point. Settlement of the transfer of investments and/or cash payments in respect of subscriptions and redemptions must take place within a prescribed number of Business Days after the Dealing Day (or such earlier time as the Manager may determine in consultation with the Authorised Participant). Authorised Participants should refer to the Administrator for details of the maximum and minimum settlement times (which can range from one to 10 Business Days) in respect of subscriptions and redemptions. If a market is closed for trading or settlement on any Business Day during the period between the relevant Dealing Day and the expected settlement date (inclusive), and/or settlement in the Base Currency of the ETF Sub-Fund is not available on the expected settlement date, there may be corresponding delays to the settlement times (but such delays will not exceed the regulatory requirements for settlement).

If a redeeming Authorised Participant requests redemption of a number of ETF Shares representing 5% or more of the Net Asset Value of an ETF Sub-Fund, the Directors may, in their sole discretion, redeem the ETF Shares by way of a redemption in kind and, in such circumstances, the Directors will, if requested by the redeeming Authorised Participant, sell the investments on behalf of the Authorised Participant. (The cost of the sale can be charged to the Authorised Participant.) Where a redemption is requested for a number of ETF Shares representing less than 5% of the Net Asset Value of an ETF Sub-Fund, the Directors may only redeem the ETF Shares by way of a redemption in kind with the consent of the redeeming Authorised Participant.

If redemption requests on any Dealing Day represent 10% or more of the ETF Shares in issue in respect of any ETF Sub-Fund, the Manager may, in its discretion, refuse to redeem any ETF Shares in excess of 10% (at any time including after the relevant Dealing Deadline). Any request for redemption on such Dealing Day shall be reduced rateably and the excess redemption requests shall be treated as if they were received on each subsequent Dealing Day until all ETF Shares to which the original requests related have been redeemed.

Settlement for redemptions will be made within 10 Business Days of the Dealing Day. Payment of redemption proceeds to the account instructed by the Authorised Participant requesting the redemption will be in full discharge of the Fund's obligations and liability.

The Investment Manager will carry out the underlying trades for any subscription or redemption request at its absolute discretion and may vary the underlying trades (for example, by staggering the timing of the trades) to take into account (amongst other things) the impact on other ETF Shares in the relevant ETF Sub-Fund and on the underlying market, as well as acceptable industry practices.

The Administrator or the Directors may refuse to process a redemption request until proper information, such as the original Subscription Agreement and all requested supporting anti-money laundering documentation, has been provided.

**Dealings in Kind.** ETF Shares in certain ETF Sub-Funds may be subscribed for and/or redeemed in exchange for in kind assets. Authorised Participants wishing to deal in kind should contact the Manager for a list of ETF Sub-Funds which accept dealing requests in kind.

Authorised Participants subscribing for ETF Shares in exchange for in kind assets are required to deliver a basket of underlying securities and a cash component (both as determined by the Investment Manager based on the underlying

portfolio held, and to be held, by the ETF Sub-Fund) to the ETF Sub-Fund as part of its settlement obligations. The securities to be transferred to the relevant ETF Sub-Fund as part of any in kind subscription must be such that they would qualify as investments of the relevant ETF Sub-Fund in accordance with its investment objectives, policies and restrictions. The securities provided must be vested with the Depositary or arrangements be made to vest them with the Depositary.

In the event that an Authorised Participant fails to deliver, or delays in delivering, one or more of the specified underlying securities by the relevant settlement date, the Fund may (but shall not be obliged to) require the Authorised Participant to pay to it a sum equal to the value of such underlying securities plus any Duties and Charges associated with the purchase by the Fund of such underlying securities, including any foreign exchange costs and other fees, and/or costs incurred as a result of the delay.

The Directors have the right to refuse the securities proposed for any reason, including where the securities are not delivered to the Fund, in exactly the form agreed with the Investment Manager, together with the relevant cash component, by the time and date specified (or before the expiry of an extension granted by the Directors, if any), in which case, the Directors reserve the right to cancel any provisional allotment of ETF Shares.

The exact value of the cash component in the case of an in kind subscription is determined after the calculation of the Net Asset Value of the relevant Sub-Fund for the relevant Dealing Day on the basis of the prices used in calculating the Net Asset Value per Share and equals the difference between the value of the ETF Shares to be issued and the value of the securities to be provided as part of the subscription, using the same valuation methodology as that used to determine the Net Asset Value per Share. The Directors may, in their absolute discretion, include an appropriate provision for Duties and Charges in respect of each subscription.

Redemptions by Authorised Participants in exchange for in kind assets would receive their redemption proceeds in the form of underlying securities and, if relevant, a cash component, as determined by the Investment Manager based on the Sub-Fund's underlying portfolio. The composition of the basket of securities to be delivered by the Fund and an estimated amount of the balance in cash will be made available upon request to Authorised Participants by the Administrator. The selection of the securities is subject to the approval of the Depositary. The exact value of the cash balance is determined after calculation of the Net Asset Value on the relevant Dealing Day on the basis of the prices used in calculating the Net Asset Value per Share and will equal the difference between the value of the ETF Shares to be redeemed and the value of the securities to be delivered at the prices used in calculating the Net Asset Value per Share on the same date.

**Directed Cash Dealings.** If, in connection with any Primary Market subscription applications or redemption request, any request is made to execute underlying security trades and/or foreign exchange in a way that is different than normal and customary convention, the Manager will use reasonable endeavours to satisfy such request if possible, but the Manager will not accept any responsibility or liability if the execution request is not achieved in the way requested for any reason whatsoever. In no circumstances will an Authorised Participant have discretion over the assets of an ETF Sub-Fund in that capacity.

If any Authorised Participant making a cash subscription or redemption wishes to have the underlying securities traded with a particular designated broker (i.e. a directed cash subscription or redemption), the Authorised Participant must specify such instructions in its dealing request. The Manager may at its sole discretion (but shall not be obliged to) transact for the underlying securities with the designated broker. Authorised Participant that wish to select a designated broker are required, prior to the Manager transacting the underlying securities, to contact the relevant portfolio trading desk of the designated broker to arrange the trade.

If a subscription application is accepted as a directed cash subscription, as part of the Authorised Participant's settlement obligations, the Authorised Participant would be responsible for: (i) ensuring that the designated broker transfers to the Fund (via the Depositary) the relevant underlying securities; and (ii) paying the fees and costs charged by the designated broker for selling the relevant underlying securities to the Fund plus any associated Duties and Charges, including foreign exchange costs, to reflect the cost of execution.

If a redemption request is accepted as a directed cash redemption, the Authorised Participant is responsible for ensuring that the designated broker purchases the relevant underlying securities from the Fund. The Authorised Participant will receive the price paid by the designated broker for purchasing the relevant underlying securities from the Fund, less any associated Duties and Charges, including foreign exchange costs, to reflect the cost of execution.

The Manager will not be responsible, and shall have no liability, if the execution of the underlying securities with a designated broker and, by extension, a directed cash subscription or redemption order, is not carried out due to an omission, error, failed or delayed trade or settlement on the part of the Authorised Participant or the designated broker. Should an Authorised Participant or the designated broker default on, delay settlement of, or change the terms of, any part of the underlying securities transaction, the Authorised Participant shall bear all associated risks and costs, including costs incurred by the Fund and/or the Manager as a result of the delay to the underlying securities transaction. In such circumstances, the Fund and the Manager have the right to transact with another broker and to amend the terms of the subscription or redemption, including the subscription price and/or redemption proceeds, to take into account the default, delay and/or the change to the terms.

**Clearing and Settlement.** The Directors have resolved that ETF Shares will not currently be issued in dematerialised (or uncertificated) form and no temporary documents of title or Share certificates will be issued, other than the Global Share Certificate required for the ICSDs (being the Recognised Clearing Systems through which ETF Shares will be settled). The Fund will apply for admission for clearing and settlement through the applicable ICSD. The ICSD for the ETF Sub-Funds in respect of the ETF Shares is Euroclear and the applicable ICSD for an investor is dependent on the market in which the ETF Shares are traded. All investors will ultimately settle in an ICSD but may have their holdings within central securities depositories. A Global Share Certificate will be deposited with the Common Depositary (being the entity nominated by the ICSDs to hold the Global Share Certificate) and registered in the name of the Common Depositary's nominee (being the registered holder of the ETF Shares, as nominated by the Common Depositary) on behalf of Euroclear and accepted for clearing through Euroclear. Interests in the ETF Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws and any rules and procedures issued by the ICSDs. Legal title to the ETF Shares will be held by the Common Depositary's nominee.

**Failure to Deliver.** In the event that: (i) in respect of an in kind dealing resulting in a creation of Shares, an Authorised Participant fails to deliver the required investments and cash component; (ii) in relation to a cash creation, an Authorised Participant fails to deliver the required cash; or (iii) in respect of a directed cash dealing resulting in a creation, an Authorised Participant fails to deliver the required cash or its designated broker fails to deliver the underlying investments, within the stated settlement times, the Fund and/or Manager reserves the right (but shall not be obliged) to cancel the relevant subscription request. The Authorised Participant shall indemnify the Fund for any loss suffered by the Fund or any ETF Sub-Fund as a result of a failure or delay by the Authorised Participant to deliver the required investments and cash component or cash and, for directed cash dealings resulting in creations, any loss suffered by the Fund or any Sub-Fund as a result of a failure by the designated broker to deliver the required underlying investments, within the stated settlement times, including (but not limited to) any market exposure, interest charges and other costs suffered by the Fund or any ETF Sub-Fund. The Fund reserves the right to cancel the provisional allotment of the relevant ETF Shares in those circumstances.

The Directors may, in their sole discretion where they believe it is in the best interests of an ETF Sub-Fund, decide not to cancel a subscription and provisional allotment of ETF Shares where an Authorised Participant has failed to deliver the required investment and cash component or cash and/or, for directed cash subscriptions, the designated broker has failed to deliver the required underlying investments, within the stated settlement times. The Fund may temporarily borrow an amount equal to the subscription and invest the amount borrowed in accordance with the investment objective and policies of the relevant ETF Sub-Fund. Once the required investments and cash component or cash has been received, the Fund will use this to repay the borrowings. The Fund reserves the right to charge the relevant Authorised Participant for any interest or other costs incurred by the Fund as a result of this borrowing. Where a designated broker under a directed cash subscription fails or delays in delivering the required underlying securities, the Fund and the Manager has a right to transact with a different broker and to charge the relevant Authorised Participant for any interest or other costs incurred by the Fund relating to the failed and new transactions. If the Authorised Participant fails to reimburse the Fund for those charges, the Fund and/or Investment Manager will have the right to sell all or part of the applicant's holdings of ETF Shares in the ETF Sub-Fund or any other ETF Sub-Fund in order to meet those charges.

A redemption request by an Authorised Participant will only be valid if the Authorised Participant satisfies its settlement obligation to deliver holdings in the required number of ETF Shares in the relevant ETF Sub-Fund to the Administrator for settlement by the relevant settlement date. In the event an Authorised Participant fails to deliver the required number of ETF Shares of the relevant ETF Sub-Fund in relation to a redemption within the stated settlement times, the Fund and/or Manager reserves the right (but shall not be obliged) to treat this as a settlement failure by the Authorised Participant and to cancel the relevant redemption order, and the Authorised Participant shall indemnify the Fund for any loss suffered by the Fund as a result of a failure by the Authorised Participant to deliver the required number of ETF Shares in a timely fashion, including (but not limited to) any market exposure and costs suffered by the ETF Sub-Fund.

In the event that an Authorised Participant is liable to reimburse an ETF Sub-Fund in respect of Duties and Charges (e.g. for any shortfall in the sum paid to the ETF Sub-Fund on a subscription or any excess redemption proceeds received from the ETF Sub-Fund on a redemption), the Fund reserves the right to charge the relevant Authorised Participant for any interest or other costs incurred by the Fund as a result of the Authorised Participant's failure to reimburse the ETF Sub-Fund in a timely manner after receiving notice of the sum payable.

**Title to Shares.** The Fund is required to maintain a Register of Shareholders. Only persons appearing on the Register of Shareholders will be a Shareholder. Fractional Shares will not be issued. No temporary documents of title or Share certificates will be issued (save as provided below). A trade confirmation will be sent by the Administrator to the Authorised Participants.

### **Procedure for Dealing on the Secondary Market**

**Secondary Market Purchases and Sales of ETF Shares.** An ETF Sub-Fund's ETF Shares purchased on the Secondary Market cannot usually be sold directly back to the ETF Sub-Fund by investors who are not Authorised Participants. Investors who are not Authorised Participants must buy and sell ETF Shares on a Secondary Market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees and additional taxes in doing so. In addition, as the market price at which the ETF Shares are traded on the Secondary Market may differ from the Net Asset Value per Share, investors may pay more than the current Net Asset Value when buying ETF Shares and may receive less than the current Net Asset Value when selling them.

An investor (that is not an Authorised Participant) shall have the right, subject to compliance with relevant laws and regulations, to request that the Manager buys back its ETF Shares in respect of an ETF Sub-Fund in circumstances where the Manager has determined in its sole discretion that the Net Asset Value per Share of the ETF Sub-Fund differs significantly to the value of an ETF Share of the ETF Sub-Fund traded on the Secondary Market, for example, where no Authorised Participants are acting, or willing to act, in such capacity in respect of the ETF Sub-Fund (a "**Secondary Market Disruption Event**").

Investors who wish to request that the Manager buy back their ETF Shares should contact the Administrator to provide such proper information, including original Subscription Agreements and anti-money laundering documentation, as the Administrator shall require in order to register the investor as a Shareholder. A charge, which shall be at normal market rates, may apply for this process. Investors should note that ETF Shares redeemed in this way will only be settled in cash and not in kind.

Redemption orders will be processed on the Dealing Day on which the ETF Shares are received back into the account of the Administrator by the Dealing Deadline less any applicable Duties and Charges and other reasonable administration costs, provided that the completed buy-back request has also been received.

The Manager may at its complete discretion determine that the Secondary Market Disruption Event is of a long term nature and is unable to be remedied. In that case, the Manager may resolve to compulsorily redeem investors and may subsequently terminate the ETF Sub-Fund.

Any investor requesting a buyback of its ETF Shares in the case of a Secondary Market Disruption Event may be subject to taxes, as applicable, including any capital gains taxes or transaction taxes. Therefore, it is recommended that prior to making such a request, the investor seeks professional tax advice in relation to the implications of the buyback under the laws of the jurisdiction in which they may be subject to tax. Investors should also refer to "Costs of Buying or Selling ETF Shares Risk" and "Trading Issues Risk" in the "Risk Information" section.

**Secondary Market Prices.** The trading prices of an ETF Sub-Fund's ETF Shares will fluctuate continuously throughout trading hours based on market supply and demand rather than the Net Asset Value per Share, which is only calculated at the end of each Valuation Day. The ETF Shares will trade on the Listing Stock Exchange(s) at prices that may be above (i.e. at a premium) or below (i.e. at a discount), to varying degrees, the Net Asset Value per Share. The trading prices of an ETF Sub-Fund's ETF Shares may deviate significantly from the Net Asset Value per Share during periods of market volatility and may be subject to brokerage commissions and/or transfer taxes associated with the trading and settlement through the relevant Listing Stock Exchange. There can be no guarantee that once the ETF Shares are listed on a Listing Stock Exchange they will remain listed. Investors should also refer to "Fluctuation of Net Asset Value" in the "Risk Information" section.

## NON-ETF SUB-FUNDS

This section applies to all Shares of Non-ETF Sub-Funds and to Non-ETF Shares of ETF Sub-Funds.

### Subscriptions

#### *General*

Applications for Shares of each Sub-Fund may be made in respect of any Dealing Day and, unless otherwise determined by the Directors, should be made using the Subscription Agreement. For an initial subscription for Shares, the Subscription Agreement should be sent to the Administrator by post, facsimile or other electronic means acceptable to the Administrator prior to the Dealing Deadline, with (in the case of facsimile or electronic means) the original to follow promptly thereafter. For an additional subscription for Shares, the Subscription Agreement (or other subscription documents accepted by the Directors) may be sent to the Administrator by post, facsimile or other electronic means acceptable to the Administrator by the Dealing Deadline and (in the case of facsimile or electronic means) the Administrator will not need to receive the original additional Subscription Agreement.

Redemption payments will be withheld until the Subscription Agreement has been received and all documentation required by the Fund (including any documents in connection with anti-money laundering procedures) have been received.

Unless otherwise determined by the Directors in exceptional circumstances, where Subscription Agreements (or other subscription documents accepted by the Directors) are received by the Administrator after the relevant Dealing Deadline, the subscription will be held over without interest until the next applicable Dealing Day. No subscription request will be accepted after the relevant Valuation Point for a Sub-Fund or, if several, the earliest thereof. Unless otherwise determined by the Directors, subscription money must be received by the Administrator on or before the Settlement Deadline.

Unless otherwise determined by the Directors and agreed with the Administrator, subscription money must be received in the currency of the relevant Class.

Unless otherwise determined by the Directors in their sole discretion, save in the event of a suspension of the calculation of the Net Asset Value and / or subscriptions, applications to subscribe for Shares are irrevocable.

The Directors reserve the right to reject any application in whole or in part, for any or no reason, in which event the application monies or any balance thereof will be returned to the applicant without interest at their own risk within a reasonable period following the Dealing Day. Where applications are accepted, notification of the allotment and issue of Shares of the relevant Classes will be sent as soon as possible following the completion of the Net Asset Value computation after the relevant Dealing Day.

Before subscribing for Shares, an applicant who is not an Irish resident or who is an Exempt Irish Investor will be required to complete the declaration included in the Subscription Agreement.

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

#### *Subscription Price*

Shares in Classes within which no Shares have been issued yet will be available for subscription during the Initial Offer Period at the Initial Offer Price as set out in the Relevant Supplement.

Shares in Classes within which Shares have been issued may be purchased, subsequent to an Initial Offer Period, in respect of any Dealing Day at the Net Asset Value per Share as of the applicable Valuation Day, plus an amount in respect of Duties and Charges (if any).

Investors may be liable for any interest, losses or other costs incurred if subscription money is not received on or before the relevant Settlement Deadline unless the Directors determine that such sum is de minimis.

The Manager may elect in its absolute discretion to accept subscription payments from investors, either in whole or

in part, in specie and / or in kind rather than in cash, provided that the assets received would qualify as investments of the relevant Sub-Fund pursuant to its investment objective and policies. Arrangements must be made to vest the assets with the Depositary, who must be satisfied that there is unlikely to be any material prejudice to the existing Shareholders. The Manager will use the same valuation procedures used in determining the Net Asset Value to determine the value to be attributed to the relevant securities to be accepted in payment of the subscription amount and the number of Shares issued must not exceed the amount that would be issued for the cash equivalent. Upon receipt of properly completed subscription materials, the Administrator will allot the requisite number of Shares in the normal manner. The Directors reserve the right to decline to register any prospective investor until the subscriber has been able to prove title to the assets in question and make a valid transfer thereof. The subscriber will be responsible for all custody and other costs involved in the transfer of the relevant assets, unless the Manager otherwise agrees.

#### *Minimum Subscription Amount*

An investor must make an initial subscription in an amount equal to or greater than the minimum initial subscription amount (if any) specified in the Relevant Supplement. Subsequent subscriptions must be for an amount equal to or greater than the minimum additional subscription amount (if any) specified in the Relevant Supplement. The Directors may in their discretion waive or reduce the minimum initial subscription amount and the minimum additional subscription amount (if any).

#### *Suspensions*

Subscription requests will not be processed when the calculation of the Net Asset Value per Share and / or subscriptions is / are suspended.

#### *Closure to Investment*

Performance may be affected by the size of the relevant Sub-Fund. With this in mind and depending upon market conditions, the Directors may consider the imposition of periods when the Fund or any Sub-Fund may be closed to new investors and / or further investment where they consider in their absolute discretion this will be beneficial to the relevant Sub-Fund.

#### *Shares Issued in Registered Form*

Shares will be issued in registered form only. The Fund may issue fractional Shares up to one thousandth of a Share or such other fraction as may be specified in the Relevant Supplement. Unless the relevant application for Shares has been rejected, written confirmation of ownership, evidencing entry in the register, will be issued upon receipt and acceptance of a signed Subscription Agreement, duly completed.

Due to the time that may be required to calculate the subscription price, the actual allotment of Shares will take place upon finalisation of the Net Asset Value but, notwithstanding this, investors will participate in the relevant Sub-Fund and its investment programme from the Valuation Day for the Sub-Fund.

#### *Subscription Fee*

Where disclosed in the Relevant Supplement, a subscription fee may be charged of up to 5%. This fee may be waived, in whole or in part, in the discretion of the Directors (or the Manager as the Fund's delegate).

### **Redemptions**

#### *General*

Shareholders may request that Shares be redeemed in respect of any Dealing Day by completing and submitting a Redemption Application to the Administrator. The Redemption Application must be sent by post or facsimile (or other electronic means acceptable to the Administrator). Unless otherwise determined by the Directors in their sole discretion, save in the event of a suspension of the calculation of Net Asset Value and / or redemptions, Redemption Applications once submitted are irrevocable.

Redemption Applications must be received no later than the applicable Dealing Deadline. Unless otherwise determined by the Directors in their sole discretion in exceptional circumstances, Redemption Applications received after the

relevant Dealing Deadline will be held over until the next Dealing Day. Redemption Applications will not be accepted after the relevant Valuation Point for a Sub-Fund or, if several, the earliest thereof.

Shareholders must indicate whether they wish to redeem a fixed number of Shares or a monetary amount.

Payments for redemptions will be made by telegraphic transfer or other form of bank transfer to the bank account of record of the Shareholder normally on or prior to the third Business Day following the Dealing Day on which the redemption is effected but in any event on or prior to the tenth Business Day following the relevant Dealing Deadline. No payments to third parties will be effected. The Directors may withhold payment from persons who have redeemed prior to a suspension of redemptions in respect of the relevant Class until after the suspension is lifted.

The Fund will be required to withhold tax on redemption money at the applicable rate unless it has received from the Shareholder a declaration as to status and residency in the form prescribed by the Revenue Commissioners confirming that the Shareholder is not an Irish resident or is an Exempt Irish Investor in respect of which it is necessary to deduct tax (see the section entitled "*Tax Information*" for further details").

#### *Minimum Redemption Amount and Minimum Holding Amount*

A partial Redemption Application must be for the minimum redemption amount (if any) specified in the Relevant Supplement and may not result in the Shareholder holding less than the minimum holding amount (if any) specified in the Relevant Supplement. The Directors may in their discretion waive or reduce the minimum redemption amount and the minimum holding amount (if any). In the event that a Shareholder requests a partial redemption of their Shares which would result in such Shareholder holding less than the minimum holding amount applicable to the relevant Share Class (if any), the Directors may, in their sole discretion: (a) treat such Redemption Application as a request to redeem that Shareholder's entire holding of the relevant Class; (b) reject such partial redemption request; or (c) accept such partial redemption request. Shareholders will be notified (which may be before or after the relevant Dealing Day) in the event that the Directors determine to act in accordance with (a) or (b) above.

Where the value of a Shareholder's holding has fallen below the minimum holding amount due to a decline in the Net Asset Value of the Sub-Fund this shall not be considered to be a breach of the minimum holding amount requirement.

#### *Redemption Price*

Shares may be redeemed at the Net Asset Value per Share as of the applicable Valuation Day for the relevant Dealing Day in respect of which the redemption is effected, subject to Duties and Charges (if any).

All payments of redemption money shall be made by telegraphic transfer at the expense of the Shareholder to the Shareholder's account specified in the Subscription Agreement or account on record with the Administrator. Redemption proceeds will not be paid where the original documentation that was required for the initial subscription for Shares in the Sub-Fund or any other requested documentation, has not been received by the Administrator. Redemption proceeds will not be paid to a third party account. The Administrator will provide Shareholders with confirmation for successful Redemption Applications.

Unless otherwise determined by the Directors and agreed with the Administrator, redemption money shall be paid out in the currency of the relevant Class.

Redemption proceeds will ordinarily be paid in cash, but a redemption may be made in specie or in kind, at the discretion of the Manager, provided that asset allocation is subject to the approval of the Depositary, and provided further that where the redemption request represents less than 5% of the Net Asset Value of a Sub-Fund, the redemption in specie or in kind will only be made with the consent of the redeeming Shareholder. In all cases, the Fund will, if requested, sell the assets on behalf of the redeeming Shareholder. In such cases, the Directors may, in their discretion, charge the cost of the sale to the Shareholder.

The Manager will use the same valuation procedures used in determining Net Asset Value to determine the value to be attributed to the relevant securities to be transferred or assigned in specie and / or in kind to redeeming investors who will receive securities which had a value as of the applicable Valuation Day equal to the redemption payment to which they would otherwise be entitled. The redeeming investor will be responsible for all custody and other costs involved in changing the ownership of the relevant securities and on-going custody costs. Securities redeemed in specie and / or in kind may have a value as of the payment date that is higher or lower than the value of such securities as of the

relevant Valuation Day and between the Valuation Day and the payment date, the securities to be paid in specie and / or in kind will still be subject to their respective portion of the fees and expenses of the Sub-Fund generally. The allocation of the assets to be redeemed in specie is subject to the approval of the Depositary.

#### *Redemption Fee*

A redemption fee of up to 3% may be charged if set out in the Relevant Supplement. This fee may be waived, in whole or in part, at the discretion of the Directors or the Manager.

#### *Limitation on Redemptions*

If total requests for redemption on any Dealing Day for a given Sub-Fund exceed 10% of the total number of Shares in that Sub-Fund or 10% of the Net Asset Value of that Sub-Fund, the Directors may refuse to redeem any Shares in excess of 10%. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed. The Directors may determine to impose such restrictions at any time before, during or after the Dealing Day with respect to which such restrictions are to be imposed.

#### *Suspensions*

Redemptions will not be processed at times when the calculation of the Net Asset Value per Share and / or redemptions is / are suspended.

#### **Abusive Trading Practices**

The Fund does not permit market timing or related excessive, short-term trading practices. The Manager has the right to reject any request for the subscription or conversion of Shares from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as it may deem appropriate or necessary.

#### **Anti-Money Laundering and Counter Terrorist Financing Requirements**

As part of the Fund's responsibility for the prevention of money laundering and terrorist financing, the Manager will require a detailed verification of the applicant's identity and the source of subscription monies. Depending on the circumstances of each application, a detailed verification might not be required where the applicant is a regulated financial institution in a country with comparable anti-money laundering and counter terrorist financing regulations to those in Ireland, or is a company listed on a recognised stock exchange. Shareholders will not be permitted to request the redemption of their Shares and no redemption proceeds will be paid to a Shareholder unless the original completed Subscription Agreement has been received by the Manager and all anti-money laundering documentation received and checks required by the Central Bank and applicable legislation have been completed in respect of the relevant subscription.

The Manager reserves the right to request such information as is necessary to verify the identity of an applicant and the source of the subscription monies. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Manager may refuse to accept the application and subscription monies. Each applicant for Shares acknowledges that the Manager shall not be liable for any loss arising as a result of a failure to process the application for Shares if such information and documentation as has been requested by the Manager has not been provided by the applicant. Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on any sanctions list.

#### **DEALING PROVISIONS APPLICABLE TO ALL SUB-FUNDS**

**Compulsory Redemptions of Shares.** Sub-Funds are established for an unlimited period and may have unlimited assets. However, the Fund may (but is not obliged to) redeem all of the Shares of any series or Class in issue if:

- (a) the Shareholders of the relevant Sub-Fund or Class pass a special resolution providing for such redemption at a general meeting of the holders of the Shares of that Sub-Fund or Class or in writing;
- (b) the Directors deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the relevant Sub-Fund in any way;

- (c) the Net Asset Value of the relevant Sub-Fund or Class falls below €50 million or the prevailing currency equivalent in the currency in which Shares of the relevant Sub-Fund or Class are denominated;
- (d) the Shares in the relevant ETF Sub-Fund cease to be listed on a Listing Stock Exchange; or
- (e) the Directors deem it appropriate for any other reason.

In each such case, the Shares will be redeemed at the Net Asset Value per Share on the relevant Dealing Day, less such sums as the Directors in their discretion may from time to time determine as an appropriate provision for estimated realisation costs of the assets of such Sub-Fund or Class.

If the Depositary has given notice of its intention to retire and no new custodian acceptable to the Fund and the Central Bank has been appointed within 90 days of such notice, the Fund shall apply to the Central Bank for revocation of its authorisation and shall redeem all of the Shares in issue.

Shareholders are required to notify the Fund immediately in the event that they become Irish residents or U.S. Persons, or the declaration set out in the Subscription Agreement confirming the Shareholder's non-resident status made by them or on their behalf is no longer valid. Shareholders are also required to notify the Fund immediately in the event that they hold Shares for the account or benefit of Irish residents or Unqualified Persons. In addition, Shareholders are required to notify the Fund if any information provided or representations made by them on any Subscription Agreement is no longer correct. It is the responsibility of each Shareholder to ensure that correct and accurate information is provided to the Fund and kept up to date.

Where the Fund becomes aware that a Shareholder is an Unqualified Person, the Fund may, at its absolute discretion, acting in accordance with applicable laws and regulations, in good faith and on reasonable grounds: (i) direct the Shareholder to dispose of those Shares to a person who is entitled to own the Shares within such time period as the Fund stipulates; or (ii) redeem the Shares at their Net Asset Value per Share as at the next Business Day after the date of notification to the Shareholder or following the end of the period specified for disposal pursuant to (i) above.

Under the Instrument of Incorporation, any person who is holding Shares in contravention of any of the above provisions and who fails to make the appropriate notification to the Fund shall indemnify and hold harmless each of the Directors, the Fund, the Manager, the Investment Manager, the Administrator, the Depositary and the other Shareholders (each, an "**Indemnified Party**") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with such holding or failure. The potential costs to the Indemnified Parties, in respect of which the aforementioned indemnity is provided, may be substantial and may exceed the value of their investment in the Fund.

**Conversions.** A conversion of Shares is executed by the redemption of the Shares of the original Class and the subscription for Shares in another Class (the "**New Shares**"). On this basis and unless otherwise stated in the Relevant Supplement, Shareholders will be entitled on any Dealing Day to convert any or all of their Shares of any Class in any Sub-Fund into Shares of another Class in the same Sub-Fund or Shares of any Class in another Sub-Fund, provided that they meet all of the normal criteria for subscriptions for the New Shares, except where dealings in the relevant Shares have been temporarily suspended in the circumstances described in this Prospectus. Shareholders should consider the terms of the Relevant Supplement for further details. Conversions will be subject to an appropriate provision for Duties and Charges.

**Transfers.** Transfers of Shares must be effected by transfer in writing in any usual or common form or in any other form approved by the Directors from time to time. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Directors or their delegate may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the Fund, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and to determine the identity of the transferee. The transferring Shareholder or shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the Register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed a Subscription Agreement with respect to the relevant Shares to the satisfaction of the Directors. The Directors may also, at their absolute discretion, decline to register a transfer which would result in either the transferee holding Shares with a Net Asset Value less than the minimum subscription amount.

In the case of ETF Sub-Funds only, to the extent that Shares in the relevant ETF Sub-Fund are issued in dematerialised form, such Shares may also be transferred in accordance with the rules of the relevant Recognised Clearing System. A Global Share Certificate may be issued where required under the rules of one or more Recognised Clearing Systems. Persons dealing in Recognised Clearing Systems may be required to provide a representation that any transferee is a qualified to hold Shares.

The Directors may decline to register any transfer of Shares to any person or entity that is not qualified to hold Shares.

The Directors may decline to register a transfer of Shares for any or no reason, including, but not limited to, the following: (a) in the absence of satisfactory evidence that the proposed transferee is not a U.S. Person or that the transfer is not otherwise in breach of U.S. securities laws; (b) if in the opinion of the Directors the transfer would be unlawful or result or be likely to result in any adverse regulatory, legal, pecuniary or tax consequences or material administrative disadvantage for the Fund or the Shareholders as a whole; (c) in the absence of satisfactory evidence of the transferee's identity; or (d) where the Fund is required to redeem appropriate or cancel such number of Shares as are required to meet the appropriate tax of the Shareholder on such transfer. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors may require in relation to the above matters. In the event that the Fund does not receive the declaration set out in the Subscription Agreement confirming the transferee's non-resident status in respect of the transferee, the Fund will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase, cancellation or other payment in respect of the Shares as described in the "*Tax Information*" section.

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

## DETERMINATION OF NET ASSET VALUE

The Fund has delegated the calculation of the Net Asset Value of each Sub-Fund and the Net Asset Value per Share to the Manager, which has, in turn, delegated this to the Administrator.

The Net Asset Value of a Sub-Fund shall be calculated by ascertaining the value of the assets of the relevant Sub-Fund and deducting from such amount the liabilities of the Sub-Fund, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Sub-Fund.

The Net Asset Value per Share of a Sub-Fund shall be calculated by dividing the Net Asset Value of the relevant Sub-Fund by the total number of Shares issued in respect of that Sub-Fund or deemed to be in issue as of the relevant Valuation Day.

The Net Asset Value per Share in each Sub-Fund shall be calculated to the nearest four decimal places in the Base Currency of the relevant Sub-Fund for each Valuation Day in accordance with the valuation provisions set out in the Instrument of Incorporation and summarised below.

In the event that the Shares of any Sub-Fund are divided into different Classes, the amount of the Net Asset Value of the Sub-Fund attributable to a Class shall be determined by establishing the number of Shares issued in the Class at the relevant Valuation Point and by allocating the relevant fees and Class expenses to the Class, making appropriate adjustments to take account of distributions, subscriptions, redemptions, gains and expenses of that Class and apportioning the Net Asset Value of the Sub-Fund accordingly. The Net Asset Value per Share in respect of a Class will be calculated by dividing the Net Asset Value of the relevant Class by the number of Shares of the relevant Class in issue. The Net Asset Value of the Sub-Fund attributable to a Class and the Net Asset Value per Share in respect of a Class will be expressed in the Class currency of such Class if it is different to the Base Currency.

The Net Asset Value per Share in a Sub-Fund will be calculated at the Valuation Point on each Valuation Day.

For Index Tracking Sub-Funds, each asset which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued using the valuation method of the relevant index as disclosed in the Relevant Supplement. Accordingly, depending on the terms of the relevant index, such assets will be valued at (a) closing bid price, (b) last bid price, (c) last traded price, (d) closing mid-market price, (e) latest mid-market price or (f) the official closing price on the relevant Recognised Market at the close of business on such Recognised Market on each Valuation Day.

For Actively Managed Sub-Funds, each asset which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued at either the (a) closing bid price, (b) last bid price, (c) last traded price, (d) closing mid-market price, (e) latest mid-market price or (f) the official closing price on the relevant Recognised Market at the close of business on such Recognised Market on each Valuation Day, and the relevant valuation method shall be disclosed in the Relevant Supplement. Prices will be obtained for this purpose by the Administrator from independent sources, such as recognised pricing services or brokers specialising in the relevant markets.

If the investment is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be either (a) that which is the main market for the investment or (b) the market which the Manager determines provides the fairest criteria in a value for the security, as the Manager may determine. If prices for an investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time, or are unrepresentative in the opinion of the Manager, such investment shall be valued at such value as shall be estimated with care and in good faith as the probable realisation value of the investment by a competent professional person, firm or corporation appointed for such purpose by the Manager and approved for the purpose by the Depositary. If the investment is quoted, listed or traded on a Recognised Market but acquired or traded at a premium or discount outside of or off the Recognised Market, the investment shall be valued taking into account the level of premium or discount as of the date of valuation of the instrument. Neither the Directors or their delegates nor the Depositary shall be under any liability if a price reasonably believed by them to be the (a) closing bid price, (b) last bid price, (c) last traded price, (d) closing mid-market price, (e) latest mid-market price or (f) the official closing price for the time being, may be found not to be such.

The value of any investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market, will be valued at its probable realisation value estimated with care and in good faith by the Manager in consultation with the Administrator or by a competent person, firm or corporation appointed by the Manager and approved for such purpose by the Depositary.

Cash in hand or on deposit shall be valued at face value together with accrued interest where applicable, unless in the opinion of the Manager (in consultation with the Administrator and the Depositary) any adjustment should be made to reflect the fair value thereof.

Derivative instruments (including exchange traded futures, index futures and other financial futures contracts) which are traded on a Recognised Market shall be valued at the settlement price as determined by the relevant Recognised Market at the Valuation Point on such Recognised Market, provided that where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Manager or a competent person appointed by it and approved for the purpose by the Depositary.

OTC derivatives will be valued at the probable realisation value estimated with care and in good faith by the Manager in consultation with the Administrator or by a competent person, firm or corporation appointed by the Manager and approved for such purpose by the Depositary.

Forward foreign exchange contracts may be valued by reference to freely available market quotations or, if such quotations are not available, in accordance with the provisions in respect of OTC Derivatives.

Certificates of deposit shall be valued by reference to the latest available sale price for certificates of deposit of like maturity, amount and credit risk on each Valuation Day or, if such price is not available, at the latest bid price or, if such price is not available or is unrepresentative of the value of such certificate of deposit in the opinion of the Manager, at probable realisation value estimated with care and in good faith by a competent person appointed by the Manager and approved for the purpose by the Depositary. Treasury bills and bills of exchange shall be valued with reference to prices ruling in the relevant markets for such instruments of like maturity, amount and credit risk at close of business on such markets on the relevant Valuation Day.

Units or shares in collective investment schemes shall be valued on the basis of the latest available net asset value per unit or share as published by the collective investment scheme. If units or shares in such collective investment schemes are quoted, listed or traded on or under the rules of any Recognised Market then such units or shares will be valued in accordance with the rules set out above for the valuation of assets which are quoted, listed or traded on or under the rules of any Recognised Market. If such prices are unavailable, the units or shares will be valued at their probable realisation value estimated with care and in good faith by the Manager in consultation with the Administrator or by a competent person, firm or corporation appointed for such purpose by the Manager and approved for the purpose by the Depositary.

Notwithstanding the above provisions, the Administrator, acting on behalf of the Manager and in accordance with the fair value process policy as agreed with the Manager, may, with the approval of the Depositary (a) adjust the valuation of any listed investment where such adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant; or (b) in relation to a specific asset permit an alternative method of valuation approved by the Depositary to be used if they deem it necessary and the method used is clearly documented.

In determining a Sub-Fund's Net Asset Value per Share, all assets and liabilities initially expressed in foreign currencies will be converted into the Base Currency of the Sub-Fund at market rates. If such quotations are not available, the rate of exchange will be determined to be the probable realisation value estimated with care and in good faith by the Manager.

In calculating the Net Asset Value of each Sub-Fund and the Net Asset Value per Share in each Sub-Fund, the Administrator may rely on such automatic pricing services as it shall determine and the Administrator shall not be liable (in the absence of fraud, negligence or wilful default) for any loss suffered by the Fund or any investor by reason of any error in calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service. The Administrator shall use reasonable endeavours to verify any pricing information supplied by the Investment Manager or any connected person, including a connected person who is a broker or market maker or other intermediary, however in certain circumstances it may not be possible or practicable for the Administrator to verify such information and in such circumstances the Administrator shall not be liable (in the absence of fraud, negligence or wilful default) for any loss suffered by the Fund or any investor by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Investment Manager or its delegates provided that the use of such information in the circumstances was reasonable.

In circumstances where the Administrator is directed by the Fund or its delegates to use particular pricing services, brokers, market makers or other intermediaries, the Administrator shall not be liable for any loss suffered by the Fund or any investor by reason of any error in the calculation of the Net Asset Value of the Sub-Fund and the Net Asset Value per Share in each Sub-Fund resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries.

Save where the determination of the Net Asset Value per Share in respect of any Sub-Fund has been temporarily suspended in the circumstances described under “*Temporary Suspension of Dealings*” in this section, the Net Asset Value per Share shall be made public on the Website. The Net Asset Value per Share for the ETF Shares shall be notified to Euronext Dublin immediately upon calculation and any other Listing Stock Exchange in accordance with the rules of the relevant Listing Stock Exchange.

**Indicative Net Asset Value.** The indicative net asset value per share (“**INAV**”) is an estimate of the Net Asset Value of an ETF Share calculated on a real time basis (every 15 seconds) during trading hours. The values are intended to provide investors and market participants with a continuous indication of an ETF Share’s value. The INAV is based on quotes and last sale prices from the securities’ local market and may not reflect events that occur subsequent to the local market’s close. Premiums and discounts between the INAV and the market price may occur and the INAV should not be viewed as a “real-time” update of the Net Asset Value per ETF Share, which is calculated only once a day. None of the Fund, the Manager, the Investment Manager, any of their respective affiliates or any third party calculation agents involved in, or responsible for, the calculation or publication of such INAVs makes any warranty as to their accuracy.

The responsibility for the calculation and publication of the INAV of an ETF Share has been delegated by the Manager to Solactive AG. INAVs are disseminated via Borse Stuttgart data feed and are displayed on major market data vendor terminals as well as on a wide range of websites that display stock market data, including Bloomberg, Factset, Morningstar and Reuters.

An INAV is not, and should not be taken to be or relied on as being, the value of an ETF Share or the price at which ETF Shares may be subscribed for or redeemed or purchased or sold on any Listing Stock Exchange. In particular, any INAV provided for an ETF Share, where the constituents of the Index or other investments are not actively traded during the time of publication of such INAV, may not reflect the true value of the ETF Share, may be misleading and should not be relied on. The inability of the Investment Manager or its designee to provide an INAV, on a real-time basis, or for any period of time, will not in itself result in a halt in the trading of the ETF Shares on a relevant Listing Stock Exchange, which will be determined by the rules of the relevant Listing Stock Exchange in the circumstances. Investors should be aware that the calculation and reporting of any INAV may reflect time delays in the receipt of the prices of the relevant constituent securities compared to other calculated values based upon the same constituent securities including, for example, the Index or other investments. Investors interested in dealing in ETF Shares on a Listing Stock Exchange should not rely solely on any INAV which is made available in making investment decisions, but should also consider other market information and relevant economic and other factors (including, where relevant, information regarding the Index or other investments, the relevant constituent securities and financial instruments based on the Index or other investments corresponding to the relevant ETF Sub-Fund). None of the Fund, the Directors, the Manager, the Investment Manager or its designee, the Depositary, the Administrator, any Authorised Participant or the other service providers to the Fund shall be liable to any person who relies on the INAV.

**Temporary Suspension of Dealings.** The Manager may at any time, with prior notification to the Depositary, temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares of any Sub-Fund, or the payment of redemption proceeds, during any period when:

- (a) any Recognised Market on which a substantial portion of the investments for the time being comprised in the Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings on any such Recognised Market are restricted or suspended;
- (b) as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interests of Shareholders or other investors;
- (c) the means of communication normally employed in determining the value of any investments for the time being comprised in the Fund have broken down or, for any other reason, the value of investments for the time being comprised in the Fund cannot, in the opinion of the Directors, be promptly or accurately ascertained;

- (d) the Fund is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the Fund, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- (e) as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the Fund or the remaining Shareholders or other investors in the Fund; and
- (f) the Directors determine that it is in the best interests of the investors to do so.

Notice of any such suspension shall be published by the Fund at its registered office and through such other media as the Manager may from time to time determine and shall be transmitted without delay to the Central Bank, Euronext Dublin (in the case of ETF Shares) and the Shareholders. Applications for subscriptions, conversion and redemption of Shares received following any suspension will be dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

**Price Adjustment Policy (Swing Pricing).** Large transactions in or out of a Sub-Fund can create “dilution” of the Sub-Fund’s assets because the price at which an investor buys or sells Shares in the Sub-Fund may not entirely reflect the dealing and other costs that arise when the Investment Manager has to trade in underlying investments to accommodate large cash inflows or outflows. In order to counter this and enhance the protection of existing Shareholders, there may be an adjustment to a Sub-Fund’s Net Asset Value as part of the regular valuation process to counter the impact of dealing and other costs on occasions when these are deemed to be significant. On any Dealing Day, the Net Asset Value of a Sub-Fund may be adjusted upwards or downwards as applicable to reflect the costs that may be deemed to be incurred in liquidating or purchasing investments to satisfy net daily transactions of that Sub-Fund. The Directors reserve the right to make such an adjustment taking into account factors such as the estimated dilution costs (such as underlying dealing spreads, commissions and other trading expenses) and the size of the relevant Sub-Fund. In deciding whether to make such an adjustment, the Directors will have regard to the interests of existing, continuing and potential Shareholders in the Sub-Fund. The adjustment will be upwards when the net aggregate transactions result in an increase of the number of Shares and will be downwards when the net aggregate transactions result in a decrease of the number of Shares. The adjusted Net Asset Value will be applicable to all transactions on that day. Because the determination of whether to adjust the Net Asset Value is based on the net transaction activity of the Dealing Day, Shareholders transacting in the opposite direction of the Sub-Fund’s net transaction activity may benefit at the expense of the other Shareholders in the Sub-Fund. In addition, the Sub-Fund’s Net Asset Value and short-term performance may experience greater volatility as a result of this adjustment methodology.

## DISTRIBUTIONS

Pursuant to the Instrument of Incorporation, the Directors may declare dividends, in respect of Shares in any Distributing Class, subject to any de minimis threshold.

The Index-Tracking Sub-Funds may declare dividends out of net income (including dividend income, securities lending income and interest income, less expenses) in respect of investments of the relevant Sub-Fund (collectively, “**Net Income**”).

The Actively Managed Sub-Funds may declare dividends out of either: (i) Net Income and capital; or (ii) Net Income.

The distribution policy for a given Sub-Fund is specified in the Relevant Supplement.

Each Sub-Fund may have either Accumulating Classes or Distributing Classes or both. With respect to the Accumulating Classes in all Sub-Funds, the Directors have determined to accumulate all Net Income attributable to such Accumulating Classes and therefore do not intend to declare dividends in respect of Shares in such classes.

With respect to Distributing Classes, under normal circumstances, the Directors intend that dividends shall be declared on the dates specified in the Relevant Supplement in each year (the “**Record Dates**”) in relation to the Net Income or capital (as specified in the Relevant Supplement) for the relevant period. Where dividends are paid out of capital, they will generally be intended to reflect the amount of gross income received by the relevant Sub-Fund. In cases where expenses exceed income, this will result in a payment out of capital. However, Shareholders should note that the Directors may, in their discretion, decide not to make such payment in respect of a Distributing Class.

The Directors may in their sole discretion, determine that the Fund shall, on behalf of one or more Sub-Funds, apply an equalisation methodology in respect of any Distributing Class Shares. An equalisation account will be maintained for the Fund so that the amount distributed will be the same for all Shares of each Distributing Class notwithstanding different dates of issue. A sum equal to that part of the subscription issued price of an Distributing Class Share which reflects income (if any) accrued but undistributed up to the date of issue will be deemed to be an equalisation payment and treated as repaid to Shareholders in the relevant Sub-Fund with the first dividend to which the Shareholder was entitled in the same Relevant Period as that in which the Shares are issued. The redemption price of each Distributing Class Share will also include an equalisation payment in respect of the accrued income of the relevant Sub-Fund up to the Dealing Day on which the relevant Distributing Class Shares are redeemed.

In the case of Non-ETF Shares, dividends will be automatically paid out to Shareholders in cash unless the Shareholder elects to reinvest the dividends in the Fund in respect of which the dividend is declared. Dividends will be paid by the Administrator into the account of record of the Shareholders of the relevant Class of Non-ETF Shares.

In the case of the ETF Shares, the payment of dividends into the account of record of the Shareholders of the relevant Class of ETF Shares will be arranged by the Dividend Paying Agent.

Any dividend paid on a Share that has not been claimed within six years of its declaration shall be forfeited and shall be retained for the benefit of the relevant Sub-Fund. No interest shall be paid on any dividend.

The distribution policy of any Sub-Fund or of any Class may be changed by the Directors upon reasonable notice to Shareholders of that Sub-Fund or Class as the case may be and, in such circumstances, the distribution policies will be disclosed in an updated Prospectus and/or Relevant Supplement.

## FEES AND EXPENSES

Unless otherwise set out in the Relevant Supplement, all of the fees and expenses payable in respect of a Sub-Fund are paid as one single fee. This is referred to as the total expense ratio or “TER”. The Manager is responsible for arranging the payment from the TER of all operational expenses of the Fund allocable to the relevant Sub-Fund, including Directors’, Auditors’, Legal Advisors’, Administrator’s, Depositary’s and other service providers’ fees and expenses and Class hedging costs. The Manager is entitled to an annual fee in respect of the services that it provides to the relevant Sub-Fund. However, this fee will only be paid in circumstances where there is a residual amount left from the TER after the other operational expenses have been paid. Save where another party has agreed to reimburse the relevant Sub-Fund, the TER includes but is not limited to fees and expenses of the Investment Manager, Depositary, Administrator, Secretary and any sub-investment advisor. Subject to applicable law and regulation, the Manager, the Investment Manager, any sub-investment manager, the Administrator, the Depositary, the General Distributor or any Sub-Distributor may pay part or all of its fees to any person that invests in or provides services to the Fund or in respect of any Sub-Fund.

The TER does not include extraordinary costs, transaction costs and related expenses, including but not limited to, transaction charges, stamp duty or other taxes on the investments of the Fund, including duties and charges for portfolio re-balancing, withholding taxes, Brokerage Commissions incurred with respect to the Fund’s investments, interest on borrowings and bank charges incurred in negotiating, effecting or varying the terms of such borrowings, any Brokerage Commissions charged by intermediaries in relation to an investment in the Sub-Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time (such as material litigation in relation to a Sub-Fund or the Fund) which will be paid separately out of the assets of the relevant Sub-Fund.

The TER is calculated and accrued daily from the Net Asset Value of each Sub-Fund and payable in arrears at least quarterly. The TER of each Sub-Fund is as listed in the Relevant Supplement (save for those Sub-Funds which do not operate a TER). If a Sub-Fund’s expenses exceed the TER outlined above in relation to operating the funds, the Manager will cover any shortfall from its own assets.

For those Sub-Funds which do not operate a TER, full details of the fees and expenses payable by the Sub-Fund will be set out in the Relevant Supplement.

### **Duties and Charges**

In calculating the Net Asset Value per Share of a Sub-Fund in connection with any subscription application or redemption request, the Directors may on any Dealing Day when there are net subscriptions or redemptions adjust the Net Asset Value per Share by adding or deducting Duties and Charges to cover dealing costs and to act as an anti-dilution levy to preserve the value of the underlying assets of the relevant Sub-Fund. Any such Duties and Charges will account for actual expenditure on the purchase or sale of the assets of the relevant Sub-Fund and will be retained for the benefit of the Sub-Fund. The Directors reserve the right to waive such charge at any time.

### **Establishment Expenses**

All expenses relating to the establishment and organisation of the Fund and the initial Sub-Funds (including expenses relating to the negotiation and preparation of material contracts, the costs of preparing and printing this Prospectus and the related marketing materials and the fees and expenses of professional advisors) were borne by the Manager.

Thereafter, the manner in which the cost of establishing each new Sub-Fund (including expenses relating to the negotiation and preparation of material contracts, the costs of preparing and printing the Relevant Supplement and the related marketing materials and the fees and expenses of professional advisors) will be discharged will be set out in the Relevant Supplement.

## TAX INFORMATION

### Ireland

*The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares (other than dealers in securities).*

*The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.*

### Taxation of the Fund

The Fund intends to conduct its affairs so that it is Irish tax resident. On the basis that the Fund is Irish tax resident, the Fund qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

The Fund will be obliged to account for Irish income tax to the Irish Revenue Commissioners in respect of Shares that are not held through a Recognised Clearing System where those Shares are held by Non-Exempt Irish Investors (and in certain other circumstances), as described below. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.

### Taxation of Shareholders

The taxation of a Shareholder will depend on whether the Shareholder's Shares are held in a Recognised Clearing System.

#### *Taxation of Non-Irish Shareholders holding Shares held in a Recognised Clearing System*

Shareholders who are not resident (or ordinarily resident) in Ireland for Irish tax purposes will have no liability to Irish income tax or capital gains tax in respect of Shares that are held in a Recognised Clearing System. However, if a Shareholder is a company which holds such Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax (on a self-assessment basis) in respect of such Shares.

#### *Taxation of Irish Shareholders holding Shares held in a Recognised Clearing System*

Shareholders who are resident (or ordinarily resident) in Ireland for Irish tax purposes will be obliged to account (on a self-assessment basis) for any Irish tax due arising on distributions, redemptions and disposals (including deemed disposals where Shares are held for eight years) in respect of the Shares that are held in a Recognised Clearing System. For Shareholders who are individuals, the applicable Irish tax rate is currently 41%. For Shareholders who are companies (other than dealers in securities), the applicable Irish tax rate is currently 25%.

#### *Taxation of Non-Irish Shareholders holding Shares not held in a Recognised Clearing System*

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Fund will not deduct any Irish tax in respect of the Shareholder's Shares once the declaration set out in the Subscription Agreement has been received by the Fund confirming the Shareholder's non-resident status. The declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term 'Intermediary' is set out at the end of this summary.

If this declaration is not received by the Fund, the Fund will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a Non-Exempt Irish Investor (see below). The Fund will also deduct Irish tax if the Fund has information that reasonably suggests that a Shareholder's declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Fund must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company that holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

Shareholders holding Shares through a clearing system other than through a Recognised Clearing System will require the relevant clearing system to provide such a declaration to the Fund in its capacity as Intermediary. Provided the relevant clearing system furnishes such a declaration, the Fund will not deduct any Irish tax in respect of Shares held in such clearing system (assuming that the Fund has no information which reasonably suggests that the declaration is incorrect). To provide this declaration in its capacity as Intermediary, the relevant clearing system will need to confirm that all persons who are the absolute beneficial owners of Shares which the clearing system holds are not resident (or ordinarily resident) in Ireland. Such clearing system may therefore need all such Shareholders to confirm their non-Irish tax resident status from time to time. If this declaration is not provided to the Fund by such clearing system, the Fund will deduct Irish tax in respect of Shares held in the clearing system as if the relevant Shareholders were Non-Exempt Irish Investors (see below).

### **Taxation of Exempt Irish Investors holding Shares not held in a Recognised Clearing System**

Where a Shareholder is an Exempt Irish Investor, the Fund will not deduct Irish tax in respect of the Shareholder's Shares once the declaration set out in the Subscription Agreement has been received by the Fund confirming the Shareholder's exempt status.

Irish resident Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

If this declaration is not received by the Fund in respect of a Shareholder, the Fund will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a Non-Exempt Irish Investor (see below). A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

### **Taxation of other Irish Shareholders holding Shares not held in a Recognised Clearing System**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an Exempt Irish Investor, the Fund will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

#### *Distributions by the Fund*

If the Fund pays a distribution to a Non-Exempt Irish Investor, the Fund will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the distribution, in all other cases.

The Fund will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

#### *Redemptions and Transfers of Shares*

If the Fund redeems Shares held by a Non-Exempt Irish Investor, the Fund will deduct Irish tax from the redemption payment made to the Shareholder. Similarly, if such an Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares, the Fund will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed or transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the gain, in all other cases.

The Fund will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Shares, to fund this Irish tax liability the Fund may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.

Generally, a Shareholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Shareholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Shares.

#### *Eighth Anniversary Events*

If a Non-Exempt Irish Investor does not dispose of Shares within eight years of acquiring them, the Shareholder will be deemed for Irish tax purposes to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Fund will account for Irish tax in respect of the increase in value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

The Fund will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Fund may appropriate or cancel Shares held by the Shareholder.

However, if less than 10% of the Shares (by value) in the relevant Sub-Fund are held by Non-Exempt Irish Investors, the Fund may elect not to account for Irish tax on this deemed disposal. To claim this election, the Fund must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any Non-Exempt Irish Investors (including the value of their Shares and their Irish tax reference numbers); and
2. notify any Non-Exempt Irish Investors that the Fund is electing to claim this exemption.

If the exemption is claimed by the Fund, any Non-Exempt Irish Investors must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Fund on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Shares over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Shares and any excess may be recovered on an ultimate disposal of the Shares.

#### *Share Exchanges*

Where a Shareholder exchanges Shares on arm's length terms for other Shares in the Fund or for Shares in another Sub-Fund and no payment is received by the Shareholder, the Fund will not deduct Irish tax in respect of the exchange.

#### **Irish Stamp Duty**

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution in specie of assets from the Fund, a charge to Irish stamp duty could potentially

arise.

### **Irish Gift and Inheritance Tax**

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident. The Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

- (a) the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
- (b) the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
- (c) the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

### **FATCA**

The Hiring Incentives to Restore Employment Act includes provisions generally known as Foreign Account Tax Compliance ("FATCA"). The objective of FATCA provisions is to require non-US financial institutions to identify and appropriately report on US taxpayers holding assets outside the US as a safeguard against US tax evasion. Ireland has an intergovernmental agreement with the United States of America (the "IGA") in relation to FATCA, of a type commonly known as a 'model 1' agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The Fund intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. Unless an exemption applies, the Fund shall be required to register with the US Internal Revenue Service as a 'reporting financial institution' for FATCA purposes and report information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Exemptions from the obligation to register for FATCA purposes and from the obligation to report information for FATCA purposes are available only in limited circumstances. Any information reported by the Fund to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Fund should generally not be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. FATCA withholding tax would only be envisaged to arise on US source payments to the Fund if the Fund did not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service specifically identified the Fund as being a 'non-participating financial institution' for FATCA purposes.

### **OECD Common Reporting Standard**

The automatic exchange of information regime known as the "Common Reporting Standard" developed by the Organisation for Economic Co-operation and Development applies in Ireland. Under this regime, the Fund is required to report information to the Irish Revenue Commissioners relating to all Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other Member States and other jurisdictions which implement the OECD Common Reporting Standard.

The OECD Common Reporting Standard regime was adopted by the EU in Directive 2014/107/EU and Ireland has adopted the OECD Common Reporting Standard with effect from 1 January 2016.

The OECD Common Reporting Standard replaced the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime), which was repealed in Ireland with effect from 1 January 2016.

## Meaning of Terms

### *Meaning of 'Residence' for Companies*

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which does not have its central management and control in Ireland but which was incorporated before 1 January 2015 in Ireland is resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in Member States or in countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

Finally, a company that was incorporated in Ireland before 1 January 2015 will also be regarded as resident in Ireland if the company is: (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a 'relevant territory'), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; (ii) the company would have been tax resident in that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

### *Meaning of 'Residence' for Individuals*

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this 'two year' test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

### *Meaning of 'Ordinary Residence' for Individuals*

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 Ireland 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 Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2019 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2022.

### *Meaning of 'Intermediary'*

An 'intermediary' means a person who:

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

## Summary

The foregoing is not a complete summary of all of the tax consequences of investment in the Fund. Each prospective investor is advised to consult with its own tax advisor with respect to the US federal, state and local and non-US tax consequences of, and the reporting requirements attributable to, the purchase, ownership and disposition of Shares.

## UNITED KINGDOM

### General

The statements on United Kingdom taxation below have been advised to the Directors on the basis that they are intended to be a general guide to the anticipated tax treatment in the United Kingdom of its Shareholders. This is not a comprehensive summary of United Kingdom taxation in respect of all classes of investors and is not intended to constitute legal or tax advice to investors. Prospective investors should consult their own professional advisors on the overall tax consequences of investing in the Fund.

The statements below relate to Shareholders holding Shares as an investment (as opposed to dealers in securities, insurance companies and certain trusts) and are based on the law and published practice in force at the date of this Prospectus, both of which are subject to change at any time, possibly with retrospective effect. The statements do not cover United Kingdom Shareholders which are tax exempt or subject to special taxation regimes (including pension funds). As is the case with any investment, there can be no guarantee that the tax position prevailing at the time an investment in the Fund is made will continue indefinitely. The statements below only relate to the UK tax implications of UK resident, ordinarily resident and domiciled individuals and UK resident companies investing in Shares in the Fund. Prospective investors should inform themselves of, and where appropriate take advice on, the tax consequences applicable to the subscription, purchase, holding and redemption of Shares in the Fund.

### The Fund

Provided that the Directors ensure that central management and control of the Fund remains outside of the United Kingdom, the Fund should not be subject to United Kingdom corporation tax on its income and capital gains. It is the intention of the Directors to conduct the affairs of the Fund so that it does not become resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Fund does not carry on a trade in the United Kingdom (whether or not through a permanent establishment situated therein), the Fund will not be liable to United Kingdom income tax or corporation tax on income or gains earned on or derived from the Fund's investments save for tax on certain income deriving from a United Kingdom source, for example, interest with a United Kingdom source (assuming that United Kingdom tax on this interest is levied by withholding at source).

#### *The Offshore Funds Regulations*

The Taxation (International and Other Provisions) Act 2010 and The Offshore Funds (Tax) Regulations 2009 (as amended) (the “**Regulations**”), contain provisions which may affect United Kingdom tax resident investors in offshore funds which are not approved by HM Revenue & Customs as UK ‘reporting funds’ during the investor’s entire period of ownership.

The Regulations provide that if an investor resident or ordinarily resident in the United Kingdom for taxation purposes holds an interest in an offshore fund and that offshore fund is a ‘non-reporting fund’, any gain accruing to that investor upon the sale or other disposal of that interest will be charged to United Kingdom tax as income and not as a capital gain (or corporation tax on chargeable gains in the case of investors within the charge to United Kingdom corporation tax).

Alternatively, where an investor resident or ordinarily resident in the United Kingdom for taxation purposes holds an interest in an offshore fund (unless the offshore fund fails the ‘non-qualifying investment test’) that has been a ‘reporting fund’ for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to capital gains tax (or corporation tax on chargeable gains in the case of investors within the charge to United Kingdom corporation tax) rather than tax on income.

Where an offshore fund may have been a non-reporting fund for part of the time during which the United Kingdom shareholder held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the shareholder in order to pro-rate any gain made upon disposal; the impact being that

the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. In these circumstances, from the date the offshore fund changes status such elections have specified time limits in which they can be made.

It should be noted that a 'disposal' for United Kingdom tax purposes would generally include a switching of interest between Sub-Funds within the Fund and might in some circumstances also include a switching of interests between Classes in the same Sub-Fund.

In broad terms, under the Regulations a 'reporting fund' is an offshore fund that meets certain upfront and annual reporting requirements to HM Revenue & Customs and its shareholders. To obtain reporting fund status for a particular Class, the Directors must apply to HM Revenue & Customs for a particular Class to constitute a reporting fund within specified time limits and demonstrate to HM Revenue & Customs that the particular Class complies with the applicable rules in force for reporting funds status.

In accordance with the Regulations, reporting fund status broadly requires the Fund to report to both investors and HM Revenue & Customs the income of the reporting fund for each reporting period. Where the reported income exceeds what has been distributed to Shareholders, the excess is treated as additional distributions to UK investors who will be taxed accordingly (as to which, see below).

Separate Classes will be regarded separately in determining if they constitute 'offshore funds' for the purposes of the Regulations. Offshore funds that can issue more than one class of share will treat each class of share as a separate offshore fund for the purposes of the legislation and therefore need only obtain reporting fund status for those separate classes that require it.

The Directors intend to manage the affairs of the Fund so that these upfront and annual duties are met and continue to be met on an ongoing basis in respect of certain Classes of the Fund. No assurance can be given that the Directors will continue to seek such status in respect of any such Class or that any such Class will qualify. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for United Kingdom tax purposes) on a per-share basis to all relevant Shareholders (as defined for these purposes). United Kingdom tax resident Shareholders which hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the actual amount of any distribution received plus the amount of income reported by the Fund in accordance with the reporting fund rule in excess of any distribution. The reported income will be deemed to arise to United Kingdom Shareholders six months following the end of the relevant holding period.

The Directors reserve the right to seek certification as a reporting fund in respect of any Class of the Fund. No assurance can be given that any Class will qualify. Accordingly, any gains arising to Shareholders resident or ordinarily resident in the United Kingdom on a sale, redemption or other disposal of Classes other than Classes that obtain reporting fund status (including a deemed disposal on death) will be taxed as offshore income gains rather than capital gains.

Once reporting fund status for certain Classes is obtained from HM Revenue & Customs, it will remain in place permanently so long as the annual requirements are undertaken. While the Directors' intention is for application Classes to maintain reporting fund status no assurance can be given that the Directors will obtain reporting fund status or will continue to seek such status in respect of any such Classes or that any such Classes will continue to qualify. Investors should refer to their tax advisors in relation to the implications of the Sub-Funds obtaining such status.

#### *Treatment of income received from the Fund*

Following the enactment of Finance Act 2009, from 1 July 2009, dividend distributions from an offshore fund made to companies resident in the United Kingdom are likely to fall within one of a number of exemptions from United Kingdom corporation tax. In addition, distributions to non-United Kingdom resident companies carrying on a trade in the United Kingdom through a permanent establishment in the United Kingdom should also fall within the exemption from United Kingdom corporation tax on dividends to the extent that the shares held by that company are used by, or held for, that permanent establishment.

Subject to their personal circumstances, individual Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax in respect of dividends or other distributions of income made by the Fund, irrespective of whether such distributions are distributed to Shareholders or reinvested and accumulated in the particular Sub-Fund.

To the extent that Classes do satisfy the ‘qualifying investment test’ (which requires that more than 60% of an offshore fund’s assets must consist of bonds or other interest bearing or economically equivalent assets) distributions or reported income will be treated and taxed in the hands of an individual Shareholder as interest income.

To the extent that a Class does not satisfy the ‘qualifying investment test’ (referred to above), distributions or reported income will be taxed in the hands of an individual Shareholder as dividend income.

The attention of companies resident in the United Kingdom for taxation purposes is drawn to the “controlled foreign companies” provisions contained in Chapter IV of Part XVII of the Income and Corporation Taxes Act 1988. These provisions affect United Kingdom resident companies which are deemed to be interested, either alone or together with certain associated persons, in at least 25% of the “chargeable profits” of a non-resident company (such as the Fund), which (i) is controlled by companies or other persons who are resident in the United Kingdom for taxation purposes, (ii) is subject to a “lower level” of taxation, and (iii) does not distribute substantially all of its income. The effect of these provisions could be to render such corporate Shareholder companies liable to United Kingdom corporation tax in respect of their share of the profits of the Fund unless a number of available exemptions are met. Persons who may be treated as “associated” with each other for these purposes include two or more companies one of which controls the other(s) or all of which are under common control. The Fund’s “chargeable profits” for this purpose do not include its capital gains.

The attention of persons resident or ordinarily resident in the United Kingdom (and who, if individuals, are also domiciled in the United Kingdom) is drawn to the fact that the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 could be material to any such person who holds 10% or more of the Shares in the Fund if, at the same time, the Fund is controlled in such a manner as to render it a company that would, were it to be resident in the United Kingdom, be a “close” company for United Kingdom taxation purposes. These provisions could, if applicable, result in such a person being treated for the purposes of United Kingdom taxation as if a proportionate part of any gain accruing to the Fund (such as on a disposal of any of its investments) had accrued to that person at the time when the chargeable gain accrued to the Fund.

#### *Transfer Taxes: Stamp Duty Reserve Tax and ad valorem Stamp Duty*

The Directors intend that the Register will be kept and maintained outside of the United Kingdom. As a result, no United Kingdom stamp duty reserve tax or ad valorem stamp duty will be payable by investors in relation to the acquisition of Shares in the Fund. The Fund itself may, however, be required to pay stamp duty reserve tax or ad valorem stamp duty in respect of the acquisition of securities constituting investments of the Fund. In particular, stamp duty reserve tax will be payable, generally at a rate of 0.5%, on the acquisition of shares in companies which are incorporated in the United Kingdom or which hold and maintain their share register in the United Kingdom.

#### *Transfer of assets abroad*

The attention of Shareholders who are individuals ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions contained in Chapter 2 of Part 13 of Income Tax Act 2007. These provisions are designed to prevent the avoidance of income tax by individuals through the transfer of assets or income to persons (including companies) resident or domiciled outside the UK and may render them liable to taxation in respect of undistributed amounts which would be treated as UK taxable income and profits of the Fund on an annual basis.

**Potential investors who are in any doubt as to their tax position should consult their own independent tax advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares. In addition, investors should be aware that tax regulations and their application or interpretation by the relevant tax authorities’ change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.**

## MANAGEMENT

**Directors.** Directors. The Directors of the Fund are listed below with their principal occupations.

### **Catherine Fitzsimons (Irish resident)**

With Fidelity International since 2015, Catherine Fitzsimons acts as Head of Legal for Fidelity's European products, with responsibility for the legal support and advice in relation to all aspects of Fidelity's European fund ranges. She also advises on the products, operations and business of Fidelity International in Ireland, as well as in relation to certain of Fidelity's key global initiatives. Prior to joining Fidelity, Catherine practiced financial services law with both international and domestic law firms, with specific focus on asset management and investment funds, advising a wide range of domestic and international clients on all aspects of their business, including their asset management activities and the structuring, establishment, marketing and sale of investment vehicles and products in Ireland and other jurisdictions. A member of the Law Society of Ireland, Catherine has also acted as a lecturer and internal examiner for the Law Society of Ireland. Catherine holds a Bachelor in Civil Law from University College Dublin, as well as a Post Graduate Diploma in International Financial Services Law and a Diploma in Applied Finance Law.

### **David Greco (Irish resident)**

David Greco has over twenty five years' global experience working in the Financial Services Industry and has been with Fidelity International for the last twelve years. David is Head of Asset Management Operations for Fidelity International based in Dublin, Ireland. In this role he leads an organization that supports operational processing for over \$350 billion in assets under management. He is responsible for managing several operational teams, including Trade Management, Asset Valuation, Fund Accounting, Corporate Actions, Investment Performance and Publishing. The organization focus is on providing high quality administration services to both the business and our clients. Previously, David was Head of Investment Services & Fund Accounting for Asia Pacific and the Head of Japan Operations & Services based in Hong Kong from 2011 to July 2016. In this capacity he had responsibility for a number of functional areas, covering six countries, including an offshore servicing team located in Dalian, China. From 2007 to 2011, he worked for FIL Investments (Japan) Limited based in Tokyo, Japan as Head of Investment Administration – Asia Pacific, where he was responsible for a range of activities, including Fund Accounting, Investment Operations and Project Management. Prior to this he worked for three years in the UK as a Director in Investment Administration. Before joining Fidelity International he spent eight years with Deutsche Asset Management in the USA as Vice President of Investment Accounting, and for the period between 1986 and 1995 David worked for Fidelity Investments in Boston, in a number of roles within Fund Accounting, Fund Operations and Audit. David holds a MBA from the Questrom School of Business at Boston University and a Bachelor of Science degree in Business Administration from Northeastern University in Boston.

### **Nick King (UK resident)**

Nick King is Head of Exchange Traded Funds at Fidelity International, with responsibility for developing the firm's ETF capabilities and product development. Prior to joining Fidelity International in 2015, Mr King worked for BlackRock (since 2006) undertaking senior roles in ETF Product Development and Portfolio Management. In his time at BlackRock, Mr King was responsible for the design and launch of ETF products covering multiple asset classes. He was also Portfolio Manager for a number of flagship iShares ETFs. Earlier in his career, Mr King worked as a Portfolio Manager within the Structured Beta & Indexing team UBS Global Asset Management (2003-2006). Mr King holds a BSc in Management Science & IT from the University of Exeter and an MSc in Mathematical Trading & Finance from Cass Business School. He is a CFA Charterholder.

### **Denise Kinsella (Irish resident)**

Denise Kinsella is an independent non-executive director with over 25 years' experience in international financial services. She is a former partner of Dillon Eustace Solicitors (1999 to 2005) and prior to that held a number of senior executive roles at Bank of Ireland, including Director of Client Services at Bank of Ireland Securities Services (since acquired by Northern Trust). Denise is a past Chairman of Irish Funds (the Irish funds industry association) and its legal and regulatory sub-committee and represented the funds industry on a number of funds industry bodies, including An Taoiseach's International Financial Services Committee and FEFSI (now EFAMA). She served on the Central Bank of Ireland's Committee on Collective Investment Governance, was consulting editor to "Collective Investment Schemes in Luxembourg, Law and Practice" published by Oxford University Press and has lectured on financial services law at the Law Society of Ireland. She holds a law degree from Trinity College Dublin, was admitted as a solicitor by the Law Society of Ireland and holds a diploma in company direction from the Institute of Directors (UK).

The Directors are responsible for managing the business affairs of the Fund. The Directors have delegated (a) the administration of the Fund's affairs, including responsibility for the preparation and maintenance of the Fund's records and accounts and related fund accounting matters, the calculation of the Net Asset Value per Share, the provision of registration services; and (b) responsibility for the investment management, including the acquisition and disposal of the assets of the Fund and the distribution and marketing of the Fund, to the Manager. The Directors have also appointed the Depositary to provide for the safe-keeping of the Fund's assets. The Instrument of Incorporation does not stipulate a retirement age for Directors and does not provide for retirement of Directors by rotation. The Instrument of Incorporation provides that a Director may be a party to any transaction or arrangement with the Fund or in which the Fund is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. The Fund has granted indemnities to the Directors in respect of any loss or damages that they may suffer, save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the Fund.

The Directors' address is the registered office of the Fund.

**The Manager.** Pursuant to the Management Agreement, the Manager will be responsible for the investment management and general administration of the Fund with power to delegate such functions subject to the overall supervision and control of the Directors.

In the provision of its services to the Fund, the Manager shall (i) act honestly, with due skill, care and diligence and fairly in conducting its activities; (ii) act in the best interests of the Fund, the Sub-Funds and the Shareholders; (iii) have and employ effectively the resources and procedures that are necessary for the proper performance of its activities; (iv) comply with all regulatory requirements applicable to the conduct of its activities; and (v) treat all Shareholders fairly.

The Manager was established under the laws of Ireland on 11 October 2000 as a private limited company. It has an authorised share capital of 10,000,000 ordinary shares of 1 Euro each and an issued paid up share capital of 701,000 ordinary shares of 1 Euro each. It was established as a financial services company to provide administration and other services to collective investment schemes and is authorised by the Central Bank to act as a management company pursuant to the UCITS Regulations. It is a wholly owned subsidiary of FIL Limited. The Manager is regulated in Ireland by the Central Bank and subject to approval by the Central Bank, may act as manager for other collective investment schemes.

The directors of the Manager are Catherine Fitzsimons, David Greco, Nick King and Denise Kinsella (and their details are set out above, in the section entitled "*Directors*"), and Bronwyn Wright, whose details are set out below.

**Bronwyn Wright (Irish resident)**

Bronwyn Wright is a former Managing Director for a global financial institution having worked in Capital Markets and Banking, where she was Head of Securities and Fund Services for Ireland with responsibility for the management, growth and strategic direction of the securities and fund services business which included funds, custody, security finance and global agency and trust. Due to her role in managing, leading and growing the European fiduciary business, Ms. Wright has extensive knowledge of regulatory requirements and best market practice in the UK, Luxembourg, Jersey and Ireland. She has sat and chaired the boards of the applicable legal vehicles for the fiduciary businesses in each jurisdiction. Due to her engagement in due diligence exercises she also understands the Nordics, Germany and Asia. She has also been engaged in pre-acquisition due diligence in Asia and led a post-acquisition integration across EMEA. Ms. Wright holds a degree in Economics and Politics as well as a Masters degree in Economics from University College Dublin. Ms. Wright is past chairperson of the Irish Funds Industry Association committee for Trustee Services. Ms. Wright has contributed to the Irish Funds educational development in various capacities, including co-author of a Diploma in Mutual Funds, virtual web based lectures in financial services and part of an executive committee for a PhD finance programme. She has written numerous industry articles and chairs and participates in industry seminars in Europe and the US. Ms. Wright currently sits on the boards of a number of Irish regulated funds.

The company secretary of the Manager is FIL Administration Limited.

The Management Agreement may be terminated by either party on giving not less than 90 days prior written notice to the other party (or such shorter notice as the parties may agree). The Management Agreement may also be terminated forthwith by either party giving notice in writing to the other party upon certain breaches or upon the insolvency of a party (or upon the happening of a like event).

The Management Agreement provides that the Fund shall indemnify and hold harmless the Manager, its employees, delegates and agents against all actions, proceedings, claims, damages, costs, demands and expenses which may be brought against, suffered or incurred by the Manager, its employees, delegates or agents in the performance of its duties thereunder other than those resulting from the fraud, negligence or wilful default of the Manager, its employees, delegates or agents.

The Manager is subject to remuneration policies, procedures and practices (together, the “**Remuneration Policy**”) which comply with the UCITS Regulations. The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Sub-Funds. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Manager and the Fund, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Manager or the Fund, and ensures that no individual will be involved in determining or approving their own remuneration. Details of the Remuneration Policy (including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits and the composition of the remuneration committee, where such a committee exists) is available via <https://www.fil.com>. A paper copy can be obtained, free of charge, upon request.

**Administrator.** The Manager has appointed Brown Brothers Harriman Fund Administration Services (Ireland) Limited to act as Administrator of the Fund responsible for performing the day to day administration of the Fund and for providing fund accounting for the Fund, including the calculation of the Net Asset Value of each Sub-Fund and the Shares, and for providing transfer agency, registrar (as relevant) and related support services to the Fund. The Administrator was incorporated with limited liability in Ireland on 29 March 1995 under registration number 231236.

The Administration Agreement shall continue in force until terminated by either the Manager or the Administrator on ninety (90) days’ notice in writing to the other party or until terminated by either the Manager or the Administrator in accordance with the terms of the Administration Agreement, which provide that the Administration Agreement may be terminated forthwith by either party giving notice in writing to the other if at any time: (i) the other party shall go into liquidation (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party) or a receiver or examiner is appointed to such party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; or (ii) the other party shall commit any breach of the provisions of this Agreement which, if capable of remedy, shall not have been remedied within thirty (30) consecutive calendar days after the service of written notice requiring it to be remedied; or (iii) any party ceases to be permitted to act as in its current capacity under any applicable laws; or (iv) the Depositary shall cease to be engaged as the depositary of the Fund.

The Administrator shall use reasonable care in performing its duties, but shall not be held accountable or liable for any losses, damages or expenses the Manager, Fund or any Shareholder or former Shareholder or any other person who may suffer or incur arising from acts, omissions, errors or delays of the Administrator in the performance of its obligations and duties, including, without limitation, any error of judgment or mistake of law, except a damage, loss or expense resulting from the Administrator’s wilful malfeasance, bad faith, fraud or negligence in the performance of such obligations and duties. In addition, the Manager has agreed to indemnify the Administrator out of the assets of the Fund against and hold it harmless from any and all losses, claims, damages, liabilities or expenses (including reasonable counsel’s fees and expenses) resulting from any act, omission, error or delay or any claim, demand, action or suit, in connection with or arising out of performance of its obligations and duties under this Agreement, not resulting from the wilful malfeasance, bad faith, fraud or negligence of the Administrator in the performance of such obligations and duties.

**Depositary.** The Fund has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited to act as Depositary for the safekeeping of all the investments, cash and other assets of the Fund and to ensure that the issue and repurchase of Shares by the Fund and the calculation of the Net Asset Value and Net Asset Value per Share is carried out and that all income received and investments made are in accordance with the Instrument of Incorporation and the UCITS Regulations. In addition, the Depositary is obliged to enquire into the conduct of the Fund in each financial year and report thereon to Shareholders.

The Depositary is a private limited company incorporated under the laws of Ireland to provide custody and depositary services to Irish domiciled collective investment schemes and to international and Irish institutions.

Pursuant to the Depositary Agreement, the Depositary will provide safekeeping for the Fund's assets in accordance with the UCITS Regulations and will collect any income arising on such assets on the Fund's behalf. In addition, the Depositary has the following main duties, which may not be delegated:

- (i) it must ensure that the sale, issue, repurchase, redemption and cancellation of Shares is carried out in accordance with the UCITS Regulations and the Instrument of Incorporation;
- (ii) it must ensure that the value of the Shares is calculated in accordance with the UCITS Regulations and the Instrument of Incorporation;
- (iii) it must carry out the instructions of the Manager unless such instructions conflict with the UCITS Regulations, the Instrument of Incorporation or the terms of the Depositary Agreement;
- (iv) it must ensure that in transactions involving the Fund's assets or the assets of any Sub-Fund that any payment in respect of same is remitted to the relevant Sub-Fund(s) within the usual time limits;
- (v) it must ensure that the income of the Fund or of any Sub-Fund(s) is applied in accordance with the UCITS Regulations and the Instrument of Incorporation;
- (vi) it must enquire into the conduct of the Fund in each accounting period and report thereon to Shareholders; and
- (vii) it must ensure that the Fund's cash flows are properly monitored in accordance with the UCITS Regulations.

The Depositary Agreement provides that the Depositary shall be liable to the Fund and the Shareholders (i) in respect of a loss of a financial instrument held in its custody (or in the custody of any third party to whom the Depositary's safekeeping functions have been delegated in accordance with the UCITS Regulations) unless the Depositary can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; and (ii) in respect of all other losses arising as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations. In addition, the Depositary Agreement also provides that the Depositary shall be liable, subject and without prejudice to the foregoing, for its negligent or intentional failure to properly fulfill its functions under the Depositary Agreement.

The Fund has agreed to indemnify the Depositary against any losses suffered by it in acting as the Fund's depositary other than losses (as defined therein) in respect of which the Depositary is found to be liable to the Fund and/or the Shareholders in accordance with the terms of the Depositary Agreement or applicable law.

The Depositary Agreement shall continue in force until terminated by any party thereto on 90 calendar days' advance written notice to the other party or immediately by written notice to the other party if the other party (i) a receiver or examiner is appointed to the other party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; (ii) commits any material breach of the Depositary Agreement which if capable of remedy has not been remedied within thirty (30) days of the non-defaulting party serving notice requiring the defaulting party to remedy the default; or (iii) the Depositary ceases to be permitted to act as a depositary of collective investment schemes authorised by the Central Bank. The Fund may terminate the Depositary Agreement forthwith on notice in writing to the Depositary on a number of additional grounds as specified in the Depositary Agreement.

If within 90 days from the date of the Depositary serving a termination notice, a replacement depositary acceptable to the Fund and the Central Bank has not been appointed to act as depositary, the Fund shall serve notice on all Shareholders convening a general meeting of the Shareholders at which a resolution will be tabled to approve the redemption of all participating Shares in accordance with the provisions of the Instrument of Incorporation and shall procure that, immediately following the redemption of such Shares, the Fund be wound up. On completion of such process, the Fund shall apply to the Central Bank for revocation of its authorisation of the Fund under the UCITS Regulations.

The Depositary may delegate its safekeeping duties only in accordance with the UCITS Regulations and provided that: (i) the tasks are not delegated with the intention of avoiding the requirements of the UCITS Regulations; (ii) the Depositary can demonstrate that there is an objective reason for the delegation; and (iii) the Depositary has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it has

delegated its safekeeping duties either wholly or in part and continues to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any such third party and of the arrangements of such third party in respect of the matters delegated to it. Any third party to whom the Depositary delegates its safekeeping functions in accordance with the UCITS Regulations may, in turn, sub-delegate those functions subject to the same requirements as apply to any delegation effected directly by the Depositary. The liability of the Depositary under the UCITS Regulations will not be affected by any delegation of its safekeeping functions.

The Depositary has delegated its safekeeping functions under the UCITS Regulations to Brown Brothers Harriman & Co., its global sub-custodian, through which it has access to BBH&Co.'s global network of sub-custodians. The entities to whom safekeeping of the Fund's assets have been sub-delegated by Brown Brothers Harriman & Co. as at the date of this Prospectus are set out at Schedule III. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any such delegation.

In accordance with the UCITS Regulations, the Depositary must not carry out activities with regard to the Fund or with regard to the Manager acting on behalf of the Fund that may create conflicts of interest between itself and (i) the Fund; (ii) the Shareholders; and/or (iii) the Manager unless it has separated the performance of its depositary tasks from its other potentially conflicting tasks in accordance with the UCITS Regulations and the potential conflicts are identified, managed, monitored and disclosed to Shareholders. Please refer to the section of this Prospectus entitled "*Conflicts of Interest Risk*" for details of potential conflicts that may arise involving the Depositary.

Up to date information in relation to the Depositary, its duties, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates to whom safe-keeping functions have been delegated and any relevant conflicts of interest that may arise will be made available to Shareholders upon request to the Manager.

**Distributor.** The Manager has appointed FIL Distributors as a general distributor of Shares pursuant to the Distribution Agreement. FIL Distributors is incorporated in Bermuda. The General Distributor may appoint Sub-Distributors to distribute the Shares.

The Distribution Agreement provides that the appointment of the General 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 at any time by notice in writing by either party to the other. Under the Distribution Agreement, the General Distributor shall not be liable to the Manager or any Shareholders or otherwise for any actions, proceedings, claims, costs, demands, charges, losses, damages or expenses suffered or borne by the Fund or the Sub-Funds in connection with the Distribution Agreement unless such loss arises from the bad faith, negligence, fraud, wilful default or reckless disregard to comply with its obligations or by persons designated by it of its obligations or duties under the agreement on the part of the General Distributor or any of its directors, officers, employees, delegates, servants or their agents.

**Paying Agents.** Local laws/regulations in certain countries may require (i) the Manager to appoint facilities agents/paying agents/representatives/sub-distributors/correspondent banks (any such appointee is hereafter referred to as a "**Paying Agent**" and provided further that any such appointment may be made notwithstanding that it is not a legal or regulatory requirement) and (ii) the maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or who are obliged under local regulations to pay subscription monies, or receive redemption monies or dividends, through a Paying Agent are subject to the credit risk of the Paying Agent with respect to (a) the subscription monies for investment in a Sub-Fund held by the Paying Agent prior to the transmission of such monies to the Depositary for the account of the relevant Sub-Fund and (b) the redemption monies and dividend payments held by the Paying Agent (after transmission by the Fund) prior to payment to the relevant Shareholder. Fees and expenses of the Paying Agents appointed by the Fund, which will be at normal commercial rates, will be borne by the Fund in respect of which a Paying Agent has been appointed. All Shareholders of the relevant Sub-Fund on whose behalf a Paying Agent is appointed may use the services provided by Paying Agents appointed by or on behalf of the Fund.

**Secretary.** The secretary of the Fund is FIL Fund Management (Ireland) Limited.

**Auditors.** PricewaterhouseCoopers serve as auditors to the Fund.

**Legal Counsel.** Matheson serve as legal counsel to the Fund.

## SCHEDULE I – DEFINITIONS

<b>Accumulating Classes</b>	any Class in respect of which the Directors have determined to accumulate all net investment income and net realised capital gains attributable to such classes and in respect of which it is not intended to declare dividends, as specified in the Relevant Supplement;
<b>Act</b>	the Irish Collective Asset-management Vehicles Act 2015 and all applicable Central Bank regulations made or conditions imposed;
<b>Actively Managed Sub-Fund</b>	a Sub-Fund which is not an Index Tracking Sub-Fund and whose investments will be managed actively by the Investment Manager or its delegates to seek to achieve its investment objective;
<b>Administration Agreement</b>	the agreement dated 22 December 2017 between the Manager and the Administrator, pursuant to which the Administrator was appointed to provide administration and accounting services to the Fund, as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>Administrator</b>	Brown Brothers Harriman Fund Administration Services (Ireland) Limited, or such other company as may from time to time be appointed to provide administration and accounting services to the Fund in accordance with the requirements of the Central Bank;
<b>Authorised Participant</b>	with respect to ETF Shares, a market maker or a broker-dealer entity, which has entered into a participating dealer agreement for the purposes of directly subscribing and/or redeeming ETF Shares with the Fund (i.e. primary market);
<b>Base Currency</b>	the currency in which the Net Asset Value of each Sub-Fund is calculated or in which any Class of Shares is denominated;
<b>Brokerage Commissions</b>	fees payable by the Sub-Funds to third parties which include: (i) Trade Execution Fees; and/or (ii) any applicable Research Fees;
<b>Business Day</b>	Unless specified otherwise in the Relevant Supplement for any Sub-Fund, any London Banking Day and/or such other day or days as the Directors may determine and notify in advance to Shareholders;
<b>Central Bank</b>	the Central Bank of Ireland or any division thereof or any successor entity;
<b>Central Bank UCITS Regulations</b>	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended, and any notices, question and answer documentation and other guidance issued by the Central Bank from time to time pursuant thereto;
<b>Class</b>	Shares of a particular Sub-Fund representing an interest in the Sub-Fund but designated as a class of Shares within such Sub-Fund for the purposes of attributing different proportions of the Net Asset Value of the relevant Sub-Fund to such Shares to accommodate different subscription, conversion and redemption charges, dividend arrangements, base currencies, currency hedging policies and/or fee arrangements specific to such Shares;
<b>Common Depositary</b>	the entity appointed as a depositary for the ICSD, currently Citivic Nominees Limited, a nominee of Citibank Europe plc;
<b>Currency Hedged Share Class</b>	a Share Class for which the intention is to systematically hedge currency exposure;
<b>Dealing Day</b>	such days specified in the Relevant Supplement for any Sub-Fund and/or such other day or days as the Directors may determine and notify to Shareholders in advance, provided there shall be at least two Dealing Days per month occurring at regular intervals;
<b>Dealing Deadline</b>	the time specified for each Class of each Sub-Fund in the Relevant Supplement in respect of each Dealing Day before which applications for subscriptions or redemptions must be received;

<b>Depository</b>	Brown Brothers Harriman Trustee Services (Ireland) Limited or such other company as may from time to time be appointed to provide depository services to the Fund in accordance with the requirements of the Central Bank;
<b>Depository Agreement</b>	the agreement dated 22 December 2017 between the Fund and the Depository, pursuant to which the Depository was appointed as depository of the Fund, as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>Directors</b>	the directors of the Fund for the time being and any duly constituted committee thereof;
<b>Distributing Class</b>	any Class in respect of which the Directors intend to declare dividends in accordance with the Instrument of Incorporation, as specified in the “ <i>Distribution Policy</i> ” section and in the Relevant Supplement;
<b>Distribution Agreement</b>	the agreement dated 22 December 2017 between the Manager and the General Distributor as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>Distributor</b>	the General Distributor and/or any Sub-Distributor, as appropriate;
<b>Duties and Charges</b>	all stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions (including foreign exchange spreads), custodian and sub-custodian charges, transfer fees and expenses, agents’ fees, Brokerage Commissions, bank charges, registration fees and other duties and charges, including any provision for the spread or difference between the price at which any asset was valued for the purpose of calculation of the Net Asset Value per Share of any Sub-Fund and the estimated or actual price at which any such asset is purchased or expected to be purchased, in the case of subscriptions to the relevant Sub-Fund, or sold or expected to be sold, in the case of redemptions from the relevant Sub-Fund, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any derivative contract required as a result of a subscription or redemption, whether paid, payable or incurred or expected to be paid, payable or incurred in respect of the constitution, increase or reduction of all of the cash and other assets of the Fund or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares (including, if relevant the issue or cancellation of certificates for Shares) or investments by or on behalf of the Fund;
<b>EEA</b>	European Economic Area;
<b>ETF Shares</b>	a Share or Shares of an exchange traded Class in the capital of the Fund (other than Subscriber Shares) entitling the holders to participate in the profits of the Fund attributable to the relevant Sub-Fund as described in this Prospectus;
<b>EU</b>	European Union;
<b>€ or Euro</b>	the single currency of participating member states of the European Monetary Union introduced on 1 January 1999;
<b>Euronext Dublin</b>	The Irish Stock Exchange plc (trading as Euronext Dublin);

<b>Exempt Irish Investor</b>	<p>a Shareholder resident (or ordinarily resident) in Ireland for Irish tax purposes and falling within any of the categories listed in section 739D(6) of the Taxes Consolidation Act of Ireland (“TCA”), summarised as follows:</p> <ol style="list-style-type: none"> <li>1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).</li> <li>2. Companies carrying on life assurance business (within the meaning of section 706 TCA).</li> <li>3. Investment undertakings (within the meaning of section 739B TCA).</li> <li>4. Investment limited partnerships (within the meaning of section 739J TCA).</li> <li>5. Special investment schemes (within the meaning of section 737 TCA).</li> <li>6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).</li> <li>7. Charities (within the meaning of section 739D(6)(f)(i) TCA).</li> <li>8. Qualifying managing companies (within the meaning of section 734(1) TCA).</li> <li>9. Specified companies (within the meaning of section 734(1) TCA).</li> <li>10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).</li> <li>11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).</li> <li>12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).</li> <li>13. The National Asset Management Agency.</li> <li>14. The National Pensions Reserve Fund Commission or a Commission investment vehicle.</li> <li>15. Qualifying companies (within the meaning of section 110 TCA).</li> <li>16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Fund without requiring the Fund to deduct or account for Irish tax.</li> </ol>
<b>FDI</b>	financial derivative instruments;
<b>Fidelity International</b>	the brand name used for the financial services division of the FIL Group, being FIL Limited and subsidiaries, the group to which the Manager belongs;
<b>Fund</b>	Fidelity UCITS II ICAV;
<b>General Distributor</b>	FIL Distributors and/or any additional or successor or addition thereto duly appointed as the general distributor for the Fund in accordance with the requirements of the Central Bank;
<b>Global Share Certificate</b>	the certificate evidencing entitlement to the Shares issued pursuant to the Instrument of Incorporation and the Prospectus, described in further detail under the section titled “ <i>Clearing and Settlement</i> ”;
<b>ICSD</b>	such Recognised Clearing System(s) used by the Fund issuing their Shares through the International Central Securities Depository settlement system, which is an international settlement system connected to multiple national markets;
<b>Index</b>	any financial index which an Index Tracking Sub-Fund will aim to track, pursuant to its investment objective and/or in accordance with its investment policies, as specified in the Relevant Supplement;
<b>Index Provider</b>	in relation to a Sub-Fund, the entity or person who, by itself or through a designated agent, compiles, calculates and publishes information on an Index as specified in the Relevant Supplement;
<b>Index Securities</b>	the securities that constitute each Index;
<b>Index Tracking Sub-Fund</b>	a Sub-Fund which seeks to track the performance of an Index while seeking to minimise as far as possible the tracking error between the Sub-Fund’s performance and that of its applicable Index;
<b>Initial Offer Period</b>	such period or periods as may be specified in the Relevant Supplement as the period during which Shares of a Class may be purchased at the Initial Offer Price;
<b>Initial Offer Price</b>	the price at which Shares may be subscribed during the Initial Offer Period as set out in the Relevant Supplement;

<b>Insolvency Event</b>	occurs in relation to a person where: (i) an order has been made or an effective resolution passed for the liquidation or bankruptcy of the person; (ii) a receiver or similar officer has been appointed in respect of the person or of any of the person's assets or the person becomes subject to an administration order; (iii) the person enters into an arrangement with one or more of its creditors or is deemed to be unable to pay its debts; (iv) the person ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business; (v) an event occurs in relation to the person in any jurisdiction that has an effect similar to that of any of the events referred to in (i) to (iv) above; or (vi) the Fund in good faith believes that any of the above may occur;
<b>Instrument of Incorporation</b>	the instrument of incorporation of the Fund for the time being in force and as may be modified from time to time, subject to approval by the Central Bank;
<b>Investment Manager</b>	the entity disclosed in the Relevant Supplement as the investment manager which has been appointed to provide investment management services to the relevant Sub-Fund and shall include, where the context permits, any sub-investment manager(s) appointed from time to time by the Investment Manager;
<b>KRW</b>	the Korean Republic Won, the lawful currency of the Republic of Korea;
<b>Listing Stock Exchange</b>	such selected exchanges as the Directors may determine from time to time in respect of each Sub-Fund and which are specified on the Website;
<b>London Banking Day</b>	a day on which commercial banks are open and settle payments in London, excluding days on which such commercial banks are open for only half a day;
<b>Manager</b>	FIL Fund Management (Ireland) Limited or such other manager as may be appointed by the Fund;
<b>Management Agreement</b>	the agreement dated 22 December 2017 between the Manager and the Fund, pursuant to which the Manager was appointed as management company of the Fund, as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>Member State</b>	a member state of the EU;
<b>NAV Hedge</b>	a hedging method whereby the Class currency of the Currency Hedged Share Class is systematically hedged to the Base Currency;
<b>Net Asset Value</b>	the Net Asset Value of a Sub-Fund calculated as described in the " <i>Determination of Net Asset Value</i> " section;
<b>Net Asset Value per Share</b>	the Net Asset Value of a Share in any Sub-Fund, including a Share of any Class, calculated as described in the " <i>Determination of Net Asset Value</i> " section;
<b>Non-ETF Shares</b>	a Share or Shares in the capital of the Fund (other than the ETF Shares or the Subscriber Shares) entitling the holders to participate in the profits of the Fund attributable to the relevant Sub-Fund as described in this Prospectus;
<b>Non-Exempt Irish Investor</b>	a Shareholder who is not an Exempt Irish Investor;
<b>OECD</b>	the Organisation for Economic Co-Operation and Development;
<b>Portfolio Hedge</b>	a hedging method whereby the currency exposures of the Sub-Fund's portfolio holdings attributable to the Currency Hedged Share Class are systematically hedged back to the Class currency of the Currency Hedged Share Class, unless for specific currencies it is impractical or not cost effective to apply such hedging;
<b>Primary Market</b>	the off-exchange market whereon Shares are created and redeemed directly with the Fund;

<b>Prospectus</b>	this document, the Relevant Supplement for any Sub-Fund and any other supplement or addendum designed to be read and construed together with and to form part of this document;
<b>Recognised Clearing System</b>	a recognised clearing system within the meaning of section 246A of the TCA. The following is a list of all clearing systems that are Recognised Clearing Systems as of the date of this Prospectus: BNY Mellon Central Securities Depository SA/NV (BNY Mellon CSD), Central Moneymarkets Office, Clearstream Banking SA, Clearstream Banking AG, CREST, Depository Trust Company of New York, Deutsche Bank AG, Depository and Clearing System, Euroclear, Hong Kong Securities Clearing Company Limited, Japan Securities Depository Center (JASDEC), Monte Titoli SPA, Netherlands Centraal Instituut voor Giraal Effectenverkeer BV, National Securities Clearing System, Sicovam SA, SIS Sega Intersectle AG, The Canadian Depository for Securities Ltd, and VPC AB (Sweden).
<b>Recognised Market</b>	any recognised exchange or market listed or referred to in Schedule II to this Prospectus and such other markets as Directors may from time to time determine in accordance with the UCITS Regulations and specify in Schedule II to this Prospectus;
<b>Redemption Application</b>	an application to be completed and signed by a redeeming Shareholder in such form as may be prescribed by the Fund from time to time;
<b>Register</b>	the register of Shareholders maintained on behalf of the Fund;
<b>Relevant Institution</b>	(a) a credit institution authorised in the EEA (Member States, Norway, Iceland, Liechtenstein); (b) a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
<b>Relevant Jurisdiction</b>	Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the United Kingdom, Norway, Iceland and Liechtenstein;
<b>Relevant Supplement</b>	a document supplemental to the Prospectus containing information relating to each Sub-Fund;
<b>Research Fees</b>	fees payable by the relevant Sub-Fund to third parties in respect of investment research and related advisory services relating to equities and equity related securities. Further information in respect of the Research Fees, including the maximum amount that may be charged to a Sub-Fund and details of the collection methodology, is available at the registered office of the Fund or on the website of the Manager;
<b>Secondary Market</b>	a market on which ETF Shares of the ETF Sub-Funds are traded between investors rather than with the Fund itself, which may either take place on a Recognised Market or over-the-counter;
<b>Settlement Deadline</b>	the time specified for each Class of each Sub-Fund in the Relevant Supplement in respect of each Dealing Day before which subscriptions monies must be received;
<b>Share or Shares</b>	a Share or Shares of whatsoever Class in the capital of the Fund (other than Subscriber Shares) entitling the holders to participate in the profits of the Fund attributable to the relevant Sub-Fund as described in this Prospectus;
<b>Shareholder</b>	a person registered in the Register as a holder of Shares;
<b>Sub-Distributor</b>	any sub-distributor appointed by the General Distributor with respect to a Sub-Fund(s) from time to time;
<b>Sub-Fund</b>	a portfolio of assets established by the Directors (with the prior approval of the Depository and the Central Bank) and constituting a separate fund represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Sub-Fund;

<b>Subscriber Shares</b>	the subscriber shares of no par value issued for €1.00 each which are held by the Investment Manager and/or its nominees;
<b>Subscription Agreement</b>	the subscription agreement to be completed and signed by a prospective Shareholder (or existing Shareholder, in the case of an additional subscription) in such form as may be prescribed by the Fund from time to time;
<b>Trade Execution Fees</b>	commissions which are paid to third party brokers in respect of trade execution;
<b>UCITS</b>	an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>UCITS Regulations</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended), the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and any statutory instruments, rulebook, notices, question and answer documentation and other guidance notes issued by the Central Bank from time to time pursuant thereto and all applicable Central Bank regulations made or conditions imposed or derogations granted thereunder as may be amended from time to time;
<b>Unqualified Person</b>	a person who is (a) a U.S. Person or is holding Shares for the account or benefit of a U.S. Person; or (b) holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, legal, pecuniary or tax consequences or material administrative disadvantage for the Fund or the Shareholders as a whole;
<b>U.S. or United States</b>	the United States of America, its territories and possessions, including the States and the District of Columbia;
<b>U.S. Person</b>	a “U.S. Person” as defined under Regulation S of the Securities Act of 1933, as amended and a person excluded from the definition of a “Non-United States person” as used in Commodity Futures Trading Commission (“CFTC”) Rule 4.7;
<b>Valuation Day</b>	a day for which the Net Asset Value in respect of a Sub-Fund is calculated, as set out in the Relevant Supplement;
<b>Valuation Point</b>	the time specified for each Sub-Fund in the Relevant Supplement or such other time as the Directors may determine from time to time and notify to Shareholders.  For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after such time as the Directors shall determine as the Dealing Deadline; and
<b>Website</b>	www.fidelityinternational.com (in respect of the Non-ETF Sub-Funds) or www.fidelity-etfs.com/documents (in respect of the ETF Sub-Funds), on which the up-to-date Net Asset Value per Share, the portfolio holdings in respect of the ETF Sub-Funds and any other relevant information relating to any Sub-Fund will be published and on which this Prospectus and any other information in respect of the Fund, including various Shareholder and investor communications, may be published. Should this website become unavailable for any reason, an alternative website will be notified to Shareholders on which the Net Asset Value per Share, the portfolio holdings in respect of the ETF Sub-Funds and any other relevant information relating to any Sub-Fund will be published and on which this Prospectus and any other information in respect of the Fund, including various Shareholder and investor communications, may be published.

## SCHEDULE II – RECOGNISED MARKETS

- (i) Any stock exchange or market in Australia, Canada, Hong Kong, Japan, New Zealand, the Relevant Jurisdictions, Switzerland and the United States of America.
- (ii) Any of the following markets or exchanges:

Argentina	Buenos Aires Stock Exchange Cordoba Stock Exchange La Plata Stock Exchange Mendoza Stock Exchange Rosario Stock Exchange
Brazil	Bahia-Sergipe-Alagoas Stock Exchange Brasilia Stock Exchange Extremo Sul Porto Alegre Stock Exchange Minas Esperito Santo Stock Exchange Parana Curitiba Stock Exchange Pernambuco e Paraiba Recife Stock Exchange Regional Fortaleza Stock Exchange Rio de Janeiro Stock Exchange Santos Stock Exchange Sao Paulo Stock Exchange
Chile	Santiago Stock Exchange Valparaiso Stock Exchange
China	Shanghai Securities Exchange Shenzhen Stock Exchange
Colombia	Colombian Stock Exchange
Costa Rica	Bolsa Nacional de Valores S.A.
Egypt	Cairo and Alexandria Stock Exchange
Ghana	Ghana Stock Exchange
India	Bombay Stock Exchange Madras Stock Exchange Delhi Stock Exchange Ahmedabad Stock Exchange Bangalore Stock Exchange Cochin Stock Exchange Gauhati Stock Exchange Magadh Stock Exchange Pune Stock Exchange Hyderabad Stock Exchange Ludhiana Stock Exchange Uttar Pradesh Stock Exchange Calcutta Stock Exchange
Indonesia	Jakarta Stock Exchange Surabaya Stock Exchange
Israel	Tel Aviv Stock Exchange (TASE)

Kazakhstan	Kazakhstan Stock Exchange
Malaysia	Kuala Lumpur Stock Exchange Bumiputra Stock Exchange
Mexico	Bolsa Mexicana de Valores
Namibia	Namibian Stock Exchange
New Zealand	New Zealand Stock Exchange
Nigeria	Nigerian Stock Exchange
Pakistan	Karachi Stock Exchange Lahore Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange
Qatar	Doha Securities Market
Russia	Moscow International Stock Exchange Moscow Interbank Currency Exchange (equity securities only)
Serbia	Belgrade Stock Exchange
Singapore	Singapore Stock Exchange SESDAQ
South Africa	Johannesburg Stock Exchange
South Korea	Korea Exchange, Inc. (KRX) KRX Stock Market Division (KRX KOSPI Market) KRX Futures Market Division (KRX Derivatives Market) KRX Korea Securities Dealers Association Automated Quotation (KOSDAQ) Division
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Thailand Stock Exchange
Turkey	Istanbul Stock Exchange
United Arab Emirates	Dubai Financial Market Dubai International Financial Exchange
Ukraine	Ukrainian Stock Exchange
Uruguay	Rospide Sociedad de Bolsa S.A.
Venezuela	Bolsa de Valores de Caracas
Vietnam	Vietnam Stock Exchange
Zambia	Lusaka Stock Exchange

- (iii) The following markets:
- the market organised by the International Capital Markets Association;
  - the UK market (i) conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "Non-Investment Product Code" drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as "The Grey Paper");
  - (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
  - (a) NASDAQ Japan, (b) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan, and (c) Market of the High-Growth and Emerging Stocks ("MOTHERS")
  - the alternative investment markets in the United Kingdom regulated and operated by the London Stock Exchange;
  - the Hong Kong Growth Enterprise Market ("GEM");
  - TAISDAQ
  - the Stock Exchange of Singapore Dealing and Automated Quotation (SESDAQ)
  - the Taiwan Innovative Growing Entrepreneurs Exchange ("TIGER")
  - the Korean Securities Dealers Automated Quotation ("KOSDAQ")
  - the French Market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments)
  - the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada
  - EASDAQ (European Association of Securities Dealers Automated Quotation)

North America	<ul style="list-style-type: none"> <li>The Chicago Mercantile Exchange</li> <li>American Stock Exchange</li> <li>Chicago Board of Trade</li> <li>Chicago Board of Options Exchange</li> <li>Coffee, Sugar and Cocoa Exchange</li> <li>Iowa Electronic Markets</li> <li>Kansas City Board of Trade</li> <li>Mid-American Commodity Exchange</li> <li>Minneapolis Grain Exchange</li> <li>New York Cotton Exchange</li> <li>Twin Cities Board of Trade</li> <li>New York Futures Exchange</li> <li>New York Board of Trade</li> <li>New York Mercantile Exchange</li> <li>CME Group</li> <li>Montreal Derivatives Exchange</li> </ul>
Asia	<ul style="list-style-type: none"> <li>China Financial Futures Exchange</li> <li>Dalian Commodity Exchange</li> <li>Shanghai Futures Exchange</li> <li>Zhengzhou Commodity Exchange</li> <li>China Interbank Bond Market</li> <li>Hong Kong Futures Exchange</li> <li>Ace Derivatives &amp; Commodity Exchange</li> <li>Indonesia Commodity and Derivatives Exchange</li> <li>Bursa Malaysia Derivatives Berhad</li> <li>Singapore International Monetary Exchange</li> <li>Singapore Commodity Exchange</li> <li>Tokyo Financial Exchange</li> <li>Tokyo Commodity Exchange</li> <li>Taiwan Futures Exchange</li> <li>Thailand Futures Exchange</li> </ul>

	Agricultural Futures Exchange of Thailand
	Singapore Commodity Exchange
	Singapore Mercantile Exchange
Australasia	New Zealand Exchange
Europe	Athens Derivative Exchange
	Borsa Italiana (IDEM)
	EUREX Deutschland
	EUREX Zurich
	EUREX for Bunds, OATs, BTPs
	Euronext Derivatives Amsterdam
	Euronext Derivatives Brussels
	Euronext Derivatives Paris
	ICE Futures Europe
	London Metal Exchange
	Meff Renta Variable (Madrid)
	OMX Nordic Exchange Copenhagen
	OMX Nordic Exchange Stockholm
	Ukrainian Interbank Currency Exchange
Africa	South African Futures Exchange

and any exchange or market, including any board of trade or similar entity, or automated quotation system, which exchanges and markets are regulated, operating regularly, recognised and open to the public in a Relevant Jurisdiction.

With the exception of permitted investments in unlisted investments, and off-exchange derivative instruments, investment in securities or financial derivative instruments will be made only in securities or financial derivative instruments listed or traded on a Recognised Market which meets the regulatory criteria (regulated, operating regularly, recognised and open to the public) and which is listed above. These exchanges and markets are listed in accordance with the requirements of the Central Bank and the Central Bank does not issue a list of approved markets.

These exchanges and markets are listed above in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved markets.

### SCHEDULE III – DEPOSITARY DELEGATES

The Depositary has delegated safekeeping duties to Brown Brothers Harriman & Co. (“**BBH&Co.**”) with its principal place of business at 140 Broadway, New York, NY 10005, whom it has appointed as its global sub-custodian. BBH&Co. has further appointed the entities listed below as its local sub-custodians in the specified markets.

The below list includes multiple sub-custodians/correspondents in certain markets. Confirmation of which sub-custodian/correspondent is holding assets in each of those markets with respect to a client is available upon request.

<u>COUNTRY</u>	<u>SUB-CUSTODIAN</u>
ARGENTINA	CITIBANK, N.A. BUENOS AIRES BRANCH
AUSTRALIA	HSBC BANK AUSTRALIA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
AUSTRALIA	NATIONAL AUSTRALIA BANK
AUSTRIA	DEUTSCHE BANK AG, VIENNA BRANCH
AUSTRIA	UNICREDIT BANK AUSTRIA AG
BAHRAIN*	HSBC BANK MIDDLE EAST LIMITED, BAHRAIN BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BANGLADESH*	STANDARD CHARTERED BANK, BANGLADESH BRANCH
BELGIUM	BNP PARIBAS SECURITIES SERVICES
BELGIUM	DEUTSCHE BANK AG, AMSTERDAM BRANCH
BERMUDA*	HSBC BANK BERMUDA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BOSNIA*	UNICREDIT BANK D.D. FOR UNICREDIT BANK AUSTRIA AG
BOTSWANA*	STANDARD CHARTERED BANK BOTSWANA LIMITED FOR STANDARD CHARTERED BANK
BRAZIL*	CITIBANK, N.A. SÃO PAULO
BRAZIL	ITAÚ UNIBANCO S.A.
BULGARIA*	CITIBANK EUROPE PLC, BULGARIA BRANCH FOR CITIBANK,
CANADA	CIBC MELLON TRUST COMPANY FOR CIBC MELLON TRUST COMPANY, CANADIAN IMPERIAL BANK OF COMMERCE AND BANK OF NEW YORK MELLON
CANADA	RBC INVESTOR SERVICES TRUST FOR ROYAL BANK OF CANADA (RBC)
CHILE*	BANCO DE CHILE FOR CITIBANK, N.A.
CHINA*	CHINA CONSTRUCTION BANK CORPORATION
CHINA*	DEUTSCHE BANK (CHINA) CO., LTD., SHANGHAI BRANCH ** <i>Use of this subcustodian is restricted.</i> **

CHINA*	HSBC BANK (CHINA) COMPANY LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
CHINA*	INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CHINA*	STANDARD CHARTERED BANK (CHINA) LIMITED FOR STANDARD CHARTERED BANK
COLOMBIA*	CITITRUST COLOMBIA S.A., SOCIEDAD FIDUCIARIA FOR CITIBANK, N.A.
CROATIA*	ZAGREBACKA BANKA D.D. FOR UNICREDIT BANK AUSTRIA AG
CYPRUS	BNP PARIBAS SECURITIES SERVICES
CZECH REPUBLIC	CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOZKA FOR CITIBANK, N.A.
DENMARK	NORDEA BANK DANMARK A/S FOR NORDEA BANK DANMARK A/S AND NORDEA BANK AB (PUBL)
DENMARK	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), DANMARK BRANCH
EGYPT*	CITIBANK, N.A. - CAIRO BRANCH
EGYPT*	HSBC BANK EGYPT S.A.E. FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ESTONIA	SWEDBANK AS FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB (PUBL)
FINLAND	NORDEA BANK FINLAND PLC FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB (PUBL)
FINLAND	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), HELSINKI BRANCH
FRANCE	BNP PARABIS SECURITES SERVICES
FRANCE	CACEIS BANK FRANCE
FRANCE	DEUTSCHE BANK AG, AMSTERDAM BRANCH
GERMANY	BNP PARIBAS SECURITIES SERVICES - FRANKFURT BRANCH
GERMANY	DEUTSCHE BANK AG – FRANKFURT
GHANA*	STANDARD CHARTERED BANK GHANA LIMITED FOR STANDARD CHARTERED BANK
GREECE	HSBC BANK PLC - ATHENS BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG	STANDARD CHARTERED BANK (HONG KONG) LIMITED FOR STANDARD CHARTERED BANK
HONG KONG	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HUNGARY	CITIBANK EUROPE PLC, HUNGARIAN BRANCH OFFICE FOR CITIBANK, N.A.
HUNGARY	UNICREDIT BANK HUNGARY ZRT FOR UNICREDIT BANK HUNGARY ZRT AND UNICREDIT BANK AUSTRIA AG
ICELAND*	LANDSBANKINN HF
INDIA*	CITIBANK, N.A. - MUMBAI BRANCH
INDIA*	DEUTSCHE BANK AG - MUMBAI BRANCH
INDIA*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - INDIA BRANCH
INDONESIA	CITIBANK, N.A. - JAKARTA BRANCH
INDONESIA	STANDARD CHARTERED BANK, INDONESIA BRANCH

IRELAND	CITIBANK, N.A. - LONDON BRANCH
ISRAEL	BANK HAPOALIM BM
ISREAL	CITIBANK, N.A., ISRAEL BRANCH
ITALY	BNP PARIBAS SECURITIES SERVICES - MILAN BRANCH
ITALY	SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES S.P.A. (SGSS S.P.A.)
IVORY COAST*	STANDARD CHARTERED BANK COTE D'IVOIRE FOR STANDARD CHARTERED BANK
JAPAN	MIZUHO BANK LTD
JAPAN	SUMITOMO MITSUI BANKING CORPORATION
JAPAN	THE BANK OF TOKYO-MITSUBISHI UFJ LTD.
JAPAN	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - JAPAN BRANCH
KAZAKHSTAN*	JSC CITIBANK KAZAKHSTAN FOR CITIBANK, N.A.
KENYA*	STANDARD CHARTERED BANK KENYA LIMITED FOR STANDARD CHARTERED BANK
KUWAIT*	HSBC BANK MIDDLE EAST LIMITED - KUWAIT BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
LATVIA	"SWEDBANK" AS FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB (PUBL)
LEBANON*	HSBC BANK MIDDLE EAST LIMITED - LEBANON BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
LITHUANIA	"SWEDBANK" AB FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB (PUBL)
LUXEMBOURG	BNP PARIBAS SECURITIES SERVICES, LUXEMBOURG BRANCH *** <i>Utilized for mutual funds holdings only.</i> ***
LUXEMBOURG	KBL EUROPEAN PRIVATE BANKERS S.A.
MALAYSIA *	HSBC BANK MALAYSIA BERHAD (HBMB) FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
MALAYSIA *	STANDARD CHARTERED BANK MALAYSIA BERHAD FOR STANDARD CHARTERED BANK
MAURITIUS*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - MAURITIUS BRANCH
MEXICO	BANCO NACIONAL DE MEXICO, SA (BANAMEX) FOR CITIBANK, N.A.
MEXICO	BANCO SANTANDER (MEXICO) S.A. FOR BANCO SANTANDER, S.A. AND BANCO SANTANDER (MEXICO) S.A.
MOROCCO	CITIBANK MAGHREB FOR CITIBANK, N.A.
NAMIBIA*	STANDARD BANK NAMIBIA LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NETHERLANDS	BNP PARIBAS SECURITIES SERVICES
NETHERLANDS	DEUTSCHE BANK AG, AMSTERDAM BRANCH
NEW ZEALAND	THE HONGKONG AND SHANGHAI BANKING CORPORATON LIMITED (HSBC) - NEW ZEALAND BRANCH
NIGERIA*	STANBIC IBTC BANK PLC FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NORWAY	NORDEA BANK NORGE ASA FOR NORDEA BANK NORGE ASA AND NORDEA BANK AB (PUBL)

NORWAY	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), OSLO
OMAN*	HSBC BANK OMAN SAOG FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
PAKISTAN*	STANDARD CHARTERED BANK (PAKISTAN) LIMITED FOR STANDARD CHARTERED BANK
PERU*	CITIBANK DEL PERÚ S.A. FOR CITIBANK, N.A.
PHILIPPINES*	STANDARD CHARTERED BANK - PHILIPPINES BRANCH
PHILIPPINES*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - PHILIPPINE BRANCH
POLAND	BANK HANDLOWY W WARSZAWIE S.A. (BHW) FOR CITIBANK NA
POLAND	BANK POLSKA KASA OPIEKI S.A.
POLAND	ING BANK SLASKI S.A. FOR ING BANK N.V.
PORTUGAL	BNP PARIBAS SECURITIES SERVICES
QATAR*	HSBC BANK MIDDLE EAST LTD - QATAR BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ROMANIA	CITIBANK EUROPE PLC, DUBLIN - SUCURSALA ROMANIA FOR CITIBANK, N.A.
RUSSIA*	AO CITIBANK FOR CITIBANK, N.A.
SAUDI ARABIA*	HSBC SAUDI ARABIA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
SERBIA*	UNICREDIT BANK SERBIA JSC FOR UNICREDIT BANK AUSTRIA AG
SINGAPORE	DBS BANK LTD (DBS)
SINGAPORE	STANDARD CHARTERED BANK - SINGAPORE BRANCH
SINGAPORE	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SINGAPORE BRANCH
SLOVAKIA	CITIBANK EUROPE PLC, POBOČKA ZAHRANIČNEJ BANKY FOR CITIBANK, N.A.
SLOVENIA	UNICREDIT BANKA SLOVENIJA DD FOR UNICREDIT BANKA SLOVENIJA DD & UNICREDIT BANK AUSTRIA AG
SOUTH AFRICA	SOCIÉTÉ GÉNÉRALE JOHANNESBURG BRANCH
SOUTH AFRICA	STANDARD BANK OF SOUTH AFRICA LIMITED (SBSA)
SOUTH AFRICA	STANDARD CHARTERED BANK, JOHANNESBURG BRANCH
SOUTH KOREA*	CITIBANK KOREA INC. FOR CITIBANK, N.A.
SOUTH KOREA*	KEB HANA BANK
SOUTH KOREA*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED - KOREA BRANCH
SPAIN	BANCO BILBAO VIZCAYA ARGENTARIA SA
SPAIN	BNP PARIBAS SECURITIES SERVICES, SUCURSAL EN ESPAÑA
SPAIN	SOCIÉTÉ GÉNÉRALE SUCURSAL EN ESPAÑA
SRI LANKA*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SRI LANKA BRANCH
SWAZILAND*	STANDARD BANK SWAZILAND LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
SWEDEN	NORDEA BANK AB (PUBL)

SWEDEN	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)
SWITZERLAND	CREDIT SUISSE AG
SWITZERLAND	UBS SWITZERLAND AG
TAIWAN*	BANK OF TAIWAN
TAIWAN*	JP MORGAN CHASE BANK, N.A., TAIPEI BRANCH <b>** Use of this subcustodian is restricted. **</b>
TAIWAN*	STANDARD CHARTERED BANK (TAIWAN) LTD FOR STANDARD CHARTERED BANK
TANZANIA*	STANDARD CHARTERED BANK TANZANIA LIMITED AND STANDARD CHARTERED BANK (MAURITIUS) LIMITED FOR STANDARD CHARTERED BANK
THAILAND	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - THAILAND BRANCH
THAILAND*	STANDARD CHARTERED BANK (THAI) PUBLIC COMPANY LIMITED FOR STANDARD CHARTERED BANK
TRANSNATIONAL (CLEARSTREAM)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
TRANSNATIONAL (EUROCLEAR)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
TUNISIA*	UNION INTERATIONALE DE BANQUES (UIB)
TURKEY	CITIBANK ANONIM SIRKETI FOR CITIBANK, N.A.
TURKEY	DEUTSCHE BANK A.S. FOR DEUTSCHE BANK A.S. AND DEUTSCHE BANK AG
UGANDA*	STANDARD CHARTERED BANK UGANDA LIMITED FOR STANDARD CHARTERED BANK
UKRAINE*	PUBLIC JOINT STOCK COMPANY "CITIBANK" (PJSC "CITIBANK") FOR CITIBANK, N.A.
UNITED ARAB EMIRATES*	HSBC BANK MIDDLE EAST LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
UNITED KINGDOM	CITIBANK, N.A., LONDON BRANCH
UNITED KINGDOM	HSBC BANK PLC
UNITED STATES	BBH&CO.
URUGUAY	BANCO ITAÚ URUGUAY S.A. FOR BANCO ITAÚ URUGUAY S.A. AND ITAÚ UNIBANCO S.A.
VENEZUELA*	CITIBANK, N.A. - CARACAS BRANCH
VIETNAM*	HSBC BANK (VIETNAM) LTD. FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ZAMBIA*	STANDARD CHARTERED BANK ZAMBIA PLC FOR STANDARD CHARTERED BANK
ZIMBABWE*	STANDARD CHARTERED BANK ZIMBABWE LIMITED FOR STANDARD CHARTERED BANK

\* In these markets, cash held by clients is a deposit obligation of the sub-custodian. For all other markets, cash held by clients is a deposit obligation of BBH & Co. or one of its affiliates.

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Fidelity UCITS II ICAV

Fidelity Enhanced Reserve Fund

12 November 2019

(A sub-fund of Fidelity UCITS II ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registered number C174793 authorised by the Central Bank of Ireland pursuant to the UCITS Regulations)

This supplement (the “Supplement”) forms part of the Prospectus dated 12 November 2019 (the “Prospectus”) in relation to Fidelity UCITS II ICAV (the “Fund”) for the purposes of the UCITS Regulations. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the Fidelity Enhanced Reserve Fund (the “Sub-Fund”) which is a separate sub-fund of the Fund.

The Sub-Fund is an Actively Managed Sub-Fund.

Prospective investors should review this Supplement and the Prospectus carefully and in their entirety and consider the risk factors set out in the Prospectus and in this Supplement before investing in this Sub-Fund. If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant and/or financial adviser.

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

The Directors, as listed in the “*Management*” section of the Prospectus, accept responsibility for the information contained in 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), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

#### KEY INFORMATION

<b>Base Currency</b>	USD
<b>Business Day</b>	Any day with the exception of Saturdays, Sundays, New Year's Day, Christmas Day and Good Friday and/or such other day or days as the Directors may determine and notify in advance to Shareholders
<b>Dealing Day</b>	Each Business Day will be a Dealing Day
<b>Dealing Deadline</b>	12 noon (Irish time) on the relevant Dealing Day
<b>Initial Offer Period</b>	The period for each Share Class set forth in the table in the "Classes" section below or such earlier or later date as the Directors may determine
<b>Investment Manager</b>	FIL Investment Management (Hong Kong) Limited, Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong
<b>Fees</b>	The maximum TER for each Class is set forth in the table in the "Classes" section below.  Further information in this respect is set out in the "Fees and Expenses" section of the Prospectus and below.
<b>Minimum subscription amount</b> <b>Minimum additional subscription amount</b> <b>Minimum holding amount</b> <b>Minimum redemption amount</b>	(i) <i>All Share Classes (except Share Classes denominated in Singapore Dollar)</i>  <u>Class A</u> Minimum subscription amount: USD 2,500 Minimum additional subscription amount: USD 1,500 Minimum holding amount: USD 2,500 Minimum redemption amount: USD 1,500  <u>Class I</u> Minimum subscription amount: USD 10,000,000 Minimum additional subscription amount: USD 100,000 Minimum holding amount: USD 10,000,000 Minimum redemption amount: USD 100,000  <u>Class Y</u> Minimum subscription amount: USD 2,500 Minimum additional subscription amount: USD 1,000 Minimum holding amount: USD 2,500 Minimum redemption amount: USD 1,000  <u>Class R</u> Minimum subscription amount: N/A Minimum additional subscription amount: N/A Minimum holding amount: N/A Minimum redemption amount: N/A

	<p><i>(ii) All Share Classes denominated in Singapore Dollar</i></p> <p><u>Class A</u></p> <p>Minimum subscription amount: SGD 2,500</p> <p>Minimum additional subscription amount: SGD 1,500</p> <p>Minimum holding amount: SGD 2,500</p> <p>Minimum redemption amount: SGD 1,500</p> <p><u>Class I</u></p> <p>Minimum subscription amount: SGD 10,000,000</p> <p>Minimum additional subscription amount: SGD 100,000</p> <p>Minimum holding amount: SGD 10,000,0000</p> <p>Minimum redemption amount: SGD 100,000</p> <p><u>Class Y</u></p> <p>Minimum subscription amount: SGD 2,500</p> <p>Minimum additional subscription amount: SGD 1,000</p> <p>Minimum holding amount: SGD 2,500</p> <p>Minimum redemption amount: SGD 1,000</p>
<b>Settlement Deadline</b>	The Business Day following the relevant Dealing Day
<b>Valuation</b>	The Net Asset Value per Share is calculated in accordance with the “ <i>Determination of Net Asset Value</i> ” section of the Prospectus, using the latest mid-market price on the relevant Recognised Market on each Valuation Day for assets quoted, listed or traded on or under the rules of a Recognised Market.
<b>Valuation Day</b>	Each Business Day will be a Valuation Day. For any given Dealing Day, the same day shall be the relevant Valuation Day
<b>Valuation Point</b>	12 noon (Irish time) on each Valuation Day

## Classes

Shares of the Sub-Fund may be divided into different Share Classes with different dividend policies and currency hedging exposures. They may therefore have different fees and expenses. The following Share Classes are available to launch at the discretion of the Manager.

Class Name	Share Class Currency	Currency Hedged Class	Dividend Distribution Policy	Maximum TER %	Initial Offer Period	Initial Offer Price
A-ACC USD	USD	No	Accumulating	0.60	N/A*	10.00 USD
A-ACC HKD	HKD	No	Accumulating	0.60	13 November 2019 to 12 May 2020	10.00 HKD
A-MINCOME(G)-USD	USD	No	Gross Income Monthly Distributing	0.60	N/A*	10.00 USD
A-MINCOME(G)-HKD	HKD	No	Gross Income Monthly Distributing	0.60	13 November 2019 to 12 May 2020	10.00 HKD
A-ACC-SGD Hedged	SGD	Yes, NAV Hedge	Accumulating	0.63	N/A*	10.00 SGD
A-MINCOME(G)-SGD Hedged	SGD	Yes, NAV Hedge	Gross Income Monthly Distributing	0.63	N/A*	10.00 SGD
A-MINCOME(G)-AUD Hedged	AUD	Yes, NAV Hedge	Gross Income Monthly Distributing	0.63	N/A*	10.00 AUD
A-MINCOME(G)-EUR Hedged	EUR	Yes, NAV Hedge	Gross Income Monthly Distributing	0.63	N/A*	10.00 EUR
A-MINCOME(G)-GBP Hedged	GBP	Yes, NAV Hedge	Gross Income Monthly Distributing	0.63	N/A*	10.00 GBP
I-QINCOME(G)-USD	USD	No	Gross Income Quarterly Distributing	0.30	N/A*	10.00 USD
Y-ACC USD	USD	No	Accumulating	0.40	N/A*	10.00 USD
Y-ACC HKD	HKD	No	Accumulating	0.40	13 November 2019 to 12 May 2020	10.00 HKD
Y-ACC-CHF Hedged	CHF	Yes, NAV Hedge	Accumulating	0.43	13 November 2019 to 12 May 2020	10.00 CHF
Y-ACC-SGD Hedged	SGD	Yes, NAV Hedge	Accumulating	0.43	N/A*	10.00 SGD
Y-ACC-EUR Hedged	EUR	Yes, NAV Hedge	Accumulating	0.43	13 November 2019 to 12 May 2020	10.00 EUR
Y-MINCOME(G)-USD	USD	No	Gross Income Monthly Distributing	0.40	N/A*	10.00 USD
Y-MINCOME(G)-HKD	HKD	No	Gross Income Monthly Distributing	0.40	13 November 2019 to 12 May 2020	10.00 HKD
Y-MINCOME(G)-EUR Hedged	EUR	Yes, NAV Hedge	Gross Income Monthly Distributing	0.43	13 November 2019 to 12 May 2020	10.00 EUR

Y-MINCOME(G)-AUD Hedged	AUD	Yes, NAV Hedge	Gross Income Monthly Distributing	0.43	13 November 2019 to 12 May 2020	10.00 AUD
Y-MINCOME(G)-GBP Hedged	GBP	Yes, NAV Hedge	Gross Income Monthly Distributing	0.43	13 November 2019 to 12 May 2020	10.00 GBP
Y-MINCOME(G)-SGD Hedged	SGD	Yes, NAV Hedge	Gross Income Monthly Distributing	0.43	13 November 2019 to 12 May 2020	10.00 SGD
R-ACC USD*	USD	No	Accumulating	0.10	13 November 2019 to 12 May 2020	10.00 USD

\* The Initial Offer Period for this Share Class has closed and Shares in this Share Class will be issued at their Net Asset Value per Share on each Dealing Day.

+ Class R Shares are only available to persons to whom the Manager, associates of the Manager or persons to whom the Manager, or one of its associates, provides services under an investment management agreement or other agreement.

## INVESTMENT OBJECTIVE AND POLICY

### Investment Objective

The investment objective of the Sub-Fund is to provide an attractive level of risk adjusted total return (income plus capital appreciation) from a portfolio of debt securities issued worldwide.

### Investment Policy

The investment policy of the Sub-Fund is to invest primarily in a broad range of fixed income securities and money market instruments which are issued by governments of, government agencies or corporate issuers worldwide. The Sub-Fund may invest in such securities issued in both developed and emerging market countries.

The Investment Manager will not focus on any particular market sector or industry and investments may be in a number of sectors, including the financial services, industrials, and technology sectors. The Investment Manager will approach investment opportunities from a total return perspective, benefiting not only from the debt securities' regular coupon payments but also from capital appreciation. The Investment Manager will seek to deliver attractive risk adjusted returns by extracting the highest level of return per unit of risk or minimising the risk for each unit of return. Accordingly, for every level of risk the Investment Manager will look for debt securities with the most attractive yield and for any level of yield, the Investment Manager will aim to purchase debt securities with the lowest level of risk. The Investment Manager believes that this approach results in a portfolio that has an attractive total return per unit of risk taken. The selection of investments shall be driven by bottom-up security selection, based on fundamental and relative-value credit analysis.

As noted above, the Sub-Fund's investments will primarily be fixed income securities and money market instruments. Such securities and instruments include bonds, bonds with warrants, convertible bonds, contingent convertible bonds (including corporate hybrid securities as discussed below), subordinated bonds, dim sum bonds (i.e., bonds issued outside of China but denominated in Chinese renminbi), debentures and notes (including freely transferable notes and freely transferable promissory notes). They will include fixed and floating rate securities and investment grade, high yield and unrated debt securities.

The Sub-Fund may also invest in asset-backed securities, being securities that derive interest and principal payments from specified assets. These assets include mortgages (both residential and commercial) and pools of other kinds of receivables (e.g., payments owed by a debtor (whether corporate or consumer) to a creditor, such as credit card debt, consumer loan repayments, royalties). The asset-backed securities may be issued by government entities or be privately issued. The asset-backed securities may be pass-through (where the payments from the underlying borrower(s) are passed-through to the holder of the security). The asset-backed securities may be backed by payments from the underlying borrower(s) that are interest-only, principal-only or a combination of both.

The Sub-Fund may invest in Sukuk structures, which are Islamic debt instruments which represent a proportionate beneficial ownership in an asset or pool of assets. For a determined period, the return associated with the cash flows generated from the assets belongs to the Sukuk holders. The characteristics of a Sukuk are therefore similar to a conventional debt security, with the difference that sukuk are generally asset-based or asset-backed and carry no interest rate but rather pass the returns generated by the underlying assets to the Sukuk holder.

As mentioned above, the Sub-Fund may invest in corporate hybrid securities (e.g., a bond that has features of an ordinary bond but is influenced by movements of the stock into which it is convertible), which are highly structured instruments that combine both equity and fixed income features. They generally offer a means for issuers to borrow money from investors in return for interest payments. Such corporate issuers may utilise hybrid debt for a variety of reasons, including bolstering their capital levels, lowering their weighted average cost of capital, diversifying their funding sources and managing credit ratings. Though terms and conditions have become increasingly standardised, the specific characteristics of each instrument (such as payment conditions, the ratio of debt and equity-like features, time frames and applicable rates) can vary.

Investment grade securities are highly rated securities, generally those that are assigned a rating of BBB-/Baa3 or higher from Standard & Poor's or equivalent rating from an internationally recognised rating agency (in case of divergent ratings, the worst of the best two credit ratings applies), while high yield securities are medium or lower rated securities, generally those not rated as investment grade. The Investment Manager will seek to maintain an average credit rating, across the portfolio, of at least investment grade; however, this is not guaranteed.

The fixed income securities may have any duration (i.e., the time remaining until maturity), although the Investment Manager will seek to maintain an average duration, across the fixed income securities in the portfolio, of below two years.

Money market instruments may be fixed or floating rate. The Sub-Fund may also invest in floating or variable rate notes, debentures and short-dated government or corporate bonds that are rated as investment grade or below or are unrated.

With the exception of permitted investments in transferable securities and money market instruments which are unlisted, all securities invested in by the Sub-Fund will be listed, dealt or traded on Recognised Markets globally.

In addition, the Sub-Fund may invest up to 10% of its Net Asset Value in collective investment schemes which are themselves exposed to investments that are similar to the Sub-Fund's other investments. Such collective investment schemes may include those that are managed by the Investment Manager or its affiliates and will comply with the requirements of the UCITS Regulations.

The Sub-Fund may, for efficient portfolio management purposes or investment purposes, in accordance with the conditions and limits imposed by the Central Bank, use the following FDI:

- Interest rate swaps;
- Credit default swaps;
- Futures contracts (bond futures and interest rate futures); and
- Forward foreign exchange contracts.

The use of the above-mentioned FDI for efficient portfolio management purposes or investment purposes are described under "*Use of Financial Derivative Instruments*" in the "*Investment Objectives and Policies*" section of the Prospectus. In particular, such FDI will be used to manage the duration of the Sub-Fund's exposures to the assets it holds directly (as described above) or to gain indirect exposure to assets where this is more efficient than gaining direct exposure. While the Sub-Fund may be leveraged as a result of its use of FDIs, the primary purpose of the use of FDIs is to reduce risk and it is expected that such leverage, calculated using the using the commitment approach, will not exceed 50% of the Sub-Fund's Net Asset Value.

Cash may be held on deposit by the Sub-Fund and cash equivalents may also be held by the Sub-Fund from time to time. Cash equivalents may include certificates of deposits, commercial paper, treasury bills and short-dated government bonds, provided these securities are listed, traded or dealt in on a Recognised Market and are rated investment grade or better. From time to time, the Sub-Fund may hold up to 100% of its Net Asset Value in cash deposits, cash equivalents, short-term fixed income securities and / or money market instruments for temporary defensive purposes.

The Sub-Fund does not have any exposure to total return swaps, repurchase agreements or securities lending.

### **Investment Restrictions**

The following investment restrictions will apply, in addition to those set out in the Prospectus:

- A maximum of 30% of the Sub-Fund's Net Asset Value may be invested in below-investment grade securities.
- A maximum of 50% of the Sub-Fund's Net Asset Value may be invested in dim sum bonds (described above).
- An aggregate maximum of 20% of the Sub-Fund's Net Asset Value may be invested directly in onshore China fixed income securities through either the China Inter-bank Bond Market or the QFII programme (in the manner described in Appendix 1), subject to a maximum of 10% of the Sub-Fund's Net Asset Value being invested through the QFII programme.

### **Investment in China**

The Sub-Fund may invest in fixed income securities listed on the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the China Inter-bank Bond Market. Please see Appendix 1 for further information in respect of investment in China.

### **INVESTMENT RISKS**

Investment in the Sub-Fund carries with it a degree of risk including the risks described in the “*Risk Information*” section of the Prospectus and, in particular, the “*Lower Rated/Unrated Securities*” risk and the “*Emerging Markets Related Risks*”. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before purchasing Shares.

The Sub-Fund is not expected to have an above average risk profile or high volatility as a result of its use of FDIs. For information in relation to risks associated with the use of financial derivative instruments, please refer to “*Derivatives Risk*” in the “*Risk Information*” section of the Prospectus.

#### *Dim Sum Bond Market*

The Sub-Fund may invest in “dim sum” bonds (i.e., bonds issued outside of China but denominated in Chinese renminbi). The “dim sum” bond market is relatively small. As with some global fixed income markets, it may be more susceptible to volatility and illiquidity, and should there be any new rules which limit or restrict the ability of issuers to raise Chinese renminbi funding by way of bond issuance and/or the reversal or suspension of the liberalisation of the Chinese market by relevant regulator(s), the operation of the “dim sum” bond market and new issuances could be disrupted and could potentially cause a loss to the Sub-Fund.

### **INVESTOR PROFILE**

Typical investors in the Sub-Fund are expected to be retail and institutional investors whose investment objectives are geared towards the achievement of growth in the value of their investment, and who, in order to achieve this investment objective, are willing to accept an investment strategy involving a low level of volatility and risk in the management of their investment, with a short term investment horizon.

### **INVESTMENT MANAGER**

The Manager has appointed FIL Investment Management (Hong Kong) Limited as the Investment Manager of the Sub-Fund. The Investment Manager is registered for the provision of asset management services with the Securities and Futures Commission in the Hong Kong. The Investment Manager acts as investment manager or investment adviser to a range of collective investment schemes.

The Investment Management Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by either party providing six (6) months' prior written notice. The Investment Management Agreement may also be terminated forthwith without prior notice in certain circumstances, such as upon the insolvency of either party (or upon the happening of a like event) or upon an unremedied breach within

30 days of receipt of notice. The Manager may also terminate the appointment of the Investment Manager with immediate effect in certain circumstances, including where to do so is in the best interests of the Sub-Fund. The Investment Management Agreement contains provisions regarding the Investment Manager's legal responsibilities. The Investment Manager is not liable for losses, liabilities, damages or expenses caused to the Sub-Fund unless resulting from its negligence, wilful default, bad faith or fraud.

The Investment Manager has the discretion to delegate all the powers, duties and discretions exercisable in respect of its obligations under the Investment Management Agreement as the Investment Manager and any delegate may from time to time agree. Any such appointment will be in accordance with the requirements of the Central Bank.

## **SUBSCRIPTIONS**

During the Initial Offer Period, Shares will be available at the Initial Offer Price as set out in the table above. Subsequent to an Initial Offer Period, Shares may be purchased in respect of any Dealing Day at the Net Asset Value per Share as of the applicable Valuation Day, plus an amount in respect of Duties and Charges (if any). Investors may subscribe for Shares for cash on each Dealing Day by making an application by the Dealing Deadline in accordance with the requirements set out in the "*Purchase and Sale Information*" section of the Prospectus. Consideration, in the form of cleared subscription monies in the currency of the relevant Class, must be received by the Settlement Deadline.

## **REDEMPTIONS**

Shareholders may effect a redemption of Shares on any Dealing Day at the appropriate Net Asset Value per Share, subject to an appropriate provision for Duties and Charges, provided that a valid redemption request from the Shareholder is received by the Manager by the Dealing Deadline, in accordance with the provisions set out herein and at the "*Purchase and Sale Information*" section of the Prospectus. Settlement will normally take place within one Business Days of the Dealing Day but may take longer depending on the settlement schedule of the underlying markets. In any event, settlement will not take place later than 10 Business Days from the Dealing Deadline. Unless otherwise determined by the Directors and agreed with the Administrator, redemption monies will be paid in the currency of the relevant Class.

## **CONVERSIONS**

Notwithstanding the terms of the Prospectus, Shareholders are not entitled to convert their Shares in the Sub-Fund into Shares in another sub-fund of the Fund.

## **DIVIDEND DISTRIBUTIONS**

In respect of Distributing Classes, it is the current intention of the Directors, subject to any de minimis threshold, to declare dividends out of gross income attributable to each of the Distributing Classes. Distributions out of gross income are made up of Net Income and capital. Under normal circumstances, the Directors intend that: (a) in respect of monthly Distributing Classes, dividends shall be declared on the first Business Day of each month and paid on the fifth Business Day of each month, or any such other Business Day that the Directors deem appropriate; and (b) in respect of quarterly Distributing Classes, dividends shall be declared on the first Business Day of February, May, August and November and paid on the fifth Business Day of February, May, August and November, or any such other Business Day that the Directors deem appropriate. However, Shareholders should note that the Directors may, in their discretion, decide not to make such payment in respect of a Distributing Class.

## **SUB-DISTRIBUTORS**

FIL Investment Management (Singapore) Limited and FIL (Luxembourg) S.A. have been appointed as sub-distributors in respect of the Sub-Fund.

## Appendix

### Investment in China

#### Definitions applicable to this Appendix

“Additional QFII Quota”	means any additional Fidelity QFII Quota which may be granted to the Investment Manager as a QFII;
“CSDCC”	means The China Securities Depository & Clearing Corporation Limited, including its Shanghai Branch, Shenzhen Branch and/or such other branch as may be established;
“CSRC”	means The China Securities Regulatory Commission of the PRC, the government agency responsible for matters relating to securities regulation;
“CIBM”	means the China Inter-bank Bond Market;
“Exchange”	means SSE, SZSE and any other stock exchange that opens in the PRC;
“Fidelity QFII Quota”	means a PRC foreign investment quota granted to the Investment Manager as a QFII (including any Additional QFII Quota) as updated, modified or renewed from time to time;
“Investment Regulations”	as the context requires, means the laws, regulations and rules governing the QFII program, the CIBM and the relevant investments thereunder by overseas institutional investors, including any amendments to the foregoing from time to time;
“PBOC”	means The People’s Bank of China, the central bank of the PRC, and/or its Shanghai Head Office as appropriate;
“PRC” or “China”	means the People’s Republic of China (excluding the Hong Kong and Macau Special Administrative Regions and Taiwan) and the term “Chinese” shall be construed accordingly;
“QFII”	means qualified foreign institutional investor under the Investment Regulations;
“QFII Quota”	means a PRC foreign investment quota, including any additional quota, granted to a QFII pursuant to the Investment Regulations as updated, modified or renewed from time to time;
“RMB” or “Renminbi”	means the lawful currency of PRC;
“SAFE”	means the PRC State Administration of Foreign Exchange, the government agency responsible for matters relating to foreign exchange administration;
“Securities System”	means the CSDCC, China Central Depository & Clearing Co., Ltd., Shanghai Clearing House and/or other recognised clearing and depository agencies in the PRC;
“Sub-Depository”	means (i) The HongKong and Shanghai Banking Corporation Limited (in relation to QFII); and (ii) Standard Chartered Bank (China) Limited (in relation to CIBM), as applicable and as the context requires;
“SSE”	means the Shanghai Stock Exchange; and
“SZSE”	means the Shenzhen Stock Exchange;

#### Investment Regulations

As described above under “*Investment Policy*”, the Sub-Fund may invest in the Chinese securities market through multiple available foreign investment channels which currently include the QFII program and direct access to the CIBM. To the extent such investment is made, the Investment Regulations governing the relevant channel will become applicable and should be complied with.

#### *Investment Regulations related to the QFII program*

Under the current Investment Regulations, overseas fund managers, security houses, insurance companies and other institutions may apply to be approved as a QFII and granted a QFII Quota provided such investors meet certain eligibility criteria. The granting of such QFII license is subject to approval from the CSRC, whereas the granting of such QFII Quotas is subject to filing with or approval from the SAFE, as appropriate.

Under the Investment Regulations related to the QFII program, direct investment in bonds, securities investment funds and warrants traded or transferred on SSE or SZSE and fixed-income products in the CIBM is generally permitted. The scope of investments permitted, however, is narrowed by several restrictions. Firstly, investments by a QFII in the CIBM require a completion of prior filing with PBOC. Secondly, CSRC and SAFE may impose certain unofficial requirements on the asset allocation from time to time. Thirdly, the QFIIs may be subject to relevant PRC rules or guidance on industrial investment restrictions. Accordingly QFIIs are only permitted to invest in market sectors which are open to foreign investment.

A QFII is obliged to appoint a licensed PRC custodian bank to act in respect of its holdings. In respect of the Sub-Fund's utilisation of the Fidelity QFII Quota this requirement is met by the appointment of the Sub-Depositary. Under the current Investment Regulations, the Sub-Depositary is responsible for opening securities trading accounts and the securities settlement accounts with the Securities System, as well as Renminbi accounts and foreign exchange accounts for each of its QFII customers.

Currently under the SAFE rules, if a QFII fails to effectively utilise its QFII Quota within one year after the QFII Quota is filed or approved, SAFE is entitled to revoke part or all of the unused QFII Quota.

### **Effect of Investment Regulations on Redemptions**

As at the date of this Supplement, no limit in relation to the repatriation of funds applies under the SAFE rules. In addition, the QFII programme is not subject to any lock-up periods (i.e., capital remitted into the PRC through the QFII Quota may be repatriated and no time restrictions apply). Investors should note that the Investment Regulations and/or the approach adopted by SAFE in relation to the repatriation of funds under the QFII programme may change from time to time.

### **QFII Specific Risks**

#### **QFII Status and QFII Quota**

Currently, the Investment Manager has obtained the QFII status approved by CSRC and the Fidelity QFII Quota. Investments by the Sub-Fund in China, if made under the QFII regime, will principally be made and held through the Fidelity QFII Quota. However, under the Investment Regulations, the QFII status and/or the Fidelity QFII Quota could be suspended or revoked under certain circumstances where the PRC regulators have discretions. If the QFII status or Fidelity QFII Quota of the Investment Manager is suspended or revoked, the Sub-Fund may be required to sell its securities holdings under the Fidelity QFII Quota and may not be able to access the Chinese securities market via the Fidelity QFII Quota as contemplated in this Supplement, which may have an adverse effect on the Sub-Fund's performance.

In addition, the Sub-Fund may not have exclusive use of the Fidelity QFII Quota and the Fidelity QFII Quota may also be allocated across the Sub-Fund and other investors at the determination of Investment Manager. Investors should note that there can be no assurance that Sub-Fund may be allocated a sufficient portion of the Fidelity QFII Quota from the Investment Manager to meet the investment objectives of such Sub-Fund.

Moreover, the Investment Regulations generally apply at the QFII level, and not simply to investments made on behalf of the Sub-Fund. Thus investors should be aware that violations of the Investment Regulations arising out of activities related to the portions of the Fidelity QFII Quota by such other investors other than those which are utilised by the Sub-Fund could result in the revocation of or other regulatory action in respect of the Fidelity QFII Quota as a whole, including the cancellation of any portion utilised by the Sub-Fund. The regulations relating to the investment restrictions in A Shares are also generally applied at the QFII level (as discussed in details below), which may also be impacted by the actions of other investors utilising the Fidelity QFII Quota. Hence the ability of the Sub-Fund to make investments and/or repatriate monies from the Fidelity QFII Quota may be affected adversely by the investments, performance and/or repatriation of monies of and by other investors utilising the Fidelity QFII Quota.

The Fidelity QFII Quota is also subject to review from time to time by the PRC regulators and may be reduced or eliminated entirely in case of a breach of certain Investment Regulations. Currently under the Investment

Regulations, if a QFII fails to effectively utilise its QFII Quota within one year after the QFII Quota is granted, SAFE is entitled to revoke part or all of the unused QFII Quota. The Fund and the Investment Manager cannot predict what would occur if the Fidelity QFII Quota was reduced or eliminated, although such an occurrence would likely have a material adverse effect on the Sub-Fund.

### **Custody**

Exchange-traded securities purchased on behalf of the Sub-Fund through the Fidelity QFII Quota are required to be recorded by CSDCC as credited to a securities trading account maintained in the joint names of the Investment Manager as the QFII and the Sub-Fund (or such other account name as required by the Investment Regulations which may reference also the Sub-Fund).

The Fund / the Investment Manager expects to receive a legal opinion from a qualified PRC law firm confirming that as a matter of PRC law, the Investment Manager as QFII will have no ownership interest in the securities and that the Sub-Fund will ultimately and exclusively be entitled to ownership of the securities.

However, given that pursuant to the Investment Regulations the QFII as account-holder will be the party entitled to the securities (albeit that this entitlement does not constitute an ownership interest or preclude the QFII purchasing securities on behalf of the Sub-Fund) the assets of the Sub-Fund (or the Fund) may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Sub-Fund (or the Fund). In particular, given that the Fidelity QFII Quota will be viewed as belonging to a company within Fidelity, there is a risk that creditors of Fidelity may incorrectly assume, contrary to the legal opinion referred to, that the Sub-Fund's or the Fund's assets belong to Fidelity and such creditors may seek to gain control of the Sub-Fund's or the Fund's assets in lieu of such liabilities.

The evidence of title of exchange-traded securities in the PRC consists only of electronic book-entries in the depository and/or registry associated with the relevant Exchange. These arrangements of the depositories and registries are new and not fully tested in regard to their efficiency, accuracy and security.

In order to prevent any trading failure, CSDCC will automatically settle any trades executed by the PRC securities trading house relating to the securities trading account maintained in the joint names of the Sub-Fund and the Investment Manager as QFII. Accordingly all instructions issued by the PRC securities trading house relating to the securities trading account will be executed without the need of consent or direction of the Sub-Depository.

### **Use of Brokers per Exchange**

Under the Investment Regulations, up to three PRC securities trading houses or brokers per Exchange can be appointed by a QFII. However, in practice, the Investment Manager on behalf of the Sub-Fund may or may not elect to use multiple brokers at an Exchange, if it reasonably believes it is in the best interest of the Sub-Fund and Shareholders. To the extent permitted by applicable law, the Investment Manager may in its absolute discretion direct the execution of some or all securities trades through an affiliate.

The Investment Manager anticipates that it will place particular emphasis on the perceived quality of execution and reputation of the brokers, in addition to other factors. In consequence, if a broker offers the Sub-Fund standards of execution which the Investment Manager reasonably believes to be amongst best practice in the PRC marketplace, the Investment Manager may determine that it should consistently execute transactions with that broker (including where it is an affiliate) notwithstanding that they may not be executed at best price and shall have no liability to account to the Sub-Fund in respect of the difference between the price at which the Sub-Fund executes transactions and any other price that may have been available in the market at that relevant time.

### **Disclosure to the Exchange**

According to the relevant Investment Regulations, where the relevant Exchange spots any abnormal trading which may affect the normal trading order, it may request the involved QFII to promptly report the securities transaction and shareholding information of the QFII's relevant underlying investors, which may include information on the Sub-Fund.

## **Clearing Reserve Fund**

Under the Investment Regulations, the Sub-Depositary is required to deposit a minimum clearing reserve fund as a percentage of the aggregate QFII Quota of all QFIIs in the custody of the Sub-Depositary, the percentage amount to be determined from time to time by the CSDCC Shanghai and Shenzhen branches. Currently, the minimum clearing reserve ratio determined by the CSDCC Shanghai and Shenzhen branches are 0.08% and 0.06% respectively.

## **CIBM Direct Entry Specific Risks**

### **Regulatory Risks**

An investment in the CIBM by the Sub-Fund is also subject to regulatory risks. The relevant rules and regulations on investments in the CIBM are subject to changes which may have potential retrospective effect. In the event that the relevant PRC authorities suspend accounts opening or trading in CIBM, the Sub-Fund's ability to invest in CIBM will be limited and, after exhausting other trading alternatives, the Sub-Fund may suffer substantial losses as a result.

Moreover, although there is no quota restriction under the Investment Regulations, relevant information about the Sub-Fund's investments, such as the investment term, needs to be filed with PBOC and an update filing will be required if there is any significant change to the filed information. It cannot be predicted whether PBOC will make any comments on or require any changes with respect to such information for the purpose of filing. If so required, the Sub-Fund will need to follow PBOC instructions and make the relevant changes accordingly, which, may not be in the best interests of the Sub-Fund and the Shareholders from a commercial perspective.

### **Liquidity and Volatility**

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

### **Settlement Agent and Procedures**

An onshore settlement agent shall be engaged by the Investment Manager to make the filing on behalf of the Sub-Fund and conduct trading and settlement agency services for the Sub-Fund. To the extent that the Sub-Fund transacts in the CIBM, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Since the relevant filings and account opening for investment in the CIBM have to be carried out via the onshore settlement agent, the Sub-Fund is also subject to the risks of default or errors on the part of the onshore settlement agent.

Moreover, PBOC will exercise on-going supervision on the onshore settlement agent and the Sub-Fund's trading activities under Investment Regulations. In the occurrence of any non-compliance of these regulations by either the onshore settlement agent or the Sub-Fund, PBOC may take relevant administrative actions such as suspension of trading or business and mandatory exit against the onshore settlement agent, the Sub-Fund and/or the Investment Manager. The Sub-Fund and the Shareholders may suffer substantial losses due to such suspension or mandatory exit.

### **Remittance and Repatriation**

The Investment Regulations allow foreign investors to remit investment amounts in RMB or foreign currency into China for investing in the CIBM. For repatriation of funds out of China by the Sub-Fund, the ratio of RMB to foreign currency should generally match the original currency ratio when the investment principal was remitted into China, with a maximum permissible deviation of 10%. Such requirements may change in the future which may have an adverse impact on the Sub-Fund's investment in the CIBM.

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