

## **APS FUND**

An Umbrella Unit Trust established under the laws of Ireland

## **PROSPECTUS**

This Prospectus is dated the 10th day of December 2014

## **MANAGER**

Northern Trust Fund Services (Ireland) Limited

(a private limited company incorporated under the laws of Ireland)

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

A&L Goodbody

## 1. INTRODUCTION

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 other financial adviser. **A Repurchase Charge of up to 3 per cent of the repurchase price may be charged by a Fund for payment to the Manager or as it directs on the repurchase of Units but it is the intention of the Directors that such charge (if any) should not, until further notice, exceed such amount as is set out in the Supplement for the relevant Fund. Due to the Repurchase Charge which may be payable on the repurchase of Units, an Investment in Units should be viewed as medium to long term.**

The Trust is an umbrella unit trust constituted by a Trust Deed governed by the laws of Ireland and authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the Regulations. Accordingly, the Trust is supervised by the Central Bank of Ireland (the **Central Bank**). **The authorisation of the Trust by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Trust and the Central Bank shall not be liable for the performance or default of the Trust. Authorisation of the Trust is not an endorsement or guarantee of the Trust by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus.**

The Trust is structured as an open-ended umbrella trust in that Units representing interests in different Funds may be issued from time to time by the Directors. Units of more than one class may be issued in relation to a Fund. All Units of each class will rank *pari passu* save as provided for in the relevant Supplement. On the introduction of any new Fund (for which prior Central Bank approval is required) or any new class of Units (which must be issued in accordance with the requirements of the Central Bank Notices), the Manager will prepare and the Directors will issue a Supplement setting out the relevant details of each such Fund or new class of Units. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each class of Units) and will be invested in accordance with the investment objective and policies applicable to such Fund. Particulars relating to individual Funds and the classes of Units available therein are set out in the relevant Supplement.

Application may be made to the Irish Stock Exchange for the listing of Units issued and available for issue, to be admitted to the Official List and trading on the main securities market of the Irish Stock Exchange. This Prospectus together with the relevant Supplement including all information required to be disclosed by these listing requirements comprises listing particulars for the purpose of the listing of such Units on the Irish Stock Exchange. Notwithstanding any application to list the Units, the Directors do not anticipate that an active secondary market will develop in such Units.

Neither the admission of Units of the Trust to the Official List trading on the main securities market of the Irish Stock Exchange nor the approval of the Prospectus pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any other party connected with the Trust, the adequacy of information contained in the Prospectus or the suitability of the Trust for investment purposes.

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

### **Restrictions on Distribution**

The distribution of this Prospectus and the offering of Units is restricted in certain jurisdictions. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Units by anyone in any jurisdiction in which such an offer or solicitation is not authorised or may not lawfully be made (without compliance with any registration or other legal requirements) or in which the person making such offer or solicitation is not qualified to do

so or to any person to whom it is unlawful to make such offer in any jurisdiction. Prospective unitholders for or purchasers of Units should inform themselves as to the legal requirements within their own countries for their subscription or purchase. The following information is provided as a general guide only:

**United States:** The Units have not been and will not be registered under the Securities Act (as defined herein) or under any state securities or "blue sky" law of the United States. Units are being offered outside the United States pursuant to Regulation S promulgated under the Securities Act and inside the United States in reliance on Regulation D promulgated under the Securities Act and Section 4(2) thereof. The Trust will not be registered under the Investment Company Act (as defined herein). Each subscriber for Units that is a U.S. Person will be required to certify that it is (i) an "accredited investor", as defined in SEC Regulation D promulgated under the Securities Act, and (ii) a "qualified purchaser", as defined in the Investment Company Act, or a "knowledgeable employee" with respect to the Trust within the meaning of Rule 3c-5 promulgated under the Investment Company Act. The Trust intends to reject subscriptions from, and prohibit transfers of Units to, any investor, if, immediately thereafter, the interests of benefit plan investors (as defined herein) would equal or exceed 25 per cent. of the total value of equity interests of a Fund so as to avoid the underlying assets of such Fund being deemed "plan assets" for the purposes of ERISA or Section 4975 of the Code (as defined herein). Units have not been approved or disapproved by the SEC (as defined herein), any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the adequacy of these offering materials. Any representation to the contrary is unlawful.

Each Fund may engage in commodity futures and other commodities related trading. However, the Investment Manager is exempt from registration with the U.S. Commodity Futures Trading Commission (the CFTC) as a 'commodity pool operator' with respect to the Funds, pursuant to CFTC Regulation 4.13(a)(3) under the US Commodity Exchange Act. To satisfy the requirements of that exemption, each Fund is operated pursuant to the following criteria: (i) the offering of Units is exempt from registration under the US Securities Act, as Units are not offered publicly in the United States; (ii) at all times the aggregate initial margin and premiums required to establish commodity interest positions, determined at the time the most recent position was established, will not exceed 5% of the liquidation value of the Fund or the aggregate net notional value of the Fund's commodity interest positions, determined at the time the most recent position was established, will not exceed 100% of the Fund's liquidation value; (iii) purchasers of the Units will be generally limited to "accredited investors" as that term is defined in Section 501 of regulation D under the US Securities Act, trusts formed by an accredited investor for the benefit of a family member, "knowledgeable employees" as that term is defined in Regulation Section 3c-5 under the US Company Act, "qualified eligible persons" as that term is defined in CFTC regulation section 4.7(a)(2)(viii)(a) or natural person participants who are "qualified eligible persons," as that term is defined in CFTC Regulation 4.7(a)(2); and non-natural person participants who are "qualified eligible persons," as that term is defined in CFTC Regulation 4.7; and (iv) the Fund is not, and is not marketed as, a vehicle for trading in the commodity futures or commodity options markets. Therefore, unlike a commodity pool operated by a registered commodity pool operator, there is no obligation imposed by the CFTC on the Investment Manager to deliver a disclosure document or a certified annual report to Unitholders. The Investment Manager will, however, deliver this Prospectus as well as the periodic reports described herein to the Fund's current Unitholders. Similarly, the Investment Manager will not be registered as a commodity trading advisor with the CFTC. If the Investment Manager determines to exceed the limits described above, the Investment Manager may register as a commodity pool operator and cause the Fund to operate in accordance with CFTC Regulation 4.7.

There will be no public offering of Units in the United States.

*Notice to Residents of Florida:* If the investor is not a bank, a trust company, a savings institution, an insurance company, a dealer, an investment company as defined in the Investment Company Act, a pension or profit-sharing trust, or a qualified institutional buyer (as defined in Rule 144A under the Securities Act), the investor acknowledges that any sale of the Units to the investor is voidable by the investor either within three days after the first tender of consideration is made by the investor to the

issuer, or an agent of the issuer, or within three days after the availability of that privilege is communicated to the investor, whichever occurs later.

### **Recognition of the Trust in the United Kingdom**

Under Section 264 of the Financial Services and Markets Act, 2000 the Financial Conduct Authority (the 'FCA') has recognised the Trust in order for the Units to be marketed in the United Kingdom.

In accordance with Section 283 of the Financial Services and Markets Act 2000 and the rules made pursuant to that section contained in the FCA Handbook and set out in Chapter 17 of the Collective Investment Schemes sourcebook, the Manager maintains facilities namely, facilities (a) for inspection of the most recent Prospectus, the annual and half yearly reports and the instruments constituting the Trust as amended free of charge; (b) for obtaining the most recent Prospectus and annual and half yearly reports free of charge and at a reasonable cost the instruments constituting the Trust as amended; (c) for information about the sale and purchase and redemption of Units in the Trust; and (d) for submission of complaints (the Facilities) in the United Kingdom. The Facilities are provided at the following address:

Northern Trust Company, London  
50 Bank Street  
London  
E14 5NT

### **Inspection of Documents**

The following documents (as amended and/or supplemented, where relevant) can be inspected at the above address:

- (a) the Trust Deed;
- (b) the Investment and Operational Guidelines;
- (c) the Prospectus;
- (d) the annual and half yearly reports relating to the Trust most recently prepared and published by the Manager.

Copies of the Prospectus and, after publication thereof, the annual reports and half yearly reports relating to the Trust may be obtained from the address in the United Kingdom free of charge.

Copies of the Trust Deed and Investment and Operational Guidelines may also be obtained at a reasonable charge.

### **Price and Redemption of Units**

Information can be obtained about the Manager's most recently published sale and purchase prices of the Units at Northern Trust, London, 50 Bank Street, London E14 5NT, as well as about the redemption of Units and payment of the price redemption.

### **Complaints**

If any person has a complaint about the operation of the Trust they can submit their complaint to the Manager at the above address.

## **Singapore**

In relation to Units offered to investors in Singapore, pursuant to Sections 4A, 304 and 305 of the Securities and Futures Act Chapter 289 of Singapore (the SFA), the attention of investors is drawn to the following provisions:

- (i) The offer which is the subject of this Prospectus is only allowed to certain relevant persons. This Prospectus is not a prospectus as defined in the SFA. Accordingly statutory liability under the SFA in relation to the content of a prospectus does not apply. Investors should consider carefully whether the investment is suitable for them.
- (ii) The offer which is the subject of this Prospectus is only allowed to:
  - a) an institutional investor in accordance with the conditions specified in Section 4A and 304 of the SFA,
  - b) to an investor falling within the definition of 'relevant persons' in accordance with the conditions specified in Section 305 of the SFA,
  - c) or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

The Funds established under the Trust have been recognised by the Monetary Authority of Singapore pursuant to Section 287 of the Securities and Futures Act (Chapter 289 of Singapore), the Units in the Funds may be offered or sold to retail investors in Singapore pursuant to the Singapore Prospectus of the Funds.

## **Trust Deed**

The Trust Deed of the Trust gives powers to the Directors to impose restrictions on the holding of Units by (and consequently to repurchase Units held by), or the transfer of Units to:

- (a) Any Taxable Irish Persons (unless the Directors otherwise determine);
- (b) Any U.S. Persons (unless permitted under certain exceptions under the laws of the United States);
- (c) Any person who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold Units;
- (d) Any person or persons in circumstances which (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant), in the opinion of the Directors, might result in the relevant Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the relevant Fund might not otherwise have incurred or suffered, or
- (e) Any individual under the age of 18 (or such other age as the Manager may think fit).

The Trust Deed also permits the Directors where necessary to repurchase and cancel Units held by a person who is or is deemed to be acting on behalf of a Taxable Irish Person on the occurrence of a chargeable event for Irish taxation purposes.

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Units are sold so that in an action based upon

disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

**Potential subscribers and purchasers of Units should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Units.**

**The value of and income from Units in a Fund may go up or down and you may not get back the amount you have invested in the Fund. An investment in the Trust should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Units constituting each Fund are described in a Supplement to this Prospectus for each such Fund, each of which is an integral part of this Prospectus. Please see Risk Factors on pages 20 to 24 below.**

Any information given or representations made, by any dealer, salesman or other person which are not contained in this Prospectus or the relevant Supplement or in any reports and accounts of the relevant Fund forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus or the relevant Supplement nor the offer, issue or sale of Units shall under any circumstances constitute a representation that the information contained in this Prospectus or the relevant Supplement is correct as of any time subsequent to the date of this Prospectus or the relevant Supplement. This Prospectus or the relevant Supplement may from time to time be updated and intending subscribers should enquire of the Manager or the Administrator as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Trust.

Each Unit represents one undivided share in the property of the relevant Fund and is a beneficial interest under the Trust.

All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Trust Deed, copies of which are available as mentioned herein.

This Prospectus and the relevant Supplement shall be governed by 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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## 2. DEFINITIONS

**Accounting Period** means period ending 31 December;

**Administration Agreement** means the Agreement dated 2 May, 2014 between the Manager and the Administrator, as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank Notices;

**Administrator** means Northern Trust International Fund Administration Services (Ireland) Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank;

**Application Form** means the application form for Units;

**Associated Person** means a person who is connected with a Director if, and only if, he or she is;

- (a) that Director's spouse, parent, brother, sister or child;
- (b) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls;
- (c) a partner of that Director.

A company will be deemed to be associated with a Director if it is controlled by that Director;

**Base Currency** means in relation to any Fund such currency as is specified 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;

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

**Central Bank Notices** means the notices and guidelines issued by the Central Bank in respect of UCITS from time to time affecting the Trust or any Fund;

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

**Code** means the United States Internal Revenue Code of 1986, as amended;

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

**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 two Dealing Days for each Fund in each month;

**Dealing Deadline** means in relation to the cut-off point for applications for subscription, repurchase or exchange of Units in a Fund, the day and time specified in the Supplement for the relevant Fund;

**Directors** means the directors of the Manager, each a **Director**;

**Distribution Agreement** means the Agreement dated 6 February, 2002 between the Manager and the Distributor as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank Notices;

**Distributor** means APS Asset Management Pte Ltd or any other person for the time being duly appointed distributor in succession or in addition to the said APS Asset Management Pte Ltd in accordance with the requirements of the Central Bank;

**EEA** means the European Economic Area (EU Member States, Iceland, Norway, and Liechtenstein);

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

**ERISA** means the United States Employee Retirement Income Security Act of 1974, as amended;

**EU** means the European Union;

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

**Euro or €** means the lawful currency of the European Monetary Union Member States;

**Exchange Charge** means the charge, if any, payable on the exchange of Units as is specified in the Supplement for the relevant Fund;

**FATCA** means a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any government authority or taxation authority in any other jurisdiction;

**Foreign Person** means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Manager with the appropriate declaration under Schedule 2B of the TCA and in respect of whom the Manager 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 Manager is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of unitholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject to have been satisfied;

**Hedged Currency Unit Class** means a class of Unit whose denominated currency is hedged against the Base Currency of the relevant Fund;

**Fund** means a portfolio of assets held upon trust constituted by the Trust Deed which are invested in accordance with the investment objective and policies as 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 **Funds** means all or some of the Funds as the context requires or any other funds as may be established by the Manager from time to time with the prior approval of the Central Bank and each Fund is constituted as a separate trust;

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

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

**Investment Company Act** means the United States Investment Company Act of 1940, as amended;

**Investment Management Agreement** means the agreement dated 6 February, 2002 between the Manager and the Investment Manager as amended by the First Supplemental Investment Management Agreement dated 15 December 2009 and the Second Supplemental Investment Management Agreement dated 13 August 2010 and the Third Supplemental Investment Management Agreement

dated 4 June 2012 and the Fourth Supplemental Investment Management Agreement dated 2 May 2014 and as the same may be further amended and supplemented from time to time in accordance with the requirements of the Central Bank;

**Investment Manager** means APS Asset Management Pte Ltd or other person for the time being duly appointed investment manager in succession to or in addition to the said APS Asset Management Pte Ltd in accordance with the requirements of the Central Bank;

**Irish Stock Exchange** means the Irish Stock Exchange Plc;

**IRS** means the United States Internal Revenue Service;

**Manager** means Northern Trust Fund Services (Ireland) Limited or any other person or persons for the time being duly appointed manager of the Trust in succession to the said Northern Trust Fund Services (Ireland) Limited with the prior approval of the Central Bank;

**Market** means the stock exchanges and other regulated markets listed in Appendix I;

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

**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 Unitholder for Units 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 consider for each Fund and as set out in the Supplement for the relevant Fund;

**Minimum Initial Subscription** means such number or value of Units (if any) as the Directors may from time to time prescribe as the minimum initial subscription required by each Unitholder for Units of each class in a Fund as is specified in the Supplement for the relevant Fund;

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

**money market instruments** shall have meaning prescribed to them in the Central Bank's Notices, as may be amended from time to time;

**month** means calendar month;

**Net Asset Value** or **Net Asset Value per Unit** means in respect of the assets of a Fund or the Units in a Fund, the amount determined in accordance with the principles set out on pages 36 to 37 as the Net Asset Value of a Fund or the Net Asset Value per Unit;

**NFA** means the United States National Futures Association;

**OECD** means the Organisation for Economic Co-operation and Development, (the current members being: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea (Republic), Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak (Republic), Spain, Sweden, Switzerland, Turkey, United Kingdom and United States and which includes any other country or countries which become members of the OECD from time to time).

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

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

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

**Regulations or UCITS Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended, supplemented, consolidated or otherwise modified from time to time including any condition that may from time to time be imposed thereunder by the Central Bank;

**Related Companies** has the meaning assigned thereto in Section 140(5) of the Companies Act, 1990. In general this states that companies are related where 50% of the paid up share capital of, or 50% of the voting rights in, one company are owned directly or indirectly by another company;

**Repurchase Charge** means in respect of a Fund, the charge payable (if any) on the repurchase of Units as specified in the Supplement for the relevant Fund;

**SEC** means the United States Securities and Exchange Commission;

**Securities Act** means the United States Securities Act of 1933, as amended;

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

**S\$** means the lawful currency of Singapore;

**Supplement** means any supplement to the Prospectus issued on behalf of the Trust in connection with a Fund from time to time;

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

- (1) a Foreign Person;
- (2) an intermediary, including a nominee, for a Foreign Person;
- (3) a qualifying management company within the meaning of section 739B TCA;
- (4) a specified company within the meaning of section 734 TCA;
- (5) an investment undertaking within the meaning of section 739B of the TCA;
- (6) an investment limited partnership within the meaning of section 739J of the TCA;
- (7) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;
- (8) a company carrying on life business within the meaning of section 706 TCA;
- (9) a special investment scheme within the meaning of section 737 TCA;
- (10) a unit trust to which section 731(5)(a) TCA applies;
- (11) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
- (12) 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);

- (13) the Courts Service;
- (14) a Credit Union;
- (15) a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;
- (16) a company within the charge to corporation tax under section 110(2) TCA;
- (17) the National Asset Management Agency;
- (18) the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 as amended);
- (19) the State acting through the National Pensions Reserve Fund Commission or a Commission investment vehicle within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended); and
- (20) any other person as may be approved by the directors from time to time provided the holding of units by such person does not result in a potential liability to tax arising to the Manager in respect of that unitholder under section 739TCA

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 Manager on the appropriate date;

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

**transferable securities** shall have the meaning prescribed to them in the Central Bank Notices, as may be amended from time to time;

**Trust** means the Trust including where the context so admits or requires the Funds;

**Trust Deed** means the Trust Deed dated the 6 day of February, 2002 between the Manager and the Trustee as amended by supplemental trust deeds dated 19 November 2004 and 22 December 2004, a Deed of Retirement and Appointment dated 25 February 2008 and further supplemental trust deeds dated 29 May 2009, 15 December 2009, 13 August 2010 and 2 May 2014, as the same may be further amended and supplemented from time to time and includes any Investment and Operational Guidelines issued in relation to a Fund;

**Trustee** means Northern Trust Fiduciary Services (Ireland) Limited or any other person or persons for the time being duly appointed Trustee in succession to Northern Trust Fiduciary Services (Ireland) Limited with the prior approval of the Central Bank;

**Unhedged Currency Unit Class** means a class of Unit where typically, Units may be subscribed for and dividends calculated and paid and repurchase proceeds paid in a currency other than the Base Currency of the relevant Fund on the basis of a currency conversion at the prevailing spot currency exchange rate of the relevant Base Currency of the relevant class of Unit;

**Unit** means one undivided share in the assets of a Fund and includes any fraction of a Unit, which shall represent the corresponding fraction of an undivided share in the assets of a Fund;

**Unitholders** means all Holders of Units;

**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;

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

**U.S. Person** means:

- (1) any natural person resident in the United States;
- (2) any partnership or corporation organized or incorporated under the laws of the United States;
- (3) any estate of which any executor or administrator is a U.S. person;
- (4) any trust of which any trustee is a U.S. person;
- (5) any agency or branch of a foreign entity located in the United States;
- (6) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (7) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (8) any partnership or corporation if:
  - (a) organized or incorporated under the laws of any foreign jurisdiction; and
  - (b) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act of 1933, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D) who are not natural persons, estates or trusts;

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

### **3. FUNDS**

#### **3.1. Investment Objective and Policies**

The Trust Deed provides 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 Trust appear in the Supplement for the relevant Fund.

A change in the investment objective or a material change to the investment policies of a Fund, as disclosed in the relevant Supplement, may not be made without the prior written approval of all Unitholders of the relevant Fund or without approval on the basis of a majority of votes cast at a general meeting. In the event of a change of investment objective and/or policies of a Fund on the basis of a majority of votes cast at a general meeting, a reasonable notification period must be given to each Unitholder of the relevant Fund to enable a Unitholder to have its Units repurchased prior to the implementation of such change.

Under the rules of the Irish Stock Exchange, in the absence of unforeseen circumstances, the investment objective and policies for each Fund must be adhered to for at least three years following the admission of the Units of the relevant Fund to the Official List of the Irish Stock Exchange. The rules also provide that any material change in the investment objective of a Fund or its policies during the said period may only be made with the approval of the Irish Stock Exchange and an ordinary resolution of the Unitholders of the relevant Fund.

### 3.2. **Investment Restrictions**

The investment restrictions for each Fund will be formulated by the Directors at the time of the creation of the Fund.

Investments may only be made as permitted by the Trust Deed and the Regulations and subject to any restrictions and limits set out in the Trust Deed and the Regulations. In any event, each Fund will comply with the Central Bank's Notices.

The following general investment restrictions apply to each Fund save to the extent that such restrictions are expressly or implicitly disappplied by investment policies and restrictions contained in the Supplement for the relevant Fund and any additional restrictions specified therein.

#### 3.2.1. **Permitted Investments**

Investments of a UCITS are confined to:

- (1) Transferable securities and money market instruments, as prescribed in the UCITS Notices, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- (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.
- (3) Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.
- (4) Units of UCITS.
- (5) Units of non-UCITS as set out in the Central Bank's Guidance Note 2/03.
- (6) Deposits with credit institutions as prescribed in the UCITS Notices.
- (7) Financial derivative instruments as prescribed in the UCITS Notices.

#### 3.2.2. **Investment Restrictions**

- (1) A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 3.2.1.
- (2) A UCITS may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 3.2.2(1)) within a year. This restriction will not apply in relation to investment by the UCITS in certain US securities known as Rule 144A securities provided that:
  - (a) the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - (b) 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.



- (3) A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- (4) The limit of 10% (in 3.2.2(3)) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS. Investment up to this limit in appropriate bonds requires the prior approval of the Central Bank.
- (5) The limit of 10% (in 3.2.2(3)) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- (6) The transferable securities and money market instruments referred to in 3.2.2(4) and 3.2.2(5) shall not be taken into account for the purpose of applying the limit of 40% referred to in 3.2.2(3).
- (7) A UCITS may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than

- a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
- a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand

held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the trustee/custodian.

- (8) The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.

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

- (9) Notwithstanding paragraphs 3.2.2(3), 3.2.2(7) and 3.2.2(8) above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
  - (a) investments in transferable securities or money market instruments;
  - (b) deposits, and/or
  - (c) risk exposures arising from OTC derivatives transactions.

- (10) The limits referred to in 3.2.2(3), 3.2.2(4), 3.2.2(5), 3.2.2(7), 3.2.2(8) and 3.2.2(9) above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- (11) Group companies are regarded as a single issuer for the purposes of 3.2.2(3), 3.2.2(4), 3.2.2(5), 3.2.2(7), 3.2.2(8) and 3.2.2(9). However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- (12) A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the Prospectus and may be drawn from the following list:

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

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

### **3.2.3. Investment in Collective Investment Schemes (CIS)**

- (1) A UCITS may not invest more than 20% of net assets in any one CIS.
- (2) Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.
- (3) The CIS are prohibited from investing more than 10 per cent of net assets in other CIS.
- (4) When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
- (5) Where a commission (including a rebated commission) is received by the UCITS manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the UCITS.

### **3.2.4. Index Tracking UCITS**

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

- (2) The limit in 3.2.4 (1) may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

### 3.2.5. General Provisions

- (1) An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (2) A UCITS may acquire no more than:
  - (a) 10% of the non-voting shares of any single issuing body;
  - (b) 10% of the debt securities of any single issuing body;
  - (c) 25% of the units of any single CIS;
  - (d) 10% of the money market instruments of any single issuing body.

**NOTE:** The limits laid down in (b), (c) and (d) 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.

- (3) 3.2.5(1) and 3.2.5(2) shall not be applicable to:
  - (a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - (b) transferable securities and money market instruments issued or guaranteed by a non-Member State;
  - (c) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
  - (d) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 3.2.2(3) to 3.2.2(11), 3.2.3(1), 3.2.3(2), 3.2.5(1), 3.2.5(2), 3.2.5(4), 3.2.5(5) and 3.2.5(6), and provided that where these limits are exceeded, paragraphs 3.2.5(5) and 3.2.5(6) below are observed.
  - (e) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
- (4) UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- (5) The Central Bank may allow recently authorised UCITS to derogate from the provisions of 3.2.2(3) to 3.2.2(12), 3.2.3(1), 3.2.3(2), 3.2.4(1) and 3.2.4(2) for six months following the date of their authorisation, provided they observe the principle of risk spreading.

- (6) If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
- (7) Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
  - (a) transferable securities;
  - (b) money market instruments;
  - (c) units of CIS; or
  - (d) financial derivative instruments.
- (8) A UCITS may hold ancillary liquid assets.

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

- (1) The UCITS global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.
- (2) Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (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 Notices).
- (3) UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that:
 

The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- (4) Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

For the avoidance of doubt, the reference in this section to **CIS** refers to a sub-fund under an umbrella fund structure and not the umbrella fund structure itself.

In addition, at the time of creation of a Fund, the Directors may impose additional investment restrictions, details of which will be contained in the relevant Supplement.

### 3.3. **Financial Derivative Instrument (FDIs)**

Subject to the specific provisions relating to investments in FDIs set out in the relevant Supplement, the Trust may employ techniques and instruments relating to transferable securities for the relevant Fund under the conditions and within the limits laid down by the Central Bank (see Appendix II) and such techniques and instruments may be used for investments purposes and/or efficient portfolio management. The Trust may also employ techniques and instruments intended to provide protection against exchange risks in the context of the management of the assets and liabilities of the Trust.

Techniques and instruments utilised for the purposes of efficient portfolio management may only be used in accordance with the investment objective of the relevant Fund. Any such technique or

instrument must be one which (alone or in combination with one or other techniques or instruments) is reasonably believed by the Investment Manager to be economically appropriate to the efficient portfolio management of the relevant Fund, i.e. the use of a technique or instrument may only be undertaken for the purpose of one or more of the following: (a) a reduction in risk, (b) a reduction in cost, or (c) an increase in capital or income returns to the relevant Fund.

Subject to Regulations and to the conditions within the limits laid down by the Central Bank from time to time, a Fund may invest in financial derivative instruments dealt in on a regulated market specified in the Trust Deed and/or over-the-counter derivatives **OTCs** which may be used for the purposes of investment and/or efficient portfolio management subject to the provisions set out in Appendix II and/or the relevant Supplement for the relevant Fund.

The use of derivative transactions must be set out in the relevant Supplement and the Fund must employ a risk-management process which enables it to accurately monitor, measure and manage at any time the risk of a Fund's positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. It must employ a process for accurate and independent assessment of the value of OTC derivatives. Before investing in any financial derivative instruments on behalf of a Fund, the Investment Manager must file a risk management process report with the Central Bank and in accordance with particular requirements of the Central Bank shall specify, for that purpose, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in any derivative instruments applicable to a Fund. The Investment Manager will ensure that a Fund's global exposure to FDIs does not exceed the total net asset value of its portfolio and that counterparty risk exposure to any OTC derivative transactions never exceeds the limits permitted under the Regulations.

### 3.4. **Efficient Portfolio Management**

Each Fund may use techniques and instruments relating to transferable securities for the purposes of efficient portfolio management subject to the conditions and limits set out from time to time by the Central Bank and each Fund may employ techniques and instruments intended to provide protection against exchange risks in the context of the management of its assets and liabilities. The specific techniques and instruments to be utilised by each Fund (if any) are set out in the Supplement for the relevant Fund. Such techniques may involve the lending of portfolio securities by a Fund, but such stocklending must be secured by adequate collateral as described in the section entitled **Collateral Policy** below and will be subject to the conditions and limits set out in the UCITS Notices. 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 Notices 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 Fund. These direct and indirect operational costs will not contain any hidden revenue. Please see the section entitled **RISK FACTORS** below for details of the risks involved in entering into repurchase agreements and stocklending agreements. Techniques and instruments utilised for the purposes of efficient portfolio management may only be used in accordance with the investment strategy of the relevant Fund. Any such technique or instrument should be reasonably believed by the Investment Manager to be economically appropriate to the efficient portfolio management of the relevant Fund, i.e., the use of such a technique or instrument may only be undertaken for the purpose of one or more of the following:

- 3.4.1. a reduction in risk;
- 3.4.2. a reduction in cost; or
- 3.4.3. an increase in capital or income returns to a Fund with a level of risk which is consistent with the risk profile of the Fund.

The Manager, on behalf of the Trust, currently employs a risk management process relating to the use of financial derivative instruments on behalf of the relevant Fund which details how the Manager accurately measures, monitors and manages the various risks associated with financial derivative

instruments. A Fund will not employ any instruments that are not included in the existing risk management process which has been cleared by the Central Bank. Prior to investing in financial derivative instruments which are not included in the cleared risk management process, a revised risk management process report will be cleared by the Central Bank.

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

Details of the types of FDI which may be used by a Fund shall be set out in the Supplement for the relevant Fund.

### **3.5. Collateral Policy**

#### **Permitted types of collateral**

##### **3.5.1. Non-cash collateral**

Non-cash collateral must at all times meet with the following requirements:

- (1) 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;
- (2) 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;
  - (a) Issuer credit quality: Collateral received should be of high quality;
  - (b) 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;
  - (c) 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% of the Net Asset Value. When Funds are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;
  - (d) Immediately available: Collateral received should be capable of being fully enforced by the Trust at any time without reference to or approval from the relevant counterparty; and
  - (e) Non-cash collateral received cannot be sold, pledged or reinvested by the Trust.

##### **3.5.2. Cash collateral**

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

- (1) Cash received as collateral may only be invested in the following:
  - (a) deposits with an EU credit institution, a bank authorised in the remaining Member States of the European Economic Area (EEA) (Norway, Iceland, Liechtenstein), a bank authorised by a signatory state, other than an EU

Member State or a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand (the **Relevant Institutions**);

- (b) high quality government bonds;
  - (c) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Trust 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);
- (2) Meet the requirements in section 3.5.1(v) above, where applicable;
- (3) Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

### 3.6. **Level of collateral required**

The level of collateral required for all efficient portfolio management techniques and OTC derivatives will, subject to the minimum transfer amount and threshold provisions, be at least 100% of the exposure to the relevant counterparty.

### 3.7. **Haircut policy**

While the Investment Manager and any of its duly appointed delegates will only accept non-cash collateral which does not exhibit high price volatility, the non-cash collateral received on behalf of the Funds will typically be subject to a valuation percentage of between 95% and 100% of its value. The valuation percentage will depend on factors such as liquidity, price volatility, issuer credit quality and remaining maturity and will take into account the results of stress tests performed by the Investment Manager and any of its duly appointed delegates.

### 3.8. **Unit Class Hedging**

A Class may be designated in a currency other than the Base Currency of the relevant Fund. In such circumstances adverse exchange rate fluctuations between the Base Currency of a Fund and the currency in which the relevant Class is designated may result in a decrease in return and/or a loss of capital for Unitholders. The Investment Manager may try to mitigate this risk by using any of the efficient portfolio management techniques and instruments, (including currency options and forward currency exchange contracts) set out in the Prospectus, within the conditions and limits imposed by the Central Bank, to hedge the foreign currency exposure of such Classes into the Base Currency of the relevant Fund or into the currency or currencies in which the assets of the relevant Fund are denominated.

Any FDI used to implement such strategies with respect to one or more Hedged Currency Unit Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Hedged Currency Unit Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Currency Unit Class. Where a Unit Class is to be hedged this will be disclosed in the Supplement for the Fund in which such Unit Class is issued. Any currency rate exposure of a Hedged Currency Unit Class may not be combined with or offset against that of any other Unit Class of a Fund. The currency rate exposure of the assets attributable to a Hedged Currency Unit Class may not be allocated to other Unit Classes. Where the Trust seeks to hedge against currency rate fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Trust. However, over-hedged positions will not exceed 105% of the Net Asset Value of the relevant Unit Class and hedged positions will be kept under review to

ensure that positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Hedged Currency Unit Class the performance of the Hedged Currency Unit Class is likely to move in line with the performance of the underlying assets with the result that Unitholders in that Hedged Currency Unit Class will not gain if the Hedged Currency Unit Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated. A Hedged Currency Unit Class will not be leveraged as a result of such currency hedging transactions.

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

### **3.9. Credit Quality**

All obligations (with the exception of the United States and United Kingdom) issued or guaranteed by any eligible Supranational, OECD member state or their local governments or agencies must have a long-term rating or be issued by an issuer that is rated with respect to a class of long-term obligations or a comparable long-term obligation at time of receipt of AA- (or the equivalent) or higher by at least one of the following of Moody's, Standard & Poor's, and Fitch (collectively the "Approved Rating Agencies"). If there are more than two ratings by the Approving Rating Agencies, then all must be in the highest two rating categories. Where a government issue or guaranteed obligation (instrument) may not have a long-term credit rating, the credit rating of that instrument shall be deemed to be the long-term credit rating of the government issuing or guaranteeing that instrument.

### **3.10. Borrowing and Lending Powers**

The Trustee may, at the request of the Manager, borrow monies on behalf of each Fund in an amount up to 10% of the net assets of each Fund, provided such borrowing is on a temporary basis. The Trustee may give a charge over the assets of each Fund in order to secure borrowings. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding. Without prejudice to the powers of each Fund to invest in transferable securities, a Fund may not lend to, or act as guarantor on behalf of third parties. Each Fund may acquire debt securities and securities which are not fully paid.

A Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restriction provided that the offsetting deposit is denominated in the Base Currency of the relevant Fund and equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of this restriction.

### **3.11. 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. Under the Trust Deed, 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) net of expenses and/or (ii) realised and unrealised capital 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 Unitholders 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. The Manager will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Unitholder in any Fund who is or is deemed to be a Taxable Irish Person and pay such sum to the Irish tax authorities. Dividends (if any) will be paid in accordance with the Irish Stock Exchange policy.

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



Dividends payable in cash to Unitholders will be paid by electronic transfer to the bank account designated by the Unitholder and at the risk and expense of the payee.

#### 4. RISK FACTORS

The investments of each Fund in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of and income from Units relating to each Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase. Due to the Preliminary Charge and the Repurchase Charge which may be payable on the issue and repurchase of Units, an investment in Units should be viewed as medium to long term.

The Manager and/or an Investment Manager will not have control over the activities of any company or collective investment scheme invested in by a Fund. Managers of collective investment schemes and companies in which a Fund may invest may manage the collective investment schemes or be managed in a manner not anticipated by the Manager and/or an Investment Manager.

##### 4.1. Valuation Risk

Subject to the Regulations, a Fund may invest its assets in unquoted investments. Such investment will be valued at the probable realisation value as determined in accordance with the provisions set out on pages 36 to 37 below. Estimates of the probable realisation value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. The Fund may consult the Investment Manager with respect to the valuation of unquoted investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of a Fund's investments and the Investment Manager's other responsibilities. Furthermore, as the fees of the Investment Manager are based on the Net Asset Value of a Fund, if the Net Asset Value of the Fund increases so too does the fees payable to the Investment Manager and accordingly there is a further conflict of interest for the Investment Manager in determining the valuation price of a Fund's investments.

##### 4.2. Currency Risk

The Net Asset Value per Unit will be computed in the Base Currency of the relevant Fund, whereas each Fund's investments may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk. The Investment Manager may enter into cross currency hedging transactions.

The Manager at its absolute discretion, has the power to issue unhedged Unit classes that are denominated in a currency other than the Base Currency (**Unhedged Unit Classes**). For such Unit classes, the Investment Manager will not attempt to mitigate the effect of fluctuations in the exchange rate between the Unit class currency and the currency(ies) of the Fund's underlying assets or the Base Currency. In the case of an Unhedged Unit class, that is denominated in a currency other than the Base Currency, a currency conversion will take place on subscriptions, redemptions, switches and distributions at prevailing exchange rates. The value of the Unit expressed in the Unhedged Unit class currency will be subject to exchange rate risk in relation to the Base Currency.

The Manager also has the discretion to issue hedged Unit Classes denominated in a currency other than the Base Currency of the Fund (**Hedged Unit Classes**). Changes in the exchange rate between the Base Currency and such Hedged Unit Class may lead to a depreciation of the value of such Units as expressed in the denominated currency. The Manager may try but is not obliged to mitigate this risk by using FDI such as those described under the heading **Financial Derivative Instruments**, for Hedged Currency Unit Classes provided that such FDI shall in no case exceed 105% of the Net Asset

Value attributable to the relevant Hedged Currency Unit Class of the Fund and hedged positions will be kept under review to ensure that positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month. Investors should be aware that this strategy may substantially limit Unitholders of the relevant Hedged Currency Unit Class from benefiting if the denominated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Fund are denominated. In such circumstances Unitholders of the relevant Hedged Currency Unit Class of the Fund may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains/losses on and the costs of the relevant financial instruments. FDI used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, the gains/losses on and the costs of the relevant FDI will accrue solely to the relevant Hedged Currency Unit Class of the Fund.

#### 4.3. **Settlement and Credit Risks**

The trading and settlement practices of some of the Markets on which each Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by each Fund. In addition, each Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Trustee may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes and the Trustee agrees that this form of settlement is common market practice. Unitholders should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle and the Trustee will not be liable to the Fund or the Unitholders for such a loss.

#### 4.4. **Taxation**

The income and gains of a Fund from its assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to the relevant Fund, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Unitholders of the relevant Fund rateably at the time of repayment.

Potential investors attention is drawn to the taxation risk associated with investing in any Fund of the Trust. See section headed **Taxation** below.

#### 4.5. **U.S. Source Payments May Be Subject to Withholding Under the HIRE Act.**

The Hiring Incentives to Restore Employment Act (the **HIRE Act**) provides that a 30% withholding tax will be imposed on certain payments of U.S. source income and certain payments of proceeds from the sale of property that could give rise to U.S. source interest or dividends unless the Trust enters into an agreement with the IRS to disclose the name, address and taxpayer identification number of certain U.S. persons that own, directly or indirectly, an interest in the Trust, as well as certain other information relating to any such interest. The IRS has released regulations and other guidance that provide for the phased implementation of the foregoing withholding and reporting requirements. The U.S. Treasury Department has signed a Model 1 non-reciprocal intergovernmental agreement (**Model 1 IGA**) with Ireland. The Model 1 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the Ireland government and ultimately to the IRS.

Although the Trust will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Trust will be able to satisfy these obligations. If the Trust becomes subject to a withholding tax as a result of the HIRE Act, the return of all Unitholders may be materially affected. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of the HIRE Act on their investments in the Trust.

**The Trust May Mandatorily Repurchase Units of any Unitholder that Fails to Cooperate with the Trust's Efforts to Comply with the HIRE Act.**

The Trust's ability to comply with the HIRE Act will depend on each Unitholder providing the Trust with information that the Trust requests concerning the direct and indirect owners of such Unitholder. If a Unitholder fails to provide the Trust with any information the Trust requests, the Trust may exercise its right to mandatorily repurchase such Unitholder's Units.

#### **4.6. Emerging Market Risks**

A Fund faces a number of additional risks because of any investments in securities located in emerging markets, including:

##### **4.6.1. Investment and repatriation restrictions**

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

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

##### **4.6.2. Potential market volatility**

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

##### **4.6.3. Political instability and government interference in the private sector**

This varies country by country, and may evolve to the detriment of Fund holdings. In particular, some emerging markets have no legal tradition of protecting unitholders rights.

##### **4.6.4. Financial disclosure and accounting standards**

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

##### **4.6.5. Settlement**

The trading and settlement practices of some of the stock exchanges or markets on which a Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by a Fund.

##### **4.6.6. Custodial risk**

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of, legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in book-entry form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of a Fund's holdings of units in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

##### **4.6.7. Taxation**

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

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

In the case of certain Funds there may be limited exposure to emerging markets and investors should be aware of risks attached to investing in such markets which could have a limited impact on the performance of such relevant Funds. In particular, the following risks should be noted.

#### **4.7. Financial Derivatives Instruments**

Certain risks may be associated with the use by a Fund of derivative instruments as follows:

##### **4.7.1. Market Risk**

This is a general risk that the value of a particular derivative may change in a way which may be detrimental to a Fund's interests and the use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, a Fund's investment objective.

##### **4.7.2. Control and Monitoring**

Derivative instruments are highly specialised and require specific techniques and risk analysis. In particular, the use and complexity of derivative instruments require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative instrument may add to a Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

##### **4.7.3. Liquidity Risk**

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction to liquidate a position at an advantageous price, to assess or value a position or to assess the exposure to risk. An adverse price movement in a derivative position may also require a cash payment to counterparties that might in turn require, if there is insufficient cash available in a Fund, the sale of investments under disadvantageous conditions.

##### **4.7.4. Counterparty Risk**

A Fund may enter into derivative transactions in over-the-counter markets, which will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. A Fund may be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position as well as significant losses, including declines in value during the period in which the Fund seeks to enforce its rights, the inability to realise any gains during such period and fees and expenses incurred in enforcing its rights.

##### **4.7.5. Legal Risk**

There is a possibility that the agreements governing the derivative techniques may be terminated due, for instance, to supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. There is also a risk if such agreements are not legally enforceable or if the derivative transactions are not documented correctly.

#### **4.7.6. Other Risks**

Other risks in using derivative instruments include the risk of differing valuations of derivative instruments arising out of different permitted valuation methods and the inability of derivative instruments to correlate perfectly with underlying securities, rates and indices. Many derivative instruments, in particular over-the-counter derivative instruments, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in an increased cash payment to counterparties or a loss of value to a Fund. Derivative instruments do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track.

The swaps market is a relatively new market and is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect a Fund's ability to terminate existing swap agreements or to realise amounts to be received under such agreements. Whether a Fund's use of swap agreements will be successful will depend on the Investment Manager's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. A Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The risk arising to a Fund in a total return swap is credit risk in the event that the counterparty is unable to meet its payment obligations to the Fund under the terms of the total return swap.

#### **4.8. Futures and Options**

The investment policies of a Fund may permit the Investment Manager to make use of futures and options for efficient portfolio management purposes. Due to the nature of futures, cash to meet margin monies will be held by a broker with whom the Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to the relevant Fund. On execution of an option, a Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

#### **4.9. Forward Foreign Exchange Risk**

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

Although banks do not generally require margin with respect to trading of forward contracts in foreign currencies, such transactions generally require the extension of credit by a bank or those with whom the bank trades.

#### **4.10. Contracts for Differences (CFD's)**

CFD's are agreements entered between two parties where the difference between the price of an underlying security at the start and end of a defined period is paid to the relevant party. An example is

an equity swap contract which gives the holder the economic benefits of a notional holding of an underlying security or basket of securities, in exchange for an interest stream representing the financing cost for the notional value of that security or basket of securities. A CFD can be a 'long' exposure, where the holder is receiving the economic benefits of the underlying security from the other party or a 'short' exposure where the holder is paying the economic benefits of the underlying security to the other party.

CFD's can be used to either gain access to a market with a restricted trading regime, or to reduce the exposure of the Fund to a particular market. An example would be where the fund wishes to purchase a security where the local regulatory and tax jurisdictions make it difficult for a foreign investor to purchase the security. In this situation, the Fund will enter into a swap agreement with a counterparty that has the ability to purchase the security locally, and then pass on the economic benefits of the security through a swap agreement.

The settlement for CFDs is usually netted against each other, with the difference being paid by one party to the other. Therefore, the amount required to meet future settlement of the CFDs may be greater or less than the amount recorded. The ultimate gain or loss depends upon the prices at which the underlying financial instruments of the CFDs are valued at the settlement date.

#### **4.11. Convertible Bonds**

The market value of convertible bonds tends to decline as interest rates rise. Because of the conversion feature the market value of convertible bonds also tends to vary with fluctuations in the market value of the underlying common or preferred security.

#### **4.12. Credit and Index Linked Securities**

Credit and index linked securities are derivative instruments which may entail substantial risks. Such instruments may be subject to significant price volatility. The company issuing the instrument may fail to pay the amount on maturity. The underlying investment or security may not perform as expected by the Investment Manager. Markets, underlying securities and indexes may move in a direction that was not anticipated by the Investment Manager.

#### **4.13. Reliance on the Investment Manager**

The profitability of a significant portion of a Fund's investment program will depend upon the Investment Manager correctly assessing future price movements in securities. There can be no assurance that the Investment Manager will be able accurately to predict these price movements, even during market periods which are favourable to most other managers. Each strategy selected for a Fund will be unlikely to achieve its objectives under certain market conditions which may prevail for substantial periods of time after a Fund begins operating or allocates assets to a particular strategy.

The success of an investment manager in the past is not necessarily a reliable indicator of its prospects for future profitability. Speculative trading and investment strategies involve substantial risks, and the outcome is uncertain.

Where performance fees are payable by a Fund these will be based on net realised and net unrealised gains and losses at the end of each calculation period. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

#### **4.14. 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.

#### 4.15. **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.]

#### 4.16. **Stock 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.

### 5. **MANAGEMENT OF THE TRUST**

#### 5.1. **Manager**

The Manager of the Trust is Northern Trust Fund Services (Ireland) Limited. The Manager was incorporated as a limited liability company on 8 May 1997 and is a wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 31 March 2014, the Northern Trust Group's assets under custody and administration totalled in excess of US\$5.75 trillion.

The Manager is responsible, under the Trust Deed, for the general management and administration of the Trust's affairs including the investment and re-investment of each Fund's assets having regard to the investment objective and policies of each Fund. In this regard however, the Manager has appointed the Investment Manager to manage the investment and re-investment of the assets of each Fund as set out in the Supplements to this Prospectus. The Manager is also responsible for preparing accounts, executing redemption of Units, making distributions and calculating the Net Asset Value per Unit. In this regard, however, the Manager has appointed the Administrator to carry out these duties.

#### 5.2. **Directors**

The Directors are:

**Meliosa O'Caoimh** (Irish) is a Senior Vice President and Head of Client Services for Northern Trust's Ireland business from September 2010, having previously held the position of Chief Operating Officer. Prior to joining Northern Trust in 2003, Ms. O'Caoimh spent eight years with Pioneer Global Investments in various management roles and latterly as their Head of European Transfer Agency. Prior to that Ms. O'Caoimh worked in the audit division of Arthur Andersen & Company, Chartered Accountants. Ms. O'Caoimh received a B.A. degree in Economics and Politics in University College

Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland and a Fellow of the Institute of Taxation in Ireland.

**Gerald Brady** (Irish) is an independent, non-executive director and consultant in the regulated, international financial services industry. Mr. Brady has over 25 years' experience of the funds industry, both as a director and full-time executive, and has held senior executive management positions in Bank of Bermuda, Capita Financial Group and Northern Trust. Mr. Brady has worked both abroad and in Ireland and is a past Council member of the Irish Funds Industry Association (IFIA) and former Executive Board member of Financial Services Ireland/Irish Business and Employers Confederation (FSI/IBEC). Mr. Brady has a First Class Honours degree in Economics and is a Fellow of the Institute of Chartered Accountants of Ireland (FCA) and a Chartered Financial Analyst (CFA).

**Liam Butler** (Irish) is a Senior Vice President at the Northern Trust Company and is the EMEA Head of Hedge Fund Processing (HFS). Prior to his current role, Mr Butler had worked in Bank of Ireland Securities Services for 17 years in Legal, Risk & Compliance, Business Development and Client Relationship Management. Over the past number of years, he has been an active participant in the Irish Funds Industry Association having sat on the Legal and Regulatory, Marketing, Taxation, Alternative Investment and Corporate Governance Sub-Committees. Mr Butler joined Northern Trust in June, 2011 as part of the acquisition of Bank of Ireland Securities Services. Prior to that, he had worked for a number of years for a leading Irish law firm. In addition to his financial services experience, Mr Butler is a qualified solicitor and holds a law degree from Trinity College Dublin.

**Nicholas Gilbert** (British) is a Senior Vice President at Northern Trust working within Global Fund Services (GFS), which provides global custody, fund administration and investment operations outsourcing services to investment manager clients of the bank. He joined Northern Trust in 2005 and currently has a dual role, being (i) the Head of Operations for GFS UK with responsibility for Fund Accounting, Transfer Agency and Investment Operations services in the UK and (ii) Business Manager for GFS in Europe the UK with responsibility for development of business strategy and financial management. Prior to this role, Mr Gilbert was responsible for the management and delivery of the GFS Europe strategic change programme, which encompassed a number of growth, product & service enhancing initiatives. In particular this has included the role of Programme Director for both the integration of the recently acquired Bank of Ireland Securities Services business and for the implementation of GFS Europe's operational location strategy.

**David Conway** (Irish) is an experienced investment management executive with expertise in wealth management, portfolio management and fund administration. Mr Conway left Ulster Bank in late 2010 to become a professional independent investment funds director. He worked in a variety of roles with Ulster Bank in Ireland for over 25 years. Most recently, from 2000, he was a Director of the Bank's Wealth Management division. As a Director of Ulster Bank Investment Services, he was a founding member of the Dublin Funds Industry Association. Prior to that Mr Conway was a member of the senior management in Ulster Bank Investment Managers where he was Director of Fixed Income and a member of the investment policy committee. He is currently a Director of a number of collective investment schemes across a broad range of asset classes. He holds an honours degree in Economics from Trinity College Dublin and is a Certified Investment Fund Director.

**Mark Austin** (British) has been with Northern Trust for seven years. He is a Senior Vice President with the Institutional Investors Group and is currently the Head of Multi National Relationships for EMEA. Mr Austin has extensive experience in dealing with multinational pension clients across Europe and understands the demands of CCF and Unit Trust clients as they relate to Management Company's. Before joining Northern Trust Mr Austin worked for JP Morgan as a sales lead but also managing relationships with Investment Managers and prior to this he worked for Henderson Administration as Head of Custody as well as roles in middle office outsourcing. Mr Austin currently serves as a UK pension fund trustee on a combined DB/DC trust based scheme and sits on the permanent DC working party of Pensions Europe as well as the Pension Policy sub-committee of The Tax Incentivised Savings Association.



**Gavin Caldwell** (Irish) has been an independent nonexecutive Director since 2004 and has worked in financial services since 1971. Gavin has worked in the front office for Bank of Ireland Asset Management, Fraser Orr and Ulster Bank. As Executive Chairman he also contributed to the establishment, development and sale of Pensco Ltd. Throughout his 23 years at Ulster Bank Mr Caldwell was actively involved in both managing the assets (up to 1990), and chairing the Investment Policy Committee (up to 2001), in addition to the general management responsibilities of CEO. In 2000 the business was sold to KBC Bank for which he served as Chief Executive of KBC Asset Management Limited until September 2003. Mr Caldwell brings substantial skills and experience in the areas of asset management & research, fund accounting, custody and transfer agency.

**The Board of Directors is responsible for overseeing the operations of the Manager. Collectively, the Board has considerable experience and expertise in the management, administration and distribution of collective investment schemes and the custody of their assets.**

No Director has ever:

- (1) had any unspent convictions in relation to indictable offences; or
- (2) been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or
- (3) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company.

A memorandum detailing the names of all companies and partnerships of which the Directors have been a director or partner in the past five years, together with an indication of whether or not the individual is still a director or partner, is available for inspection at the offices of Administrator.

The address of all the Directors is the registered office of the Manager.

The Manager is also the manager of 13 other collective investment schemes registered in Ireland.

The Manager has the right under the Trust Deed to retire on 90 days written notice to the Trustee. If no successor is appointed at the end of the 90 day notice period the Trust shall be wound up. Thereafter, the Trustee shall apply in writing to the Central Bank for revocation of the Trust's authorisation. The Manager may be removed by the Trustee in the following circumstances; (a) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets and is not discharged within sixty days or if an examiner is appointed to the Manager or if an event having equivalent effect occurs; and (b) where the Unitholders of not less than 67 per cent. of the Units for the time being in issue so request in writing to the Trustee that the Manager should retire.

The Trust Deed contains provisions governing the responsibilities of the Manager and providing for its indemnification in certain circumstances, subject to exclusions in the case of negligence, fraud, bad faith or wilful default on the part of the Manager.

The Manager and/or any person appointed by the Manager for such purpose shall have the exclusive right to effect for the account of the relevant Fund or on its own account the issue of Units and to request the Trustee to create Units.

The company secretary of the Manager is Northern Trust International Fund Administration Services (Ireland) Limited.

### 5.3. Investment Manager

The Manager has delegated the powers of investment management of the assets of each Fund to APS Asset Management Pte Ltd pursuant to an investment management agreement described under the heading **Material Contracts** below.

The Investment Manager is a fund management company established in early 1995 having its registered office at 3 Anson Road, #23-01 Springleaf Tower, Singapore 079909.

The Investment Manager is the holder of a Capital Market Services Licence issued by the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) to conduct the regulated activity of fund management. The Investment Manager is registered as an Investment Adviser with the US Securities and Exchange Commission pursuant to Section 203(c) of the Investment Adviser Act of 1940. As at 30 June 2014, the Investment Manager had US\$2.6 billion assets under management.

### 5.4. Trustee

Northern Trust Fiduciary Services (Ireland) Limited has been appointed Trustee pursuant to the Trust Deed. The Trustee is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of trustee and custodial services to collective investment schemes. The Trustee is wholly owned by Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 31 March 2014, the Northern Trust Group's assets under custody and administration totalled approximately US\$5.75 trillion.

The Trustee is responsible for the safe-keeping of all of the assets of the Trust. As per the Trust Deed, the Trustee must exercise due care and diligence in the discharge of its duties and will be liable to the Manager and the Unitholders for any loss arising from its unjustifiable failure to perform its obligations or its improper performance of those obligations. The Trustee may, however, appoint any person or persons to be the sub-custodian of the assets of the Trust. The liability of the Trustee shall not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Trustee and the Manager acknowledge that the Central Bank considers that, in order to discharge its responsibilities, the Trustee 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. The Trustee must maintain an appropriate level of supervision over the third party and make appropriate enquiries from time to time to confirm that the obligations of the third party continue to be competently discharged. This does not purport to be a legal interpretation by the Central Bank of the Regulations and the corresponding provisions of the UCITS Directive.

The Trust Deed contains provisions governing the responsibilities of the Trustee and provides that, in the absence of its unjustifiable failure to perform its obligations or its improper performance of them, the Trustee shall be indemnified out of the assets of the Trust. Under the terms of the Trust Deed, the Trustee may extend the benefit of such indemnity to any sub-custodian appointed by it.

The Trust Deed specifies the conditions to be followed with respect to the replacement of the Trustee with another trustee and contains provisions to ensure the protection of Unitholders in the event of any such replacement.

The Trustee has the right to retire under the Trust Deed on 90 days written notice to the Manager. Any successor must be acceptable to the Manager and approved by the Central Bank. If no successor is appointed at the end of the 90 day notice period the Trustee shall have the power to require the Trust to be wound up. Thereafter, the Manager shall apply in writing to the Central Bank for revocation of the Trust's authorisation and the Trustee shall remain as the Trustee, notwithstanding the expiration of the 90 day notice period, until such time as the Central Bank has revoked the Trust's authorisation. The Trustee may be removed by the Manager in the following circumstances; (a) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms

previously approved in writing by the Manager) or if a receiver is appointed over any of its assets and is not discharged within sixty days or if an examiner is appointed to the Trustee or if an event having equivalent effect occurs; and (b) where the Unitholders of not less than 67 per cent of the Units for the time being in issue so request in writing to the Manager that the Trustee should retire.

The Trustee shall be responsible for the segregation of the assets and liabilities of each of the Funds.

The Trustee is obliged to ensure inter alia that:

- (1) the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the Regulations, the conditions imposed by the Central Bank and the Trust Deed;
- (2) the value of Units is calculated in accordance with the Regulations and the Trust Deed;
- (3) in transactions involving the Trust's assets any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- (4) the Trust's income is applied in accordance with the Regulations and the Trust Deed;
- (5) the instructions of the Manager are carried out unless they conflict with the Regulations or the Trust Deed; and
- (6) it has enquired into the conduct of the Manager in each Accounting Period and report thereon to the Unitholders. The Trustee's report shall be delivered to the Manager in good time to enable the Manager to include a copy of the report in the annual report of the Trust. The Trustee's report shall state whether in the Trustee's opinion the Trust has been managed in that period:-
  - (a) in accordance with the limitations imposed on the investment and borrowing powers of the Trust by the Trust Deed and the Regulations; and
  - (b) otherwise in accordance with the provisions of the Trust Deed and the Regulations.

If the Manager has not complied with (i) or (ii) above, the Trustee must state why this is the case and outline the steps which the Trustee has taken to rectify the situation. The duties provided for in paragraphs (a) to (f) above may not be delegated by the Trustee to a third party.

## **5.5. Trust Deed**

Copies of the Trust Deed may be obtained from the Manager or the Trustee or may be inspected during normal working hours at the offices of the Manager or the Trustee, free of charge.

The Trustee and the Manager shall be entitled jointly by a supplemental trust deed to modify, alter or add to the provisions of the Trust Deed in such manner and to such extent as they might consider expedient for any purpose provided that the Trustee shall certify in writing that in its opinion such modification, alteration or addition:

- (1) does not materially prejudice the interests of the Unitholders, does not operate to release to any material extent the Trustee or the Manager from any responsibility under the Trust Deed and (with the exception of the payment of fees and expenses incurred in relation to the preparation and execution of the relevant supplemental trust deed) will not result in any increase in the amount of costs and charges payable from the Trust; or

- (2) is made to amend the list of Markets being the markets in which the assets of a Fund may be invested, as such term is defined in the Trust Deed; or
- (3) is necessary in order to make possible compliance with any fiscal, statutory or other official requirement (whether or not having the force of law); or
- (4) is made to correct a manifest error.

Other than the foregoing, no such modification, alteration or addition shall be made without the approval of an Extraordinary Resolution (as described under **Meetings of Unitholders** on pages 49 below) and no such modification, alteration or addition shall impose upon any Unitholder any obligation to make any further payment in respect of his Units or to accept any liability in respect thereof.

The Trustee shall, as soon as practicable after any modification, alteration or addition to the provisions of the Trust Deed in respect of which the Trustee shall have certified in accordance with the provisions above, give notice of such modification, alteration or addition to the Unitholders, unless such modification, alteration or addition is not in the opinion of the Trustee of material significance. No modification, alteration or addition shall be made to the Trust Deed without the prior approval of the Central Bank and, where relevant, the appropriate regulatory authority in a jurisdiction in which Units are distributed. A copy of any supplemental trust deed containing any such modification, alteration or addition shall be deposited with the Central Bank in accordance with the Regulations.

Subject to the provisions outlined above, the Trustee and the Manager may not alter any of the rights of the Unitholders.

#### 5.6. **Administrator**

Northern Trust International Fund Administration Services (Ireland) Limited has been appointed Administrator under the Administration Agreement. The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is wholly owned by Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 31 March 2014, the Northern Trust Group's assets under custody and administration totalled approximately of US\$5.75 trillion.

The Administrator's main business is the provision of fund administration services to fund managers, collective investment schemes and unit trusts such as the Trust.

The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value, the provision of facilities for the certification and registration of Units, the keeping of all relevant records and accounts of the Trust and each Fund as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, assisting the auditor in relation to the audit of the financial statements of the Trust and each Fund and preparing such other reports, policies, accounts and documents as may be agreed with the Manager or the Investment Manager as the case may be from time to time.

#### 5.7. **Distributor**

The Manager has appointed APS Asset Management Pte Ltd as distributor of the Units of each Fund pursuant to a distribution agreement summarised under **Material Contracts** below. The Distributor is a fund management company established in early 1995 having its registered office at 3 Anson Road, #23-01 Springleaf Tower, Singapore 079909. It is licensed under the Securities and Futures Act (Chapter 289) of Singapore to conduct the regulated activity of fund management and is registered with the US Investment Advisers Act 1940 (as amended) as an investment adviser.

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

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

Any cash of any Fund may be deposited (as part of ancillary liquid assets), subject to the provisions of the Central Bank Acts, 1942 to 1998, of Ireland, as amended by the Central Bank and Financial Services Regulatory Authority of Ireland Act 2003 to 2004. with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

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

- (1) a certified valuation of such transaction by a person approved by the Trustee (or in the case of any such transaction entered into by the Trustee, the Manager) as independent and competent has been obtained; or
- (2) such transaction has been executed on best terms reasonably obtainable on an organised investment exchange under its rules; or
- (3) where (1) and (2) are not practicable, such transaction has been executed on terms which the Trustee (or in the case of any such transaction entered into by the Trustee, the Manager) is satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length.

The Investment Manager may also in the course of its business have potential conflicts of interest with the Trust in circumstances other than those referred to above. The Investment Manager will, however, have regard in such event to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Trust so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will ensure that such conflicts are resolved fairly as between the Trust, the Funds and other clients. The Investment Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the Trust and its other clients. In the event that a conflict of interest does arise the directors of the Investment Manager will endeavour to ensure that such conflicts are resolved fairly.

#### 5.9. **Soft Commissions**

The Investment Manager shall be entitled to receive or enter into soft-dollar commissions/arrangements in respect of the Funds. The Investment Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Investment Manager may receive include specific advice as to the advisability of dealing in, or as to the value of, any investments, research and advisory services, economic and political analyses, portfolio analysis, market analysis, data and quotation services, computer hardware and software used to support the investment process.

Soft-dollar commissions/arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Investment Manager will not accept or enter into soft-dollar commissions/arrangements unless (a) such soft-dollar commissions/arrangements would, in the opinion of the Investment Manager, assist the Investment Manager in its management of the relevant Fund, (b) the Investment Manager shall ensure at all times that transactions are executed on a best execution basis taking into account the relevant market at the time for transactions of the kind and size concerned, and (c) no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Details of any such soft-dollar commissions/arrangements will be disclosed in the periodic reports of the relevant Fund.

## **6. UNIT DEALINGS**

### **6.1. Subscription for Units**

#### **6.1.1. Purchases of Units**

Issues of Units will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days and Dealing Deadlines relating to each Fund are specified in the relevant Supplement.

Applications for the issue of Units should be submitted in writing to the Administrator or sent by facsimile (with the original to follow as soon as practicable). The subsequent applications from the same investor may be sent by facsimile to the Administrator. Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Manager or delegate otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day for the relevant Fund as set out in the relevant Supplement, be deemed to have been received by the next Dealing Deadline. Applications will be irrevocable unless the Directors or a delegate otherwise agree.

The Minimum Initial Subscription for Units of each Fund that may be subscribed for by each investor on initial application is set out in the Supplement for the relevant Fund. Thereafter, existing Unitholders may make subscriptions for additional Units of that Fund in the Minimum Additional Investment Amounts.

Fractions of not less than 0.01 of a Unit may be issued. Subscription moneys representing smaller fractions of Units will not be returned to the applicant but will be retained as part of the assets of the relevant Fund.

The Application Form contains certain conditions regarding the application procedure for Units in each Fund and certain indemnities in favour of the Trust, the Manager, the Administrator, the Trustee and the other Unitholders for any loss suffered by them as a result of certain applicants acquiring or holding Units.

If an application is rejected, the Administrator at the risk of the applicant will return application monies or the balance thereof by electronic transfer to the account from which it was paid within 10 days of the date of the application, at the cost and risk of the applicant and no interest or other compensation will be payable in respect of such returned monies.

#### *Eligible Investors*

The Units are offered only to (1) Non-U.S. Persons, (2) U.S. Persons, who are (i) "accredited investors" as defined in SEC Regulation D promulgated under the Securities Act, and (ii) "qualified purchasers" as defined in the Investment Company Act or "knowledgeable

employees" with respect to a Fund within the meaning of Rule 3c-5 promulgated under the Investment Company Act, and (3) such other persons (including U.S. Persons who are taxpayers) as may be permitted by the Directors.

The following persons are not considered to be "U.S. Persons" (**Non-U.S. Persons**): (i) a natural person who is not a resident of the United States; (ii) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction; (iii) an estate or trust, the income of which is not subject to U.S. federal income tax regardless of source, provided that no executor or administrator of such an estate or trustee of such a trust, as the case may be, is a "U.S. Person;" (iv) an entity, organised under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction, organised principally for passive investment such as a pool, investment company or other similar entity, provided that: (a) units of participation in the entity held by persons who do not qualify as non-"U.S. Persons" or otherwise as "qualified eligible persons" under CFTC rules represent in the aggregate less than 10 per cent. of the beneficial interest in the entity; (b) such entity was not formed principally for the purpose of facilitating investment by "U.S. Persons" in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-"U.S. Persons;" and (c) such entity was not formed by a "U.S. Person" principally for the purpose of investing in securities not registered under the Securities Act (unless it was organised or incorporated and is owned exclusively by "accredited investors," as defined in SEC rules, who are not natural persons, estates or trusts); and (v) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States, provided that such plan is established and administered in accordance with the laws of a country other than the United States and customary practices and documentation of such country.

Units will not be issued to any person whose acquisition or holding of Units would cause the Trust or a Fund, or the Unitholders as a whole, to suffer any tax, fiscal, legal, regulatory, pecuniary or material administrative disadvantage which it or they would not otherwise have suffered.

Without limiting the generality of the foregoing, the Trust intends to reject subscriptions from, and prohibit transfers of Units to, any investor, if, immediately thereafter, the interests of benefit plan investors would equal or exceed 25 per cent. of the total value of equity interests of a Fund so as to avoid the underlying assets of such Fund being deemed "plan assets" for the purposes of ERISA or Section 4975 of the Code. If the underlying assets of a Fund were regarded as "plan assets" of a benefit plan investor, the Investment Manager would be a "fiduciary" (as defined in ERISA) with respect to such a benefit plan investor and would be subject to the duties and liabilities imposed on fiduciaries by ERISA. Moreover, such Fund would be subject to various other requirements of ERISA and Section 4975 of the Code. Without limiting the ability of the Trust to compel the repurchase of some or all of a Unitholder's Units, the Trust may require the compulsory repurchase of Units to ensure that the interests of benefit plan investors do not equal 25 per cent. or more of the value of equity interests of a Fund. The Trust reserves the right, however, to waive, in the Directors' sole and absolute discretion, the 25 per cent. limitation with respect to any Fund and thereafter to comply with ERISA.

#### 6.1.2. **Issue Price**

During the Initial Offer Period for each Fund, the Initial Issue Price for Units in the relevant Fund shall be the amount set out in the relevant Supplement.

The issue price at which Units of any Fund will be issued on a Dealing Day after the Initial Offer Period is calculated by ascertaining the Net Asset Value per Unit of the relevant class on the relevant Dealing Day.

The Administrator may, in calculating the issue price, include in the issue price in respect of each Fund, for its own account, a charge sufficient to cover stamp duties and taxation (if any) in respect of the issue of Units or certificates and delivery and insurance costs in respect of certificates.

A Preliminary Charge of up to 5 per cent of the issue price may be charged by a Fund for payment to the Manager on the issue of Units, out of which the Manager may, for example, pay commission to financial intermediaries and Distributor's fees and expenses, but it is the intention of the Directors that such charge (if any) should not, until further notice, exceed such amount as is set out in the Supplement for the relevant Fund. The Manager may waive the preliminary charge in whole or in part.

#### **6.1.3. Payment for Units**

Payment in respect of the issue of Units must be made by the relevant Settlement Date by electronic transfer in cleared funds in the Base Currency of the relevant Fund.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, all or part of any allotment of Units made in respect of such application may, at the discretion of the Administrator, be cancelled, or, alternatively, the Manager or delegate may treat the application as an application for such number of Units as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds. In such cases the Manager may charge the applicant for any resulting loss incurred by the relevant Fund.

#### **6.1.4. In Specie Issues**

The Directors may in their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Unitholder, allot Units in any Fund against the vesting in the Trustee on behalf of the Fund of investments which would form part of the assets of the relevant Fund. The number of Units to be issued in this way shall be the number which would on the day the investments are vested in the Trustee on behalf of the Fund have been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be on such basis as the Directors may decide, but such value cannot exceed the highest amount at which they would be valued by applying the valuation methods described below under the heading **Calculation of Net Asset Value/ Valuation of Assets**.

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

Measures provided for in the Criminal Justice Act (Money Laundering and Terrorist Financing) Act 2010 which are aimed towards the prevention of money laundering, require detailed verification of each applicant's identity; for example an individual may be required to produce a copy of his passport or identification card together with two items of evidence of his address such as a utility bill or bank statement and his date of birth. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent) and the names, occupations, dates of birth and residential and business address of the directors of the company.

The Distributor and the Administrator reserve the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Manager or delegate may refuse to accept the application and return all subscription monies. If an application is rejected, the Administrator will return application monies or the balance thereof by electronic transfer to the account from which it was paid at the cost and risk of the applicant.



Depending on the circumstances of each application, a detailed verification may not be required where: (a) the applicant makes payment from an account held in the applicant's name at a recognised financial institution, or (b) the application is made through a recognised intermediary, or (c) investment is made by a recognised intermediary or financial institution. These exceptions will only apply if the financial institution or intermediary referred to above is located in a country, which has equivalent anti money laundering legislation to that in place in Ireland.

#### 6.1.6. **Limitations on Purchases**

Units may not be issued or sold by the Distributor during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under **Suspension of Calculation of Net Asset Value** below. Applicants for Units 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.

Units may not be directly or indirectly offered or sold in the United States or purchased or held by or for U.S. Persons except in a transaction which does not violate United States securities laws.

### 6.2. **Repurchase of Units**

#### 6.2.1. **Repurchase of Units**

Requests for the repurchase of Units should be made to the Administrator in writing or by facsimile (with the original to follow as soon as practicable) and must quote the relevant account number, the relevant Fund(s) and class of Unit, and be signed by or on behalf of the Unitholder before payment of repurchase proceeds can be made. Requests received on or prior to the relevant Dealing Deadline will, subject as mentioned in this section and in the relevant Supplement, normally be dealt with on the relevant Dealing Day. Repurchase requests received after the Dealing Deadline shall, unless the Manager or delegate shall otherwise agree and provided they are received before the relevant Valuation Point, be treated as having been received by the following Dealing Deadline.

A repurchase request will not be capable of withdrawal after acceptance by the Administrator unless otherwise determined by the Directors provided that the Directors may charge the Unitholder that withdrew the redemption request for any charges or losses incurred due to the withdrawal of the redemption request including the cost of purchasing any investments sold by the relevant Fund in order to raise money in respect of the redemption request. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Trustee, agree to designate additional Dealing Days and Valuation Points for the repurchase of Units relating to any Fund which will be open to all Unitholders of the relevant Fund.

The Manager or delegate may decline to effect a repurchase request which would have the effect of reducing the value of any holding of Units relating to any Fund below the Minimum Unitholding for that class of Units of that Fund. Any repurchase request having such an effect may be treated by the Administrator as a request to repurchase the Unitholder's entire holding of that class of Units.

The Administrator will not accept repurchase requests, which are incomplete, until all the necessary information is obtained.

#### 6.2.2. **Repurchase Price**

The price at which Units will be repurchased on a Dealing Day is also calculated by ascertaining the Net Asset Value per Unit of the relevant class on the relevant Dealing Day.

The method of establishing the Net Asset Value of any Fund and the Net Asset Value per Unit of any class of Units in a Fund is set out in the Trust Deed as described herein under the heading **Calculation of Net Asset Value/Valuation of Assets** below.

A Repurchase Charge of up to 3 per cent of the repurchase price may be charged by a Fund for payment to the Manager or as it directs on the repurchase of Units but it is the intention of the Directors that such charge (if any) should not, until further notice, exceed such amount as is set out in the Supplement for the relevant Fund. The Manager may waive the Repurchase Charge in whole or in part.

When a repurchase request has been submitted by an investor who is or is deemed to be a Taxable Irish Person or is acting on behalf of a Taxable Irish Person, the Manager shall deduct from the repurchase proceeds an amount which is equal to the tax payable by the Fund to the Irish Revenue Commissioners in respect of the relevant transaction.

In addition, the Investment Manager may, in calculating the repurchase price, deduct such sum as is considered fair, in respect of repurchase requests which will necessitate a Fund realising investments at a discount in order to realise assets to provide monies to meet such repurchase requests or, in the event that a Fund borrows funds, to meet the costs of such borrowing.

#### 6.2.3. **Payment of Repurchase Proceeds**

The amount due on repurchase of Units will be paid by electronic transfer to an account nominated by the Unitholder in the Base Currency of the relevant Fund (or in such other currency as the Directors shall determine) by the Settlement Date. Payment of repurchase proceeds will be made to the registered Unitholder or in favour of the joint registered Unitholders as appropriate.

#### 6.2.4. **Limitations on Repurchases**

The Manager may not repurchase Units of any Fund during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under **Suspension of Calculation of Net Asset Value** below. Applicants for repurchases of Units 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.

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

The Directors are entitled to limit the number of Units of any Fund repurchased on any Dealing Day to Units representing 50 per cent of the total Net Asset Value of that Fund on that Dealing Day or such other amount as they may in their absolute discretion determine, provided however, such other amount is not less than 10% of the total Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply *pro rata* so that all Unitholders wishing to have Units of that Fund repurchased on that Dealing Day realise the same proportion of such Units. Units not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day and will be dealt with in priority (on a rateable basis) to repurchase requests received subsequently. If requests for repurchase are so carried forward, the Administrator will inform the Unitholders affected.

The Trust Deed contains special provisions where a repurchase request received from a Unitholder would result in Units representing more than five per cent of the Net Asset Value

of any Fund being repurchased by that Fund on any Dealing Day. In such a case, the Fund may satisfy the repurchase request by a distribution of investments of the relevant Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Unitholders of that Fund. Where the Unitholder requesting such repurchase receives notice of the Fund's intention to elect to satisfy the repurchase request by such a distribution of assets that Unitholder may require the Fund instead of transferring those assets to arrange for their sale and the payment of the proceeds of sale to that Unitholder less any costs incurred in connection with such sale.

#### 6.2.5. **Mandatory Repurchases**

The Manager may compulsorily repurchase all of the Units of each Fund if the aggregate Net Asset Value of the Trust is less than US\$10 million or such other amount as may be determined by the Manager.

The Manager may compulsorily repurchase all of the Units of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Fund Size specified in the Supplement for the relevant Fund.

The Manager reserves the right to repurchase any Units which are or become owned, directly or indirectly, by a U.S. Person (unless pursuant to an exemption under U.S. securities laws) or if the holding of the Units by any person is unlawful or might result in the relevant Fund incurring any liability to taxation or suffering any other legal or material administrative disadvantages which the relevant Fund might not otherwise have incurred, suffered or breached or is otherwise prohibited by the Trust Deed.

The Trust Deed permits the Manager where necessary to repurchase and cancel Units held by a person who is or is deemed to be a Taxable Irish Person or is acting on behalf of a Taxable Irish Person on the occurrence of a chargeable event for taxation purposes and to pay the proceeds thereof to the Irish Revenue Commissioners

#### 6.2.6. **Exchange of Units**

Unitholders will be able to apply to exchange on any Dealing Day all or part of their holding of Units of any class in any Fund (the **Original Class**) for Units in another class in another Fund which are being offered at that time (the **New Class**) provided that all the criteria for applying for Units 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. The Administrator agrees 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 repurchase of Units 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 Units as an initial investment in a Fund, Unitholders should ensure that the value of the Units exchanged is equal to or exceeds the Minimum Initial Subscription 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 Holding for the Original Class.

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

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

SP

where:

- R** = the number of Units of the Original Class to be exchanged;
- S** = the number of Units of the New Class to be issued;
- RP** = the repurchase price per Unit of the Original Class as at the Valuation Point for the relevant Dealing Day;
- ER** = in the case of an exchange of Units 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 Units after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- SP** = the issue price per Unit 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 Units.

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

The Manager may allow up to 5 free switches between Funds in the Trust. Thereafter there may be a charge of US\$100 for each additional switch between Funds. The Manager may waive the Exchange Charge in whole or in part.

#### 6.2.7. **Limitations on Exchanges**

Units may not be exchanged for Units of a different class 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** below. Applicants for exchange of Units will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

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

The Net Asset Value of a Fund shall be calculated by the Manager as at the Valuation Point for each Dealing Day of the relevant Fund by valuing the assets of the Fund and deducting therefrom the liabilities of the Fund.

The price at which Units of any class in a Fund will be issued on a Dealing Day, after the initial issue, 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 Units. The Net Asset Value per Unit of the relevant class is calculated by determining that proportion of the Net Asset Value of the relevant Fund which is attributable to the relevant class at the Valuation Point, and adding thereto such sum (if any) as the Administrator may consider represents the appropriate provision for duties and charges and by dividing this sum by the total number of Units of the relevant class in issue at the relevant Valuation Point. The Net Asset Value per Unit is the resulting sum rounded to the nearest two decimal places. The Valuation Point for each Fund is set out in the Supplement for the relevant Fund.

The price at which Units will be redeemed on a Dealing Day is determined by ascertaining the Net Asset Value per Unit of the relevant class. The Net Asset value per Unit of the relevant class is calculated by determining that proportion of the Net Asset Value of the relevant Fund which is attributable to the relevant class as at the Valuation Point and

deducting therefrom such sum (if any) as the Administrator may consider represents the appropriate provision for duties and charges and by dividing this sum by the total number of Units of the relevant class in issue at the relevant Valuation Point. The Net Asset Value per Unit is the resulting sum rounded to the nearest two decimal places.

In addition, the Directors may, in calculating the redemption price, deduct such sum as they consider fair, in respect of redemption or exchange requests which will necessitate the relevant Fund realising investments at a discount in order to realise assets to provide monies to meet such redemption or exchange requests or, in the event that the relevant Fund borrows funds to meet any such redemption or exchange request, a sum to meet the cost of such borrowing.

The Trust Deed provides for the method of valuation of the assets and liabilities of each Fund. In particular, the Trust Deed provides that the value of any investment which is quoted, listed or normally dealt in on a Market shall be the latest available market price at the Valuation Point for the Dealing Day (or if no trading shall take place in that Market on that Business Day on the last day on which trading in that Market took place before that Business Day). Where such security is quoted, listed or dealt in on more than one Market, the Manager may in its absolute discretion select the Market which, in its opinion, provides the main Market for such investment.

The value of any investment which is not quoted, listed or dealt in on a Market shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Manager and approved for the purpose by the Trustee.

The value of any forward exchange contract will be calculated by reference to the price at which a new forward exchange contract of the same size and maturity could be undertaken.

The value of any cash in hand or on deposit, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be valued at their face value thereof unless in any case the Manager is of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Manager may consider appropriate in such case to reflect the true value thereof.

The value of any demand notes, promissory notes and accounts receivable shall be deemed to be the face value or full amount thereof after making such discount as the Manager may consider appropriate to reflect the true current value thereof such discount to be approved by the Trustee.

Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments of a maturity of 6 months or less shall each be valued on a **straight line** basis by which the difference between their gross costs and their value at maturity (including interest accrued at maturity) is divided by the number of days from acquisition to maturity and the appropriate sum is added daily. Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments with a maturity of greater than six months that are unlisted shall each be valued in accordance with the valuation provisions applying to unlisted securities and those that are listed shall each be valued in accordance with the valuation provisions applying to listed securities.

Units or shares in any collective investment scheme which provides for the units or shares therein to be redeemed at the option of the holder out of the assets of that undertaken shall be valued at the last published net asset value per unit or share or (if bid and offer prices are published) the last published bid price.

The value of any futures contracts, share price index futures contracts and options which are dealt in on a Market shall be the settlement price as determined by the Market in question,

provided that where it is not the practice for the relevant Market to quote a settlement price or such settlement price is not available for any reason, such value shall be the probable realisation value, estimated in care and in good faith calculated by a competent person appointed by the Manager and approved for such purpose by the Trustee.

The value of any off-exchange 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 verified at least weekly (or at any other frequency deemed appropriate by the Manager) by a party independent of the counterparty who has been approved for such purpose by the Trustee.

A specific asset may be valued under an alternative method of valuation if the Manager deems it necessary, this alternative method of Valuation must have been approved by the Trustee.

Notwithstanding the foregoing the Manager may, with the consent of the Trustee adjust the value of any investment if, having regard to currency, applicable rate of interest, maturity, marketability and such other considerations as the Manager may deem relevant, the Manager considers that such adjustment is required to reflect more fairly the value of such investment.

Notwithstanding the foregoing, where at the time of any valuation any asset of a Fund has been realised or contracted to be realised there shall be included in the assets of the Fund in place of such asset the net amount receivable by the Fund in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Manager as receivable by the Fund provided that if the net amount receivable is not payable until some future time after the time of any valuation the Manager shall make such allowance as they consider appropriate to reflect the true current value thereof.

#### **6.2.9. 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 the issue, repurchase and exchange of Units and the payment of repurchase proceeds during:

- (1) any period when any of the principal Markets on which a substantial portion of the investments of the relevant Fund from time to time are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (2) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Unitholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot be fairly calculated; or
- (3) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the relevant Fund or when for any other reason the current prices on any Market of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or
- (4) any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or

- (5) any period when the Directors are unable to repatriate funds required for the purpose of making payments due on the repurchase of Units in the relevant Fund; or
- (6) any period when the Directors consider it to be in the best interest of the relevant Fund.

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

Unitholders who have requested issue or repurchases of Units of any class or exchanges of Units of one class to another will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified on the same Business Day to the Central Bank and to the Irish Stock Exchange and will be communicated without delay to the competent authorities in any Member State in which the Units are marketed.

#### **6.2.10. Form of Units, Unit Certificates and Transfer of Units**

Units will be issued non-certified in registered form and evidenced by entry on the Register of Unitholders. Unit certificates will not be issued. Confirmation of ownership will normally be issued within three Business Days of the relevant Dealing Day.

Units in each Fund will be transferable by instrument in writing in common form or in any other form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. Transferees will be required to complete an Application Form and provide any other documentation reasonably required by the Manager or the Administrator. In the case of the death of one of joint Unitholders, the survivor or survivors will be the only person or persons recognised by the Trust as having any title to or interest in the Units registered in the names of such joint Unitholders.

Units may not be transferred to:

- (1) a United States Person (except pursuant to an exemption available under U.S. securities laws);
- (2) any individual under the age of 18;
- (3) any person or persons in circumstances, which in the opinion of the Directors, might result in the relevant Fund incurring any liability to taxation or suffering any other pecuniary legal or material administrative disadvantages which the relevant Fund might not otherwise have incurred or suffered;
- (4) any person who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold Units.

Registration of any transfer may also be refused by the Directors if, following the transfer, either the transferor would hold Units having a value less than the Minimum Holding for that class of Units specified in the Supplement for the relevant Fund or the transferee would have a holding of Units having a value less than the Minimum Holding or Minimum Initial Subscription for the relevant class of Units specified in the Supplement for the relevant Fund. The Directors may also refuse to register any transfer to or by a minor or person of unsound mind.

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

#### 6.2.11. Notification of Prices

The Net Asset Value per Unit of each class of Units in each Fund will be available from the Administrator, will be notified without delay to the Irish Stock Exchange following calculation and will be published on each Business Day of the relevant Fund on [www.aps.com.sg](http://www.aps.com.sg).

### 7. FEES AND EXPENSES

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

The Trustee will pay out of the assets of each Fund the fees and expenses payable to the Manager, the fees of the Investment Manager and the fees and expenses of sub-custodians which will be at normal commercial rates. The Manager is responsible for the payment out of its own fees for the fees and expenses of the Trustee, the Administrator and the Distributor.

The Trustee will also pay out of the assets of each Fund any fees in respect of circulating details of the Net Asset Value, stamp duties, taxes (including VAT), company secretarial fees, any costs incurred in respect of meetings of Unitholders, marketing and distribution costs, investment transaction charges, costs incurred in respect of the distribution of income to Unitholders, the fees and expenses of any paying agent or representative appointed in compliance with the requirements of another jurisdiction, any amount payable under indemnity provisions contained in the Trust Deed or any agreement with any appointee of the Trust, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax and legal advisers and registering the Trust and any Fund for sale in other jurisdictions. The costs of printing and distributing this Prospectus, reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) plus all other expenses incurred in connection with the Trust's operation and management will also be paid out of the assets of each Fund.

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 Trustee to be attributable to any one Fund, the expense will be allocated by the Trustee with the approval of the Manager in such manner and on such basis as the Trustee in its discretion deems 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 Directors are not entitled to any fees or expenses for their services as directors.

As at 31 May 2014, approximately US\$129,616 remained outstanding in relation to the cost of establishing the Trust, obtaining authorisation from any authority, listing the Units on the Irish Stock Exchange, filing fees, the preparation and printing of the Prospectus and the fees of all professionals relating to it which is being borne by the Trust and is being amortised over a period of five years from the date of establishment of the Trust. If for any reason the life of the Trust is shortened, the expenses specified herein will be amortised over the shortened duration, and any balance will be recouped from the last year of the Funds. The cost of establishing subsequent Funds will be charged to the relevant Fund.



## **8. TAXATION**

### **8.1. General**

The following statements on taxation are based on advice received by the Manager regarding the law and practice in force in the relevant jurisdiction at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Trust is made will endure indefinitely as the bases for, and rates of, taxation can fluctuate.

Prospective Unitholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and realisation of, Units in the places of their citizenship, residence and domicile.

### **8.2. Irish Taxation**

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

##### *The Trust*

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

A chargeable event occurs on:

- (1) a payment of any kind to a Unitholder by the Trust;
- (2) a transfer of Units; and
- (3) on the eighth anniversary of a Unitholder acquiring Units and every subsequent eighth anniversary.

but does not include any transaction in relation to Units 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, certain transfers between spouses or former spouses, an exchange by a Unitholder effected by way of an arm's length bargain of Units in the Fund for other Units in the Fund.

If a Unitholder is not a Taxable Irish Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Unitholder provided that a relevant declaration is in place and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is not or is no longer materially correct. In the absence of a relevant declaration an investor is an Irish Taxable Person.

Where tax is payable on a chargeable event, subject to the comments below it is a liability of the relevant Fund 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 Units from the relevant Unitholders.

Where less than 10% of the net asset value of Units in a Fund is held by an Irish Taxable Person the Fund may elect not to account for the tax on a deemed disposal of Units in a Fund and will advise the Irish Revenue Commissioners of this election. Unitholders who are Irish Taxable Persons will therefore be required to return any gain and account for appropriate tax on the deemed disposal directly to the Irish Revenue Commissioners. The Administrator will inform Unitholders if the Fund makes such an election.

To the extent that any tax arises on an eight year chargeable rolling event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of

the relevant Units. Any excess payment of appropriate tax arising on the redemption of Units as a result of tax paid on an earlier eight year chargeable rolling event is refundable. Where less than 15% of the net asset value of Units in a Fund is held by Irish Taxable Persons, the Fund may elect not to seek repayment on behalf of Unitholders of any overpaid tax and as such Unitholders must seek repayment of any overpaid tax directly from the Irish Revenue Commissioners. The Administrator will inform Unitholders whether the Fund has made such an election and provide Unitholders with the necessary information to enable them to seek repayment of any overpaid tax directly from the Irish Revenue Commissioners.

In the absence of the appropriate relevant declaration having been received by the Fund that a Unitholder is not an Irish Taxable Person or if the Fund 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 relevant Fund will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Unitholder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution, tax will be deducted at the current rate of 41% or at the rate of 25% where the Unitholder is a company on the amount of the distribution.

Where the chargeable event occurs on any other payment to a Unitholder, not being a company, or on a transfer of Units and on the eight year rolling chargeable event, tax will be deducted at the current rate of 41% on the increase in value of the Units since their acquisition. Tax will be deducted at the rate of 25% on such transfers where the Unitholder is a company. These rates may increase or decrease as a result of changes in the Irish taxation regime that may be introduced from time to time.

Where a Unitholder holds Units in a nominee capacity, a relevant declaration is required from the Unitholder that, to the best of its knowledge and belief, the beneficial owner is neither resident nor ordinarily resident in Ireland if a tax liability is not to arise on a chargeable event.

An anti-avoidance provision in the case of certain investments in investment undertakings (such as the Trust). A personal portfolio investment undertaking (PPIU) is defined as an investment undertaking where a unitholder or certain persons connected have the right of selection of certain categories of property in which the investment undertaking invests. If the investment undertaking is regarded as a PPIU then any payment to such a Unitholder will be taxed at 53%. It is a matter of fact whether or not the Unitholder or a connected person has a right of selection as envisaged in the anti-avoidance measures. Further penalties of tax can apply where tax returns in relation to investment returns from a PPIU are incorrectly made by a unitholder.

Dividends received by the Fund from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax. However, the Fund can make a declaration to the payer that it is an investment undertaking within the meaning of Section 739B of the TCA beneficially entitled to the dividends, which will entitle the Fund to receive such dividends without deduction of Irish dividend withholding tax.

### *Unitholders*

Unitholders who are neither resident nor ordinarily resident in Ireland and in respect of whom the relevant declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Fund to the effect that the requirement to have been provided with such declaration from that Unitholder or class of unitholders to which the Unitholder belongs is deemed to have been complied with) will not be subject to Irish tax on any distributions from the Trust or any Fund on any gain arising on a redemption or transfer of their Units provided the Units are not held through a branch or agency in Ireland and the Units, if unlisted, do not derive the greater part of their value from Irish land or mineral rights. No tax will be deducted from any payments made by the Trust or any Fund to Unitholders who are not Irish Taxable Persons.

Unitholders who are Irish resident or ordinarily resident or who hold their Units 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 Units. In particular where the Fund has elected not to deduct tax at the occasion of the eight year rolling chargeable event a Unitholder will have an obligation to file a self-assessment tax return and pay the appropriate amount of tax to the 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 corporate Unitholders within the charge to Irish corporation tax. A refund will also be permitted if the appropriate tax has been correctly returned by the Fund and within one year of making of the return the Fund can prove to the satisfaction of the Revenue Commissioners that it is just and reasonable for such tax which has been paid to be repaid to the Fund or where a claim is made for a refund of Irish tax under certain relieving provisions relating to incapacitated persons.

#### *Stamp duty*

Generally, no Irish stamp duty will be payable on the subscription, transfer or redemption of Units provided that no application for Units or re-purchase, redemption or transfer of Units 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 Units provided that :-

- (1) 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 Units is neither domiciled nor ordinarily resident in Ireland; and
- (2) the Units 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 the Trust or a Fund from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Trust or a Fund 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 the Trust or a Fund, the Net Asset Value or the relevant Fund will not be restated and the benefit will be allocated to the existing Unitholders at the time of repayment.

#### **EU Savings Tax Directive**

On 3 June, 2003 the Council of the European Union (**ECOFIN**) adopted a directive regarding the taxation of interest income. Each EU Member State must implement the directive by enacting legislation that requires paying agents (within the meaning of the directive) established within its territory to provide to the relevant competent authority details of interest payments (which includes certain payments made by collective investment undertakings such as the Fund) made to any individual and certain intermediate entities resident in another EU Member State or a territory being a dependent or associated territory of an EU Member State (**Relevant Territory**). The competent authority of the EU Member State of the paying agent (within the meaning of the directive) is then required to communicate this information to the competent authority of the Relevant Territory of which the beneficial owner of the interest is a resident.

Austria and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive for a transitional period. The Luxembourg government has announced its intention to elect

out of the withholding system in favour of an automatic exchange of information with effect from 1 January 2015.

Ireland has implemented the directive into national law. Any Irish paying agent making an interest payment on behalf of the Fund to an individual, and certain residual entities defined in the TCA, resident in another Relevant Territory may have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the Relevant Territory of residence of the individual or residual entity concerned.

Broadly speaking, for income distributions, it is only if the fund has invested more than 15% of its assets directly or indirectly in interest bearing securities and for capital distributions it is only if the fund has invested more than 40% of its assets directly or indirectly in interest bearing securities, that payments received from the Fund would be subject to reporting obligations.

## **Certain Tax Definitions**

### **Residence - Company**

A company which has its central management and control in the Republic of Ireland (the State) is resident in the State irrespective of where it is incorporated. A company which does not have its central management and control in the Republic of Ireland but which is incorporated in the State is resident in the State except where:-

1. the company or a related company carries on a trade in the State, and either the company is ultimately controlled by persons resident in EU Member States or, resident in countries with which the Republic of Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a tax treaty country

or

2. the company is regarded as not resident in the State under a double taxation treaty between the Republic of Ireland and another country.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions which are contained in section 23A of the TCA.

### **Residence - Individual**

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

1. Spends 183 or more days in the State in that tax year;

Or

2. has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

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

### **Ordinary Residence - Individual**

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

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

An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2011 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2014.

### **Intermediary**

this means a person who:-

- (1) 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
- (2) holds units in an investment undertaking on behalf of other persons.

## **8.3. Certain United States Federal Income Tax Considerations**

The following is a summary of certain aspects of the U.S. federal income taxation of the Trust and the Unitholders that should be considered by a prospective investor. This summary is based on the U.S. federal income tax laws, regulations, administrative rulings and judicial decisions in effect or available on the date of this Prospectus. No assurance can be given that administrative, judicial or legislative changes will not occur that would make the statements herein incorrect or incomplete. This summary does not discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the U.S. federal income tax laws. In addition, this summary does not address the U.S. federal income tax considerations applicable to an investment in the Trust by persons other than non-resident alien individuals, foreign corporations and United States persons. Each prospective investor should consult its own tax advisors regarding the U.S. federal income tax consequences of an investment in the Trust.

### **The Trust**

The Trust will be classified as a corporation for U.S. federal income tax purposes. Except as described below, the Trust generally will not be subject to taxation by the United States on income or gain realised by the Trust from its investment activities, provided that the Trust does not engage or is not deemed to be engaged in a U.S. trade or business to which such income or gain is treated as effectively connected. The Trust should not be considered to be engaged in a U.S. trade or business for the foregoing purposes, so long as (i) the U.S. business activities of the Trust consist solely of investing or trading in stocks, securities, commodities and derivatives for its own account; (ii) the Trust is not considered to be a dealer in stocks, securities or commodities and does not regularly offer to enter into, assume, offset, assign or otherwise terminate positions in derivatives with customers; (iii) any commodities traded by the Trust are of a kind customarily dealt in on an organised commodity exchange and involve transactions of a kind customarily consummated at such place; and (iv) any entity in which the Trust invests that is classified as a partnership or disregarded entity for U.S. federal income tax purposes is not engaged in, or deemed to be engaged in, a U.S. trade or business. The Trust intends to conduct its business in a manner that satisfies the requirements of the foregoing rule.

In the event the Trust were engaged in a U.S. trade or business, the Trust (but not any Unitholder not otherwise required to do so) would be required to file a U.S. federal income tax return for such year and pay tax at full U.S. corporate income tax rates and an additional 30 per cent. branch profits tax would be imposed.

Even assuming the Trust is not engaged in a U.S. trade or business, the Trust will be subject to a 30 per cent. U.S. withholding tax (or lower rate specified in an applicable tax treaty) on any U.S. source interest income which falls outside the "portfolio interest" exception or other available exemption to withholding tax (although such interest income is expected to be minimal), any U.S. source dividend

income or dividend equivalent payments, and any other U.S. source fixed or determinable annual or periodic gains, profits or income.

Specifically, interest received by the Trust on U.S. bank deposits, certificates of deposit and discount obligations with maturities (from original issue) of 183 days or less is not subject to U.S. federal income or withholding tax. The term "portfolio interest" means interest (other than certain contingent interest, interest received by a person owning, actually or constructively, 10 per cent. or more of the total combined voting power of all classes of stock of the payor, and certain other categories of interest) on an obligation issued after July 18, 1984, which (i) if in bearer form, was issued prior to March 19, 2012 under arrangements reasonably designed to ensure that such obligation will be sold only to non-U.S. Persons, interest on which is payable only outside the United States, and which bears a legend on its face that any U.S. Person who holds such obligation is subject to limitations under U.S. income tax laws; and (ii) if in registered form, the U.S. Person responsible for paying interest has received a statement either from the beneficial owner of such obligation or from certain qualifying agents of the beneficial owner of such obligation that such owner is not a U.S. Person.

### **Non-U.S. Unitholders**

Gains realised by an investor that is not a U.S. Person upon the sale, exchange or complete repurchase of Units held as a capital asset generally should not be subject to U.S. federal income tax, provided that the gain is not effectively connected with the conduct of a trade or business in the United States. However, in the case of a non-resident alien individual, any such gain will be subject to U.S. federal income tax at a rate of 30 per cent. (or a lower rate specified in an applicable tax treaty) if (i) such person is present in the United States for 183 days or more during the taxable year; and (ii) such gain is derived from U.S. sources.

Generally, the source of gain upon the sale, exchange or complete repurchase of Units is determined by the place of residence of the investor. For purposes of determining the source of gain, residency is defined in a manner that may result in an individual who is otherwise a non-resident with respect to the United States being treated as a U.S. resident only for purposes of determining the source of gain. Each prospective non-U.S. investor who anticipates being present in the United States for 183 days or more (in any taxable year) or otherwise has a substantial connection to the United States should consult his or her tax adviser with respect to the possible application of this rule and the possible impact of such presence on such individual's status as a non-resident for U.S. tax purposes generally.

Gains realised by a non-U.S. investor engaged in the conduct of a U.S. trade or business will be subject to U.S. federal income tax upon the sale, exchange or complete repurchase of Units if such gain is effectively connected with its U.S. trade or business.

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

The Trust will be classified as a "passive foreign investment company" (**PFIC**) for U.S. federal income tax purposes. U.S. tax-exempt investors that invest in a PFIC are not deemed to receive "unrelated business taxable income" (**UBTI**) as a result of income or gain attributable to such investment provided that such tax-exempt investors do not use borrowed funds constituting "acquisition indebtedness" (within the meaning of section 514 of the Code) in connection with their purchases of units. Even if a U.S. investor owns, or is deemed to own, 10 per cent. or more of the Units (a "10 per cent. U.S. Unitholder"), and the overall ownership of the Trust by 10 per cent. U.S. Unitholders were sufficient to cause the Trust to be treated under the Code as a "controlled foreign corporation," such U.S. tax-exempt investor should not be deemed to be in receipt of UBTI as a result of owning or disposing of the Units. Therefore, income or gain realised by a U.S. tax-exempt investor with respect to its Units should not be taxable to it so long as the U.S. tax-exempt investor does not use borrowed funds constituting "acquisition indebtedness" in connection with its purchase of Units.

### **U.S. Unitholders.**

#### *Passive Foreign Investment Company Rules*

The Trust will be a PFIC for U.S. federal income tax purposes. In general, if a United States person that is not tax-exempt acquires Units (a **U.S. Investor**) and does not make a timely QEF election as described below, the U.S. Investor will generally be required to report under the PFIC rules any gain on a disposition of its Units as ordinary income rather than capital gain and to compute the tax liability on such gain and certain excess distributions received from the Trust as if the items had been earned ratably over each day in the U.S. Investor's holding period for the Units and will be subject to the highest ordinary income tax rate for each taxable year prior to the year of disposition or receipt of any excess distribution in which the items were treated as having been earned, regardless of the rate otherwise applicable to the U.S. Investor. Such U.S. Investor will also be liable for an additional tax equal to an interest charge on the tax liability attributable to income that is treated as allocated to prior years as if such liability had actually been due in each such prior year. A U.S. Investor will not be entitled to take into account losses of the Trust.

A U.S. Investor may desire to make an election to treat the Trust as a qualified electing fund (**QEF**) with respect to such U.S. Investor in order to avoid the application of the foregoing rules. Generally, a QEF election should be made with the filing of a U.S. Investor's U.S. federal income tax return for the first taxable year for which it holds Units. If a timely QEF election is made, an electing U.S. Investor will be required to include in gross income such U.S. Investor's pro rata share of the Trust's ordinary earnings, and as long-term capital gain such U.S. Investor's pro rata share of the Trust's net capital gain, if any, whether or not distributed, assuming that the Trust does not constitute a "controlled foreign corporation" (**CFC**) with respect to which the U.S. Investor is treated as a "U.S. Shareholder" as discussed further below. Thus, an electing U.S. Investor may recognize income in a taxable year in amounts significantly greater than the distributions received from the Trust in such taxable year. Moreover, a U.S. Investor will not be entitled to take into account losses of the Trust. In general, a U.S. Investor that makes a timely QEF election will recognize gain or loss upon the sale, exchange, redemption or retirement of such Units equal to the difference between the amount realized and such U.S. Investor's adjusted tax basis in the Units. In certain cases in which a QEF does not distribute all of its earnings in a taxable year, U.S. Investors may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income subject to an interest charge on the deferred amount. The Trust will provide, upon request, all information and documentation that a U.S. Investor making a QEF election is required to obtain for U.S. federal income tax purposes (e.g., the U.S. Investor's pro rata share of ordinary income and net capital gain, and a "PFIC Annual Information Statement," as described in Treasury regulations). U.S. Investors should carefully consider whether to make a QEF election with respect to the Trust and the potential adverse consequences of not making such an election.

Generally, if the Trust is both a CFC and a PFIC, each U.S. Investor that is a U.S. Shareholder (as defined below) will be subject to the CFC rules described below and will not be subject to the PFIC rules. Each prospective investor should consult its tax advisor about the possible application of the PFIC and CFC rules to its particular situation.

#### *Controlled Foreign Corporation Rules*

The Trust may be classified as a CFC for U.S. federal income tax purposes. In general, a foreign corporation will be a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, is held, directly or indirectly, by U.S. Unitholders. A "U.S. Shareholder" for this purpose is any U.S. person that owns, actually or constructively, 10% or more of the combined voting power of all classes of shares of a corporation. If more than 50% of the Units (determined with respect to aggregate value or aggregate voting power) are held (actually or constructively) by U.S. Unitholders, the Trust will be treated as a CFC. In such circumstances, any U.S. Investor that is a U.S. Shareholder will be required to include income in respect of the Units under the CFC rules rather than the PFIC rules described above.

If the Trust were a CFC, a U.S. Shareholder of the Trust will be required, subject to certain exceptions, to include in gross income, as ordinary income, at the end of the taxable year of the Trust an amount equal to that person's pro rata share of the subpart F income and certain U.S. source income of the Trust. Among other items, and subject to certain exceptions, subpart F income includes interest, gains from the sale of securities, and income from certain transactions with related parties. It is likely that, if

the Trust were to constitute a CFC, all or substantially all of its income will be subpart F income. Under the CFC rules, a U.S. Shareholder will not be entitled to take into account losses of the Trust.

As a result of the uncertainties regarding the U.S. federal income tax consequences to U.S. Investors owning Units and the complexity of the foregoing rules, each U.S. Investor is urged to consult its own tax advisor regarding the U.S. federal income tax consequences of the U.S. Investor's investment in the Trust.

### **Reporting Requirements for U.S. Unitholders**

**Form 926:** A U.S. Unitholder that transfers cash to the Trust in exchange for Units may be required to file Form 926 (Return by a U.S. Transferor of Property to a Foreign Corporation) with the IRS if (1) immediately after the transfer, such Unitholder holds, directly or indirectly, at least 10% of the total voting power or the total value of the Trust, or (2) the amount of cash transferred by such Unitholder (or its affiliates) during the 12-month period ending on the date of the transfer exceeds \$100,000. Failure to properly file Form 926 under the circumstances described above will result in a penalty equal to 10% of the cash transferred (not to exceed \$100,000 unless such failure is intentional).

**Form 5471:** Any U.S. Unitholder that acquires Units such that the U.S. Unitholder then owns 10% or more of the total value of the Units will be required to file Form 5471 (Information Return of U.S. Persons with Respect to Certain Foreign Corporations) with the IRS. This information return requires certain disclosures concerning the filing Unitholder, other 10% U.S. Unitholders, and the Trust. Failure to file such information with the IRS may subject such U.S. Unitholder to a penalty (generally not to exceed \$60,000).

**PFIC Reporting:** The Fund will be classified as a PFIC. U.S. Unitholders may be required to file Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) annually with the IRS.

**"FBAR" Reporting:** Special reporting obligations generally apply to a U.S. person that has a financial interest in a financial account located outside the United States. For these purposes, any U.S. Unitholder that owns more than 50% of the Units, will generally be treated as having a financial interest in any financial account held by the Trust outside the United States. Such a U.S. Unitholder will generally be required to report its indirect interest in any such financial account to the U.S. Treasury Department on Form TD F 90-22.1 (Report of Foreign Bank and Financial Accounts). Failure to file such form with the U.S. Treasury Department may subject such U.S. Unitholder to a penalty (generally not to exceed \$10,000 for non-wilful violations). U.S. Unitholders are urged to consult their own legal advisors regarding these potential reporting obligations and any other potential reporting obligations that may arise from an investment in the Trust.

**Information with respect to Foreign Financial Assets:** Individuals that own "specified foreign financial assets" with an aggregate value in excess of \$50,000 are generally required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" include any financial accounts maintained by certain foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by U.S. financial institutions: (i) stocks and securities issued by non-US persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in foreign entities. U.S. Unitholders that are individuals are urged to consult their tax advisors regarding the application of these rules to their ownership of the Units.

**Compliance with U.S. Withholding Requirements:** The HIRE Act provides that a 30% withholding tax will be imposed on certain payments of U.S. source income and proceeds from the sale of property that could give rise to U.S. source interest or dividends unless the Trust enters into an agreement with the IRS to disclose the name, address and taxpayer identification number of certain U.S. persons that own, directly or indirectly, an interest in the Trust, as well as certain other information relating to such interest. The IRS has released regulations and other guidance that provide for the phased implementation of the foregoing withholding and reporting requirements. The U.S. Treasury



Department has signed the Model 1 IGA with Ireland. The Model 1 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the Irish government and ultimately to the IRS. The Trust will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax.

The Trust's ability to satisfy its obligations under an agreement with the IRS will depend on each Unitholder providing the Trust with any information, including information concerning the direct or indirect owners of such Unitholder, that the Trust determines is necessary to satisfy such obligations. Each Unitholder agrees to provide such information upon request from the Fund. If the Trust fails to satisfy such obligations or if a Unitholder fails to provide the Trust with the necessary information, payments of U.S. source income and payments of proceeds from the sale of property described in the previous paragraph will generally be subject to a 30% withholding tax. Unitholders are encouraged to consult with their own tax advisors concerning the foregoing matters.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS MEMORANDUM DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE INVESTORS. PROSPECTIVE INVESTORS SHOULD CONSULT LEGAL AND TAX ADVISORS IN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE AND DOMICILE TO DETERMINE THE POSSIBLE TAX OR OTHER CONSEQUENCES OF PURCHASING, HOLDING AND REPURCHASING UNITS UNDER THE LAWS OF THEIR RESPECTIVE JURISDICTIONS.

#### 8.4. **FATCA**

FATCA generally imposes a new reporting regime designed to require certain US persons' direct and indirect ownership of non-US accounts and certain non-US entities to be reported to the US Internal Revenue Service (**IRS**). If there is a failure by the Trust or a Fund to provide required information regarding US ownership or otherwise comply with the requirements of FATCA, a 30% withholding tax would apply with respect to certain US source income and gross proceeds from the sale or other disposition of property that can produce US source interest or dividends.

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the **IGA**). Under the IGA, an entity classified as a Foreign Financial Institution (an **FFI**) that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information on Unitholders. The IGA provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by US persons, and the reciprocal exchange of information regarding US financial accounts held by Irish residents. Although the final implementing Irish legislation has yet to be finalised, the Trust expects to be treated as an FFI and provided it complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be subject to withholding on payments which it makes.

Although the Trust will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Trust will be able to satisfy these obligations. If the Trust becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by all Unitholders may be materially affected.

All prospective Unitholders should consult with their own tax advisors regarding the possible implications of FATCA on an investment in the Trust.

##### *FATCA Implementation in Ireland*

On 21 December 2012, the governments of Ireland and the United States signed the IGA. This agreement will significantly increase the amount of tax information automatically exchanged between Ireland and the United States. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding US financial accounts held by Irish residents. It is likely that the Trust will be subject to these rules.

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of US account-holders and, in exchange, US financial institutions will be required to report to the US Internal Revenue Service in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis. The Irish legislation implementing the IGA has not been finalised and a number of matters remain uncertain.

The Manager (and/or the Administrator or the Investment Manager) shall be entitled to require investors to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which a Fund may have as a result of the IGA or any legislation promulgated in connection with the agreement and investors will be deemed, by their subscription for or holding of Units to have authorised the automatic disclosure of such information by the issuer or any other person to the relevant tax authorities.

There can be no assurance that payments to the Trust in respect of its assets, including on an investment will not be subject to withholding under FATCA. Accordingly a shareholder should consult its own tax advisors as to the potential implication of the US withholding taxes on the Units before investing.

#### 8.5. **Other Jurisdictions**

As Unitholders 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 Unitholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Units in a Fund and any investment returns from those Units. It is the Director's intention to manage the affairs of the Trust and each Fund so that it does not become resident outside of Ireland for tax purposes.

### 9. **GENERAL INFORMATION**

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

Each Fund's year end is 31 December in each year. Audited accounts prepared in accordance with Irish generally accepted accounting principles and will be made available in English. A report in relation to each Fund will be sent to Unitholders within four months after the conclusion of each Accounting Period. The Manager will also send unaudited semi-annual reports to Unitholders within two months after the end of the six-month period ending on 30 June in each year. Such accounts and reports will contain a statement of the value of the net assets of each Fund and of the investments comprised therein as at the year end or the end of such six-month period and such other information as is required by the Regulations. The annual and semi-annual reports will be sent to the Companies Announcements Office of the Irish Stock Exchange within six months and four months respectively of the end of the relevant accounting periods.

#### 9.2. **The Assets of the Trust**

**APS Growth Fund** was established as an exempted fund incorporated with limited liability in the Cayman Islands with two sub-funds namely APS Far East Growth Fund and APS Japan Growth Fund (together the **Cayman Fund**) on 27 June 2000. In February 2002, the Investment Manager (who was the investment manager of the Cayman Fund) decided to transfer the assets of each of the sub-funds of the Cayman Fund to the corresponding Fund of the Trust. On 6 February, 2002, the Trust was established and this transfer from the Cayman Fund was made during the Initial Offer Period of each Fund in cash and in specie. The Cayman Fund and each of its sub-funds were subsequently terminated with effect from 7 February 2002.

#### 9.3. **Allocation of Assets and Liabilities**

The Trust Deed requires the Trustee to establish separate Funds which constitute separate trusts in the following manner:

- 9.3.1. The proceeds from the issue of each class of Units (excluding the Preliminary Charge) shall be applied in the records and accounts of the relevant Fund and the assets and liabilities and income and expenditure attributable to each Fund thereto shall be applied to such Fund;
- 9.3.2. Where any asset is derived from any other asset (whether cash or otherwise), the derived asset shall be applied in the records and accounts of the same Fund as the asset from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
- 9.3.3. In the case of any asset of the Trust (or amount treated as a notional asset) which the Trustee does not consider as attributable to a particular Fund or Funds, the Trustee shall have discretion, subject to the approval of the Manager, to determine the basis upon which any such asset shall be allocated between Funds (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and the Trustee shall have the power at any time and from time to time, subject to the approval of the Manager, to vary such basis, provided that the approval of the Manager shall not be required in any case where the asset is allocated between all the underlying Funds pro rata to their Net Asset Value at the time when the allocation is made;
- 9.3.4. Each Fund shall be charged with the liabilities, expenses, costs, charges or reserves in respect of or attributable to that Fund. In the case of any liability of the Trust (or amount treated as a notional liability) which the Trustee does not consider as attributable to a particular Fund or Funds the Trustee shall have discretion, subject to the approval of the Manager to determine the basis upon which any liability shall be allocated between Funds (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and shall have power at any time and from time to time, subject to the approval of the Manager, to vary such basis, provided that the approval of the Manager shall not be required in any case where a liability is allocated between all the underlying Funds pro rata to their Net Asset Values at the time when the allocation was made;
- 9.3.5. Subject to the approval of the Manager, the Trustee may transfer any assets (or amounts treated as notional assets) to and from Funds if, as a result of a creditor proceeding against certain of the assets of the Trust or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (d) above or in any similar circumstances;
- 9.3.6. The records and accounts of each Fund shall be maintained separately in the Base Currency of the relevant Fund; and
- 9.3.7. Subject to paragraph (9.3.5) above, the assets of each Fund shall belong exclusively to that Fund, shall be segregated from the assets of other Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose.

#### **9.4. Meetings of Unitholders**

The Trust Deed contains detailed provisions for meetings of Unitholders generally and Unitholders of each Fund. Meetings may be convened by the Trustee, the Manager or the holders of at least 10 per cent of the Units in issue, on not less than 14 days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given). Notices of meetings will be posted to Unitholders or Unitholders of the Fund. Unitholders may appoint proxies, who need not themselves be Unitholders. The quorum for a meeting for the transaction of business will be two Unitholders present in person or by proxy including for the purpose of passing an Extraordinary Resolution or, for an adjourned meeting, Unitholders present in person or by proxy whatever their number and the number of Units held by them.

On a show of hands every Unitholder who (being an individual) is present in person or by proxy or (being a firm) is, present in the person of one of the partners thereof or (being a corporation) is represented by a representative or by one of its officers as its proxy shall have one vote. On a poll every Unitholder present in person or by representative or proxy shall have one vote for every Unit for which is registered in the name of the Unitholder. Such voting rights may be amended in the same manner as any other provision of the Trust Deed.

Units in each Fund are entitled to participate equally in the profits and distributions of that Fund and in its assets in the event of termination.

An Extraordinary Resolution is a resolution proposed as such at a meeting of Unitholders at which a quorum is present and passed by a majority of 75 per cent of the total number of votes cast.

The Trust Deed provides that a resolution which, in the opinion of the Trustee, affects one Fund shall be deemed to have been duly passed, if passed at a separate meeting of the Unitholders of that Fund. If, in the opinion of the Trustee, a resolution affects more than one Fund but does not give rise to a conflict of interests between the Unitholders of the respective Funds, the resolution shall be deemed to have been duly passed if passed at a single meeting of the holders of the Units of each of those Funds; if a resolution affects, in the opinion of the Trustee, more than one Fund and gives or may give rise to a conflict of interests between the Unitholders of the respective Funds, the resolution shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Unitholders of the relevant Funds, it shall be passed at separate meetings of the Unitholders of each of the relevant Funds.

#### **9.5. Duration of the Trust**

The Trust or any Fund will continue until terminated in accordance with the Trust Deed.

The Trust or any Fund can be terminated in a number of ways:

- (1) by the Manager on not less than three months' notice in writing to the Trustee.
- (2) by the Manager if the Net Asset Value of the Trust Assets or in the case of a Fund the Net Asset Value of such Fund falls below a certain minimum level.
- (3) by the Trustee on the liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee), receivership or appointment of an examiner to the Manager, if the Trust or the relevant Fund shall cease to be authorised or otherwise officially approved under the Regulations, if any laws shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust or the relevant Fund, on the removal of the Manager if a qualified successor acceptable to the Trustee and the Central Bank cannot be found within a period of 90 days' or if within a period of 90 days' from the date of the Trustee expressing in writing its desire to retire the Manager shall have failed to appoint a new Trustee pursuant to the provisions of the Trust Deed;
- (4) by the Manager on the liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager), receivership or appointment of an examiner to the Trustee, if at any date the Net Asset Value of the Trust shall be less than US\$20 million or in the case of a Fund, the Net Asset Value of such Fund shall be less than US\$10,000,000 or such lesser amounts as the Manager may determine, if the Trust or the relevant Fund shall cease to be authorised or otherwise officially approved under the Regulations, if any laws shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Trust or the relevant Fund, on the removal of the Trustee if a qualified successor acceptable to the Manager and the Central Bank cannot be found within a period of 90 days' or if within a period of 90 days' from the date of the

Manager expressing in writing to the Trustee its desire to retire the Trustee shall have failed to appoint a new manager pursuant to the provisions of the Trust Deed;

- (5) if the Manager and/or Trustee should retire on ninety days' notice and no successor is found in that 90 day period; and
- (6) by the Trustee and the Manager with the approval of an Extraordinary Resolution of a meeting of the Unitholders or the Unitholders in the relevant Fund which shall take effect from the date so approved.

Prior to terminating the Trust or any Fund the relevant party shall give notice to the Unitholders of the Trust or the Unitholders in the relevant Fund and by such notice fix the date at which such termination is to take effect.

The Trust or any Fund may at any time be terminated by the Trustee and the Manager with the approval of an Extraordinary Resolution and such termination shall take effect from the date so approved.

With effect on and from the date as at which the Trust or a Fund is to terminate, no Units in the Trust or the relevant Fund may be issued or sold by the Manager and neither the Manager nor any Unitholder shall have any right to require the cancellation or realisation of any Unit or any Unit of the relevant Fund. The Manager shall realise all the assets then comprised in the Trust or in the relevant Fund.

After the Trust or any Fund has been terminated, each of the Trustee and the Manager may exercise its powers and carry out its duties under the Trust Deed and shall otherwise continue to have the benefit of and be subject to the provisions of the Trust Deed and shall be entitled to exercise all of its powers, duties, authorities and discretions thereunder until all of the assets of the Trust or as the case may be the Fund shall have been distributed to the Unitholders of the Trust or of the relevant Fund or any unclaimed net proceeds or other cash paid into court pursuant to the provisions of the Trust Deed.

On termination of the Trust or any Fund and subject to the following paragraph, the Trustee shall from time to time distribute to the Unitholders in proportion to their respective interests in the assets of the Trust or of the relevant Fund all net cash proceeds derived from the realisation of the assets of the Trust or of the assets of the relevant Fund and available for the purpose of such distribution, provided that the Trustee shall not be bound (except in the case of the final distribution) to distribute any of the moneys for the time being in its hands the amount of which is insufficient to pay US\$0.10 in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any moneys in its hands as part of the assets of the Trust or of the relevant Fund full provision for all costs, charges, expenses, claims and demands incurred, made or expended by the Trustee or the Manager in connection with or arising out of the termination of the Trust or the relevant Fund and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands provided that the Trustee exercised due care and diligence in the discharge of its duties and the loss does not arise from the unjustifiable failure of the Trustee to perform its duties or the improper performance of those duties. Every such distribution shall be made in the same manner as is provided were a dividend to be paid as set out above under the heading **Dividend Policy**. Any unclaimed proceeds or other cash held by the Trustee at the expiration of twelve months from the date upon which the same were payable may be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

At the request of the Manager, the Trustee may distribute among the Unitholders in the Trust or the relevant Fund in specie the whole or any part of the assets of the Trust or the assets of the relevant Fund as the case may be, and whether or not the assets shall consist of property of a single kind and the Trustee may, subject to the prior approval of the Manager, 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 the Unitholders but so that no Unitholder shall be compelled to accept any assets in respect of which there is a liability outstanding. A Unitholder may require the Trustee

instead of transferring any assets in specie to him/her, to arrange for sale of the assets and for payment to the Unitholder of the net proceeds of same.

#### 9.6. **Litigation and Arbitration**

The Trust is not involved in any litigation nor are the Directors aware of any pending or threatened litigation against the Trust since its constitution.

#### 9.7. **Directors' Interests**

- 9.7.1. There are no service contracts in existence between the Manager and any of its Directors, nor are any such contracts proposed;
- 9.7.2. 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 Trust and save as provided in (d) below 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 Trust;
- 9.7.3. At the date of this Prospectus neither the Directors nor any Associated Person have any beneficial interest in the share capital of the Manager or any options in respect of such capital;
- 9.7.4. Ms. Meliosa O'Caoimh is also a director of the Administrator. Her biographical details are set out on page 25 above.

#### 9.8. **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 Trust and are or may be material:

**The Administration Agreement** dated 6 February, 2002 between the Manager and the Administrator as amended by a Novation Agreement dated 25 February 2008 ; this Agreement provides that the appointment of the Administrator will continue unless and until terminated by either party giving 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; this Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude matters arising by reason of the negligence, fraud, bad faith, wilful default, wilful misconduct or reckless disregard of the Administrator in the performance of its obligations and duties;

**The Distribution Agreement** dated 6 February, 2002 between the Manager and the Distributor; this Agreement provides that the appointment of the Distributor will continue unless and until terminated by either party giving 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; this Agreement contains certain indemnities in favour of the Distributor which are restricted to exclude matters arising by reason of the negligence, bad faith, fraud or wilful default of the Distributor in the performance of its obligations and duties;

**The Investment Management Agreement** dated 6 February, 2002 between the Manager and the Investment Manager as amended by the First Supplemental Investment Management Agreement dated 15 December 2009 and the Second Supplemental Investment Management Agreement dated 13 August 2010 and the Third Supplemental Investment Management Agreement dated 4 June 2012 and the Fourth Supplemental Investment Management Agreement dated 2 May 2014; this Agreement provides that the appointment of the Investment Manager will continue unless and until terminated by either party giving 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; this Agreement contains certain indemnities in favour of the Investment Manager which are restricted to

exclude matters arising by reason of the negligence, fraud, bad faith, wilful default or wilful misfeasance of the Investment Manager in the performance or non-performance of its obligations and duties.

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

#### 9.9. **Investments by U.S. Employee Benefit Plans**

The following section sets forth certain consequences under ERISA and the Code which a fiduciary of an "employee benefit plan" as defined in, and subject to the fiduciary responsibility provisions of, ERISA or of a "plan" as defined in and subject to Section 4975 of the Code who has investment discretion should consider before deciding to invest the plan's assets in the Trust (such "employee benefit plans" and "plans" being referred to herein as "Plans," and such fiduciaries with investment discretion being referred to herein as "Plan Fiduciaries"). The following summary is not intended to be complete, but only to address certain questions under ERISA and the Code which are likely to be raised by the Plan Fiduciary's own counsel.

In general, the terms "employee benefit plan" as defined in ERISA and "plan" as defined in Section 4975 of the Code together refer to any plan or account of various types which provides retirement benefits or welfare benefits to an individual or to an employer's employees and their beneficiaries. Such plans and accounts include, but are not limited to, corporate pension and profit-sharing plans, "simplified employee pension plans," Keogh plans for self-employed individuals (including partners), individual retirement accounts described in Section 408 of the Code and medical benefit plans.

Each Plan Fiduciary must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Trust, including the role an investment in the Trust plays in the Plan's investment portfolio. Each Plan Fiduciary, before deciding to invest in the Trust, must be satisfied that investment in the Trust is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Trust, are diversified so as to minimise the risks of large losses, that an investment in the Trust complies with the documents of the Plan and related trust and that an investment in the Trust does not give rise to a transaction prohibited by Section 406 of ERISA or Section 4975 of the Code.

**Each Plan Fiduciary considering acquiring Units must consult its own legal and tax advisers before doing so.**

##### *Restrictions on Investments by Benefit Plan Investors*

ERISA and a regulation issued thereunder contain rules for determining when an investment by a Plan in an entity will result in the underlying assets of the entity being assets of the Plan for purposes of ERISA and Section 4975 of the Code (*i.e.*, "plan assets"). Those rules provide that assets of an entity will not be plan assets of a Plan which purchases an interest therein if the investment by all "benefit plan investors" is not "significant" or certain other exceptions apply. The term "benefit plan investors" includes all Plans (*i.e.*, all "employee benefit plans" as defined in and subject to the fiduciary responsibility provisions of ERISA and all "plans" as defined in and subject to Section 4975 of the Code), and all entities that hold "plan assets" (each, a "Plan Assets Entity") due to investments made in such entities by already described benefit plan investors. ERISA provides that a Plan Assets Entity is considered to hold plan assets only to the extent of the percentage of the Plan Assets Entity's equity interests held by benefit plan investors. In addition, all or a portion of an investment made by an insurance company using assets from its general account may be treated as a benefit plan investor. Investments by benefit plan investors will be deemed not significant if benefit plan investors own, in the aggregate, less than 25 per cent. of the total value of equity interests of the entity (determined by not including the investments of persons with discretionary authority or control over the assets of such entity, of any person who provides investment advice for a fee (direct or indirect) with respect to such assets, and "affiliates" (as defined in the regulations issued under ERISA) of such persons; provided, however, that under no circumstances are investments by benefit plan investors excluded from such calculation).

In order to avoid causing assets of a Fund to be "plan assets," the Trust intends to restrict the aggregate investment by benefit plan investors to under 25 per cent. of the total value of equity interests of such Fund (not including the investments of the Manager, the Investment Manager, any Director, any person who provides investment advice for a fee (direct or indirect) with respect to the assets of such Fund, and any entity (other than a benefit plan investor) that is directly or indirectly through one or more intermediaries controlling, controlled by or under common control with any of such entities (including a partnership or other entity for which the Manager is the general partner, investment adviser or provides investment advice), and each of the principals, officers and employees of any of the foregoing entities who has the power to exercise a controlling influence over the management or policies of such entity or of such Fund). Furthermore, because the 25 per cent. test is on-going, it not only restricts additional investments by benefit plan investors, but also can cause the Manager to require that existing benefit plan investors redeem from a Fund in the event that other investors redeem. If rejection of subscriptions or such mandatory repurchases are necessary, as determined by the Manager, to avoid causing the assets of a Fund to be "plan assets," the Manager will effect such rejections or repurchases in such manner as the Manager, in its sole discretion, determines.

#### *Ineligible Purchasers*

In general, Units may not be purchased with the assets of a Plan if the Manager, Investment Manager, any Director, any of their respective affiliates or any of their respective employees either: (a) has investment discretion with respect to the investment of such plan assets; (b) has authority or responsibility to give or regularly gives investment advice with respect to such plan assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such plan assets and that such advice will be based on the particular investment needs of the Plan; or (c) is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA and the Code with respect to the Plan, and any such purchase might result in a "prohibited transaction" under ERISA and the Code.

Except as otherwise set forth, the foregoing statements regarding the consequences under ERISA and the Code of an investment in the Trust are based on the provisions of the Code and ERISA as currently in effect, and the existing administrative and judicial interpretations thereunder. No assurance can be given that administrative, judicial, or legislative changes will not occur that may make the foregoing statements incorrect or incomplete.

**Acceptance of subscriptions on behalf of Plans is in no respect a representation by the Investment Manager or any other party related to the Trust that this investment meets the relevant legal requirements with respect to investments by any particular Plan or that this investment is appropriate for any particular Plan. The person with investment discretion should consult with his or her attorney and financial advisers as to the propriety of an investment in the Trust in light of the circumstances of the particular Plan.**

#### 9.10. **Miscellaneous**

No share or loan capital of any Fund has been issued or agreed to be issued, is under option or otherwise. As of the date of this Prospectus, none of the Funds has any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgage, charges, debentures 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, guarantees or other contingent liabilities which are material in nature.

Save as may result from the entry by the Manager 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 Manager.



Save as disclosed on page 30 of this Prospectus, no commissions, discounts, brokerage 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 Units or loan capital of the Trust.

The address for service of notices and documents on the Trust is c/o Northern Trust Fund Services (Ireland) Limited, Georges Court, 54-62, Townsend Street, Dublin 2, Ireland at which address:

- (1) the documents listed at 9.11.1 to 9.11.9 in **Documents Available for Inspection** below can be obtained from the Manager;
- (2) a Unitholder can apply to redeem Units and obtain payment of the redemption proceeds;
- (3) information about the most recent sale and purchase prices can be obtained; and
- (4) any complaints received in writing will be forwarded to the Manager.

The Trust is governed by the laws of Ireland.

#### 9.11. **Documents available for Inspection**

Copies of the following documents may be obtained from the Manager and inspected during usual business hours during a Business Day at the principal offices of the Manager and at the principal offices of the Trustee at the addresses shown on page 59 of this document:-

- 9.11.1. the Trust Deed (as amended and supplemented to) and Investment and Operational Guidelines (as amended and supplemented to);
- 9.11.2. the Prospectus (as amended and supplemented to) and the Supplements (as amended and supplemented to);
- 9.11.3. the annual and half yearly reports relating to the Trust most recently prepared and published by the Manager;
- 9.11.4. details of notices sent to Unitholders;
- 9.11.5. the UCITS series of notices issued by the Central Bank;
- 9.11.6. the Regulations;
- 9.11.7. the material contracts referred to above;
- 9.11.8. the annual and semi-annual-accounts of the Trust; and
- 9.11.9. a list of any directorships or partnerships, past or present, held by the Directors in the past 5 years.

Copies of the Trust Deed and, after publication thereof, the periodic reports and accounts may be obtained from the Administrator free of charge.

## APPENDIX I - Markets

The Central Bank 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) any Stock Exchange which is:

- located in any Member State; or
- located in a member state of the European Economic Area (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

(2) any Stock Exchange included in the following list:-

Argentina	-	Bolsa de Comercio de Buenos Aires, Bolsa de Comercio de Cordoba S.A, Bolsa de Comercio de Mendoza S.A, and Bolsa de Comercio de Rosario S.A.;
Bahamas	-	Bahamas International Securities Exchange;
Bahrain	-	Bahrain Financial Exchange;
Bangladesh	-	Chittagong Stock Exchange and Dhaka Stock Exchange;
Barbados	-	Barbados Stock Exchange;
Bermuda	-	Bermuda Stock Exchange;
Botswana	-	Botswana Stock Exchange;
Brazil	-	BM&F Bovespa S.A.
Chile	-	Santiago Stock Exchange;
China	-	Shanghai Stock Exchange and Shenzhen Stock Exchange;
Colombia	-	Bolsa de Valores de Colombia;
Croatia	-	Zagreb Stock Exchange;
Egypt	-	Nile Stock Exchange and Egyptian Exchange;

Ghana	-	Ghana Stock Exchange;
India	-	BSE, Madras Stock Exchange, Delhi Stock Exchange, National Multi-Commodity Exchange, Bangalore Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	-	Indonesia Stock Exchange;
Israel	-	Tel Aviv Stock Exchange;
Jamaica	-	Jamaica Stock Exchange;
Jordan	-	Amman Stock Exchange;
Kazakhstan	-	Kazakhstan Stock Exchange;
Kenya	-	Nairobi Stock Exchange;
Kuwait	-	Kuwait Stock Exchange;
Lebanon	-	Beirut Stock Exchange;
Macedonia	-	Macedonian Stock Exchange;
Malaysia	-	Bursa Malaysia;
Mauritius	-	Stock Exchange of Mauritius Limited;
Mexico	-	Bolsa Mexicana de Valores;
Morocco	-	Casablanca Stock Exchange;
Namibia	-	Namibia Stock Exchange;
Nigeria	-	Nigerian Stock Exchange
Oman	-	Muscat Securities Market;
Pakistan	-	Lahore Stock Exchange and Karachi Stock Exchange (Guarantee) Limited;
Palestine	-	Palestine Exchange;
Peru	-	Bolsa de Valores de Lima;
Philippines	-	Philippines Stock Exchange;
Qatar	-	Qatar Stock Exchange;
Russia	-	Moscow Exchange (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange);
Saudi Arabia	-	Saudi Stock Exchange;
Singapore	-	Singapore Exchange
South Africa	-	Johannesburg Stock Exchange;
South Korea	-	Korea Exchange;

Swaziland	-	Swaziland Stock Exchange;
Sri Lanka	-	Colombo Stock Exchange;
Taiwan	-	Taiwan Stock Exchange;
Thailand	-	The Stock Exchange of Thailand;
Trinidad & Tobago-		Trinidad and Tobago Stock Exchange;
Tunisia	-	Bourse De Tunis;
Turkey	-	Istanbul Stock Exchange;
Uganda	-	Uganda Securities Exchange;
Ukraine	-	Ukrainian Exchange and PFTS Stock Exchange;
Uruguay	-	Bolsa de Valores de Montevideo;
Venezuela	-	Bolsa Electronica De Valores De Caracas and Bolsa De Valores De Caracas;
Vietnam	-	Ho Chi Minh Stock Exchange and Hanoi Stock Exchange;
Zambia	-	Lusaka Stock Exchange;
Zimbabwe	-	Zimbabwe Stock Exchange;

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

Derivative markets approved in a Member State of the EEA;

The market organised by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the Financial Conduct Authority (**FCA**) and subject to the Inter-Professional Conduct provisions of the FSA'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 US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the Financial Industry Regulatory Authority (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Industry Regulatory Organisation of Canada;

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

(4) any of the following electronic exchanges:

NASDAQ (United States of America);

GreTai Securities Market (Taiwan).

- (5) 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 1(ii) and (iv) or any of the following:

The Chicago Board of Trade;

The Mercantile Exchange;

The Chicago Board Options Exchange;

EDX London;

New York Mercantile Exchange;

ICE Futures US;

New Zealand Futures and Options Exchange;

Hong Kong Futures Exchange Limited;

Singapore Commodity Exchange;

Tokyo Financial Exchange;

Osaka Securities Exchange;

China Financial Futures Exchange;

Shanghai Futures Exchange;

Korea Exchange;

Singapore Mercantile Exchange Pte Ltd;

Singapore Exchange Ltd;

Taiwan Futures Exchange;

Thailand Futures Exchange; and

Jakarta Futures Exchange.

## **APPENDIX II - Financial Derivative Instruments**

Subject to the Regulations and to the conditions within the limits laid down by the Central Bank from time to time, a Fund may invest in financial derivative instruments (FDIs) dealt on a regulated market specified in the Trust Deed and/or over the counter derivatives **OTCs** which will be used for investment purposes and/or for the purposes hedging and of efficient portfolio management. Investments in FDIs are made subject to the conditions and limits laid down by the Central Bank.

The FDIs in which a Fund may invest will be set out in the Supplement for the relevant Fund.

Before investing in a FDI, the Manager on behalf of a Fund shall file with the Central Bank a risk management process report. The Manager will, on request, provide supplementary information to Unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in FDIs.

Under the Regulations, the Fund may invest in FDIs subject to the following terms and conditions:

- (1) The global exposure of the Fund relating to FDIs must not exceed its total net asset value;
- (2) The 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 instruments must not exceed the investment limits specified under the heading Investment Restrictions above; and
- (3) Investments in OTCs may be made provided that the counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

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## **DIRECTORY**

### **APS FUND**

#### **MANAGER**

NORTHERN TRUST FUND SERVICES (IRELAND) LIMITED  
Georges Court  
54-62, Townsend Street  
Dublin 2

#### **INVESTMENT MANAGER**

APS ASSET MANAGEMENT PTE LTD  
3 Anson Road  
#23-01 Springleaf Tower  
Singapore 079909

#### **TRUSTEE**

NORTHERN TRUST FIDUCIARY SERVICES (IRELAND) LIMITED  
Georges Court  
54-62, Townsend Street  
Dublin 2

#### **ADMINISTRATOR**

NORTHERN TRUST INTERNATIONAL FUND ADMINISTRATION SERVICES (IRELAND) LIMITED  
Georges Court  
54-62, Townsend Street  
Dublin 2

#### **DISTRIBUTOR**

APS ASSET MANAGEMENT PTE LTD  
3 Anson Road  
#23-01 Springleaf Tower  
Singapore 079909

#### **AUDITORS**

DELOITTE & TOUCHE  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

#### **SPONSORING BROKERS**

A&L LISTING LIMITED  
International Financial Services Centre  
North Wall Quay  
Dublin 1

#### **IRISH LEGAL ADVISERS**

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

#### **SINGAPORE LEGAL ADVISERS**

RODYK & DAVIDSON LLP  
#33-00 UOB Plaza 1  
Singapore 048624

**SECRETARY**

NORTHERN TRUST INTERNATIONAL FUND  
ADMINISTRATION SERVICES (IRELAND) LIMITED  
Georges Court  
54-62, Townsend Street  
Dublin 2

**US COUNSEL**

SIDLEY AUSTIN LLP  
Woolgate Exchange  
25 Basinghall Street  
London  
EC2V 5HA



**APS FUND**

An Umbrella Unit Trust established under the laws of Ireland

**ADDENDUM**

**to the**

**PROSPECTUS**

Dated 16 March 2017

**This addendum is supplemental to, forms part of and should be read in conjunction with the Prospectus of APS FUND (the Prospectus) dated 10 December 2014.**

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

## THE AMENDMENTS TO THE PROSPECTUS

### 1. DEFINITIONS

The **Definitions** section of the Prospectus is amended to reflect the updated definition of "**Regulations or UCITS Regulations**" and "**Trust Deed**" and the addition of "**UCITS Directive**" and "**Umbrella Cash Subscription and Redemption Account**" as set out below:

*"**Regulations or UCITS Regulations** mean the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended by the European Union (Undertakings for Collective Investment in Transferable Securities (Amendment) Regulations 2016 (S.I.No.143 of 2016) as may be modified, amended, consolidated or re-enacted from time to time;"*

*"**Trust Deed** means the amended and restated Trust Deed dated 10 October 2016 between the Manager and the Trustee as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank and includes any Investment & Operational Guidelines issued in relation to the Trust"*

*"**UCITS Directive** means Directive 2009/65/EC of the European Parliament and 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 as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directives 2009/65/EC on the coordination of laws, regulations and administrative provisions relating or undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions and as may be further amended from time to time;"*

*"**Stock Connect** a securities trading and clearing linked program with an aim to achieve mutual stock market access between the PRC (Shanghai and Shenzhen respectively) and Hong Kong and enables the company to trade eligible China A Shares listed on the relevant stock exchange(s) in the PRC."*

*"**Umbrella Cash Subscription and Redemption Account** means a subscriptions and redemptions account at umbrella level in the name of the Trust."*

*"**Depositary**" means the Trustee or any other person or persons for the time being duly appointed to provide depositary services under the provisions of the Trust Deed."*

### 2. FUNDS

#### 2.1. Securities Financing Transactions

The following paragraphs are inserted in section 3 Funds as a new sub-section 3.12:

#### **" 3.12 Securities Financing Transactions and total return swaps**

*Subject to the investment policies and restrictions for a Fund set out in the Supplement in respect of a Fund, a Fund may enter into one or more repurchase or reverse repurchase transactions ("repo transactions"), stocklending transactions (together **Securities Financing Transactions**) and total return swaps in respect of any Fund for investment and/or Efficient Portfolio Management purposes and this fact will be set out in the relevant Supplement, where applicable. The use of such transactions or agreements is subject to the conditions and limits set out in the Central Bank UCITS Regulations.*

*The types of assets of a Fund that can be subject to a Securities Financing Transactions and total return swaps will be determined by the Investment Manager in accordance with the investment policy of a Fund and can be debt and debt related securities, structured financial instruments, including asset*

backed securities, and liquid and near cash assets, such as short-term fixed income securities, instruments and obligations, bills, commercial paper and notes, equity and equity related securities, derivatives and other investments of a Fund where such assets are permitted investments of a Fund as specified in the Supplement for a Fund.

Any Securities Financing Transactions and/or total return swaps will only be entered into with institutions of appropriate financial standing which engage in these types of arrangements and which are acceptable to the Depositary and the Investment Manager and will be on arm's length commercial terms.

The use of Securities Financing Transactions and/or total return swaps may only be effected in accordance with normal market practice and all assets received under such transactions will be considered collateral and in order to reduce its exposure to any counterparty through Securities Financing Transactions and/or total return swaps, a Fund will adopt collateral arrangements as described under the "**Collateral Policy**" section above and will comply with the criteria set out in that section and the methodology for valuing assets as described in the "**Calculation of Net Asset Value/Valuation of Assets**" section of the Prospectus, which details the methodology for valuing assets received by a Fund, whether or not such assets are received as collateral. Such transactions may be subject to daily variation margin payments. In accordance with normal market practice, borrowers will be required to provide collateral to a Fund of a value of at least equal to the market value of any securities loaned in accordance with the Fund's collateral policy. Without prejudice to the foregoing, collateral pursuant to Securities Financing Transactions and/or total return swaps must be capable of being valued on at least a daily mark-to-market basis.

Please see **RISK FACTORS** for the risks involved in entering into Securities Financing Transactions and/or total return swaps.

The assets and collateral subject to Securities Financing Transactions and total return swaps shall be held by the Depositary.

Direct and indirect operational costs and fees incurred in performing these transactions may be deducted from any associated revenue delivered to a Fund. All such revenue, net of direct and indirect operational costs, will be returned to the relevant Fund. Such costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The entities to which such costs and fees are paid will be disclosed in the annual report and audited accounts of the Trust.

Unless otherwise specified in the Supplement for a Fund, the expected proportion of assets under management that will be subject to each type of Securities Financing Transactions and total return swaps are as follows:

repurchase transactions (including reverse repurchase transactions)	expected to vary between 0% and 10% of the Net Asset Value of a Fund
total return swaps	expected to vary between 0% and 50% of the Net Asset Value of a Fund

Such variations may be dependent on, but are not limited to, factors such as total Fund size, borrower demand to borrow stocks from the underlying market and seasonal trends in the underlying market.

The maximum proportion of assets under management that will be subject to Securities Financing Transactions and/or total return swaps is 100% of the Net Asset Value of a Fund."

### 3. RISK FACTORS

#### 3.1. Umbrella Cash Subscription and Redemption Account

The following paragraphs are inserted in section 4 **Risk Factors** as new sub-sections 4.17 and 4.18 respectively:

**"4.17 Umbrella Cash Subscription and Redemption Account**

*Subscription monies received in respect of a Fund in advance of the issue of Units will be held in the Umbrella Cash Subscription and Redemption Account in the name of the Trust 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 in the Umbrella Cash Subscriptions and Redemptions Account until Units 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 Unitholder rights (including dividend entitlement) until such time as Units are issued on the relevant Dealing Day. In the event of an insolvency of the Fund or the Trust, there is no guarantee that the Fund or the Trust will have sufficient funds to pay unsecured creditors in full.*

*Issues of Units and the 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 and any further particulars detailed in the sections entitled "Purchase of Units" and "Repurchase of Units" of this Prospectus. Notwithstanding this, redeeming Unitholders will cease to be Unitholders, with regard to the redeemed Units, 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 Unitholder, be held in the Umbrella Cash Subscriptions and Redemptions Account in the name of the Trust. Redeeming Unitholders and Unitholders 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 Unitholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Umbrella Cash Subscriptions and Redemptions Account. In the event of an insolvency of the relevant Fund or the Trust, there is no guarantee that the Fund or the Trust will have sufficient funds to pay unsecured creditors in full. Redeeming Unitholders and Unitholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Unitholder's own risk.*

*In the event of the insolvency of another Fund of the Trust (the **Insolvent Fund**), recovery of any amounts held in the Umbrella Cash Subscriptions and Redemptions Account to which another Fund is entitled (the **Entitled Fund**), but which may have transferred to the Insolvent Fund as a result of the operation of the Umbrella Cash Subscriptions and Redemptions Account, will be subject to the principles of Irish insolvency law and the terms and conditions for the Umbrella Cash Subscriptions and Redemptions Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Entitled Fund."*

**"4.18 Risks linked with dealing in securities in China via Stock Connect.**

*Certain Sub-Funds of the Trust may seek exposure to securities issued by companies listed on China stock exchanges via Stock Connect. Such dealing may be subject to additional risk factors. In particular, Unitholders should note that Stock Connect is a new trading programme and the relevant regulations are untested and subject to change. Stock Connect is subject to quota limitations which may restrict the relevant Sub-Fund's ability to deal via Stock Connect on a timely basis. This may impact the relevant Sub-Fund's ability to implement its investment strategy effectively. The scope of Stock Connect currently includes all constituent stocks of the SSE 180 Index and the SSE 380 Index and all SSE-listed China A Shares and all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index, with market capitalisation of not less than RMB 6 billion. The eligible securities of the Northbound Link for Shanghai Connect and Shenzhen Connect also currently include all the respective Shanghai Stock Exchange-listed or Shenzhen Stock Exchange-listed A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H Shares listed and traded on SEHK, except for (i) the respective Shanghai Stock Exchange-listed or Shenzhen Stock Exchange-listed shares which are not traded in RMB; and (ii) the respective Shanghai*

*Stock Exchange-listed or Shenzhen Stock Exchange-listed shares which are under "risk alert". The Trust's Unitholders should note further that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the relevant Sub-Fund's ability to meet its investment objective, e.g. when the Investment Manager wishes to purchase a security which is recalled from the scope of Stock Connect.*

#### **Beneficial owner of the Shares purchased through Stock Connect**

*Stock Connect currently comprises a Northbound link, through which Hong Kong and overseas investors like the Trust may purchase and hold China A Shares listed on the SSE and SZSE ("Shares"), and a Southbound link, through which investors in the PRC may purchase and hold shares listed on the SEHK. The Investment Manager trades China A Shares purchased through Stock Connect through its broker affiliated to the Trust's sub-custodian who is a SEHK exchange participant. These SSE and SZSE Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by the Hong Kong Securities and Clearing Corporation Limited ("HKSCC") as central securities depository in Hong Kong and nominee holder. HKSCC in turn holds these Shares of all its participants through a "single nominee omnibus securities account" in its name registered with ChinaClear, the central securities depository in the PRC.*

*Because HKSCC is only a nominee holder and not the beneficial owner of these Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, Unitholders should note that these Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under PRC law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in these Shares in the PRC. Foreign Investors like the relevant Sub-Fund of the Trust investing through the Stock Connect holding the Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only.*

#### **Not protected by Investor Compensation Fund**

*Unitholders should note that any trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund nor the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.*

*Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.*

#### **Quotas used up**

*When the respective aggregate quota balance for Stock Connect trading is less than the daily quota, the corresponding buy orders will be suspended on the next trading day (sell orders will still be accepted) until the aggregate quota balance returns to the daily quota level. Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted. Depending on the aggregate quota balance situation, buying services will be resumed on the following trading day.*

#### **Difference in trading day and trading hours**

*Due to differences in public holiday between Hong Kong and the PRC or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the markets accessible through Stock Connect. Stock Connect will only operate on days when these markets are open for trading and when banks in those markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any China A Shares trading in Hong Kong. There may be a risk of price fluctuations in China A Shares during the time when Stock Connect is not trading.*

## The recalling of eligible stocks and trading restrictions

*A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Manager.*

*Under Stock Connect, in the event that (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices, (ii) the China A Share is subsequently under “risk alert”, and/or (iii) the corresponding H share of the China A Share subsequently ceases to be traded on SEHK, the Investment Manager will be allowed to sell China A Shares but is restricted from further buying. Price fluctuation limits would be applicable to China A Shares.*

## Trading costs

*In addition to paying trading fees and stamp duties in connection with China A Shares trading, the Sub-Funds carrying out trading via Stock Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined by the relevant authorities.*

## Local market rules, foreign shareholding restrictions and disclosure obligations

*Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices.*

*The Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares.*

*Under the current PRC rules, when an investor, through securities trading at a stock exchange holds 5 percent of the shares issued by a listed company, the investor is required within three working days to submit a report to the securities regulatory authority under the State Council and the stock exchange, notify the listed company and disclose his interest to the general public. During the period specified above, the investor shall not purchase or sell shares of the listed company.*

*According to existing PRC practices, the Sub-Fund as beneficial owners of China A Shares traded via Stock Connect cannot appoint proxies to attend Unitholders’ meetings on its behalf.*

## Currency risks

*Northbound investments by the Sub-Fund in the Shares will be traded and settled in Renmibi. If the relevant Sub-Fund holds a class of shares denominated in a local currency other than RMB, the Sub-Fund will be exposed to currency risk if the Sub-Fund invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the Sub-Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Sub-Fund purchases it and when the Sub-Fund redeems / sells it, the Sub-Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.*

*The above may not cover all risks related to Stock Connect and any above mentioned laws, rules and regulations are subject to change.*

## Risk of ChinaClear default

*ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if China Clear (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Stock Connect securities and monies from ChinaClear through available legal channels and through ChinaClear’s liquidation process, if applicable.*

*HKSCC will in turn distribute the Stock Connect securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect authorities. Although the likelihood of a default by ChinaClear is considered to be remote, Unitholders should be aware of this arrangement and of this potential exposure.*

#### Risk of HKSCC default

*A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect securities and/or monies in connection with them and the Trust and its investors may suffer losses as a result. Neither the Trust nor the Investment Manager shall be responsible or liable for any such losses.*

#### Ownership of Stock Connect securities

*Stock Connect securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect securities are not available under the Northbound Trading for the relevant Sub-Fund.*

*The relevant Sub-Fund's title or interests in, and entitlements to Stock Connect securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. It is uncertain whether the Chinese courts would recognise the ownership interest of the Sub-Fund and/or its unitholders to allow them standing to take legal action against the Chinese entities in case disputes arise. This is a complex area of law and you should seek independent professional advice."*

## **4. MANAGEMENT OF THE TRUST**

### **4.1. Directors**

Section 5.2 **Directors** is amended by deleting in its entirety the paragraphs on Liam Butler and Nicholas Gilbert and by the addition of the following:

#### ***"Paul Cutts***

*Paul Cutts (British) is head of Alternative Investment Services for Northern Trust Global Fund Services in the EMEA region. Since joining Northern Trust in 1993, he has held a number of senior executive roles in London, Australia, the Netherlands and Guernsey. Prior to this Paul held positions at Chase Manhattan Bank and Commerzbank, where he developed a specialisation in trading, settlement and valuation practises for derivative instruments.. He has served as a committee chairman for Guernsey Investment Funds Association and is a fellow of the Financial Services Institute of Australia.*

#### ***Robert McClean***

*Robert McClean (Irish) is a Senior Vice President and Head of Ireland Fund Accounting & Middle Office Services for Northern Trust having previously served as Head of Fund Accounting in Ireland. Mr McClean joined Northern Trust in May 2011 as part of the Bank of Ireland Securities Services acquisition and prior to the acquisition he headed up the Bank of Ireland Securities Services Fund Accounting department for over 4 years.*

*Mr McClean started his career in the Funds Industry in 1997 and has worked with GAM and Citi for the majority of his career prior to joining Bank of Ireland and Northern Trust, holding managerial positions with each. Mr McClean is an ACCA and has a Diploma in Business Studies and a Certificate in Mutual Funds Services from the Dublin Business College."*

#### ***Stuart O'Brien***

*Stuart O'Brien (Irish) is the Senior Business Manager for Northern Trust Global Fund Services ("GFS") Ireland with responsibility across a number of key operational projects and key reporting requirements. Stuart is also a member of the Northern Trust Ireland Executive Management Committee and has held a number of roles within the Northern Trust Transfer Agency department including Head of Transfer Agency.*

*Mr O'Brien started his career in the Funds Industry in 1993 with International Fund Managers (Ireland) Limited where he was appointed Deputy Head of Ireland Fund Accounting in 2000 and joined Northern Trust in 2005 following the acquisition of Barings FSG by Northern Trust.*

*Stuart has a B.A. in Economics from University College Cork and a M.A. in Economics and Finance from NUI Maynooth."*

#### **4.2. Depositary**

Section 5.4 **Trustee** is amended by deleting the section in its entirety and replacing it with the following:

##### **"Depositary**

*Northern Trust Fiduciary Services (Ireland) Limited has been appointed as depositary pursuant to the Trust Deed. The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 September 2016, the Northern Trust Group's assets under custody totalled in excess of US\$6.7 trillion.*

*Under the terms of the Trust Deed, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the Regulations, (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) Northern Trust has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of the Services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to its global sub-custodian, The Northern Trust Company, London branch, responsibility for the safekeeping of the Trust's financial instruments and cash. The global sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Appendix III attached.*

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

*The Trust Deed specifies the conditions to be followed with respect to the replacement of the Depositary with another depositary and contains provisions to ensure the protection of Unitholders in the event of any such replacement.*

*The Depositary has the right to retire under the Trust Deed on 90 days written notice to the Manager. Any successor must be acceptable to the Manager and approved by the Central Bank. If no successor is appointed at the end of the 90 day notice period the Depositary shall have the power to require the Trust to be wound up. Thereafter, the Manager shall apply in writing to the Central Bank for revocation of the Trust's authorisation and the Depositary shall remain as the Depositary, notwithstanding the*



expiration of the 90 day notice period, until such time as the Central Bank has revoked the Trust's authorisation. The Depositary may be removed by the Manager in the following circumstances; (a) if the Depositary goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if a receiver is appointed over any of its assets and is not discharged within sixty days or if an examiner is appointed to the Depositary or if an event having equivalent effect occurs; and (b) where the Unitholders of not less than 67 per cent of the Units for the time being in issue so request in writing to the Manager that the Depositary should retire.

The Depositary shall be responsible for the segregation of the assets and liabilities of each of the Funds.

The Depositary is obliged to ensure inter alia that:

- (1) the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the Regulations, the conditions imposed by the Central Bank and the Trust Deed;
- (2) the value of Units is calculated in accordance with the Regulations and the Trust Deed;
- (3) in transactions involving the Trust's assets any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- (4) the Trust's income is applied in accordance with the Regulations and the Trust Deed;
- (5) the instructions of the Manager are carried out unless they conflict with the Regulations or the Trust Deed; and
- (6) it has enquired into the conduct of the Manager in each Accounting Period and report thereon to the Unitholders. The Depositary's report shall be delivered to the Manager in good time to enable the Manager to include a copy of the report in the annual report of the Trust. The Depositary's report shall state whether in the Depositary's opinion the Trust has been managed in that period:-
  - (a) in accordance with the limitations imposed on the investment and borrowing powers of the Trust by the Trust Deed and the Regulations; and
  - (b) otherwise in accordance with the provisions of the Trust Deed and the Regulations.

If the Manager has not complied with (a) or (b) above, the Depositary must state why this is the case and outline the steps which the Depositary has taken to rectify the situation. The duties provided for in paragraphs (a) to (f) above may not be delegated by the Depositary to a third party.

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

Up to date information on the Depositary, including the identity and duties of the Depositary, information in respect of any conflicts of interest that may arise, and a description of any safekeeping functions delegated by the Depositary along with a list of delegates and any conflicts of interest that may arise from such delegation, will be made available to Unitholders on request.

#### 4.3. Remuneration Policy

The following paragraph is inserted at the end of section 5 Management of the Trust as a new sub-section 5.10:

#### **“5.10 Remuneration Policy**

*The Manager has a remuneration policy in place to ensure compliance with UCITS V. This remuneration policy imposes remuneration rules on staff and senior management within the Manager whose activities have a material impact on the risk profile of the Fund. The Manager will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Fund and the Trust Deed, and will be consistent with UCITS V. The Manager will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the Trust, the Fund and Unitholders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times. Further details with regard to the remuneration policy are available at the following website: [www.northerntrust.com/documents/funds/intl/remuneration-policy/ntfsil-manager-remuneration-policy.pdf](http://www.northerntrust.com/documents/funds/intl/remuneration-policy/ntfsil-manager-remuneration-policy.pdf). A copy of the remuneration policy may be obtained free of charge on request from the Manager.”*

## **5. GENERAL INFORMATION**

### **5.1. Material Contracts**

Section 9.8 **Material Contracts** is amended by deleting in its entirety the paragraph beginning **"The Investment Management Agreement** dated..." and replacing it with the following:

*"The Investment Management Agreement dated 6 February, 2002 between the Manager and the Investment Manager as amended by the First Supplemental Investment Management Agreement dated 15 December 2009 and the Second Supplemental Investment Management Agreement dated 13 August 2010 and the Third Supplemental Investment Management Agreement dated 4 June 2012 and the Fourth Supplemental Investment Management Agreement dated 2 May 2014 and the Fifth Supplemental Investment Management Agreement dated 14 October 2016; this Agreement provides that the appointment of the Investment Manager will continue unless and until terminated by either party giving 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; this Agreement contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters arising by reason of the negligence, fraud, bad faith, wilful default or wilful misfeasance of the Investment Manager in the performance or non-performance of its obligations and duties."*

## **6. UNIT DEALINGS**

### **6.1. Limitations on Repurchases**

Section 6.2.4 **Limitations on Repurchases** is amended by deleting in its entirety the second last paragraph of this section and replacing it with the following:

*"The Directors are entitled to limit the number of Units of any Fund repurchased on any Dealing Day to Units representing 50 per cent of the total Net Asset Value of that Fund on that Dealing Day or such other amount as they may in their absolute discretion determine, provided however, such other amount is not less than 10% of the total Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply pro rata so that all Unitholders wishing to have Units of that Fund repurchased on that Dealing Day realise the same proportion of such Units. Units not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase pro rata on the next Dealing Day. If requests for repurchase are so carried forward, the Administrator will inform the Unitholders affected."*

## 6.2. Umbrella Cash Subscription and Redemption Account

The following paragraph is inserted in section 6 **Unit Dealings** as a new sub-section 6.3:

### "6.3 Umbrella Cash Subscription and Redemption Account

The Trust operates an Umbrella Cash Subscription and Redemption Account in accordance with the Central Bank's requirements and will not establish such accounts at Fund level. All subscriptions payable to a Fund will be channelled and managed through the Umbrella Cash Subscription and Redemption Account.

The Trust in conjunction with the Depositary has established a policy to govern the operation of the Umbrella Cash Subscription and Redemption Account, in accordance with the Central Bank's requirements. This policy shall be reviewed by the Trust and the Depositary at least annually.

There may be other instances where cash will be retained in the Umbrella Cash Subscriptions and Redemptions Account and treated in accordance with the Central Bank requirements.

Existing and potential investors should refer to the "**Risk Factors**" section in this Prospectus for an overview of the risks associated with the use of the Umbrella Cash Subscription and Redemption Account."

## 7. APPENDIX III

7.1. The following is hereby added to the Prospectus as Appendix III:

*"List of sub-custodial agents appointed by The Northern Trust Company.*

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

Country	Sub-Custodian	Sub-Custodian Delegates
Australia	HSBC Bank Australia Limited	
Austria	UniCredit Bank Austria A.G	
Bahrain	HSBC Bank Middle East Limited	
Bangladesh	Standard Chartered Bank	
Belgium	Deutsche Bank AG	
Bermuda	HSBC Bank Bermuda Limited	
Bosnia and Herzegovina - Federation of B & H	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Bosnia and Herzegovina - Republic of Srpska	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
Botswana	Standard Chartered Bank Botswana Limited	
Brazil	Citibank, N.A.	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
Bulgaria	Citibank Europe plc	
Canada	The Northern Trust Company, Canada	
Canada*	Royal Bank of Canada	
Chile	Banco de Chile	
China A	China Construction Bank	
China B	HSBC Bank (China) Company Limited	
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Croatia	UniCredit Bank Austria A.G.	Zagrebacka Banka d.d.
Cyprus	Citibank International Limited	
Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s.	
Denmark	Nordea Bank Danmark A/S	
Egypt	Citibank, N.A.	
Estonia	Swedbank AS	
Euro CDs	Deutsche Bank AG, London Branch	
Finland	Nordea Bank Finland plc	
France	Deutsche Bank AG	
Germany	Deutsche Bank AG	
Ghana	Standard Chartered Bank Ghana Limited	
Greece	Citibank International Limited	

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
Hong Kong SAR	The Hongkong and Shanghai Banking Corporation Limited	
Hungary	UniCredit Bank Hungary Zrt	
India	Citibank, N.A.	
Indonesia	Standard Chartered Bank	
Ireland	The Northern Trust Company, London	
Israel	Bank Leumi Le-Israel BM	
Italy	Deutsche Bank SpA	
Japan	The Hongkong and Shanghai Banking Corporation Limited	
Jordan	Standard Chartered Bank plc, Jordan Branch	
Kazakhstan	JSC Citibank Kazakhstan	
Kenya	Standard Chartered Bank Kenya Limited	
Kuwait	HSBC Bank Middle East Limited	
Latvia	Swedbank AS	
Lebanon	HSBC Bank Middle East Limited	
Lithuania	AB SEB Bankas	
Luxembourg	Euroclear Bank S.A. / N.V	
Malaysia	HSBC Bank Malaysia Berhad	
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	
Mexico	Banco Nacional de Mexico, S.A.	
Morocco	Societe Generale Marocaine de Banques	
Namibia	Standard Bank Namibia Ltd	
Netherlands	Deutsche Bank AG	
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
Nigeria	Stanbic IBTC Bank Plc	
Norway	Nordea Bank Norge ASA	
Oman	HSBC Bank Oman SAOG	
Pakistan	Citibank, N.A.	
Palestinian Territories	HSBC Bank Middle East Limited	
Panama	Citibank, N.A., Panama Branch	
Peru	Citibank del Peru S.A.	
Philippines	The Hongkong and Shanghai Banking Corporation Limited	
Poland	Bank Polska Kasa Opieki SA	
Portugal	BNP Paribas Securities Services	
Qatar	HSBC Bank Middle East Limited	
Romania	Citibank Europe plc	
Russia	AO Citibank	
Saudi Arabia	HSBC Saudi Arabia Limited	
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
Singapore	DBS Bank Ltd	
Slovakia	Citibank Europe plc	
Slovenia	UniCredit Banka Slovenija d.d.	
South Africa	The Standard Bank of South Africa Limited	
South Korea	The Hongkong and Shanghai Banking Corporation Limited	
Spain	Deutsche Bank SAE	
Sri Lanka	Standard Chartered Bank	
Sweden	Svenska Handelsbanken AB (publ)	
Switzerland	Credit Suisse AG	
Taiwan	Bank of Taiwan	

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Ltd
Thailand	Citibank, N.A.	
Tunisia	Banque Internationale Arabe de Tunisie	
Turkey	Deutsche Bank A.S.	

<b>Uganda</b>	<b>Standard Chartered Bank Uganda Limited</b>	
United Arab Emirates - ADX	HSBC Bank Middle East Limited	
United Arab Emirates - DFM	HSBC Bank Middle East Limited	
United Arab Emirates - NASDAQ Dubai	HSBC Bank Middle East Limited	
United Kingdom	The Northern Trust Company, London	
United States	The Northern Trust Company	
Uruguay	Banco Itau Uruguay S.A.	
Vietnam	HSBC Bank (Vietnam) Ltd	
Zambia	Standard Chartered Bank Zambia plc	

\* The Royal Bank of Canada serves as Northern Trust's Sub-Custodian for securities not eligible for settlement in Canada's local central securities depository"

## **APS FUND**

An Umbrella Unit Trust established under the laws of Ireland

## **ADDENDUM**

to the

## **PROSPECTUS**

Dated 21 February 2018

**This addendum is supplemental to, forms part of and should be read in conjunction with the Prospectus of APS FUND (the Prospectus) dated 10 December 2014 and the Addendum dated 16 March 2017.**

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



## **The Amendments to the Prospectus**

Appendix I shall be deleted in its entirety and replaced with the following:-

### **APPENDIX I - Markets**

The Central Bank does not issue a list of approved Markets. With the exception of other permitted investments pursuant to Regulation 68(2) of the Regulations, investment will be limited to the following stock exchanges and regulated markets:-

(1) any Stock Exchange which is:

- located in any Member State; or
- located in a member state of the European Economic Area (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

(2) any Stock Exchange or Market included in the following list:-

- |            |   |   |
|------------|---|---|
| Argentina  | - | Bolsa de Comercio de Buenos Aires, Bolsa de Comercio de Cordoba S.A, Bolsa de Comercio de Mendoza S.A, and Bolsa de Comercio de Rosario S.A.; |
| Bahamas    | - | Bahamas International Securities Exchange;  |
| Bahrain    | - | Bahrain Financial Exchange;   |
| Bangladesh | - | Chittagong Stock Exchange and Dhaka Stock Exchange;   |
| Barbados   | - | Barbados Stock Exchange;  |
| Bermuda    | - | Bermuda Stock Exchange;   |
| Botswana   | - | Botswana Stock Exchange;  |
| Brazil     | - | BM&F Bovespa S.A.   |
| Chile      | - | Santiago Stock Exchange;  |

China	-	Shanghai Stock Exchange and Shenzhen Stock Exchange;
Colombia	-	Bolsa de Valores de Colombia;
Egypt	-	Nile Stock Exchange and Egyptian Exchange;
Ghana	-	Ghana Stock Exchange;
India	-	BSE, Madras Stock Exchange, Delhi Stock Exchange, National Multi-Commodity Exchange, Bangalore Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	-	Indonesia Stock Exchange;
Israel	-	Tel Aviv Stock Exchange;
Jamaica	-	Jamaica Stock Exchange;
Jordan	-	Amman Stock Exchange;
Kazakhstan	-	Kazakhstan Stock Exchange;
Kenya	-	Nairobi Stock Exchange;
Kuwait	-	Kuwait Stock Exchange;
Lebanon	-	Beirut Stock Exchange;
Macedonia	-	Macedonian Stock Exchange;
Malaysia	-	Bursa Malaysia;
Mauritius	-	Stock Exchange of Mauritius Limited;
Mexico	-	Bolsa Mexicana de Valores;
Morocco	-	Casablanca Stock Exchange;
Namibia	-	Namibia Stock Exchange;
Nigeria	-	Nigerian Stock Exchange
Oman	-	Muscat Securities Market;
Pakistan Limited;	-	Lahore Stock Exchange and Karachi Stock Exchange (Guarantee)
Palestine	-	Palestine Exchange;
Peru	-	Bolsa de Valores de Lima;
Philippines	-	Philippines Stock Exchange;
Qatar	-	Qatar Stock Exchange;

Russia	-	Moscow Exchange (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange);
Saudi Arabia	-	Saudi Stock Exchange;
Singapore	-	Singapore Exchange
South Africa	-	Johannesburg Stock Exchange;
South Korea	-	Korea Exchange;
Swaziland	-	Swaziland Stock Exchange;
Sri Lanka	-	Colombo Stock Exchange;
Taiwan	-	Taiwan Stock Exchange;
Thailand	-	The Stock Exchange of Thailand;
Trinidad & Tobago-		Trinidad and Tobago Stock Exchange;
Tunisia	-	Bourse De Tunis;
Turkey	-	Istanbul Stock Exchange;
Uganda	-	Uganda Securities Exchange;
Ukraine	-	Ukrainian Exchange and PFTS Stock Exchange;
Uruguay	-	Bolsa de Valores de Montevideo;
Venezuela Caracas;	-	Bolsa Electronica De Valores De Caracas and Bolsa De Valores De Caracas;
Vietnam	-	Ho Chi Minh Stock Exchange, Hanoi Stock Exchange and Unlisted Public Company Market (UPCoM);
Zambia	-	Lusaka Stock Exchange;
Zimbabwe	-	Zimbabwe Stock Exchange;

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

Derivative markets approved in a Member State of the EEA;

The market organised by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the Financial Conduct Authority (**FCA**) and subject to the Inter-Professional Conduct provisions of the FSA'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 US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the Financial Industry Regulatory Authority (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Industry Regulatory Organisation of Canada;

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

- (4) any of the following electronic exchanges:

NASDAQ (United States of America);

GreTai Securities Market (Taiwan).

- (5) 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 1(ii) and (iv) or any of the following:

The Chicago Board of Trade;

The Mercantile Exchange;

The Chicago Board Options Exchange;

EDX London;

New York Mercantile Exchange;

ICE Futures US;

New Zealand Futures and Options Exchange;

Hong Kong Futures Exchange Limited;

Singapore Commodity Exchange;

Tokyo Financial Exchange;

Osaka Securities Exchange;

China Financial Futures Exchange;

Shanghai Futures Exchange;

Korea Exchange;

Singapore Mercantile Exchange Pte Ltd;

Singapore Exchange Ltd;

Taiwan Futures Exchange;

Thailand Futures Exchange; and

Jakarta Futures Exchange.

**APS FUND**

An Umbrella Unit Trust established under the laws of Ireland

**ADDENDUM**

**to the**

**PROSPECTUS**

Dated 25 March 2019

**This addendum is supplemental to, forms part of and should be read in conjunction with the Prospectus of APS FUND (the Prospectus) dated 10 December 2014 and the addenda dated 16 March 2017 and 21 February 2018.**

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

## The Amendments to the Prospectus

Section 4 'Risk Factors' of the Prospectus shall be amended by insertion of a new Section 4.17 immediately following Section 4.16. The new Section 4.17 shall read as follows:

4.17 Regulation (EU) 2061/1011 of the European Parliament and the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) NO 596/2014 (the **Benchmarks Regulation**) entered into force in June 2016 and became fully applicable in the EU on 1 January 2018 (save that certain provisions, including those related to 'critical benchmarks', took effect as at 30 June 2016), subject to certain transitional provisions. The Benchmarks Regulation applies to 'contributors' to, 'administrators' of, and 'users' of benchmarks in the EU. It, among other things, (a) requires EU benchmark administrators to be authorised or registered and to comply with requirements relating to the administration of benchmarks, (b) prohibits the use in the EU of benchmarks provided by EU administrators which are not authorised or registered in accordance with the Benchmarks Regulation, and (c) prohibits the use in the EU of benchmarks provided by non-EU administrators which are not (i) authorised or registered and subject to supervision in a jurisdiction in respect of which an 'equivalence' decision has been adopted in accordance with the Benchmarks Regulation, or (ii) where such equivalence decision is pending, 'recognised' by the competent authorities of the applicable EU Member State(s). An exception to this is that a benchmark provided by a non-EU administrator can itself be endorsed for use in the EU by an EU authorised or registered administrator or an EU-based supervised entity, following authorisation of the endorsement by the relevant competent authority.

4.17.1 The Benchmarks Regulation requires the Manager to produce and maintain a contingency plan setting out the actions that it would take in the event that a benchmark (as defined by the Benchmarks Regulation) materially changes or ceases to be provided. The Manager has in place and maintains robust written plans setting out the actions that it would take in the event that a benchmark is materially changed or ceases to be provided, details of which are available on request.

4.17.2 In respect of those Sub-Funds that track a benchmark index to compute a performance fee, the Manager is working with the applicable benchmark administrators for the benchmark indices of such Sub-Funds to confirm that the benchmark administrators are or intend to get themselves included in the Benchmarks Regulation Register.

The list of benchmark administrators that are included in the Benchmarks Regulation Register is available on ESMA's website at [www.esma.europa.eu](http://www.esma.europa.eu).