

**CQS Funds (Ireland) p.l.c.**

An umbrella fund with segregated liability between funds

A company incorporated with limited liability as an open-ended umbrella investment company with variable capital under the laws of Ireland with registered number 484553

**PROSPECTUS**

This Prospectus is dated 20 February 2019

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

**A&L Goodbody**  
Solicitors

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## INTRODUCTION

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If you are in any doubt about the contents of this Prospectus and the relevant Supplement you should consult your stockbroker, bank manager, solicitor, accountant or financial adviser.

**CQS Funds (Ireland) p.l.c.**  
(the Company)

## IMPORTANT INFORMATION

**CQS Funds (Ireland) p.l.c. is an investment company with variable capital incorporated on 18 May 2010 under the Companies Act 2014. The Company is authorised by the Central Bank pursuant to the European Communities (Undertakings for the Collective Investment in Transferrable Securities) Regulations 2011 as amended, supplemented or consolidated from time to time (the Regulations). The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

No person has been authorised by the Company to give any information or make any representations in connection with the offering of Shares other than those contained in this Prospectus or in any Supplement, and, if given or made, such information or representations must not be relied on as having been made by the Company.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund (each a “**Supplement**”). The creation of new Funds requires the prior approval of the Central Bank. If there are different Classes of Shares representing a Fund, details relating to the separate Classes may be dealt with in the same Supplement or in a separate Supplement for each Class. The creation of further Classes of Shares will be effected in accordance with the requirements of the Central Bank. This Prospectus and the relevant Supplement should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement). The latest audited annual report and accounts of the Company and the latest unaudited semi-annual report may be obtained from the offices of the Administrator. The

delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the Company's Articles are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus is based on information, law and practice currently in force in Ireland (which may be subject to change) at the date hereof. The Company cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and Shareholders should check with the Investment Manager that this is the most recently published Prospectus.

**The value of investments and the income derived therefrom may fall as well as rise and Shareholders may not recoup the original amount invested in a Fund.**

**As the Funds of the Company may be subject to subscription, redemption and exchange charges (which, in the case of redemption charges shall not exceed 3 per cent. of the Net Asset Value per Share), the difference at any one time between the sale and redemption price of Shares in any Fund means that an investment in any Fund should be viewed as a medium to long-term investment.**

**As distributions may be made out of the capital of a Fund, there is a greater risk that capital will be eroded and 'income' will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished. This cycle may continue until all capital is depleted. Please note that distributions out of capital may have different tax implications to distributions of income and you are recommended to seek advice in this regard. Where dividends are paid out of the capital of a Fund, investors may not receive back the full amount invested. Distributions made during the life of a Fund must be understood as a type of capital reimbursement.**

The Company may make application to register and distribute its Shares in jurisdictions outside Ireland. In the event that such registrations take place, the Company may appoint or be required to appoint paying agents, representatives, distributors or other agents in the relevant jurisdictions.

## **United Kingdom**

Further to an application made to the **FCA** for the Company to be recognised pursuant to Section 264 of the UK Financial Services and Markets Act 2000 ("**FSMA**"), the Company is a recognised collective investment scheme for the purposes of Section 264 FSMA and accordingly may be marketed to the public in the United Kingdom. Shares may be promoted in the United Kingdom by persons authorised for the purposes of FSMA (as set out in Section 31(1) of FSMA) ("**authorised persons**") and such authorised persons are not subject to restrictions contained in Section 238 of FSMA. The Company will provide the facilities required under the Collective Investment Schemes Sourcebook published by the FCA governing such schemes at the offices of CQS (UK) LLP in the United Kingdom as specified in the 'Directory' section of this Prospectus. The Company will provide facilities in the UK for the following

purposes:

- (i) obtaining and inspecting the Prospectus and KIID free of charge;
- (ii) inspecting (free of charge) and obtaining the Articles;
- (iii) once published inspecting (free of charge) and obtaining the latest annual and half-yearly accounts of the Company;
- (iv) enabling Shareholders to obtain redemption information; and
- (v) enabling Shareholders to have complaints transmitted to the Company.

Any advice or recommendation which may be given or offered by this Prospectus does not relate to products and services of CQS (UK) LLP, but to those of the Company.

The Company does not carry on investment business in the UK so as to require the conduct of its business to be regulated under the FSMA. Shareholders therefore may not benefit from the protections provided by the UK regulatory system as against the Company, and any overseas agent thereof who is not an authorised person in the United Kingdom. In particular potential investors in the United Kingdom should note that the rules made under FSMA for the protection of private customers may not apply, and the Financial Services Compensation Scheme established under Section 213 of FSMA may not be available, in relation to an investment in the Shares.

The acceptance by the Company of each application for Shares does not confer on investors a right to acquire Shares in respect of any future or subsequent application.

## **Switzerland**

The distribution of Shares in Switzerland will be exclusively made to, and directed at, qualified investors (the "**Qualified Investors**"), as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended ("**CISA**") and its implementing ordinance. Accordingly, the Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). This Prospectus and/or any other offering materials relating to the Shares may be made available in Switzerland solely to Qualified Investors.

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

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

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Company. Any person who is holding Shares in contravention of the restrictions set out herein or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors, cause the Company or any Shareholder to incur any liability to taxation or to suffer any pecuniary

disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Investment Manager, the Distributor, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

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

### **United States of America**

None of the Shares have been, nor will be, registered under the Securities Act and, except in a transaction which does not violate the Securities Act or any other applicable United States securities laws (including without limitation any applicable law of any of the States of the United States), none of the Shares may be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a U.S. Person. The Company will not be registered under the United States Investment Fund Act of 1940. Notwithstanding the foregoing prohibition on offers and sales in the United States or to or for the benefit of U.S. Persons, the Company may make a private placement of its Shares to a limited number or category of U.S. Persons.

### **Reliance on this Prospectus**

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

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

### **Risk Factors**

Investors should read and consider the section entitled "RISK FACTORS" before investing in the Company.

### **Financial Derivative Instruments**

The Company may engage in transactions in Financial Derivative Instruments on behalf of a Fund either for investment purposes or for the purposes of efficient portfolio management as more particularly disclosed in this Prospectus and the Supplement for the relevant Fund.

The Company will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative positions and details

of this process have been provided to the Central Bank. The Company will not use financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

## **Translations**

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

This Prospectus and the relevant Supplements shall be governed and construed in accordance with Irish law.

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

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## DEFINITIONS

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**Administrator** means State Street Fund Services (Ireland) Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank.

**Administration Agreement** means the administration agreement dated 12 August 2010 between the Company and the Administrator as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.

**AIF** means an alternative investment fund as defined in Regulation 5(1) of AIFM Regulations.

**AIFM Regulations** means the European Union (Alternative Investment Fund Managers) Regulation 2013 (S.I. No. 257/2013).

**Articles** means the Articles of Association of the Company as amended from time to time in accordance with the requirements of the Central Bank.

**Base Currency** means in relation to any Fund such currency as is specified as the base currency in the Supplement for the relevant Fund.

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

**CHF** means the Swiss Franc, the lawful currency of Switzerland.

**CIS** means an open-ended collective investment scheme.

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

**Class** means a separate class of Shares which may be issued from time to time in respect of a Fund as described in the relevant Supplement.

**Company** means CQS Funds (Ireland) p.l.c.

**Companies Act** means the Irish Companies Act 2014 (as amended, consolidated or supplemented from time to time) including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital.

**CQS** means CQS (UK) LLP, CQS (Hong Kong) Limited, CQS (US), LLC and/or any affiliated entity, and **CQS Entity** shall mean any one of them.

**CQS Fund(s)** means any fund(s) and/or investment vehicle(s) managed by the Investment Manager and/or an affiliate of the Investment Manager.

**Dealing Day** means in respect of each Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Fund provided that there shall be at least one Dealing Day for each Fund in a fortnight.

**Dealing Deadline** means in relation to applications for subscription, redemption or exchange

of Shares in a Fund, the day and time specified in the Supplement for the relevant Fund.

**Depository** means State Street Custodial Services (Ireland) Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank.

**Depository Agreement** means the agreement dated 5 May 2016 between the Company and the Depository as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.

**Directive** means Directive of 2009/65/EC of the European of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended, supplemented, consolidated or replaced from time to time.

**Directors** means the members of the board of directors of the Company from time to time as the context requires and any duly constituted committee thereof, each a **Director**.

**Distributing Shares** means Shares of a Fund or Class carrying a right to a distribution of the profits of the relevant Fund at the discretion of the Directors as more fully described under the heading "Dividend Policy" in the section entitled "FUNDS" below.

**Distributor** means CQS (UK) LLP or any successor thereto duly appointed.

**EEA** means the European Economic Area.

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

**EU** means the European Union.

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

**Euro, € or EUR** means the lawful currency of the Eurozone.

**Eurozone** means the region formed by the member states of the European Union that adopt or have adopted (and continue to adopt) the Euro as their lawful currency under the legislation of the European Community for Economic Monetary Union.

**Exchange Charge** means in respect of a Fund, the charge, if any, payable on the exchange of Shares as is specified in the Supplement for the relevant Fund.

**FATCA** means Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder including any applicable intergovernmental agreement implemented pursuant thereto.

**FCA** means the United Kingdom Financial Conduct Authority or any successor body which takes over its regulatory functions.

**Foreign Person** means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Company with the appropriate declaration under Schedule 2B TCA and in respect of whom the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect or (ii) the Company is in possession of a written notice of approval from the Revenue

Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of Shareholder to which that person belongs, and that the approval has not withdrawn and any conditions to which that approval is subject has been satisfied.

**Fund** means a separate portfolio of assets, as may be established by the Company from time to time with the prior approval of the Central Bank, which is invested in accordance with the investment objective and policies set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such fund shall be applied and charged and, for the avoidance of doubt, **Funds** means all or some of the Funds of the Company as the context requires.

**GBP** means the Pound sterling, the lawful currency of the United Kingdom.

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

**Initial Offer Price** means the price (excluding any Preliminary Charge) per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified in the Supplement for the relevant Fund.

**Investment Manager** means CQS (UK) LLP or any successor thereto duly appointed in accordance with the requirements of the Central Bank.

**Investment Management Agreement** the Agreement dated 12 February 2015 between the Company and the Investment Manager as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.

**Irish Taxable Person** means any person, other than:

- (i) a Foreign Person;
- (ii) an intermediary, including a nominee, for a Foreign Person;
- (iii) a qualifying management company within the meaning of Section 739B TCA;
- (iv) a specified company within the meaning of Section 734 TCA;
- (v) an investment undertaking within the meaning of Section 739B TCA;
- (vi) an investment limited partnership within the meaning of Section 739J of the TCA;
- (vii) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of Sections 774, 784 or 785 TCA;
- (viii) a company carrying on life business within the meaning of Section 706 TCA;
- (ix) a special investment scheme within the meaning of Section 737 TCA;
- (x) a unit trust to which Section 731(5)(a) TCA applies;
- (xi) a charity entitled to an exemption from income tax or corporation tax under Section

207(1)(b) TCA;

- (xii) a person entitled to exemption from income tax and capital gains tax under Section 784A(2) TCA, Section 787I TCA or Section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in Section 787A TCA);
- (xiii) the Courts Service;
- (xiv) a Credit Union;
- (xv) a company within the charge to corporation tax under Section 739G(2) TCA, but only where the Fund is a money market fund;
- (xvi) a company within the charge to corporation tax under Section 110(2) TCA;
- (xvii) the National Asset Management Agency;
- (xviii) the National Treasury Management Agency or a fund investment vehicle within the meaning given by Section 739D(6)(kb) TCA;
- (xix) the National Pensions Reserve Fund Commission or a National Pensions Reserve Fund Commission investment vehicle (within the meaning given by Section 2 of the National Pensions Reserve Fund Act 2000 as amended);
- (xx) the State acting through the National Pensions Reserve Fund Commission or a National Pensions Reserve Fund Commission investment vehicle (within the meaning given by Section 2 of the National Pensions Reserve Fund Act 2000 as amended); and
- (xxi) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27 Chapter 1A of the TCA;

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

**JPY** means the Japanese yen, the lawful currency of Japan.

**KIID** means the Key Investor Information Document for each Fund or relevant Class, as applicable.

**Markets** means the stock exchanges and regulated markets set out in Appendix I and **Market** means any one of them.

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

**Minimum Fund Size** means such amount (if any) as the Directors may consider for each Fund as set out in the Supplement for the relevant Fund.

**Minimum Initial Investment Amount** means such amount or number of Shares (if any) as the Directors may from time to time prescribe as the minimum initial subscription required by each Shareholder for Shares of each Class in a Fund as is specified in the Supplement for the relevant Fund.

**Minimum Shareholding** means such amount or number of Shares (if any) as the Directors may from time to time prescribe as the minimum holding required by a Shareholder as may be specified in the Supplement for the relevant Class within a Fund.

**money market instruments** shall have the meaning prescribed in the UCITS Regulations, as may be amended from time.

**month** means calendar month.

**Net Asset Value** or **Net Asset Value per Share** means in respect of the assets of a Fund or the Shares in a Fund, the amount determined in accordance with the principles set out in the section entitled "VALUATION" below as the Net Asset Value of a Fund or the Net Asset Value per Share.

**NOK** means the Norwegian Krone, the lawful currency of Norway.

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

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

**OTC derivative** means a bilateral financial derivative instrument dealt over the counter.

**Person closely associated** means in relation to a Director:

- (i) the spouse of the Director;
- (ii) dependent children of the Director;
- (iii) other relatives of the Director, who have shared the same household as that person for at least one year on the date of the transaction concerned;
- (iv) any person:
  - (a) the managerial responsibilities of which are discharged by a person discharging managerial responsibilities within the issuer;
  - (b) referred to in paragraph (i), (ii) or (iii) of this definition;
  - (c) that is directly or indirectly controlled by a person referred to in subparagraph (a) of paragraph (iv) of this definition;
  - (d) that is set up for the benefit of a person referred to in subparagraph (a) of paragraph (iv) of this definition; or
  - (e) the economic interests of which are substantially equivalent to those of a person referred to in subparagraph (a) of paragraph (iv) of this definition.

**Preliminary Charge** means, in respect of a Fund, the charge payable (if any) on the subscription for Shares as is specified in the Supplement for the relevant Fund.

**Prospectus** means this prospectus as amended from time to time and includes any relevant Supplement.

**Related Companies** has the meaning assigned thereto in Section 2 of the Companies Act. In general this provision states that companies are related where 50 per cent. of the paid up share capital of, or 50 per cent. of the voting rights in, one company are owned directly or indirectly by another company.

**redemption** and **redeem** refers to the repurchase of Shares by the Company at the request of a Shareholder.

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

**Regulation** or **Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) and includes any conditions issued by the Central Bank thereunder.

**Revenue Commissioners** means the Irish Government agency responsible for customs, excise, taxation and related matters.

**Securities Act** means the U.S. Securities Act of 1933, as amended.

**SEK** means the Swedish Krona, the lawful currency of Sweden.

**Settlement Date** means in respect of receipt of monies for subscription for Shares or dispatch of monies for the redemption of Shares, the date specified in the Supplement for the relevant Fund. In the case of redemptions this date will be no more than ten Business Days after the relevant Dealing Deadline, or if later, the receipt of completed redemption documentation.

**Shares** means participating shares in the Company representing interests in a Fund and where the context so permits or requires any Class of participating shares representing interests in a Fund created, from time to time, on prior notification to the Central Bank.

**Shareholders** means holders of Shares, and each a **Shareholder**.

**State** means the Republic of Ireland.

**Sterling and £** means the lawful currency of the United Kingdom or any successor currency.

**Subscription Form** means such form as may be issued by the Company from time to time for the purpose of subscribing for Shares and which is available from the Administrator.

**Supplement** means any supplement to the Prospectus issued on behalf of the Company in respect of a Fund from time to time (as may be amended, modified, supplemented or restated).

**TCA** means the Irish Taxes Consolidation Act, 1997, as amended.

**transferable securities** shall have the meaning prescribed in the UCITS Regulations, as may be amended from time to time.

**UCITS** means an undertaking for collective investment in transferable securities authorised pursuant to the Directive.

**UCITS Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertaking for Collective Investment in Transferable Securities) Regulation 2015 and related guidance issued by the Central Bank as amended, supplemented, consolidated or otherwise modified from time to time.

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

**United States** and **U.S.** means the United States of America, (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction.

**U.S. Dollars, Dollars, \$ and USD** means the lawful currency of the United States or any successor currency.

**U.S. Person** means (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organized in the United States or under the law of the United States or any state, (iii) a trust where (a) a U.S. court is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. Persons have the authority to control all substantial decisions of the trust or (iv) an estate which is subject to U.S. tax on its worldwide income from all sources. In addition, the term U.S. Person includes any individual or entity that would be a U.S. Person under Regulation S of the Securities Act as amended from time to time. The Regulation S definition is set out in full in each Subscription Form.

**Valuation Point** the point, at which the Administrator carries out a valuation of the assets of the Company or a Fund (as the case may be) for the purpose of determining the price at which shares of a Class may be issued, cancelled or redeemed, as specified in the relevant Supplement for that Fund.

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## FUNDS

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The Company is an umbrella investment company and has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

### **Investment Objective and Policies**

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

Any change in the investment objective of a Fund or a material change to the investment policies of a Fund may only be made with the approval of an ordinary resolution of the Shareholders of the Fund or the prior written approval of all of the Shareholders of the Fund. In the event of a change of investment objective and/or a material change to the investment policies of a Fund, a reasonable notification period must be given to each Shareholder of the relevant Fund to enable a Shareholder to have its Shares redeemed prior to the implementation of such change.

### **Investment Restrictions**

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

#### **1. Permitted Investments**

Investments of a Fund/each Fund are confined to:

- 1.1. Transferable securities and money market instruments as prescribed in the UCITS Regulations which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State and is listed in Appendix I.
- 1.2. Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3. Money market instruments, as defined in the UCITS Regulations, other than those dealt on a regulated market.
- 1.4. Units of UCITS.
- 1.5. Units of AIFs as set out in the Central Bank's Guidance on UCITS Acceptable Investments in Other Investment Funds.
- 1.6. Deposits with credit institutions as prescribed in the UCITS Regulations.
- 1.7. Financial derivative instruments as prescribed in the UCITS Regulations and outlined at



paragraph 6 below.

## 2. **Investment Limits**

- 2.1. A Fund may invest no more than 10 per cent. of net assets in transferable securities and money market instruments other than those referred to in paragraph 1 above.
- 2.2. A Fund may invest no more than 10 per cent. of net assets in recently issued transferable securities of the type to which Regulation 68(1)(d) of the Regulations apply. This restriction does not apply to an investment by a responsible person in U.S. securities known as “Rule 144A securities” provided that:
  - 2.2.1. the securities are issued with an undertaking to register with the U.S. Securities and Exchanges Commission within one year of issue; and
  - 2.2.2. the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.
- 2.3. A Fund may invest no more than 10 per cent. 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 per cent. is less than 40 per cent. of its net assets.
- 2.4. Subject to the prior approval of the Central Bank, the limit of 10 per cent. (in paragraph 2.3 above) is raised to 25 per cent. in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5 per cent. of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80 per cent. of the Net Asset Value of a Fund.
- 2.5. The limit of 10 per cent. (in paragraph 2.3 above) is raised to 35 per cent. if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- 2.6. The transferable securities and money market instruments referred to in paragraph 2.4. and 2.5 above shall not be taken into account for the purpose of applying the limit of 40 per cent. referred to in paragraph 2.3 above.
- 2.7. A Fund may not invest more than 10 per cent. of net assets in deposits made with any single credit institution other than a credit institution specified in Regulation 7 of the UCITS Regulations or 20 per cent. where the deposit is made with the Depositary when held as ancillary liquidity.
- 2.8. The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5 per cent. of net assets.

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

- 2.9. Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20 per cent. of 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 paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35 per cent. of net assets.
- 2.11. Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above. However, a limit of 20 per cent. of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12. A Fund may invest up to 100 per cent. of net assets in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international bodies of which one or more EU Member States are members. The following are permitted issuers for the purposes of this investment restriction:

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

The UCITS must hold securities from at least six different issues, with securities from

any one issue not exceeding 30 per cent. of net assets.

### **3. Investment in Collective Investment Schemes**

- 3.1. A Fund may not invest more than 20 per cent. of net assets in any one CIS.
- 3.2. Investment in AIFs may not, in aggregate, exceed 30 per cent. of net assets.
- 3.3. The CIS are prohibited from investing more than 10 per cent. of net assets in other open-ended CIS.
- 3.4. When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, that Investment Manager 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 a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the UCITS.

### **4. Index Tracking UCITS**

- 4.1. A Fund may invest up to 20 per cent. 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 Regulations and is recognised by the Central Bank.
- 4.2. The limit in paragraph 4.1 above may be raised to 35 per cent., and applied to a single issuer, where this is justified by exceptional market conditions.

### **5. General Provisions**

- 5.1. A Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2. A Fund may acquire no more than:
  - 5.2.1. 10 per cent. of the non-voting shares of any single issuing body;
  - 5.2.2. 10 per cent. of the debt securities of any single issuing body;
  - 5.2.3. 25 per cent. of the units of any single CIS;
  - 5.2.4. 10 per cent. of the money market instruments of any single issuing body.

The limits laid down in paragraphs 5.2.2, 5.2.3 and 5.2.4 above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3. Paragraphs 5.1 and 5.2 above shall not be applicable to:
- 5.3.1. transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
  - 5.3.2. transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
  - 5.3.3. transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
  - 5.3.4. shares held by a Fund in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which a Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in paragraphs 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;
  - 5.3.5. shares held by an investment company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at shareholders' request exclusively on their behalf.
- 5.4. A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5. The Central Bank may allow a recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 above for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6. If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, a Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5.7. A Fund may not carry out uncovered sales of:
- 5.7.1. transferable securities;
  - 5.7.2. money market instruments;
  - 5.7.3. units of CIS; or
  - 5.7.4. financial derivative instruments.
- 5.8. The Company may hold ancillary liquid assets.
- 6. Financial Derivative Instruments ("FDIs")**

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

It is intended that each Fund should have the power (subject to the approval of the Central Bank and as disclosed in an updated Prospectus) to avail of any change in the law, Regulations or guidelines which would permit investment in assets and securities on a wider basis in accordance with the requirements of the Central Bank.

### **Efficient Portfolio Management**

The Company, on behalf of a Fund, may employ techniques and instruments relating to transferable securities and/or other financial instruments for efficient portfolio management purposes. The use of techniques and instruments for efficient portfolio management purposes is subject to the conditions and the limits laid down by the UCITS Regulations. The term "efficient portfolio management" refers to transactions that are entered into with the aim of reducing risk, reducing cost or generating additional capital for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund as described in this Prospectus, the relevant Supplement and the risk diversification rules set out in the UCITS Regulations. Such techniques may involve the lending of portfolio securities by a Fund, but such stocklending must be secured by adequate collateral as described under "Collateral Policy" below and will be subject to the conditions and limits set out in the UCITS Regulations. Such techniques may also include repurchase agreements and reverse repurchase agreements which are permitted subject to the conditions and within the limits set out in the UCITS Regulations for efficient portfolio management purposes only. Any revenues arising from repurchase agreements and reverse repurchase agreements will, after deduction of any expenses and fees, be returned to the relevant Fund. These direct and indirect operational costs will not contain any hidden revenue. Please see under "RISK FACTORS" below for details of the risks involved in entering into repurchase agreements and stocklending agreements.

### **Borrowing and Lending Powers**

The Company may borrow up to 10 per cent. of a Fund's net assets at any time for the account of the Fund and the Depositary may charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding. Any particular borrowing restrictions for a Fund will appear in the Supplement for

the relevant Fund. Without prejudice to the powers of the Company to invest in transferable securities, money market instruments and other financial instruments referred to in paragraph 1 under “Investment Restrictions” above, the Company may not lend to, or act as guarantor on behalf of third parties. A Fund may acquire transferable securities, money market instruments and other financial instruments referred to in paragraph 1 above which are not fully paid.

The Company may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the above mentioned 10 per cent. limit provided that the offsetting deposit (a) is denominated in the Base Currency of the relevant Fund and/or (b) equals or exceeds the value of the foreign currency loan outstanding.

## **Share Class Hedging**

A Class of Shares may be hedged against exchange rate fluctuation risks between the denominated currency of that Class and the Base Currency of the Fund in which that Class is issued. Alternatively, the currency exposure of the currency(ies) of a Fund's underlying assets may be hedged in order to mitigate the effect of fluctuations in the exchange rate between the currency(ies) of the Fund's underlying assets and the currency of the Share Class. Any financial instruments used to implement such strategies with respect to one or more hedged Share Classes shall not be assets/liabilities of a Fund as a whole but will be attributable to the relevant hedged Share Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant hedged Share Class. Where a Class is to be hedged this will be disclosed in the Supplement for the Fund in which such Class is issued. Any currency exposure of a hedged Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a hedged Class may not be allocated to other Classes. Where the Investment Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Investment Manager. Under-hedged position shall not fall short of 95 per cent. of the Net Asset Value of the relevant hedged Class and will be kept under review to ensure it is not carried forward from month to month and over-hedged positions will not exceed 105 per cent. of the Net Asset Value of the relevant hedged Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the level permitted above and the Investment Manager must take steps to ensure that positions materially in excess of 100 per cent. of the Net Asset Value of the relevant Class are not carried forward from month to month. To the extent that hedging is successful for a particular currency hedged Class the performance of the hedged Class is likely to move in line with the performance of the Base Currency or the underlying assets with the result that Shareholders in that hedged Class will not gain if the hedged Class currency falls against the Base Currency and/or the currency(ies) in which the assets of the particular Fund are denominated.

## **Dividend Policy**

The Directors decide the dividend policy and arrangements relating to each Fund and details are set out where applicable in the relevant Supplement. The Directors may from time to time designate a Class of Shares of a Fund as Distributing Shares and such shares will carry a right to a distribution of the profits of the relevant Fund at the discretion of the Directors and in accordance with any relevant dividend policy adopted by the Directors. Under the Articles, the Directors are entitled to declare dividends out of the profits of the relevant Fund, being: (i) the

accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses and/or (ii) realised and unrealised gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund. The Directors may satisfy any dividend due to Shareholders in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled. A Shareholder may require the Company instead of transferring any assets in specie to it, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same. The Company will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Shareholder in any Fund who is, or is deemed to be, acting on behalf of an Irish Taxable Person and pay such sum to the Irish tax authorities.

It is possible that the Directors will seek “reporting fund” status from HM Revenue & Customs in respect of the Fund or relevant Class(es) of Shares. Such information will be contained in the relevant Supplement. There is no guarantee that “reporting fund” status will be applied for in respect of any Class or, if applied for, that any application to HM Revenue & Customs will be successful or that such status will be maintained. The Directors will consider whether it is necessary or appropriate to pay any amounts by way of dividend in connection with any such application.

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

Dividends payable to Shareholders will be paid by electronic transfer to the bank account designated by the Shareholder in which case the dividend will be paid at the expense of the payee and will be paid within four months of the date the Directors declared the dividend. Dates of dividend distributions are as set out, if applicable, in the relevant Supplement.

The dividend policy for each Fund is set out in the Supplement for the relevant Fund.

## **Collateral Policy**

### **1. Permitted Types of Collateral**

#### **1.1 Non-Cash Collateral**

Non-cash collateral received by a Fund must at all times meet with the following requirements:

- (i) **Liquidity:** Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations;
- (ii) **Valuation:** Collateral must be capable of being valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) **Issuer credit quality:** Collateral received should be of high quality;
- (iv) **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the

performance of the counterparty;

- (v) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20 per cent of the Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20 per cent limit of exposure to a single issuer;
- (vi) Immediately available: Collateral received should be capable of being fully enforced on behalf of the relevant Fund at any time without reference to or approval from the relevant counterparty; and
- (vii) Non-cash collateral received cannot be sold, pledged or reinvested by the Fund.

## 1.2 **Cash collateral**

Reinvestment of cash collateral must at all times, meet with the following requirements:

- (i) Cash received as collateral may only be invested in the following:
  - (a) deposits with an EU credit institution, a bank authorised in an EEA Member State, a bank authorised by a signatory state, other than an EU Member State or an EEA Member State, to the Basle Capital Convergence Agreement of July 1988 (i.e. Switzerland, Canada, Japan, United States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
  - (b) high quality government bonds;
  - (c) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on an accrued basis;
  - (d) "short-term money market funds" as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049);
- (ii) meet the requirements in Section 1.1.1(v) above, where applicable;
- (iii) invested cash collateral may not be placed on deposit with the counterparty or a related entity.



## 2. Level of collateral required

The levels of collateral required are as follows:

Repurchase agreements	at least 100 per cent of the exposure to the counterparty
Reverse repurchase agreements	at least 100 per cent of the exposure to the counterparty
Lending of portfolio securities	at least 100 per cent of the exposure to the counterparty
OTC derivatives	at least 90 per cent of the exposure to the counterparty

## 3. Haircut policy

While non-cash collateral which exhibits high price volatility will not be accepted, non-cash collateral received will typically be subject to a valuation percentage of between 90 per cent. and 100 per cent. The valuation percentage will depend on factors such as liquidity, price volatility, issuer credit quality and remaining maturity as well as any stress tests which may be carried out in accordance with Central Bank requirements.

## 4. Operational costs/fees

Any revenues arising from repurchase agreements, reverse repurchase agreements and securities lending agreements will, after deduction of any expenses and fees be returned to the relevant Fund.

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## RISK FACTORS

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The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Different risks may apply to different Funds. Details of specific risks arising in relation to a particular Fund which are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares.

Prospective investors should consider, among others, the following factors before subscribing for Shares:

### GENERAL RISKS

Investors should be aware that there are risks inherent in the holding of securities:

- There is no assurance that any appreciation in the value of investments will occur, or that the investment objectives of any Fund will be achieved. Past performance is no guide to the future. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full.
- The tax treatment of the Funds may change and such changes cannot be foreseen.
- Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment.

The difference at any one time between subscription and redemption prices for Shares means that any investment in a Fund should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.

### Regulatory Risks

The regulatory environment for collective investment schemes, securities, derivatives and related instruments is continually evolving and changes therein may adversely affect the Company and/or the value of the investments held by the Company. The effect of any future regulatory change on the Company is impossible to predict.

### Changes in Applicable Law, Regulation and Policy

Changes in applicable law, regulation, tax or accounting rules or government policy (whether national or international and which may be prospective and/or retrospective in nature) could have an adverse effect on the performance of the Company and on any individual investment in a Fund. Failure of designated national or international authorities to enforce compliance with laws, regulations, rules and policies or to carry out the duties prescribed to them; revisions of those laws, regulations and policies which dilute their effectiveness; or any conflicting interpretation of provisions of those laws, regulations and policies may adversely affect the Company.

## **The UK's membership of the European Union – Brexit**

On 23 June 2016, the UK held a referendum to decide on the UK's membership of the EU. The resulting vote was to leave the EU and on 29 March 2017, the UK Government invoked Article 50 of the Lisbon Treaty relating to withdrawal. Under Article 50, the Treaty on the European Union and the Treaty on the Functioning of the EU will cease to apply to the UK from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw (i.e. 29 March 2019), although this period may be extended in certain circumstances. There are a number of uncertainties in connection with the future of the UK and its relationship with the EU, including the terms of the agreement the UK Government will reach in relation to its withdrawal from the EU (the negotiation of which is likely to take a number of years).

Until the terms of the UK's exit from the EU are clearer, it is difficult at this stage to say with certainty whether there will be any consequences for the Company and/or any Fund. There could be short and long-term market volatility and currency volatility, macroeconomic risk to the UK and European economies, impetus for further disintegration of the EU and related political stresses, prejudice to financial services businesses that are conducting business in the EU and which are based in the UK, disruption to regulatory regimes related to the operations of the Investment Manager and other advisers and service providers to the Company, and legal uncertainty regarding complying with applicable financial and commercial laws and regulations in view of the negotiations of the UK's exit. As such, no assurance can be given that such matters will not adversely affect the Company, the Funds, and/or the Investment Manager's ability to achieve the Company's and each Fund's investment objectives.

## **Cyber Security Risk**

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

## **Counterparty Risk**

The Company will be subject to the risk of the inability of any counterparty (including, but not limited to, the Depository, sub-custodians, trading counterparties, derivative counterparties and prime brokers) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. Default by a counterparty may cause the Company potentially unlimited losses. The Company may be treated as a general creditor of such counterparty or further subordinated in respect of any losses it claims from the counterparty.

## **Repurchase Agreements**

A Fund may enter into repurchase agreements. The value of the security purchased may be more or less than the price at which the counterparty has agreed to purchase the security. If the other party to a repurchase agreement should default, the Fund might suffer a delay or loss to the extent that the proceeds from the sale of the underlying securities and other collateral held by the Fund in connection with the repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase the securities as agreed, the Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement. The Investment Manager will ensure that it is able at any time to recall any securities subject to a repurchase agreement or to terminate the agreement.

## **Reverse Repurchase Agreements**

A Fund may enter into reverse repurchase agreements. Such transactions may increase fluctuations in the market value of Fund assets and a Fund's yield and may be viewed as a form of leverage. The Investment Manager will ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis.

## **Securities Lending**

If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a Fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. These delays and costs could be greater for foreign securities. If a Fund is not able to recover the securities loaned, a Fund may sell the collateral and purchase a replacement investment in the market. The value of the collateral could decrease below the value of the replacement investment by the time the replacement investment is purchased. Cash received as collateral through loan transactions may be invested in other eligible securities, including shares of a money market fund in accordance with the requirements of the Central Bank. Investing this cash subjects that investment, as well as the securities loaned, to market appreciation or depreciation.

## **Depository**

A substantial part of the Company's assets as well as the assets provided to the Company as collateral are held in custody by the Depository or, as the case may be, third party depositaries and sub-custodians. This exposes the Company to custody risk. This means that the Company is exposed to the risk of loss of these assets as a result of insolvency, administration, liquidation or other formal protection from creditors ("**Insolvency**"), negligence or fraudulent

trading by the Depositary and these third parties. The Company is also exposed to the risk of loss of these assets as a result of fire and other natural disasters.

Insolvency risk of the Depositary includes without limitation: the loss of all cash held with the Depositary which is not being treated as client money or protected by the rules of a regulatory authority ("**client money**"); the loss of all cash which the Depositary has failed to treat as client money in accordance with procedures (if any) agreed with the Company; the loss of any securities held on trust ("**trust assets**") or client money held by or with the Depositary in connection with an application to pay for administrative costs of the Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money or for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depositary; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets. Insolvency could cause severe disruption to the trading of a Fund.

Where the Company's assets as well as the assets provided to the Company as collateral are held by the Depositary or third party depositaries and sub-custodians in emerging market jurisdictions, the Company is exposed to greater custody risk due to the fact that emerging markets are by definition "in transformation" and are therefore exposed to the risk of swift political change and economic downturn. In recent years, many emerging market countries have undergone significant political, economic and social change. In many cases, political concerns have resulted in significant economic and social tensions and in some cases both political and economic instability has occurred. Political or economic instability may adversely affect the safe custody of the Company's assets.

### **Deferred Redemptions**

In the event that redemption requests are received where the requested redemptions exceed 10 per cent. of a Fund's Net Asset Value (or such higher percentage as set out in the relevant Supplement), redemption requests may be reduced rateably and pro rata and the redemption of Shares may be carried forward to the next following Dealing Day. In the event of a large number of redemptions, this power to defer redemptions could be exercised on a number of successive Dealing Days and materially restrict a Shareholder's ability to redeem its Shares.

### **Disclosure of the Portfolio**

The composition of each Fund's investment portfolio is subject to confidentiality provisions. The Company may, subject to the requirements of the Central Bank, limit the amount and frequency of information disclosed and may disclose certain types of information on a delayed basis. However, any CQS Fund which holds Shares may have access to certain information (including more detailed information with respect to a Fund's investment portfolio) which is not available to other Shareholders and/or have access to certain information on a more frequent and timely basis.

### **Disclosure of Shareholder Information**

The Company may be required to disclose certain information in relation to Shareholders, including information required in relation to anti-money laundering and know-your-customer laws, regulations or procedures, to service providers, counterparties and regulatory, taxation, governmental or other authorities. The Company will endeavour to keep information in relation to the Shareholders confidential unless such disclosure is required by law and/or regulation or it is in the best interests of the Company to disclose such information.

Each Shareholder agrees that the Investment Manager and/or any relevant service providers may be required by anti-money laundering laws to make disclosures regarding a Shareholder or its affiliates and that none of the Investment Manager, the Company, or any relevant service providers will have any obligation to inform a Shareholder that such disclosure has taken place.

### **Effect of Preliminary Charge**

Where a Preliminary Charge is imposed, a Shareholder that redeems its Shares after a short period may not (even in the absence of a rise in the value of the relevant investments) realise the amount originally invested.

The Shares therefore should be viewed as medium to long-term investments.

### **Investment Manager**

The success of the Company depends upon the ability of the Investment Manager to achieve each Fund's investment objective. If the Investment Manager ceases to participate in the management of the Company, it may lead to the premature termination of the Company and/or also have a materially adverse effect on the Company's operations and the Net Asset Value. The Company's success depends to an extent on the experience and skills of the Investment Manager's personnel, whose continued service is not guaranteed. In the event that the Investment Manager ceases to act as investment manager of the Company, no assurance can be given that the Company will be able to find and recruit a replacement manager of similar experience and credibility or as to the length of time the search for a replacement may take.

In addition, there are no restrictions on the Investment Manager's ability to establish funds or other publicly traded entities that may compete with the Company. The Investment Manager currently serves as an investment manager to several other funds and may have conflicts of interest, including in allocating investments among, and in effecting transactions between, the Company and other clients.

### **Service Providers**

The Company does not have any employees and the Directors have been appointed on a non-executive basis. The Company is therefore reliant upon the performance of third party service providers for their executive functions. In particular, the Investment Manager, the Depositary and the Administrator are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company could have a materially detrimental impact upon the operations of the Company. The rights of the Company to recover in the event of the default of any service provider (including the Investment Manager) may be limited under the terms of its agreement with that service provider and that limitation may result in no recovery against them or recovery which is less than the loss suffered.

### **Operational Risk**

Operational risk encompasses the risks of operating the Company that are not classified as market, counterparty credit or liquidity risks. Operational risks are typically either endogenous or exogenous. Endogenous operational risks include the risk that inadequacies or failures in information systems, processes or internal controls, human errors or management failures may result in losses. Exogenous operational risks include the risk that changes in regulatory, fiscal, political and legal environments may result in losses.

## **Net Asset Value Considerations**

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover its initial investment when it chooses to redeem its Shares or upon compulsory redemption, if the Net Asset Value per Share at the time of such redemption is less than the Subscription Price paid by such Shareholder or if there remains any unamortised costs and expenses of establishing the Company. In addition, where there is any conflict between International Financial Reporting Standards and the valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value, the latter principles shall take precedence.

In calculating a Fund's Net Asset Value, the Administrator may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds, the Investment Manager will endeavour to resolve any such conflict of interest fairly and in the interest of investors.

## **Segregation of Liabilities between Funds**

The assets of each Fund are ring-fenced. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions (such as the United Kingdom) which may not necessarily recognise such ring-fencing and, in such circumstances, the assets of one Fund may be exposed to the liabilities of another.

## **Cash Subscription and Redemption Account**

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

Payment of redemption proceeds and dividends in respect of a particular Fund is subject to receipt by the Administrator 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, and will be unsecured creditors of the particular Fund, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Cash Subscriptions and Redemptions Account in the name of the relevant Fund. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the relevant Fund, and will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Cash

Subscriptions and Redemptions Account. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

### **Price Fluctuations**

The value of Shares and the income (if any) derived from them can go down as well as up.

### **Illiquidity of Shares in the Company**

There is no active secondary market for any Class of Shares and it is not expected that such a market will develop.

### **Substantial Redemptions and Market Movements**

Substantial redemptions of Shares as a result of redemptions/withdrawals being made from a Fund and/or substantial market movements within a limited period of time could require the Company to liquidate positions of a relevant Fund more rapidly than would otherwise be desirable, which could disrupt the Investment Manager's investment strategy and adversely affect the value of both the Shares being redeemed, the outstanding Shares in the Fund and assets of the Fund. In addition, regardless of the period of time in which redemptions or market movements occur, the resulting reduction of the Fund's Net Asset Value could make it more difficult for the Fund to generate profits or recover losses due to, among other things, reductions in a Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

### **Dilution Risk**

Shareholders should note that in certain circumstances a dilution levy or a swing pricing methodology may be applied on the subscription for and/or redemption of Shares (see under "Dilution" in the section "FEES AND EXPENSES" below for further details). Where a dilution levy or a swing pricing methodology is not applied, the Fund in question may incur dilution which may constrain capital growth.

### **Subsequent Subscriptions**

The Company may seek additional subscriptions on any Dealing Day, which may dilute the existing Shareholders' interests in the Company. In addition, investment returns may be lower following subscriptions if it is not possible for the Investment Manager immediately to invest the proceeds of such subsequent subscriptions.

### **In Specie Redemptions**

Whilst the Directors have the discretion to settle redemption requests by means of an in specie transfer of assets, due to the nature of a Fund's assets, it may not be possible for certain assets to be transferred to a Fund and then to a Shareholder.

## **INVESTMENT RISKS**



The identification of investment opportunities is a difficult task and subject to a variety of factors beyond the control of the Funds, the Company, and/ or the Investment Manager, and there can be no assurance that such opportunities will be successfully recognised.

### **Borrowings and Leverage**

The Company may use borrowings (of cash and/or securities) for the purpose of financing investments which may significantly increase the Company's investment risk. The Company may be required to immediately repay borrowings in whole or in part in various circumstances which may force the Company to sell some/all of its assets if it has insufficient cash deposits available and does not have alternative credit facilities available to make these repayments. Furthermore, it may not be possible for the Company to obtain replacement finance. The Company may incur losses in liquidating such assets if, for example, the markets within which such assets are traded are stressed or illiquid.

The Company may also use leverage sourced through derivative transactions to help achieve its investment objectives. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the Company's exposure to capital risk and interest costs which may cause the Net Asset Value of the Shares to decrease more rapidly than would otherwise be the case. The effect of the use of leverage is to increase the investment exposure, the result of which is that, in a market that moves adversely, the possible resulting loss to investors' capital would be greater than if leverage was not used.

Financial instruments may also be used to provide leverage. Such instruments inherently contain much greater leverage than a non-margined purchase of the underlying security, commodity or instrument. In addition, the Company may be subject to contractual margin requirements and/or other contractual provisions or triggers which are not in the control of the Company, or the Investment Manager and which may force premature liquidation of investment positions.

The withdrawal or reduction of the leverage available to the Company from its Depository, financing counterparties and/or derivative counterparties, or the liquidation by other market participants of the same or similar positions, may adversely impact the Company's returns.

### **Broad Investment Strategy**

The investment strategy is broad and not limited to any specific strategy. While the Directors will periodically review the Company's investment strategy and performance, the Directors will not review each proposed or held investment. The investment strategy described under the "Investment Objective and Policies" in the section entitled "FUNDS" above may be modified and altered from time to time as set out in such section. No assurance can be given that the investment strategy used or to be used will be successful.

## **Concentration of Investments**

The Company may, at certain times hold a small number of investments, which may lead to significant losses where it holds a large position in a particular investment that declines in value.

## **Corporate Actions**

The Company may be entitled to take part in corporate actions such as shareholder votes in respect of certain investments of a Fund. In circumstances where the Depositary would be required to take such actions on behalf of the Company, the Company may not be able to require the Depositary to act upon its instructions.

Where the Company is exposed to a security through a derivative transaction, the Company will have no ability to influence any corporate action in respect of that security.

## **Derivatives**

The Company may use both exchange-traded and OTC derivatives, which can be highly volatile and expose investors to a potentially unlimited loss.

OTC derivatives are bespoke, bilateral arrangements and, as traded by the Company, are not subject to direct government regulation.

Derivative instruments traded on an exchange are backed by that exchange, but that does not mean that they will be guaranteed in the event of failure of the exchange. Exchange traded and OTC derivatives may be illiquid. The settlement of derivative transactions may be subject to a delay and administrative uncertainties.

Derivatives are also subject to counterparty risk, as described above.

Due to movement in market prices, the value of any derivative held by a Fund may not correlate with the value of the underlying investments.

## **Developing Markets**

When trading in developing markets (including, for example, emerging markets and new products), the Company may be subject to risks, such as inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices (including accounting standards or otherwise) and confidentiality customs characteristic of developed markets and lack of enforcement of existing laws and regulations, which may have an adverse effect on the Company.

## **Hedging Activities and Currency Exposure**

The Investment Manager may seek to identify market, idiosyncratic and/or other risks and seek to establish hedging strategies using securities, derivatives and other financial instruments to mitigate these risks. There is no guarantee that the Investment Manager's hedging strategy for the Company will be successful. Hedging transactions entered into by the Company to seek to reduce risk, may result in a poorer overall performance than if it had not engaged in any such hedging transactions.

For a variety of reasons, the Investment Manager may not seek to hedge certain (or any) portfolio holdings, or may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged which may prevent the Company from achieving the intended hedge or expose the Company to risk of loss. The portfolio will always be exposed to certain risks that cannot be hedged or fully hedged.

Certain of the assets of the Company may be invested in securities and other investments which are denominated in currencies other than the Base Currency. Whilst the Investment Manager may seek to hedge the exposure of the relevant Class of Shares to currencies other than the Base Currency, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. For each Share Class denominated in a currency other than the Base Currency which is designated in the relevant Supplement as a currency-hedged Share Class, each Fund will normally seek to periodically hedge the foreign currency exposure of such hedged Share Class against the currency of denomination of such hedged Share Class. Any such hedging may not be effective and the performance of Share Classes denominated in different currencies may have inconsistent returns. Shareholders whose assets and liabilities are predominantly in currencies other than the currencies of the Shares should take into account the potential risk arising from fluctuations in value between the currency of the relevant Shares held and such other currencies, particularly where such Class of Shares is not designated as a currency-hedged Share Class.

### **Investment Opportunities**

The Company may be constrained in its ability to achieve its investment objective by the Investment Manager's ability to identify or source appropriate investments. A reduction in the Company's ability to source suitable investments may result in the Company not being fully invested and holding significant cash on deposit which will have a consequential impact upon returns.

### **Legal Risk**

Transactions in which the Company may invest will be executed using standardised or bespoke documentation. Disagreements may occur between the Company and the counterparty (whether under standardised or bespoke documentation) which may result in an inability of the Company to enforce such contracts or in a financial outcome which is disadvantageous to the Company.

The Company may dispose of investments and may be required to give representations and warranties about those investments and to pay damages to the extent that such representations and warranties turn out to be inaccurate. The Company may become involved in disputes or litigation and may be required to make payments to third parties as a result of such disputes or litigation. Service providers and their delegates may have a right to be indemnified for liabilities from the assets of each Fund or the Company. Such indemnification may not apply where it is agreed such service providers or their delegates do not have such a right where they are culpable of causing the liability.

### **Liquidity and Market Characteristics**

Each Fund may hold investments in securities and financial instruments that are not publicly traded or where no liquid market exists and, in some circumstances, it may be difficult to obtain price quotes for these instruments. Even where there is an established market, the price and/or

liquidity of instruments in that market may be materially affected by a variety of factors. Trading in particular securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or supervisory authority and each Fund may incur a loss as a result. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Settlement of transactions may be subject to delay and administrative uncertainties. The risk of loss and delay in liquidating these securities will be borne by each Fund.

## **Market Risk**

Market risk is a collection of risks including, but not limited to, changes in market prices or rates, collateral servicing and external credit enhancement, concentration, correlation risk, credit spreads, credit spread volatility, default risk, incomplete analysis, index reconstitution, interest rate risk, prepayment risk and recovery risk.

There are certain general market conditions in which any investment strategy is unlikely to be profitable. The Investment Manager has no ability to control or predict such market conditions. Although, with respect to market risk, the Investment Manager's investment approach is designed to achieve broad diversification across financial markets in an attempt to reduce a Fund's exposure to any single market, from time to time, multiple markets could move together against a Fund's underlying investments and a Fund could suffer losses. The performance of a Fund's investments depends to a great extent on the accuracy of the Investment Manager's assessments of the future course of market risks. There can be no assurance that the Investment Manager will be able to predict accurately these risks. All markets may, at certain times, be characterised by adverse volatility conditions and great unpredictability and the investment strategies implemented by the Investment Manager always have some, or in certain cases a significant degree of, market risk and can be negatively affected by movements in such market(s).

## **Qualified Institutional Buyers**

Due to restrictions under the U.S. securities laws, certain securities may only be sold to investors that are "Qualified Institutional Buyers" (commonly referred to and hereinafter defined as "QIBs" or a "QIB") within the meaning of Rule 144A under the Securities Act. Under current law, a Fund will not qualify as a QIB unless, *inter alia*, such Fund owns and invests on a discretionary basis at least USD100 million in qualifying securities or where all Shareholders in the Fund are QIBs. There can be no assurance that a Fund will be able to attain QIB status resulting in the Fund's potential investment universe being narrowed which may affect the Fund's ability to achieve its investment objective. Neither is there any assurance that a Fund will, if attained, be able to maintain QIB status which may have a negative effect on such Fund's performance as it may be required to dispose of certain securities. If a Fund does not attain or maintain QIB status it may not be able to purchase certain securities that it would otherwise find attractive which may affect such Fund's investment portfolio.

## **Risk Models**

The Investment Manager may rely on models created by it or provided by third parties which may prove inaccurate or inadequate and may result in substantial losses for the Company.

Some of the investments to be made by the Company may be illiquid and may be valued by trade counterparties using quantitative models. There is no recognised standard model for some of these investments. As the market matures, new models may be developed and implemented by market participants that result in significantly different valuations for certain of these transactions. The introduction of these new models may lead to significant losses for the Company.

## **Securities and Investment Instruments**

Securities and investment instruments may be rated or unrated by credit rating agencies. Evaluating credit risk for rated securities and investment instruments is inherently uncertain, particularly in relation to unrated investment instruments. Even in respect of rated instruments, there are difficulties in evaluating credit risk because different credit rating agencies have different standards, making comparison difficult. The Company may invest in debt securities and investment instruments that are secured by collateral where the Company has no control of the timing and the manner of disposal of such collateral upon a default. The proceeds of any sale of collateral may not be adequate to repay the Company's investments. The Company's investments and any collateral that secures those investments (where applicable) may be subject to various laws for the protection of creditors in the jurisdictions of the underlying issuers in the portfolio which may adversely affect an issuer's ability to make payment in full or on a timely basis. These insolvency considerations will differ depending on the country in which an issuer is located and may differ depending on the legal status of the issuer. With respect to synthetic securities (or instruments), the Company will not usually have a direct contractual relationship with the underlying issuer of the underlying investments to which such securities are referenced and accordingly will not directly benefit from the collateral supporting the underlying investment or have the rights or remedies that would normally be available to a direct holder of such underlying investment. Unlike other financial instruments, which may benefit from financial covenants or limitations on additional indebtedness, debt securities may not have such protections, meaning that the Company will be subject to additional market risks. Additionally, other participants in debt issues in which the Company participates may have access to information on the issuer or other relevant matters that the Investment Manager does not have access to. Certain instruments involve a high degree of financial risk and can result in substantial and possibly unlimited losses. Returns generated from the Company's investments may not adequately compensate for the business and financial risks assumed. In addition, the Company may be required to maintain positions in certain securities for a substantial period of time before realising their anticipated value which may incur costs and prevent the Company from investing in other opportunities by committing a portion of the Company's capital. Debt securities and investment instruments may be subject to credit, liquidity, interest rate and counterparty risks as well as market conditions, changes in economic or commercial conditions, changes in law and/or operation of existing law and taxation, systemic risk in the financial system and/or settlements systems and/or natural disasters, terrorism, social unrest and civil disturbances, settlement delays and the performance and actions of certain third parties. The issuers of debt securities and investment instruments themselves will be subject to similar risks which may adversely affect the value of the Company's investments. Such risks may be increased to the extent that the Company's portfolio is concentrated in any one industry, region or country.

## **Transaction Costs**

The Company's investment approach may involve a high level of trading and turnover of the Company's investments which may generate substantial transaction costs which will be borne by the Company.

## **TAX RISKS RELATED TO THE COMPANY AND THE FUNDS**

### **Withholding Tax on the Shares**

In general, no Irish withholding tax is currently imposed in respect of distributions or other payments on the Shares. There can be no assurance, however, that no Irish withholding tax will be imposed on such payments in the future as a result of any change in any applicable law, treaty or regulation, or the official application or interpretation thereof by the relevant tax authorities, or other causes. The imposition of any such unanticipated withholding tax could materially reduce the value of the Shares.

### **Withholding Tax on Investments**

Where the Company on behalf of a Fund invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future. If the Company is not able to recover such withheld tax any such change would have an adverse effect on the Net Asset Value of a Fund and, therefore, on the Net Asset Value per Share of any Class. Where the Company sells securities short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the Company.

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

The Company intends to conduct its affairs so that it will not be treated as resident for taxation purposes, or for tax purposes, as having a permanent establishment or otherwise being engaged in a trade or business, in any country other than Ireland. There can be no assurance, however, that the net income of the Company will not become subject to income tax in one or more countries as a result of unanticipated activities performed by the Company, the Investment Manager or other CQS Entities, or as a result of adverse developments or changes in law, contrary conclusions by the relevant tax authorities or other causes. The imposition of any such unanticipated net income taxes could materially reduce a Fund's post-tax returns and consequently the value of, the Shares.

### **U.S. Tax-Exempt Investors**

While the Company believes each Fund's investment objective and strategy is generally appropriate for U.S. tax-exempt investors, each type of such investor may be subject to different laws, rules and regulations and should consult with their own advisors as to the advisability and tax consequences of an investment in a Fund.

### **General Tax Considerations for Investors**

Investors should consult their professional advisers on the possible tax and other implications of subscribing for, acquiring, holding, exchanging, redeeming or disposing of Shares under the laws of their country (or countries) of incorporation, establishment, citizenship, residence or domicile. Prospective investors should also seek their own professional advice as to any relevant exchange control or other laws and regulations.

## **FUND SPECIFIC RISKS**

Please review the particular Fund Supplement for specific risks associated with each particular Fund.

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## MANAGEMENT OF THE COMPANY

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### Directors of the Company

The Directors of the Company are described below:

**Cormac Byrne**, an Irish resident, is a director with KB Associates, a firm which provides a range of advisory and project management services to the promoters of offshore investment funds. Prior to this, from March 2003 to June 2006 Mr. Byrne was operations director with Brandeaux Administrators Limited, a company specialising in the administration of property funds. Cormac previously held senior positions with MiFund (a privately owned mutual funds supermarket), Deko International Ireland Limited where he was responsible for transfer agency and fund accounting and Chase Manhattan Bank (Ireland) Limited where his responsibilities included fund accounting and statutory reporting. Mr. Byrne holds a Bachelor of Commerce Degree and a Post Graduate Diploma in Accounting from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

**David Mc Geough** has over twenty years' experience in the asset management industry as a partner and Head of the Investment Funds group at Matheson, a large international law firm, and as a partner, general counsel and member of the management committee of one of the world's largest independent multi-strategy hedge fund firms, Vega Asset Management, which had \$14 billion assets under management at its height in 2005.

Having disposed of his interests in Vega as part of the sale to BBVA in 2007, Mr. Mc Geough now serves as a non-executive director of a number of investment funds and hedge funds and as a director of an international hedge fund rating and operational risk assessment business.

At Vega (2002 to 2007), Mr. Mc Geough's responsibilities included central management and operational oversight roles in respect of the various Vega asset management businesses in London, Madrid, New York and Dublin where Vega managed a range of strategies including global macro, fixed income, credit, long / short equity, commodities and emerging market debt and equities. Mr Mc Geough set up the trading operations in London and Dublin and was responsible for building out the firm's hedge fund platform. Mr Mc Geough played an instrumental role in structuring and negotiating the sale of the Vega hedge fund platform business to BBVA in 2007.

Prior to joining Vega in 2002, Mr. Mc Geough was the Chief Operating Officer, and subsequently Chief Executive Officer, of a privately held international technology company, Mobileaware, whose largest shareholders included Intel, Bank of America, Cross Atlantic Capital Partners and other private equity firms.

Prior to joining Mobileaware in January 2001 Mr. Mc Geough was a Partner and Head of the Investment Funds group in Matheson, (January 1994-December 2000). At Matheson, Mr. Mc Geough's clients included many of the world's largest asset management firms, hedge fund firms, private equity firms, prime brokers, global custodians, fund administrators and institutional investors. Prior to heading up the Investment Funds Group at Matheson in January 1994, Mr. Mc Geough was a senior associate in Matheson's Corporate Finance group specialising in mergers, acquisitions, disposals and buy-outs.

Mr. Mc Geough qualified as a solicitor in Ireland in 1990 and holds a Bachelor of Civil Law



Degree (magna cum laude) from University College Dublin law school (“UCD”). Mr. Mc Geough has tutored law at UCD and spoken at numerous international industry conferences on financial services and asset management matters.

**Barry Harrington** is a Director at KB Associates, a firm which provides a range of advisory and project management services to the promoters of offshore funds. He provides assistance to asset managers in addressing the operational issues associated with the establishment and continuing oversight of offshore funds and fund management firms. Prior to joining KB Associates, from 1998 to 2008, Mr Harrington worked for BISYS Hedge Fund Services (subsequently Citi Fund Services (Ireland), Limited) in a variety of management roles supporting a number of leading hedge fund managers. His final role was as Vice President of fund accounting operations. Previously, Mr. Harrington worked for Chase Manhattan Bank (Ireland) Limited in fund accounting operations. Mr Harrington holds an M.A. in Economics and Finance from the National University of Ireland, Maynooth and is a CFA charterholder.

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

The Company has delegated the day to day investment management and administration of the Company to the Investment Manager and the Administrator respectively and has appointed the Depositary as depositary of the assets of each Fund. Consequently, all Directors of the Company are non-executive.

### **Investment Manager and Promoter**

The Company has appointed CQS (UK) LLP as investment manager and promoter for all of the Funds pursuant to an Investment Management Agreement (further details of which are set out under the heading “Material Contracts” in the section “GENERAL INFORMATION” below).

The Company has delegated the performance of discretionary investment management of each Fund to CQS (UK) LLP. CQS (UK) LLP was incorporated as a limited liability partnership on 27 March 2004 under the laws of England and Wales and is authorised and regulated by the FCA.

CQS (UK) LLP provides discretionary investment management services to various collective investment schemes and investment vehicles.

CQS (UK) LLP may choose to delegate the discretionary investment management of the Funds or a portion of the Funds to an affiliated CQS Entity by way of a sub-investment management arrangement. In such instance, the affiliated CQS Entity will be paid out of the fee payable to CQS (UK) LLP in respect of the relevant Fund and information in respect of the relevant affiliates will be provided to the Shareholders on request and will be disclosed in the periodic reports of the Company. In all cases CQS (UK) LLP remains responsible for all investment management services under its agreement with the Company.

## **Administrator**

The Company has appointed State Street Fund Services (Ireland) Limited to act as Administrator of the Company pursuant to the Administration Agreement further details of which are set out under the heading “Material Contracts” in the section “GENERAL INFORMATION” below.

The principal activity of the Administrator is to act as administrator for collective investment schemes. The Administrator is regulated by the Central Bank. The Administrator is a private limited company incorporated in Ireland on 23 March 1992 and is ultimately owned by State Street Corporation.

The Administrator is responsible for performing the day-to-day administration of each Fund and for providing fund accounting, including the calculation of the Net Asset Value and the Net Asset Value per Share, and for providing registration, transfer agency and related services to the Company.

## **Depository**

State Street Custodial Services (Ireland) Limited has been appointed to act as Depository to the Company pursuant to the Depository Agreement further details of which are set out under the heading “Material Contracts” in the section “GENERAL INFORMATION” below.

The principal activity of the Depository is to act as trustee/custodian of the assets of collective investment schemes. The Depository is regulated by the Central Bank.

The Depository is a private limited company incorporated in Ireland on 22 May 1991. The Depository is ultimately owned by State Street Corporation. State Street Corporation is a world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street is headquartered in Boston, Massachusetts, USA, and trades on the New York Stock Exchange under the symbol “STT”.

## **Depository’s Duties**

The Depository has been entrusted with following main duties:

- (i) oversight of the Company including the valuation policies and procedures;
- (ii) oversight of the subscriptions and redemptions procedures;
- (iii) monitoring of each Fund’s cash flows;
- (iv) safe-keeping of each Fund’s assets; and
- (v) oversight of certain transactions and operations relating to each Fund.

The main duties referred to in the foregoing paragraph as well as any additional duties which the Depository has been entrusted with, are more fully described in the Depository Agreement, a copy of which is available at the registered office of the Fund.

The Depository may not retire or be removed from office until a new depository approved by the Central Bank is appointed as a replacement. Despite attempts by the Company to appoint a successor depository, if no replacement for the Depository has been appointed and the Depository is unwilling or unable to act as such, then a general meeting will be convened at which an ordinary resolution or such a resolution passed by such majority as is specified in the Articles to wind up the Company is proposed and the appointment of the Depository may be

terminated only upon the revocation of the authorisation of the Company.

The Depositary is liable for any loss suffered by the Fund or the Shareholders as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the Regulations. In the event of the loss of a financial instrument held in custody, the Depositary must immediately return a financial instrument of identical type or the corresponding amount to the Fund. In the case of such a loss, the liability is strict: the Depositary may avoid liability only in the case of an external event beyond the reasonable control of the Depositary, the consequences of which are unavoidable despite all reasonable efforts to the contrary. The cumulative fulfilment of these conditions should be proven by the Depositary in order for it to be discharged of liability.

## **Delegation**

The Depositary has full power to delegate the whole or any part of its custodial functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. In order to discharge its liability with respect to third parties, the Depositary must exercise care and diligence in choosing and appointing a third party as a safekeeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned and must maintain an appropriate level of supervision over safe-keeping agents and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged. The Depositary may not delegate its fiduciary duties.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates are contained in Appendix II.

## **Distributor**

The Company has appointed CQS (UK) LLP as distributor of each Fund pursuant to the Investment Management Agreement further details of which are set out under the heading "Material Contracts" in the section "GENERAL INFORMATION" below. Under the Investment Management Agreement, the Distributor assists in the sale and distribution of each Fund's Shares on a continuous basis. The Distributor may enter into agreements with sub-distributors.

## **Conflicts of Interest**

The Directors, the Investment Manager, the Depositary and the Administrator and/or their respective affiliates or any person connected with them may from time to time act as directors, investment manager, manager, distributor, trustee, custodian, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the Funds or which may invest in the Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Funds. The Directors and each of the other foregoing entities will, at all times, have regard in such event to their obligations to the Funds and will endeavour to ensure that such conflicts are resolved fairly. In addition, subject to applicable law, any of the foregoing may deal, as principal or agent, with the Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and are consistent with the best interests of relevant Shareholders. Any of the Directors, the Investment Manager, the promoter, the Depositary and the Administrator and/or their

respective members, directors or employees may deal with the Company as principal or as agent, provided that:

- (i) there is obtained a certified valuation of the transaction by a person approved by the Depositary (or the Directors in the case of a transaction with the Depositary) as independent and competent;
- (ii) or the transaction is executed on best terms reasonably available on an organised investment exchange in accordance with the rules of such exchange; or
- (iii) where (i) and (ii) are not practical, execution is on terms which the Depositary (or the Directors in the case of a transaction with the Depositary) is satisfied conforms with the principle that the transaction is in the best interest of the Shareholders and is carried out as if effected on normal commercial terms negotiated at arm's length.

Conflicts of interest may arise for the Depositary or its delegates where the Depositary or its delegates:

- (i) is likely to make a financial gain, or avoid a financial loss at the expense of the Fund or its investors;
- (ii) has an interest in the outcome of a service or an activity provided to the Fund or of a transaction carried out on behalf of the Fund which is distinct from the Fund's interest;
- (iii) has a financial or other incentive to favour the interest of another client or group of clients over the interests of the Fund;
- (iv) carries on the same activities for the Fund and for other clients that adversely affect the Fund: or
- (v) is in receipt of inducement in the form of monies, good or services other than the standard commission or fee for that service.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

The Investment Manager or any of its affiliates or any person connected with Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Funds. Neither the Investment Manager nor any of its affiliates nor any person connected with the Investment Manager is under any obligation to offer investment opportunities of which any of them becomes aware to the Funds or to account to the Funds in respect of (or share with the Funds or inform the Funds of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Funds and other clients.

In calculating a Fund's Net Asset Value, the Administrator may consult with the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the Net Asset Value of a Fund and the entitlement of the Investment Manager to a management fee and/or performance fee which is calculated on the basis of the Net Asset Value of the Fund.

## Remuneration Policy

The Company has put in place a remuneration policy (the "**Remuneration Policy**") which is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times, taking into consideration the need to align risks in terms of risk management and exposure to risk and for the policies to be in line with the business strategy, objectives and interests of the Company.

The Company considers the Remuneration Policy and practices for the Directors, whose activities may have a material impact on the risk profile of the Company, are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profile of the Company. In this regard, none of the Directors will have a performance based variable component to their remuneration. The Company's Remuneration Policies are designed to be consistent with the requirements of Regulations 24A and 24B of the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016.

The total amount of remuneration for the financial year paid by the Company to its identified staff will be disclosed in the Company's annual audited financial statements, as must the aggregate amount of remuneration broken down by senior management (i.e. the Directors) whose actions have a material impact on the risk profile of the Company.

Details of the up-to-date 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, are available at [www.cqs.com](http://www.cqs.com). A hard copy version of the Remuneration Policy will be made available free of charge upon request.

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## SUBSCRIPTIONS

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### Initial Offer

Shares in each Fund may be subscribed for during the Initial Offer Period at the Initial Offer Price and will be issued for the first time on the first Dealing Day after expiry of the Initial Offer Period. The Directors may extend or shorten the Initial Offer Period at their discretion. Any such extension or shortening of the Initial Offer Period will be notified to the Central Bank in accordance with its requirements.

Cleared funds must be received prior to the end of the Initial Offer Period.

### Subsequent Subscriptions

Following the close of the Initial Offer Period, Shares will be available for subscription at the subscription price on each Dealing Day on a forward pricing basis (the “**Subscription Price**”)(see below under “Procedure”). The Subscription Price will be based on the Net Asset Value per Share as at the relevant Valuation Point. The Investment Manager may also charge a Preliminary Charge on such a subscription for Shares as set out in “Fees and Expenses” below or apply a dilution levy or a swing pricing methodology in certain circumstances as set out in “Dilution” below and where set out in the relevant Supplement.

The Directors are authorised from time to time to resolve to close a Fund or any Class of Shares to new subscriptions on such basis and on such terms as the Directors may in their absolute discretion determine.

Under the Articles, the Directors are given authority to effect the issue of Shares and to create new Classes of Shares (in accordance with the requirements of the Central Bank).

### Procedure

Applicants for Shares during the Initial Offer Period should complete and sign a Subscription Form and send it to the Administrator by mail (with a copy by facsimile) so as to be received by the Administrator no later than 5:00 p.m. on the last day of the Initial Offer Period. Cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator by the same time. If the relevant Subscription Form and/or subscription monies is/are not received by these times, the application will be held over until the first Dealing Day after the close of the Initial Offer Period and Shares will then be issued at the relevant Subscription Price on that Dealing Day.

Thereafter, applicants for Shares, must send their completed and signed Subscription Form by mail (with a copy by facsimile or electronic means) to the Administrator. Applications accepted prior to the Dealing Deadline for any particular Dealing Day will be processed on that Dealing Day. Cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator by 5.00 p.m. on the relevant Dealing Day unless provided otherwise in the relevant Supplement. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless, in the case of exceptional circumstances, the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point

for that particular Dealing Day. If subscription monies are not received by the Administrator within the relevant settlement period, or in the event of non-clearance of funds, all or part of any allotment of Shares made in respect of such application may, at the discretion of the Directors or the Administrator, be cancelled. In such cases the Company may charge the applicant for any resulting loss incurred by the Fund. The Company or the Administrator shall not be responsible for such loss.

Initial applications may be made by facsimile or electronic means subject to the prompt receipt by the Administrator of the original signed Subscription Form and such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required. Thereafter, Shareholders wishing to apply for additional Shares may apply for Shares by facsimile or electronic means and these applications may be processed without a requirement to submit original documentation. Amendments to a Shareholder's registration details and payment instructions will only be effected on receipt of original documentation.

Fractions of Shares to two (or such other number as is set out in the relevant Supplement) decimal places will be issued if necessary. Interest on subscription monies will accrue to the relevant Fund.

The Company reserves the right to reject any application in whole or part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.

### **Minimum Investment**

The Minimum Shareholding, the Minimum Initial Investment Amount and the Minimum Additional Investment Amount for each Class in respect of each Fund are set out in the relevant Supplement.

### **Preliminary Charge**

A Preliminary Charge of such amount (not to exceed 5 per cent. of the issue price) as is set out in the Supplement for the relevant Fund may be charged by the Company for payment to the Investment Manager on the issue of Shares, out of which the Investment Manager may, for example, pay commission to financial intermediaries.

The Company may waive such Preliminary Charge in its sole discretion.

### **In Specie Issues**

The Directors may in their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholder, allot Shares in any Fund against the vesting in the Depositary on behalf of the relevant Fund of investments which would form part of the assets of the relevant Fund. The assets to be transferred into the relevant Fund should qualify as investments of the relevant Fund in accordance with the investment objectives, policies and restrictions of the Fund. The number of Shares to be issued in this way shall be the number which would, on the relevant Dealing Day, have been issued for cash (together with the relevant Preliminary Charge) against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described under "VALUATION" below.

## Ineligible Applicants

The Subscription Form requires each prospective applicant for Shares to represent and warrant to the Company that, among other things, it is not an ineligible applicant.

In particular, the Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary, regulatory, legal or material administrative disadvantage or being in breach of any law or regulation which the Company might not otherwise incur or suffer including without limitation where such person fails to provide the Company with information required to satisfy obligations under FATCA or the Common Reporting Standard ("**CRS**"), or would result in the Company being required to register under any applicable U.S. securities laws.

Shares may generally not be issued or transferred to any U.S. Person, except that the Directors may authorise the issue or transfer of Shares to or for the account of a U.S. Person provided that:

- (i) such U.S. Person is a U.S. tax-exempt investor which certifies that it is an "accredited investor" and a "qualified purchaser", in each case as defined under applicable U.S. federal securities laws;
- (ii) such issue or transfer does not result in a violation of the Securities Act or the securities laws of any of the states of the United States;
- (iii) such issue or transfer will not require the Fund or the Company to register under the United States Investment Company Act of 1940 or to file a prospectus with the U.S. Commodity Futures Trading Commission or the U.S. National Futures Association pursuant to regulations under the U.S. Commodity Exchange Act ("**CEA**");
- (iv) such issue or transfer will not cause any assets of the Fund to be "plan assets" for the purposes of Part 4 of Title 1 of the U.S. Employee Retirement Income Security Act of 1974 ("**ERISA**"); and
- (v) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders as a whole.

Each applicant for, and transferee of, Shares who is a U.S. Person will be required to provide such representations, warranties or documentation as may be required by the Directors to ensure that these requirements are met prior to the issue or the registration of any transfer of Shares. If the transferee is not already a Shareholder, it will be required to complete the appropriate Subscription Form.

## Form of Shares

All the Shares will be registered Shares and will only be issued in registered form, meaning that a Shareholder's entitlement will be evidenced by an entry in the Company's register of Shareholders, as maintained by the Administrator, and not by a share certificate.



## **Suspension**

The Directors may declare a suspension of the issue of Shares in certain circumstances as described under “Suspension of Calculation of Net Asset Value” in the section “VALUATION” below. No Shares will be issued during any such period of suspension.

## **Anti-Money Laundering**

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the identity of an applicant for Shares and where applicable the beneficial owner, on a risk sensitive basis, as well as the monitoring of the relationship on an ongoing basis. Amendments to a Shareholder’s details and payment instructions will only be effected on receipt of original documentation. Depending on the circumstances of each application, verification may not be required where the application is made through a recognised intermediary. This exception will only apply if the intermediary in question is regulated by the relevant regulatory body within a country recognised by Ireland as having equivalent anti-money laundering and counter terrorist financing regulations or satisfies other applicable conditions and the investor produces a letter of undertaking from the recognised intermediary. Neither the Company nor the Administrator can rely on third parties to meet the obligation to monitor the ongoing business relationship with an investor which remains their ultimate responsibility.

By way of example an individual may be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with two items evidencing their address such as a utility bill or bank statement. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name) and of the memorandum and articles of association (or equivalent), and of the names and residential and business addresses of all directors (or equivalent) and beneficial owners.

The details given above are by way of example only and the Administrator will request such information and documentation as it considers is necessary to verify the identity and source of funds of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to settle a redemption request until proper information has been provided. Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Administrator shall settle such redemption requests in exceptional circumstances only and reserves the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds have been requested to be paid. The redemption proceeds will not be paid to a third party account unless exceptional circumstances exist and/or if the investor and/or owner of the account fails to provide such information.

Each applicant for Shares acknowledges that the Administrator shall be held harmless against any loss arising as a result of a failure to process his application for Shares if such information and documentation as has been requested by the Administrator 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 the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

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## REDEMPTION OF SHARES

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Shares will be redeemable at the option of the Shareholder on each Dealing Day. Shareholders should send a completed redemption request in the form available from the Administrator to be received by the Administrator no later than the Dealing Deadline for any Dealing Day.

Redemption requests may be submitted to the Administrator by fax or electronic means, provided that no redemption payment may be made until the original Subscription Form has been received and all the documentation required by the Company (including any documents in connection with anti-money laundering procedures) and the anti-money-laundering procedures have been completed.

Any redemption requests received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless, in the case of exceptional circumstances, the Directors in their absolute discretion (and provided the request was received before the relevant Valuation Point) determine otherwise.

A request for a partial redemption of Shares will be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Shares retained by the Shareholder would be less than the Minimum Shareholding.

A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion).

### **Redemption Price**

The redemption price per Share will be based on the Net Asset Value per Share as at the relevant Valuation Point less any Redemption Charge.

A Redemption Charge of such amount (not to exceed 3 per cent. of the redemption price of the Shares and which may be subject to a holding period) as set out in the Supplement for the relevant Fund may be charged by the Company for payment to the Company or its nominee on behalf of the relevant Fund.

The Directors may apply a dilution levy or a swing pricing methodology in certain circumstances as set out in "Dilution" in the section "FEES AND EXPENSES" below and where set out in the relevant Supplement.

### **Settlement**

Payment of redemption proceeds will be made as soon as practicable after the relevant Dealing Day and, subject to the terms of the relevant Supplement, normally within 10 Business Days of the relevant Dealing Deadline. Payment will be made in the currency of denomination of the Shares being redeemed by direct transfer in accordance with instructions given by the redeeming Shareholder to the Administrator and at the Shareholder's risk and expense. Payments made on receipt of faxed instructions will only be processed where payment is made to the account of record of the Shareholder.

## **Suspension**

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described under “Suspension of Net Asset Value” in the section “VALUATION”. No Shares will be redeemed during any such period of suspension.

## **Compulsory Redemptions**

The Directors have the right to require the compulsory redemption of all or part of the Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is or becomes an ineligible applicant as described under “SUBSCRIPTIONS”. The Company also reserves the right to require compulsory redemption of all Shares held by a Shareholder if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Shareholding. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Shareholding and the Company decides to exercise its right to compulsorily redeem, the Company will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum requirement.

## **Deferred Redemptions**

The Directors may defer redemptions at a particular Dealing Day to the next Dealing Day where the requested redemptions exceed 10 per cent. of a Fund’s Net Asset Value (or such higher percentage as set out in the relevant Supplement (the “**Redemption Limit**”). The Directors will seek to ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The Directors will pro-rate all such redemption requests to the Redemption Limit and will defer the remainder until the next Dealing Day. Any deferred redemption requests shall be carried forward to subsequent Dealing Days until each request has been dealt with in full. The balance of any deferred redemptions are not treated in priority to any redemption requests received on subsequent Dealing Days.

The Directors currently expect not to exercise such power to defer redemptions except to the extent that they consider that existing Shareholders would otherwise be materially prejudiced or that such exercise is necessary to comply with applicable law or regulation.

## **In-Specie Redemptions**

The Directors may, at the discretion of the Company and with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the relevant Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer. The Directors shall determine the nature and type of assets to be transferred to the Shareholders (subject to the approval of the Depositary as to the asset allocation) on such basis as they, in their absolute discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders in the relevant Fund or Class. A determination to provide redemption in specie in whole or in part may be solely at the discretion of the Directors where the redeeming Shareholder requests redemption of a number of Shares that represent 5 per cent. or more of the Net Asset Value of the relevant Fund. In this event the Directors will, if requested, arrange for the relevant assets to be sold on behalf of the Shareholder. The cost of such sale shall be borne by the relevant Shareholder.

## **Anti-Money Laundering**

Investors should note that the Directors may refuse to settle a redemption request if it is not accompanied by such additional information as they, or the Administrator on their behalf, may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for anti-money laundering verification purposes as described under “SUBSCRIPTIONS”.

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## EXCHANGES

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Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any Class in any Fund (the “**Original Class**”) for Shares of another class which are being offered at that time (the “**New Class**”) (such class being in the same Fund or in a separate Fund) provided that all the criteria for applying for Shares in the New Class have been met and by giving notice to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. In exceptional circumstances, the Administrator may however at its discretion agree to accept requests for exchange received after the relevant Dealing Deadline provided they are received prior to the relevant Valuation Point. The general provisions and procedures relating to the issue and redemption of Shares will apply equally to exchanges, save in relation to charges payable, details of which are set out below and in the relevant Supplement.

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

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

$$S = \frac{[R \times (RP \times ER)] - F}{SP}$$

where:

- R** = the number of Shares of the Original Class to be exchanged;
- S** = the number of Shares of the New Class to be issued;
- RP** = the redemption price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;
- ER** = in the case of an exchange of Shares designated in the same Base Currency is 1. In any other case, it is the currency conversion factor determined by the Directors at the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- SP** = the issue price per Share of the New Class as at the Valuation Point for the applicable Dealing Day; and
- F** = the Exchange Charge (if any) payable on the exchange of Shares.

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion S to R.

An Exchange Charge of such amount (if any) as is specified in the relevant Supplement being a percentage of the redemption price of the Shares being exchanged may be charged by the Company for payment to the Company or its nominee on behalf of the relevant Fund on the exchange of Shares. In any event, a maximum of 5 per cent. of the Net Asset Value of the Shares in the original Fund will apply.

## **Suspensions**

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

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## VALUATION

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### Calculation of Net Asset Value/Valuation of Assets

The Net Asset Value of each Fund shall be calculated by the Administrator as at the relevant Valuation Point for that Fund on each Dealing Day by valuing the assets of the Fund and deducting therefrom the liabilities of the Fund. Where there is more than one Class of Shares in a Fund, the Net Asset Value per Share of any Class is calculated by the Administrator by ascertaining the Net Asset Value of the relevant Fund as at the Valuation Point for that Fund on the relevant Dealing Day and determining the amount of the Net Asset Value which is attributable to the relevant Class of Shares. The Net Asset Value per Share of the relevant Class is calculated by determining that proportion of the Net Asset Value of the Fund which is attributable to the relevant Class at the Valuation Point and by dividing this sum by the total number of Shares of the relevant Class in issue at the relevant Valuation Point. The Valuation Point for each Fund is set out in the Supplement for the relevant Fund. The Net Asset Value per Share is the resulting sum rounded to the nearest three decimal places.

The Articles provide for the method of valuation of the assets and liabilities of each Fund and of the Net Asset Value of each Fund.

The Articles provide that the value of any investments quoted, listed or dealt in on a Market shall be the last traded price as at the relevant Valuation Point. Where such investment is quoted, listed or traded on or under the rules of more than one Market, the Directors shall, in their absolute discretion, select the Market, which in their opinion, constitutes the main Market for such investment for the foregoing purposes. The value of any investment which is not quoted listed or traded in on a Market, or of any investment which is normally quoted, listed or traded in on a Market but in respect of which no price is currently available or the current price of which does not in the opinion of the Directors represent fair market value, shall be the probable realisation value estimated with care and in good faith by the Directors or by a competent person appointed by the Directors, and in each case approved, for such purpose, by the Depositary. In determining the probable realisation value of any such investment, the Directors may accept a certified valuation thereof provided by a competent independent person or, in the absence of any independent person, the Investment Manager (notwithstanding that a conflict of interests arises because the Investment Manager has an interest in the valuation), who in each case shall have been approved by the Depositary to value the relevant securities.

The Articles provide that cash and other liquid assets will be valued at their face value with interest accrued. Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall each be valued at each Valuation Point at the last traded price on the Market on which these assets are traded or admitted for trading (being the Market which is the sole Market or in the opinion of the Directors the principal Market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired.

Forward foreign exchange contracts which are dealt in on a Market shall be valued at freely available Market quotes. If such price is not available, the value of any such forward foreign exchange contracts shall be the settlement price provided by the counterparty to such contracts at the Valuation Point and shall be valued daily. The valuation will be verified by a



party independent of the counterparty, who has been approved for such purpose by the Depositary provided that such verification is carried out at least weekly.

The value of any OTC derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued daily. The valuation will be approved or verified at the relevant Valuation Point by a party independent of the counterparty who has been approved, for such purpose, by the Depositary provided that such verification is carried out at least weekly. Alternatively, the value of any OTC derivative contract may be the quotation from an independent pricing vendor or that calculated by or on behalf of the Directors and shall be valued daily. Where an alternative valuation is used by the Fund, the Fund will follow international best practice and adhere to specific principles on such valuation by bodies such as IOSCO and AIMA. Any such alternative valuation must be provided by a competent person appointed by the Directors and approved for the purpose by the Depositary, or a valuation by any means provided that such valuation is approved by the Depositary. Any such alternative valuation must be reconciled to the counterparty valuation at each Valuation Point. Where significant differences arise they must be promptly investigated and explained.

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

The value of units or shares or other similar participation in any collective investment scheme, which provides for the units or shares or other similar participations therein to be redeemed at the option of the holder out of the assets of that undertaking, shall be the last available net asset value per unit or share or other similar participation as published by the collective investment scheme as at the relevant Valuation Point or, if bid and offer prices are published, the latest bid price.

In the case of a Fund which is a money market fund, the Directors or their delegates may value any investment through the use of amortised cost.

The amortised cost valuation method may be used by Funds which comply with the Central Bank's requirements for money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's requirements and for investments:

- (i) with a maturity at issuance of up to and including 397 days;
- (ii) with a residual maturity of up to and including 397 days or less;
- (iii) which undergo regular yield adjustments in line with money market conditions at least every 397 days; and
- (iv) the risk profile of which, including credit and interest rate risks, correspondence to that of financial instruments which have a maturity of up to and including 397 days or are subject to a yield adjustment at least every 397 days.

The use of the amortised method of valuation for investments of a money market fund will be

monitored continuously. The Administrator shall at each Valuation Point determine the extent to which the Net Asset Value using this method of valuation deviates from the Net Asset Value which would be obtained using available market quotations. If this deviation exceeds 0.1 per cent. of the Net Asset Value such deviation must be brought to the attention of the Investment Manager, if the deviation exceeds 0.2 per cent. of the Net Asset Value such deviation must be brought to the attention of the Directors and the Depositary. If the deviation exceeds 0.3 per cent., a daily review must take place and the Directors must notify the Central Bank with an indication of the action, if any, which will be taken to reduce such dilution.

Where a Fund which is not a money market fund invests in money market instruments, those instruments may be valued on an amortised basis provided that the money market instruments have a residual maturity of less than three months and have no specific sensitivity to market parameters, including credit risk.

If in any case a particular value is not ascertainable as provided above or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Directors in their absolute discretion shall determine, such method of valuation to be approved by the Depositary. The valuation policies of the Company will be applied on a consistent basis throughout the life of the Company. There will also be consistency in the policies adopted throughout the various categories of assets.

Notwithstanding the generality of the foregoing, the Directors may with the approval of the Depositary adjust the value of any asset if, having regard to currency, applicable rate of interest, anticipated rate of dividend, maturity, marketability, liquidity and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof as at the relevant Valuation Point.

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

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

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

- (i) the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Markets on which the Fund's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted;
- (ii) the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation by the Company of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company;
- (iii) the whole or part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the Company's

investments of the relevant Fund;

- (iv) the whole or any part of any period when for any reason the value of any of the Fund's investments cannot be reasonably, promptly or accurately ascertained;
- (v) the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of the Company or the Fund being unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (vi) the winding up of the Company or during the termination of any Fund;
- (vii) if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the Fund; or
- (viii) if, in the absolute discretion of the Directors, suspension of the determination of Net Asset Value is in the interest of Shareholders in that Fund.

Any suspension of valuation of the Net Asset Value of the Company or a Fund and the issue, exchange and redemption of Shares (including the payment of redemption proceeds) in any Fund shall be notified immediately to the Central Bank and the Depositary without delay and, in any event, within the same Business Day. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

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

### **Notification of Prices**

Details of the up-to-date issue price, redemption price and Net Asset Value of each Class of Shares in each Fund will be available in the Financial Times (or on its website) and will be published on [www.cqs.com](http://www.cqs.com) following calculation on each Dealing Day. Dealing prices will also be available from the Company or the Administrator.

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## FEES AND EXPENSES

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Particulars of the fees and expenses payable to the Investment Manager, the Distributor, the Administrator and the Depositary out of the assets of each Fund are set out in the relevant Supplement.

The Company, in respect of each Fund, will pay, or will pay the Investment Manager where the Investment Manager has paid on behalf of the Company, all or part of each Fund's respective operating and administrative expenses, including, but not limited to, the following: the fees and expenses of the Administrator (see relevant Supplement), Depositary (see relevant Supplement) and fees of sub-custodians outside the Depositary's regular sub-custody network (which will be at normal commercial rates); (subject to applicable law and the section titled "Research Charge" below) research costs and market data services (for example Bloomberg, and/or Reuters), legal, regulatory, tax, accounting and auditing fees and expenses; other operational and administrative services including dedicated personnel, exchange and broker fees relating to the listing, if applicable, of the Shares on any stock exchange; the fees and expenses of any paying agent or representative appointed in compliance with the requirements of another jurisdiction; (payable at normal commercial rates); marketing and distribution costs; registering the Company for sale in other jurisdictions; any necessary translation fees; costs of maintaining the Company's registered office and company secretarial fees; Directors' fees (see below); all sums payable in respect of directors' and officers' liability insurance cover; printing and mailing costs; costs of preparing offering materials and reports to Shareholders; communication expenses with respect to investor services including the costs of publishing prices; all expenses of meetings of Shareholders; computer software expenses; costs incurred in respect of the distribution of income to Shareholders; any amount payable under indemnity provisions contained in the Articles or any agreement with any appointee of the Company; any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law.

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

The Articles provide that the remuneration of the Directors who are independent of the Investment Manager shall be determined by a resolution of the Directors. As at the date hereof, the Directors are entitled in total to fees of EUR 50,000 per annum. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

The cost of establishing each Fund will be charged to the relevant Funds as described in the relevant Supplement.

A fixed fee may be specified in a Supplement in respect of a Fund to cover the operating expenses or described above and therefore any operating expenses in excess of such "Operating Expense Fee" will be borne by the Investment Manager. Conversely, the

Investment Manager will be entitled to retain any amount by which the Operating Expense Fee exceeds the actual operating expenses of a Fund.

In addition, the Supplement may specify that the operating expenses or such other fees and/or expenses described herein are subject to a cap as may be described in the relevant Supplement.

## **Research Charge**

The Investment Manager uses externally produced insightful research as part of its investment process in seeking to achieve a Fund's investment objective. The regulatory regime relating to inducements and research has changed following the implementation of the Markets in Financial Instruments Directive II ("**MiFID II**") and the accompanying changes to FCA's Handbook of Rules and Guidance. Historically, managers have been entitled to effect transactions for their clients with or through a broker or other intermediary who is willing to agree to also provide a manager with research services (or alternatively, to pay for such services provided to the manager by third party research providers). Accordingly, managers were required to make no direct payment for such research.

MiFID II has made various changes to the law in this area, but one particular change is that FCA regulated asset managers are no longer able to receive research paid for by brokers. From 3 January 2018, FCA regulated asset managers are required to separately pay research providers for research services. However, such managers are entitled to request that clients pay a research charge for this purpose.

To align its approach with the new regime, the Investment Manager has a right, subject to Director approval, to be paid a research charge by each Fund. The amount of this charge will be determined annually, based on a research budget established by the Investment Manager from time to time in accordance with its internal policies and procedures and the FCA rules.

The Investment Manager may also decide to pool the research charge paid by each Fund with research charges paid by other clients of the Investment Manager; for example, where the Investment Manager considers each client/fund's investment objectives to be sufficiently similar so as to make it sensible to use a common research budget for them. In any case, however, the Investment Manager will seek to allocate the costs of research on a fair and equitable basis between each Fund and the Investment Manager's other clients in accordance with a pre-determined allocation policy and its policies and procedures on the management of conflicts.

## **Use of Dealing Commissions**

A different approach to that set out above may be used in the following circumstances, where the Investment Manager considers this appropriate or necessary, subject to applicable law:

- (i) where it wishes to deal with brokers that cannot receive payments from the type of research payment account described above for local law or other reasons; or
- (ii) subject to FCA guidance, where the Investment Manager appoints a delegate to conduct discretionary portfolio management and the delegate is located in a jurisdiction in which market practice or law conflicts with the approach described above.

In those cases, subject to applicable law, the relevant manager may effect transactions or

arrange for the effecting of transactions through brokers with whom it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the relevant manager. The services concerned will normally relate to the provision of investment research to the relevant manager. The benefits provided under such arrangements will assist the relevant manager in the provision of investment management services to each Fund and to other third parties. Specifically, the relevant manager may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgement of the relevant manager, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker and the broker agrees to provide best execution with respect to such transaction. Such services may be used by the relevant manager in connection with transactions in which the Company will not participate.

## **Dilution**

The Company may apply either a dilution levy or a swing pricing methodology on the subscription for and/or redemption of Shares in a Fund in order to reduce the risk of dilution on the existing or remaining Shareholders in the relevant Fund. The anti-dilution methodology chosen for each Fund, if any, will be determined by the appropriateness to the investment strategy or anticipated investor profile of that Fund and will be described in the relevant Supplement.

### *Dilution Levy*

A Fund may suffer dilution (reduction) in the value of its property as a result of the costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of these investments.

As dilution is directly related to the inflows and outflows in respect of the relevant Fund, it is not possible to predict accurately whether dilution will occur at any point in time and consequently it is also not possible to predict accurately how frequently the Company will need to make a dilution levy to mitigate the effects of dilution.

In calculating the Subscription/Redemption Price for a Fund the Directors may on any Dealing Day when there are net subscriptions/redemptions make adjustments so that the Subscription/Redemption Price reflects the addition/deduction of a dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Fund. The dilution levy will either be paid into the relevant Fund, in the case of an issue of Shares by the Company or retained in the Fund in the case of a redemption of Shares by the Company.

The need to charge a dilution levy will depend on the volume of net subscriptions or redemptions. The Company may charge a discretionary dilution levy on any purchase or redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or continuing Shareholders (for redemptions) might otherwise suffer dilution in the value of their shareholdings. A dilution levy must be imposed only in a manner that, so far as practicable, is fair to all Shareholders or potential Shareholders.

Further details of any dilution levy will be set out in the relevant Supplement.

### *Swing Pricing*

The Company may adopt a swing pricing mechanism for a Fund to reflect the overall effect on that Fund of transaction costs associated with expected subscriptions, exchanges of Shares of one Fund for Shares of that Fund (an “**Inter-Fund Exchange**”), and redemptions and mitigate the effects of dilution. This will mean that in certain circumstances adjustments will be made in the calculation of the Net Asset Value to counter the impact of dealing and other costs or charges.

Whether a dilution adjustment will need to be made will depend upon the net value of subscriptions, Inter-Fund Exchanges and redemptions received by a Fund for each Dealing Day.

The process will be triggered in respect of a Fund, and the Net Asset Value per Share will be adjusted, only when net subscriptions, Inter-Fund Exchanges and redemptions of Shares exceed a predefined threshold, expressed as a percentage of Net Asset Value (the “**Swing Threshold**”), which will be determined by the Investment Manager in respect of each Fund and which will be reviewed by the Investment Manager quarterly. Further information will be available to Shareholders and potential Shareholders on request from the Investment Manager.

Further details of any swing pricing methodology used will be set out in the relevant Supplement (if applicable).

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## TAXATION

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### General

The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

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

### Irish Taxation

#### *Tax on income and capital gains*

##### *The Company*

The Company will only be subject to tax on chargeable events in respect of Shareholders who are Irish Taxable Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes: see the section “Irish Tax Definitions” below)

A chargeable event occurs, for example, on:

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

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

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

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the Company which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Shares from the relevant Shareholders. In certain circumstances, and only after notification by the Company to a Shareholder, the tax payable on the eight year rolling chargeable event can at the election of the Company become a liability of the Shareholder rather than the Company. In such



circumstances the Shareholder must file an Irish tax return and pay the appropriate tax (at the rate set out below) to the Irish Revenue Commissioners.

In the absence of the appropriate declaration being received by the Company that a Shareholder is not an Irish Person or if the Company has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Company will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Shareholder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution tax will be deducted at the rate of 41 per cent., or at the rate of 25 per cent. where the Shareholder is a company and the appropriate declaration has been made, on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, not being a company which has made the appropriate declaration, on a transfer of Shares and on the eight year rolling chargeable event, tax will be deducted at the rate of 41 per cent. on the increase in value of the Shares since their acquisition. Tax will be deducted at the rate of 25 per cent. on such transfers where the Shareholder is a company and the appropriate declaration has been made. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

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

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

### *Shareholders*

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

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

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

### ***Stamp duty***

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

### ***Capital acquisitions tax***

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

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

### ***Other tax matters***

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

### **Irish Tax Definitions**

#### **(i) Residence - Company**

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

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

We would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any tax declaration given to the Company.

#### **(ii) Residence - Individual**

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

- (a) spends 183 days or more in the State in that tax year; or
- (b) has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

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

(iii) **Ordinary Residence - Individual**

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

An individual who has been resident in the State for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus an individual who is resident and ordinarily resident in the State in 2019 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2022.

(iv) **Intermediary**

This means a person who:

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

## **United Kingdom Taxation**

### ***The Company***

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Company is not trading in the United Kingdom through a fixed place of business or agent situated in the United Kingdom that constitutes a “permanent establishment” for United Kingdom taxation purposes and that all of its trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of business, the Company will not be subject to United Kingdom corporation tax or income tax on their profits. The Directors of the Company and the Investment Manager each intend that the respective affairs of the Company and the Investment Manager are conducted so that these requirements are met insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Certain interest and other income received by the Company which have a United Kingdom source may be subject to withholding or other taxes in the United Kingdom.

## **Shareholders**

### *Dividends*

Subject to their personal circumstances (and provided that the market value of the Company's qualifying investments is not at any time in a relevant period more than 60 per cent. of the market value of all the assets of the Company (excluding cash awaiting investment)), Shareholders who are resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax, if the criteria for exemption set out in Part 9 A of Corporation Act 2009 are not met, in respect of dividends or other distributions of an income nature made by the Company, whether or not such dividends or distributions are reinvested. A Shareholder which is a company which directly or indirectly controls not less than 10 per cent. of the voting power of the Company may obtain a credit against its United Kingdom taxation liability in respect of income distributions by the Company for any taxes suffered or paid by the Company on its own income.

If the market value of the Company's qualifying investments exceeds 60 per cent. of the market value of all the assets of the Company (excluding cash awaiting investment) at any time in a relevant period, dividends received by non-corporate Shareholders will be taxed as if they were payments of interest. In such a case no dividend tax credit will be available and the tax rates applying will be those applying to interest.

### *Offshore funds rules*

The Offshore Funds (Tax) Regulations 2009 (the "**Offshore Funds Regulations**") introduced a regime for the taxation of investments in offshore funds (as defined in the Taxation (International and Other Provisions) Act 2010 ("**TIOPA 2010**")) which operates by reference to whether a fund opts into a reporting regime ("**reporting funds**") or not ("**non-reporting funds**"). If an investor who is resident or ordinarily resident in the United Kingdom for taxation purposes holds an interest in an offshore fund that does not have reporting fund status throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income ("**offshore income gains**") and not as a capital gain. Investors in reporting funds are subject to tax on the share of the reporting fund's income attributable to their holding in the fund, whether or not distributed, and any gains on disposal of their holding would be subject to capital gains tax. Investors in non-reporting funds would not be subject to tax on income retained by the non-reporting fund.

The Shares will constitute interests in an offshore fund. Accordingly, any gains arising to Shareholders resident or ordinarily resident in the United Kingdom on a sale, redemption or other disposal of Shares where reporting fund status has not been obtained (including a deemed disposal on death) will be taxed as offshore income gains rather than capital gains.

Shares that have been certified as reporting funds will be listed in the relevant Supplement. There can be no guarantee that reporting fund status will be maintained. Where a Share Class has been certified as a reporting fund, any gain arising to Shareholders resident or ordinarily resident in the United Kingdom on a sale, redemption or other disposal of the relevant Shares

would be taxed as capital gains and not offshore income gains.

The exchange of Shares of one class for Shares of another class may amount to a disposal of the original Shares for tax purposes.

### *Loan Relationships*

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of most corporate debt contained in the United Kingdom Corporation Tax Act 2009 (the “**loan relationships regime**”) provides that, if at any time in an accounting period of such a person, that person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Fund Regulations and TIOPA 2010, and there is a time in that period when that fund fails to satisfy the “qualifying investments” test, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the qualifying investments test at any time when more than 60 per cent. of its assets by market value (excluding cash awaiting investment) comprise “qualifying investments”. Qualifying investments include government and corporate debt securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test. The Shares will constitute such interests in an offshore fund and on the basis of the investment policies of the Company the Company could fail to satisfy the qualifying investments test. In that eventuality, the Shares will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in respect of such a person’s accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “fair value accounting” basis. Accordingly, such a person who acquires Shares in the Company may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

### *Prevention of Avoidance of Income tax*

Individuals ordinarily resident in the United Kingdom for taxation purposes should note that Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 contains anti-avoidance provisions dealing with the transfer of assets to overseas persons (including companies) that may in certain circumstances render such persons liable to taxation in respect of undistributed income profits of the Company.

### *Controlled Foreign Companies*

Companies resident in the United Kingdom for taxation purposes should note that the “controlled foreign companies” legislation contained in Part 9A of TIOPA 2010 could apply to any United Kingdom resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of the Company arising in an accounting period, if at the same time the Company is controlled (as control is defined in Sections 371RB and 371 RE of TIOPA 2010) by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the Company, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and

powers. The “chargeable profits” of the Company do not include any of its capital gains. The effect of these provisions could be to render such companies liable to United Kingdom corporation tax in respect of the undistributed income of the Company.

#### *Attribution of Gains to Persons Resident or Ordinarily Resident in the United Kingdom*

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions of Section 13 of the United Kingdom Taxation of Chargeable Gains Act 1992 (“**Section 13**”). Section 13 could be material to any such person who has an interest in the Fund as a “participator” for United Kingdom taxation purposes (which term includes a Shareholder) at a time when any gain accrues to the Company (such as on a disposal of any of its investments) which constitutes a chargeable gain or an offshore income gain if, at the same time, the Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes. The provisions of Section 13 would result in any such person who is a Shareholder being treated for the purposes of United Kingdom taxation as if a part of any chargeable gain or offshore income gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company. No liability under Section 13 could be incurred by such a person, however, in respect of a chargeable gain or offshore income gain accruing to the Company if the aggregate proportion of that gain that could be attributed under Section 13 both to that person and to any persons connected with him for United Kingdom taxation purposes does not exceed one-quarter of the gain. In the case of Shareholders who are individuals domiciled outside the United Kingdom, Section 13 applies subject to the remittance basis in particular circumstances.

#### *Stamp Duty and Stamp Duty Reserve Tax*

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom ad valorem stamp duty at the rate of 0.5 per cent of the consideration paid rounded up to the nearest £5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares

#### **Automatic Exchange of Information**

Irish reporting financial institutions, which may include the Fund, may have reporting obligations in respect of certain investors under both FATCA and CRS (see below).

#### **Information exchange and the implementation of FATCA in Ireland.**

With effect from 1 July 2014 the Company is obliged to report certain information in respect of U.S. investors in the Company to the Revenue Commissioners who will then share that information with the U.S. tax authorities. The Foreign Account Tax Compliance provisions of FATCA, imposes a 30 per cent. U.S. withholding tax on certain "withholdable payments" made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the IRS to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders. On 21 December 2012 Ireland signed an IGA with the United States to Improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this

information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

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

Shareholders, and intermediaries acting for Shareholders, should note that it is the existing policy of the Company that Shares may generally not be issued or transferred to ineligible applicants. The Directors may resolve, that it is in the interests of the Company to widen the type of investors prohibited from further investing in the Company and to make proposals regarding existing investor holdings in connection therewith.

While the IGA and Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Company in respect of its assets, no assurance can be given in this regard. As such Shareholders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

### **Common Reporting Standard**

The CRS framework was first released by the OECD in February 2014. To date, more than 100 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Standard**") was published, involving the use of two main elements, the Competent Authority Agreement ("**CAA**") and the CRS.

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

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

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

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

### **Other Jurisdictions**

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



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## GENERAL INFORMATION

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### Reports and Accounts

The Company's year-end is 30 June in each year. The annual report and audited accounts of the Company will be sent to Shareholders within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. In any event, the annual report and audited accounts of the Company will be sent to Shareholders or prospective investors on request. The Company will also send a semi-annual report and unaudited accounts to Shareholders within two months after 31 December in each year. Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the investments comprised therein as at the year-end or the end of such semi-annual period.

### Electronic Distribution

The annual report and audited accounts and the semi-annual report and unaudited accounts will be made available by the Company to the Shareholders either at the following website address [www.cqs.com](http://www.cqs.com) or may be sent to Shareholders by electronic mail to an address previously identified to the Fund or other electronic means of communication, within four and two months respectively after the end of the period to which they relate. Shareholders and prospective investors may also, on request, receive hard copy reports from the Administrator.

### Incorporation and Share Capital

The Company was incorporated and registered in Ireland under the Companies Act as an open-ended umbrella investment company with variable capital and with segregated liability between funds on 18 May 2010 with registered number 484553.

At the date hereof the authorised share capital of the Company is 1,000,000,000,000 Shares of no par value initially designated as unclassified shares.

The unclassified shares are available for issue as Shares. The issue price is payable in full on acceptance. There are no rights of pre-emption attaching to the Shares in the Company.

### Memorandum and Articles of Association

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

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

The Articles contain provisions to the following effect:

**Directors' Authority to Allot Shares.** The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant Shares, including fractions

thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company;

**Variation of rights.** The rights attached to any Class may, be varied or abrogated with the consent in writing of the Shareholders of three-fourths in number of the issued Shares of that Class, or with the sanction of a special resolution passed at a separate general meeting of the Shareholders of the Shares of the Class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued Shares of the Class in question and the quorum at an adjourned meeting shall be one person holding Shares of the Class in question or his proxy;

**Voting Rights.** Subject to any rights or restrictions for the time being attached to any Class or Classes of Shares, on a show of hands every Shareholder who is present in person or by proxy shall have one vote and the Shareholder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll every Shareholder present in person or by proxy shall have one vote for every Share of which he is the Shareholder and every Shareholder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. Shareholders who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Share;

**Alteration of Share Capital.** The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe;

The Company may also by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into Shares of larger amount;
- (ii) subdivide its Shares, or any of them, into Shares of smaller amount or value;
- (iii) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the Shares so cancelled; or
- (iv) redenominate the currency of any class of Shares.

**Directors' Interests.** Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or any contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested.

A Director shall not vote at a meeting of the Directors or of any committee established by the Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (other than an interest arising by virtue of his interest in Shares or debentures or other securities or otherwise in or through the Company or another company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.

**Borrowing Powers.** The Directors may exercise all of the powers of the Company to borrow or raise money and to mortgage, or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof whether outright or as collateral security for any debt, liability or obligation of the Company provided that all such borrowings shall be within the limits and conditions laid down by the Central Bank;

**Delegation to Committee.** The Directors may delegate any of their powers to any committee whether or not consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles regulating the proceedings of Directors so far as they are capable of applying;

**Retirement of Directors.** The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age;

**Directors' Remuneration.** Unless and until otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who is appointed as an executive director (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of fees, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the Shareholders of any Class of Shares of the Company or otherwise in connection with the discharge of their duties;

**Transfer of Shares.** Subject to the restrictions set out above, the Shares of any Shareholder may be transferred by instrument in writing in any usual or common form or any other form, which the Directors may approve.

The Directors may decline to recognise any instrument of transfer unless it is in respect of one Class of Share only, is in favour of not more than four transferees, and is lodged at the registered office or at such other place as the Directors may appoint;

**Right of Redemption.** Shareholders have the right to request the Company to redeem their Shares in accordance with the provisions of the Articles;

**Dividends.** The Articles permit the Directors to declare such dividends on any Class of Shares as appear to the Directors to be justified by the profits of the relevant Fund. The Directors may satisfy any dividend due to Shareholders in whole or in part by distributing to them in specie any of the assets of the relevant Fund and, in particular, any investments to which the relevant

Fund is entitled. A Shareholder may require the Directors instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund;

**Funds.** The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time, to which the following shall apply:

- (i) for each Fund the Company shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each Class in the Fund, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
- (ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
- (iii) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deems fair and equitable; and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary the basis in relation to assets previously allocated;
- (iv) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges, or reserves of the Company not attributable to any particular Fund or Funds shall be allocated and charged by the Directors, with the approval of the Depositary, in such manner and on such basis as the Directors, in their sole and absolute discretion deem fair and equitable, and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary such basis including, where circumstances so permit, the re-allocation of such liabilities, expenses, costs, charges and reserves;
- (v) in the event that any Asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of Section 1407 of the Companies Act shall apply;

**Fund Exchanges.** Subject to the provisions of the Articles, a Shareholder holding Shares in any Class in a Fund on any Dealing Day shall have the right from time to time to exchange all or any of such Shares for Shares of another Class (such Class being either an existing Class or a Class agreed by the Directors to be brought into existence with effect from that Dealing Day);

**Winding up.** The Articles contain provisions to the following effect:

- (i) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Act, apply the assets of each Fund in such manner and order

as he thinks fit in satisfaction of creditors' claims relating to that Fund;

- (ii) The assets available for distribution amongst the Shareholders shall be applied as follows: first the proportion of the assets in a Fund attributable to each Class of Share shall be distributed to the Shareholders in the relevant Class in the proportion that the number of Shares held by each Shareholder bears to the total number of Shares relating to each such Class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the Shareholder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the Company not attributable to any Class of Share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the Company attributable to other Classes of Shares; and thirdly, any balance then remaining and not attributable to any of the Classes of Shares shall be apportioned pro-rata as between the Classes of Shares based on the Net Asset Value attributable to each Class of Shares as at the date of commencement to wind up and the amount so apportioned to a Class shall be distributed to Shareholders pro-rata to the number of Shares in that Class of Shares held by them;
- (iii) A Fund may be wound up pursuant to Section 1407 of the Companies Act and in such event the provisions reflected in this paragraph shall apply mutatis mutandis in respect of that Fund;
- (iv) If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, with the authority of a special resolution of the relevant Shareholders and any other sanction required by the Companies Act of Ireland, divide among the Shareholders of any Class or Classes in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as it deems fair upon any one or more Class or Classes of property, and may determine how such division shall be carried out as between all the Shareholders of different Classes of Shares. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same.

**Share Qualification.** The Articles do not contain a share qualification for Directors.

## **Litigation and Arbitration**

Since incorporation the Company has not been involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

## **Directors' Interests**

- (i) There are no service contracts (other than Director's services agreements) in existence between the Company and any of its Directors, nor are any such contracts proposed;
- (ii) At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company; and
- (iii) At the date of this Prospectus neither the Directors nor any Person Closely Associated have any beneficial interest in the share capital of the Company or any options in respect of such capital.

## **Material Contracts**

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

### ***Administration Agreement***

An Administration Agreement dated 12 August 2010 between (1) the Company and (2) the Administrator, whereby the Administrator has been appointed to provide certain administration, accounting, registration, transfer agency, secretarial and related services to the Company. The Administration Agreement will continue in force until terminated by either party on 90 days' prior written notice to the other party and may be terminated by either party forthwith by notice in writing to the other party if that other party goes into liquidation or receivership or is unable to pay its debts as they fall due; or if the other party commits any material breach of the Administration Agreement and fails to remedy such breach within 30 days of receipt of written notice requesting it to do so. The Administration Agreement provides that in the absence of negligence, fraud, bad faith, wilful default, recklessness or material breach of any material regulation by the Administrator, the Administrator will not be liable for any loss incurred by the Company as a result of the performance of its duties and obligations under the Administration Agreement and the Administrator shall not be liable for special, indirect or consequential loss or for lost profits or loss of business arising out of or in connection with the Administration Agreement. The Company agrees to indemnify the Administrator or its permitted delegates against any loss suffered by the Administrator or its permitted delegates in the performance of their duties under the Administration Agreement, save where such loss arises as a result of negligence, fraud, bad faith, wilful default, recklessness or material breach of any material regulation by the Administrator but for the avoidance of doubt such indemnity shall not cover any special, indirect or consequential loss or lost profits or loss of business suffered or incurred by the Administrator or its permitted delegates.

### ***Depositary Agreement***

A Depositary Agreement dated 15 May 2016 between (1) the Company and (2) the Depositary; this Agreement provides that the appointment of the Depositary will continue unless and until terminated by either party giving to the other not less than 90 days' written notice (provided that the Depositary shall continue to act as Depositary until a successor is appointed by the Company as Depositary in accordance with the requirements of the Central Bank) although in certain circumstances the Agreement may be terminated forthwith by notice in writing by the Company to the Depositary; this Agreement contains certain indemnities in favour of the Depositary which are restricted to exclude matters arising by reason of the unjustifiable failure of the Depositary to perform its obligations or its improper performance of them.

The Depositary is liable for any loss suffered by the Company or the Shareholders as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the Regulations. In the event of the loss of a financial instrument held in custody, the Depositary must immediately return a financial instrument of identical type or the corresponding amount to the Company.

### ***Investment Management Agreement***

The Investment Management Agreement dated 12 February 2015 between the Company and the Investment Manager; this Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by the Company or the Investment Manager given to the other not less than 90 days' written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; the Agreement contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters arising by reasons of the fraud, bad faith, negligence or wilful default of the Investment Manager in the performance or non-performance of its duties.

Please refer to each Supplement for details of any additional material contracts which are relevant to any particular Fund.

### **Miscellaneous**

Save as disclosed under the heading "Incorporation and Share Capital" above, no share or loan capital of the Company has agreed to be issued, is under option or otherwise. As of the date of this Prospectus, the Company does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities which are material in nature.

Save as may result from the entry by the Company into the agreements listed under "Material Contracts" above or any other fees, commissions or expenses discharged, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

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

### **Documents for Inspection**

Copies of the following documents may be obtained free of charge from the Administrator and may be inspected free of charge during usual business hours during a Business Day at the registered office of the Company:

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the Prospectus and the Supplements;
- (iii) the KIID for each Fund or relevant Class, as applicable;
- (iv) the most recent annual and semi-annual reports of the Company prepared by the Administrator;
- (v) the material contracts referred to above;
- (vi) the Regulations; and
- (vii) the UCITS Regulations.



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## APPENDIX I

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### MARKETS

The Markets set out below are listed in the Memorandum and Articles of Association of the Company as may be amended in the Prospectus from time to time. The Markets are listed in accordance with the requirements of the Central Bank which does not issue a list of approved Markets.

With the exception of permitted investment in unlisted securities or in units of open-ended collective investment schemes, investment will be limited to the following stock exchanges and regulated markets:

- 1 (a) any stock exchange which is:
  - located in any EU Member State (other than Malta); or
  - located in a EEA Member State (Norway, Iceland and Liechtenstein); or
  - located in any of the following countries:-
    - Australia
    - Canada
    - Hong Kong
    - Japan
    - New Zealand
    - Switzerland
    - United States of America; or
- (b) any stock exchange included in the following list:

Argentina	-	Bolsa de Comercio de Buenos Aires and Mercado Abierto Electronico S.A. ;
Bahrain	-	Bahrain Bourse;
Bangladesh	-	Chittagong Stock Exchange LTD and Dhaka Stock Exchange;
Botswana	-	Botswana Stock Exchange;
Brazil	-	BM&F BOVESPA S.A.;
Chile	-	Bolsa de Comercio de Santiago, Bolsa de Valparaiso and Bolsa Electronica de Chile;
China	-	Shanghai Stock Exchange and Shenzhen Stock Exchange;
Colombia	-	Bolsa de Valores de Colombia;
Costa Rica	-	Bolsa Nacional de Valores;
Croatia	-	Zagreb Stock Exchange;
Ecuador	-	Bolsa de Valores de Guayaquil and Bolsa de Valores de Quito;
Egypt	-	Egyptian Exchange;
Georgia	-	Georgian Stock Exchange;
Ghana	-	Ghana Stock Exchange;
India	-	National Stock Exchange and Bombay Stock

	Exchange, Ltd.;
Indonesia	- Indonesia Stock Exchange;
Israel	- Tel Aviv Stock Exchange;
Jordan	- Amman Stock Exchange;
Kazakhstan	- Kazakhstan Stock Exchange;
Kenya	- Nairobi Securities Exchange;
Korea	- Korea Exchange;
Kuwait	- Kuwait Stock Exchange;
Malawi	- Malawi Stock Exchange;
Malaysia	- Bursa Malaysia Securities Berhad and Bursa Malaysia Derivatives Berhad;
Mauritius	- Stock Exchange of Mauritius;
Mexico	- Bolsa Mexicana de Valores and Mercado Mexicano de Derivados;
Morocco	- Bourse de Casablanca;
Namibia	- Namibian Stock Exchange;
Nigeria	- Nigeria Stock Exchange;
Oman	- Muscat Securities Market;
Pakistan	- Islamabad Stock Exchange, Karachi Stock Exchange and Lahore Stock Exchange;
Panama	- Bolsa de Valores de Panama S.A. (BVP);
Peru	- Bolsa de Valores de Lima;
Philippines	- Philippine Stock Exchange;
Qatar	- Qatar Exchange;
Russia	- Open Joint Stock Company Moscow Exchange MICEX-RTS (MICEX-RTS);
Saudi Arabia	- Tadawul Stock Exchange and Saudi Arabian Monetary Agency;
Singapore	- Singapore Exchange Limited and CATALIST;
South Africa	- JSE Limited and South African Futures Exchange;
Sri Lanka	- Colombo Stock Exchange;
Swaziland	- Swaziland Stock Exchange;
Taiwan	- Taiwan Stock Exchange, GreTai Securities Market and Taiwan Futures Exchange;
Tanzania	- Dar es Salaam Stock Exchange;
Thailand	- Stock Exchange of Thailand, Market for Alternative Investments, Bond Electronic Exchange and Thailand Futures Exchange;
Tunisia	- Bourse des Valeurs Mobilières de Tunis;
Turkey	- Istanbul Stock Exchange and Turkish Derivatives Exchange;
Uganda	- Uganda Securities Exchange;
Ukraine	- Persha Fondova Torgovelnna Systema and Ukrainian Interbank Currency Exchange;
United Arab Emirates	- Abu Dhabi Securities Exchange and NASDAQ Dubai Limited;
Uruguay	- Bolsa de Valores de Montevideo and Bolsa Electrónica de Valores del Uruguay SA;
Venezuela	- Bolsa de Valores de Caracas;
Vietnam	- Ho Chi Minh Stock Exchange, Hanoi Stock Exchange and Unlisted Public Companies Market (UPCOM);
Zambia	- Lusaka Stock Exchange;

(c) any of the following over the counter markets:

The market organised by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) market in non-investment products which is subject to the guidance contained in the Non Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England;

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

The over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the Financial Industry Regulatory Agency ("**FINRA**") (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

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

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;

The French market for **Titres de Creance Negotiable** (over-the-counter market in negotiable debt instruments)

(d) any of the following electronic exchanges:

NASDAQ;

2. In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (i) located in an EEA Member State, (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States (iii) the Channel Islands Stock Exchange (iv) listed at (d) above or (v) any of the following:

The Chicago Board of Trade;

The Mercantile Exchange;

The Chicago Board Options Exchange;

EDX London;

New York Mercantile Exchange;

New York Board of Trade;  
New Zealand Futures and Options Exchange;  
Hong Kong Futures Exchange;  
Singapore Commodity Exchange; and  
Tokyo International Financial Futures Exchange.

## APPENDIX II – THIRD PARTIES APPOINTED BY THE DEPOSITARY

The Depositary has appointed State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA as its global sub-custodian.

State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below, as at the date of this agreement. The latest version of this list can be consulted at the Investment Manager Guide on the website [www.mystatestreet.com](http://www.mystatestreet.com).

MARKET	SUBCUSTODIAN
<b>Albania</b>	Raiffeisen Bank sh.a.
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Austria</b>	Deutsche Bank AG
	UniCredit Bank Austria AG
<b>Bahrain</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Bangladesh</b>	Standard Chartered Bank
<b>Belgium</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
<b>Benin</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Bermuda</b>	HSBC Bank Bermuda Limited
<b>Federation of Bosnia and Herzegovina</b>	UniCredit Bank d.d.
<b>Botswana</b>	Standard Chartered Bank Botswana Limited
<b>Brazil</b>	Citibank, N.A.
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD
<b>Burkina Faso</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Canada</b>	State Street Trust Company Canada
<b>Chile</b>	Banco Itaú Chile S.A.
<b>People's Republic of China</b>	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
	China Construction Bank Corporation (for A-share market only)
	Citibank N.A. (for Shanghai – Hong Kong Stock Connect market only)
	The Hongkong and Shanghai Banking Corporation Limited (for Shanghai – Hong Kong Stock Connect market only)

	Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	Banco BCT S.A.
<b>Croatia</b>	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.
<b>Cyprus</b>	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
<b>Czech Republic</b>	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Denmark</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
<b>Egypt</b>	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Estonia</b>	AS SEB Pank
<b>Finland</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
<b>France</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
<b>Republic of Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	State Street Bank GmbH
	Deutsche Bank AG
<b>Ghana</b>	Standard Chartered Bank Ghana Limited
<b>Greece</b>	BNP Paribas Securities Services, S.C.A.
<b>Guinea-Bissau</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Hong Kong</b>	Standard Chartered Bank (Hong Kong) Limited
<b>Hungary</b>	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
<b>Iceland</b>	Landsbankinn hf.
<b>India</b>	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
<b>Indonesia</b>	Deutsche Bank AG
<b>Ireland</b>	State Street Bank and Trust Company, United Kingdom branch
<b>Israel</b>	Bank Hapoalim B.M.
<b>Italy</b>	Deutsche Bank S.p.A.
<b>Ivory Coast</b>	Standard Chartered Bank Côte d'Ivoire S.A.
<b>Japan</b>	Mizuho Bank, Limited
	The Hongkong and Shanghai Banking Corporation Limited

<b>Jordan</b>	Standard Chartered Bank
<b>Kazakhstan</b>	JSC Citibank Kazakhstan
<b>Kenya</b>	Standard Chartered Bank Kenya Limited
<b>Republic of Korea</b>	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
<b>Kuwait</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Latvia</b>	AS SEB banka
<b>Lebanon</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Lithuania</b>	AB SEB bankas
<b>Malawi</b>	Standard Bank Limited
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
<b>Mali</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de México, S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Namibia</b>	Standard Bank Namibia Limited
<b>Netherlands</b>	Deutsche Bank AG
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Niger</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Nigeria</b>	Stanbic IBTC Bank Plc.
<b>Norway</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
<b>Oman</b>	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Pakistan</b>	Deutsche Bank AG
<b>Panama</b>	Citibank, N.A.
<b>Peru</b>	Citibank del Perú, S.A.
<b>Philippines</b>	Deutsche Bank AG
<b>Poland</b>	Bank Handlowy w Warszawie S.A.
	Bank Polska Kasa Opieki S.A
<b>Portugal</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
<b>Puerto Rico</b>	Citibank N.A.

<b>Qatar</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Romania</b>	Citibank Europe plc, Dublin – Romania Branch
<b>Russia</b>	Limited Liability Company Deutsche Bank
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Senegal</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Serbia</b>	UniCredit Bank Serbia JSC
<b>Singapore</b>	Citibank N.A.
	United Overseas Bank Limited
<b>Slovak Republic</b>	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.
<b>South Africa</b>	FirstRand Bank Limited
	Standard Bank of South Africa Limited
<b>Spain</b>	Deutsche Bank S.A.E.
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Republic of Srpska</b>	UniCredit Bank d.d.
<b>Swaziland</b>	Standard Bank Swaziland Limited
<b>Sweden</b>	Nordea Bank AB (publ)
	Skandinaviska Enskilda Banken AB (publ)
<b>Switzerland</b>	Credit Suisse AG
	UBS Switzerland AG
<b>Taiwan - R.O.C.</b>	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Tanzania) Limited
<b>Thailand</b>	Standard Chartered Bank (Thai) Public Company Limited
<b>Togo</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Tunisia</b>	Banque Internationale Arabe de Tunisie
<b>Turkey</b>	Citibank, A.Ş.
	Deutsche Bank A.Ş.
<b>Uganda</b>	Standard Chartered Bank Uganda Limited
<b>Ukraine</b>	PJSC Citibank
<b>United Arab Emirates Dubai Financial Market</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Dubai International Financial Center</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Abu Dhabi</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)



<b>United Kingdom</b>	State Street Bank and Trust Company, United Kingdom branch
<b>Uruguay</b>	Banco Itaú Uruguay S.A.
<b>Venezuela</b>	Citibank, N.A.
<b>Vietnam</b>	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Zambia</b>	Standard Chartered Bank Zambia Plc.
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)

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