

Man AHL Diversified plc

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**An investment company with variable capital incorporated with limited liability in Ireland under registration number 239901**

**Offer of Participating Shares of no par value**

**Manager: Man Fund Management Limited**

**Investment Manager and AIFM: AHL Partners LLP**

Under Swiss law, Man AHL Diversified plc is a foreign fund for alternative investments with special risks which invests (based on an alternative investment strategy) predominantly in derivatives of any kind which could, because of Man AHL Diversified plc's leverage, lead to substantial fluctuations in the price for Participating Shares. Applicants must be prepared to suffer the loss of a substantial portion or even all of the money they invest in the Company and are explicitly referred to the risk factors set out in the section entitled 'Risk factors' of this Prospectus. Swiss investors should also refer to the section entitled 'Information for investors in Switzerland' for further information.

Investment in the Participating Shares issued by Man AHL Diversified plc should be viewed as a medium-term investment. Applicants should note that the costs of advertising the Participating Shares and certain marketing expenses are payable by the Marketing Adviser and are not borne by Man AHL Diversified plc.

The Listed Shares have been admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. The Directors do not anticipate that an active secondary market will develop in the Listed Shares.

The date of this Prospectus is 9 November 2015.

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

The Directors, whose names appear within the section entitled 'Management and administration', are the persons responsible for the information contained in this Prospectus

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

**The Company invests in unregulated collective investment schemes which may not be subject to the same legal and regulatory protection as afforded by collective investment schemes authorised and regulated in the European Union or equivalent jurisdictions. Investment in unregulated schemes involves special risks that could lead to a loss of all or a substantial portion of such investment.**

**An investment in the Company is not suitable for all investors. A decision to invest in the Company should take into account your own financial circumstances and the suitability of the investment as a part of your portfolio. You should consult a professional investment adviser before making an investment.**

Investments in the Company are not deposits or obligations of, or guaranteed or endorsed in any way by Citibank Europe plc or any of its affiliates. None of Citibank Europe plc nor any of its affiliates, branches or subsidiaries, directly or indirectly, guarantees, assumes or otherwise insures the obligations or performance of the Company or any other investment that the Company makes. Any losses of the Company are solely borne by the investors and not by Citibank Europe plc or any of its affiliates or subsidiaries.

As described in this Prospectus, Citibank Europe plc may provide services to the Company pursuant to the Administration Agreement. Citibank Europe plc is not under that agreement acting as an investment manager, as an investment, legal or tax adviser, or as a depositary to the Company. In providing its services Citibank Europe plc is only providing such services to the Company pursuant to the Administration Agreement and not to any other person. Citibank Europe plc is not responsible for the content of this Prospectus (with the exception of the information in respect of Citibank Europe plc). Such responsibility is with the Company or other persons and accordingly each investor agrees that Citibank Europe plc will not have any liability arising from any inaccuracies in this Prospectus.

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## Preliminary

This Prospectus comprises information relating to Man AHL Diversified public limited company (the 'Company'), an open-ended investment company with variable capital organised under the laws of Ireland. It is authorised and supervised in Ireland by the Central Bank as a designated investment company pursuant to Part 24 of the Companies Act 2014, as amended. This Prospectus constitutes a prospectus for the purposes of the Irish Companies Act 2014. The Participating Shares have been accepted for clearance through Euroclear and Clearstream and the common codes are: Class DN H EUR 130619576 (ISIN IE00BZ0G2J52); Class DN H CHF 130619665 (ISIN IE00BZ0G2K67); Class DN USD 6165320 (ISIN IE0000360275); Class DNR H EUR 130619649 (ISIN IE00BZ0G2L74); Class DNR H CHF 130619690 (ISIN IE00BZ0G2M81); and Class DNR USD 130619568 (ISIN IE00BZ0G2N98).

**The Central Bank shall not be liable, by virtue of its authorisation of the Company or by reason of its exercise of the functions conferred on it by legislation in relation to the Company, for any default of the Company. Authorisation of the Company by the Central Bank does not constitute a warranty by the Central Bank as to the creditworthiness or financial standing of the Company. The authorisation of the Company by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

The Company is authorised and supervised by the Central Bank, whose address is Block D, Iveagh Court, Harcourt Road, Dublin 2, Ireland.

The Listed Shares have been admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. The admission of the Listed Shares to the Official List and to trading on the Main Securities Market shall not constitute a warranty or representation by the Irish Stock Exchange as to (i) the competence of the service providers to, or any party connected with, the Company; (ii) the adequacy of the information contained in this Prospectus; or (iii) the suitability of the Company for investment purposes. The Listed Shares are not listed nor proposed to be listed on any stock exchange other than the Irish Stock Exchange.

Statements made in this Prospectus are, except where otherwise stated based on the law and practice currently in force in Ireland and are subject to change. Distribution of this Prospectus is not authorised unless it is accompanied by a copy of (i) the latest audited accounts and/or annual report of the Company; and (ii) if published after such report a copy of the latest semi-annual report and unaudited accounts of the Company. These reports will form part of this Prospectus. Investors should note that the Auditors' report in the Company's annual accounts is made only to the Company and the Shareholders as a body at the date of the Auditors' report.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Participating Shares other than those contained in this Prospectus and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the Company and/or the Directors (or any of them). The delivery of this Prospectus (whether or not accompanied by the reports) or any issue of Participating Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus.

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. Accordingly, prospective investors should inform themselves as to (i) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Shares, which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Shares. Prospective investors must rely upon their own representatives, including their own legal advisers, stockbrokers, bank managers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

This Prospectus does not constitute and may not be used for the purposes of an offer or solicitation to anyone in any jurisdiction (i) in which such offer or solicitation is not authorised; (ii) in which the person making the offer is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or solicitation. No action has been taken or will be taken in any jurisdiction by the Company or the Investment Manager (other than in Switzerland) that would permit a public offering of the Shares or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required. The Shares are offered on the basis of the information and representations contained in this Prospectus and the Application Form and any further information given or representations made by any person may not be relied upon as having been authorised by the Company or its Directors. Neither the delivery of this Prospectus nor the allotment or issue of any Shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date of this Prospectus.

Participating Shares may not be purchased or held by or on behalf of Irish Residents or Irish Ordinary Residents unless they are Exempted Irish Investors. For further information see the section entitled 'Taxation of Shareholders'.

Participating Shares may not at any time be directly or indirectly offered or sold in the United States of America to or for the benefit of any US Person. None of the Participating Shares has been or will be registered under the 1933 Act.

This Prospectus has been translated into German and may be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language version of this Prospectus. To the extent that there is any inconsistency between the English language version of this Prospectus and any version of this Prospectus in a language other than English, the English language version of this Prospectus will prevail, except, to the extent (but only to the extent) required by the laws in force in any jurisdiction where the Participating Shares are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus on which such action is based shall prevail.

**Because of the associated risks, investment in the Company is suitable only for investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Company and who understand the above-average risks involved. An investment in the Company should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Directors recommend that no more than 5% to 10% of any investor's portfolio be invested in the Company. However this should not be taken as imposing on the Company, the**

**Directors, the Manager, the Shareholder Services Provider and Registrar, the Investment Manager, the Marketing Adviser or any other intermediary or service provider to the Company any obligation to monitor the amount of investment which a shareholder makes in the Company or to review an investor's portfolio of investments and none of the foregoing shall be liable to any investor for any loss arising as a result of the failure to monitor an investor's portfolio.**

## Definitions

'**the Act**', '**Act**' means the Companies Act 2014, as amended from time to time.

'**Administration Agreement**' means the amended and restated agreement dated 1 July 2014 between the Company, the Manager and CEP.

'**Agency**' means any state, country or government or any governmental, quasi-governmental or judicial entity or authority.

'**AHL**' means an investment division of the Man Group.

'**AHL Diversified Programme**' means the trading programme used by the Investment Manager, details of which are set out herein.

'**AIF**' means an alternative investment fund as defined in the AIFM Regulations.

'**AIF Rulebook**' means the rulebook issued by the Central Bank as may be amended from time to time which sets out the Central Bank's regulatory regime for AIFs and other relevant entities that fall to be regulated under the AIFM Regulations.

'**AIFM**' means an alternative investment fund manager as defined in the AIFM Regulations and, in the context of the Company, shall mean the Investment Manager or such other entity as may be appointed as AIFM of the Company from time to time in accordance with the requirements of the Central Bank, which may be the Company itself, the Manager or a third party.

'**AIFM Directive**' means the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) as amended and Commission Delegated Regulation (EU) No. 231/2013.

'**AIFM Regulations**' means the Irish European Union (Alternative Investment Fund Managers) Regulations 2013.

'**Anti-money Laundering Documents**' means the documentation required by the money laundering protection section of the Application Form to be provided by an Applicant as part of their Application for Participating Shares.

'**Applicant**' means any person in whose name an Application is made, and '**Applicants**' shall be construed accordingly.

'**Application**' means a valid application to subscribe for Participating Shares made by submitting a duly completed and signed Application Form (and applicable Anti-money Laundering Documents) to the Shareholder Services Provider and Registrar and by remitting (or causing to be remitted) cleared funds into the Subscription Account in the amount stated in the Application Form, and '**Applications**' shall be construed accordingly.

'**Application Closing Date**' means at 11:00 pm (Irish time) on the date falling three Business Days prior to the Dealing Day on which the Applicant wishes the subscription for the Participating Shares, in respect of which its Application is being made, to be effected.

**'Application Form'** means the application form for the Participating Shares for the time being, one of which can be obtained from the Company, to be completed and executed by an Applicant in order to apply for Participating Shares, and **'Application Forms'** shall be construed accordingly.

**'Articles'** means the articles of association of the Company as amended from time to time.

**'Auditors'** means Ernst & Young, Dublin, Chartered Accountants or such other party as is appointed auditors to the Company from time to time.

**'Base Currency'** means USD.

**'Beneficial Shareholder'** means a person who (i) does not have an account with Euroclear or Clearstream; and/or (ii) is holding Participating Shares in the Principal Paying Agent's Clearstream account, and **'Beneficial Shareholders'** shall be construed accordingly.

**'Broker'** means any party or parties appointed by the Company as clearing broker from time to time and **'Brokers'** shall be construed accordingly.

**'Brokerage Account'** means the account(s) with Brokers in the name of the Company.

**'Broker Agreement'** means any agreement between a Broker, the Introducing Broker and the Company, including the relevant Broker's new account documentation duly executed on behalf of the Company and **'Broker Agreements'** shall be construed accordingly. For the avoidance of doubt the Introducing Broker Agreement (hereinafter defined) is a Broker Agreement.

**'Business Day'** means any day (other than Saturday or Sunday) on which banks and foreign exchange markets are open for business in Dublin, New York and London, unless otherwise stated, and **'Business Days'** shall be construed accordingly.

**'Central Bank'** means the Central Bank of Ireland or any other successor entity thereto.

**'CEP'** means Citibank Europe plc.

**'CHF' or 'Swiss Franc'** means the lawful currency of Switzerland.

**'Class'** means any class or classes of Shares established by the Company.

**'Class A Shares'** means the following Share Classes: Class DN H EUR; Class DN H CHF; and Class DN USD.

**'Class B Shares'** means the following Share Classes: Class DNR H EUR; Class DNR H CHF; and Class DNR USD.

**'Clearing System'** means Euroclear and/or Clearstream, as the case may be, and **'Clearing Systems'** shall be construed accordingly.

**'Clearstream'** means Clearstream Banking, société anonyme (formerly known as Cedelbank and Cedel Bank, société anonyme), incorporated in 1970 as a limited liability company under the laws in force in Luxembourg.

**'Client Money Rules'** means the client money rules contained in chapter 4, paragraphs 4.1 to 4.3, of the Client Assets Sourcebook contained in the FCA Handbook of rules and guidance, or the corresponding rules in any replacement rulebook or manual issued by the FCA, as may be amended from time to time.

**'Company'** means Man AHL Diversified public limited company, an investment company with variable capital incorporated in Ireland pursuant to Part 24 of the Act.

**'Depository'** means Citi Depository Services Ireland Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank.

**'Depository Agreement'** means the depository agreement between the Company, AHL Partners LLP and the Depository dated 1 July 2014 as novated by way of a deed of novation dated 6 November 2015.

**'Dealing Day'** means Tuesday of each week, and in the event that Tuesday is not a Business Day, the Directors have determined that the Dealing Day will be the following Business Day and/or such other Business Day as the Directors shall from time to time determine provided that (i) a Dealing Day shall never occur more than three Business Days after the Valuation Point to which it relates; and (ii) no more than one Dealing Day shall relate to any one Valuation Point, and **'Dealing Days'** shall be construed accordingly.

**'Directors'** means the directors (or any alternate directors) of the Company or any duly authorised committee thereof.

**'Direct Shareholder'** means a Shareholder (i) having their own accounts with one or more of the Clearing Systems; and (ii) having their Shares credited to such accounts, and **'Direct Shareholders'** shall be construed accordingly.

**'EEA'** means the European Economic Area, the members of which are all EU member states, Norway, Iceland and Liechtenstein.

**'EFTA'** means the European Free Trade Association.

**'EU'** means the European Union.

**'Euro'** or **'EUR'** means the single currency of participating states of the EU as referenced in Council Regulation (EC) No. 974/98 on the introduction of the Euro.

**'Euroclear'** means Euroclear Bank S.A., as operator of the Euroclear clearing system.

**'Exempted Irish Investor'** means (i) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies; (ii) a company carrying on life business within the meaning of Section 706 of the Taxes Act; (iii) an investment undertaking within the meaning of Section 739B(1) of the Taxes Act; (iv) an investment limited partnership within the meaning of Section 739J of the Taxes Act, (v) a special investment scheme within the meaning of Section 737 of the Taxes Act; (vi) a unit trust to which Section 731(5)(a) of the Taxes Act applies; (vii) a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act; (viii) a qualifying management company within the meaning of Section 734(1) of the Taxes Act; (ix) a specified company within the meaning of Section 734(1) of the Taxes Act; (x) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of

the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund; (xi) the National Asset Management Agency; (xii) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA; (xiii) an Irish Resident company investing in a money market fund being a person referred to in Section 739D(6)(k)(I) of the Taxes Act; (xiv) a credit union within the meaning of Section 2 of the Credit Union Act, 1997; (xv) the National Pensions Reserve Fund Commission; (xvi) an Irish Resident company being a person referred to in Section 739D(6)(m) of the Taxes Act; or (xvii) any other Irish Resident or Irish Ordinary Resident who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company, provided that they have completed a Relevant Declaration, and **'Exempted Irish Investors'** shall be construed accordingly.

**'FCA'** means the Financial Conduct Authority of the United Kingdom, a company limited by guarantee established and authorised to carry out its regulatory functions under the FSMA (and any successor regulatory organisation).

**'FSMA'** means the Financial Services and Markets Act 2000 of the United Kingdom, as the same may be amended from time to time.

**'Gearing'** means net exposure under all contracts and positions held at the relevant point in time.

**'Incremental Subscription'** means a subscription of (i) USD 10,000 (or currency equivalent) in respect of Class A Shares if the Applicant is a Shareholder at the time of making the Application. Hong Kong Investors must subscribe for a minimum subscription of USD 65,000 (or Euro or CHF equivalent). Saudi Arabian Investors must subscribe for a minimum subscription USD value equivalent to SAR 1,000,000 (or Euro or CHF equivalent); or (ii) USD 100,000 (or currency equivalent) in respect of Class B Shares if the Applicant is a Shareholder at the time of making the Application or (iii) such other amounts as the Directors may from time to time determine in their sole discretion.

**'Initial Offer Period'** the period determined by the Directors during which Class DN H EUR, Class DN H CHF, Class DNR H EUR, Class DNR H CHF and Class DNR USD Shares are first offered for subscription. Specific details of the Initial Offer Period for Class DN H EUR, Class DN H CHF, Class DNR H EUR, Class DNR H CHF and Class DNR USD Shares are set out under the heading "Offer, valuation, subscription and redemption".

**'Initial Offer Price'** the price at which Class DN H EUR, Class DN H CHF, Class DNR H EUR, Class DNR H CHF and Class DNR USD Shares may be purchased during the Initial Offer Period. Specific details of the Initial Offer Price for Class DN H EUR, Class DN H CHF, Class DNR H EUR, Class DNR H CHF and Class DNR USD Shares are set out under the heading "Offer, valuation, subscription and redemption".

**'Initial Subscription'** means a minimum subscription of: (i) USD 30,000 (or currency equivalent) in respect of Class A Shares if the Applicant is not a Shareholder at the time of making the Application; or (ii) USD 1,000,000 (or currency equivalent) in respect of Class B Shares if the Applicant is not a Shareholder at the time of making the Application or (iii) such other amounts as the Directors may from time to time determine in their sole discretion.

**'Intermediary'** means a person who (i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (ii) holds shares/units in an investment undertaking on behalf of other persons, and **'Intermediaries'** shall be construed accordingly.

**'Introducing Broker'** means Man Investments AG.

**'Introducing Broker Agreement'** means the agreement between the Company and the Introducing Broker, as may be amended or supplemented from time to time.

**'Investment Manager'** means AHL Partners LLP, authorised and regulated in the conduct of regulated activities in the United Kingdom by the FCA and a member of the Man Group.

**'Investment Management Agreement'** means the amended and restated investment management agreement dated 9 November 2015 and made between the Company, the Investment Manager and the Marketing Adviser.

**'Investment Funds'** means Regulated Funds and Unregulated Funds.

**'Investments'** includes, without limitation, futures and options (including contracts which are traded Off-Exchange) on and for physical commodities, currencies, mortgage-backed securities, money market instruments, obligations of the governments of sovereign nations, obligations guaranteed by the governments of sovereign nations and any other financial instruments, securities, stock, debt, CFDs, financial, and economic indices and items which are (whether now or in the future) the subject of futures contract trading, futures contracts, options on futures contracts and physical commodities, cash and forward contracts, swaps, foreign exchange commitments, deferred delivery contracts, leverage contracts and other commodity related contracts, agreements and transactions (including contingent liability transactions).

**'Ireland'** means the Republic of Ireland.

**'Irish Ordinary Resident'** means (i) in the case of an individual, means one who is ordinarily resident in Ireland for tax purposes; and (ii) in the case of a trust, means one that is ordinarily resident in Ireland for tax purposes. Ordinarily resident, for the purposes of this definition, shall have the meaning ascribed to it from time to time by Irish tax law. For further information see the section entitled 'Taxation of Shareholders', and **'Irish Ordinary Residents'** shall be construed accordingly.

**'Irish Resident'** means (i) in the case of an individual, means one who is resident in Ireland for tax purposes; (ii) in the case of a trust, means one that is resident in Ireland for tax purposes; and (iii) in the case of a company, means one that is resident in Ireland for tax purposes. Residency, for the purposes of this definition, shall have the meaning ascribed to it from time to time (both for individuals and companies) by Irish tax law. For further information see the section entitled 'Irish taxation', and **'Irish Residents'** shall be construed accordingly.

**'Irish Stock Exchange'** means The Irish Stock Exchange plc.

**'Liquidity Reserves'** means monies and any other assets of the Company which are not immediately required for trading purposes (i.e. margin and net realised profits on the trading activities required for margin purposes), including all accrued interest thereon.

**'Listed Shares'** means for the time being Class DN USD and any other Class of Shares which applies for listing on the Irish Stock Exchange from time to time.

**'Man Group'** means

(i) Man Group plc;

(ii) any company or other entity which directly or indirectly controls, is controlled by or is under common control with Man Group plc (including any holding company or subsidiary, each within the meaning of S1159 of the Companies Act 2006); and

(iii) any limited partnership or limited liability partnership whose general partner or managing member is an entity in (ii) above,

but excluding any investment fund in relation to which Man Group plc or an entity or partnership in (ii) or (iii) above provides investment management, advisory, marketing or related services.

**'Management Agreement'** means the amended and restated management agreement dated 1 July 2014 and made between the Company and the Manager.

**'Manager'** means Man Fund Management Limited or such other party as is appointed manager to the Company from time to time.

**'Marketing Adviser'** means Man Investments AG acting in its capacity as marketing adviser pursuant to the Investment Management Agreement.

**'Member State'** means a member of the EU, the members at the date of this Prospectus being Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the Netherlands and the United Kingdom.

**'MiFID'** means the Markets in Financial Instruments Directive (Directive 2004/39/EC) as amended.

**'Minimum Holding'** means the minimum holding of Participating Shares which a Shareholder must maintain being 50 Participating Shares, unless otherwise determined by the Directors.

**'Minimum Redemption'** means the minimum amount of Participating Shares which a Shareholder may redeem pursuant to any single Redemption Notice, amounting to 50 Participating Shares, unless otherwise determined by the Directors.

**'Net Asset Value'** means the aggregate net asset value of the Participating Shares determined in accordance with the Articles.

**'Net Asset Value per Share'** means the Net Asset Value divided by the number of Participating Shares in issue, and, in relation to any Class of Shares, subject to such adjustments, if any, as may be required in relation to such Class.

**'OECD'** means the Organisation for Economic Co-operation and Development whose members are, at the date of this Prospectus, Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, New Zealand, the Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

**'Non-USD Share Class', "Non-USD Shares"** means Shares denominated in a currency other than USD.

**'Off-Exchange'** means not on a Recognised Exchange or Recognised Market.

**'Prime Brokers'** means Credit Suisse Securities (Europe) Limited and Morgan Stanley & Co. International Plc or such other person, firm or corporation appointed and for the time being acting as a prime broker of the Company.

**'Principal Paying Agent'** means Citibank Europe plc or such other party as is appointed principal paying agent to the Company from time to time.

**'Professional Investor'** means an investor who is considered to be a professional client or which may, on request, be treated as a professional client within the meaning of Annex II of MiFID.

**'Qualified Holder'** means any person, corporation or entity other than (i) any US Person or any person located in the United States; (ii) an Irish Resident or Irish Ordinary Resident unless they are an Exempted Irish Investor; (iii) a person, corporation or entity which cannot acquire or hold Participating Shares without violating laws or regulations applicable to it; (iv) a person, corporation or entity in circumstances (whether directly or indirectly affecting such person, corporation or entity and whether taken alone or in conjunction with any other person, corporation or entity connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary or commercial disadvantage that the Company might not otherwise have incurred or suffered; or (v) a Depositary, nominee or trustee for any person, corporation or entity described in (i), (ii), (iii) or (iv) above, and **'Qualified Holders'** shall be construed accordingly. For the avoidance of doubt, a 'Qualified Holder' pursuant to this definition is not the same as a 'qualified investor' as defined by Art. 10 para 3 and 4 of the Swiss Federal Collective Investment Schemes Act.

**'Recognised Exchange'** or **'Recognised Market'** means an investment exchange, market or clearing house that meets the regulatory criteria prescribed in Regulation 45 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (SI211 of 2003) (as amended by European Communities (Undertakings for Collective Investment in Transferable Securities) Amendment Regulations 2003 (SI212 of 2003)). A list of such recognised exchanges and markets is set out in paragraph 14 of section entitled 'Statutory and general information' of the Prospectus, and **'Recognised Exchanges'** or **'Recognised Markets'** shall be construed accordingly.

**'Redemption Notice'** means a notice from a Shareholder to the Shareholder Services Provider and Registrar, in a form acceptable to the Shareholder Services Provider and Registrar (a redemption form is available from the Shareholder Services Provider and Registrar for convenience), which includes, amongst other things (i) the name and address of the Shareholder; (ii) the number of Participating Shares the Shareholder wishes to redeem; and (iii) in the case of the Shareholder requiring the redemption to occur on a Dealing Day which is not the next available Dealing Day, details of the Dealing Day that the Shareholder wishes those Participating Shares to be redeemed, and **'Redemption Notices'** shall be construed accordingly.

**'Redemption Price'** means the redemption price of any Class calculated by reference to the Net Asset Value per Share at the Valuation Point immediately preceding the Dealing Day on which redemption is to be effected as further described in the section entitled 'Redemption of Participating Shares' herein, and **'Redemption Prices'** shall be construed accordingly.

**'Redemption Proceeds'** means the Redemption Price multiplied by the number of Participating Shares being redeemed.

**'Regulated Funds'** means

- (a) Undertakings for Collective Investment in Transferable Securities ("**UCITS**") authorised in any EU member state or authorised in a member state of the European Economic Area pursuant to domestic legislation implementing the UCITS Directive, retail open-ended non-UCITS Investment Funds authorised by the Central Bank, Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes; and
- (b) open-ended Investment Funds authorised in any EU member state, Guernsey Class B Schemes, Jersey Funds which are not recognised, Isle of Man unauthorised schemes, US schemes which are authorised by the Securities and Exchange Commission under the Investment Companies Act, 1940 provided in all cases that such funds/schemes comply in all material respects with the AIF Rulebook in respect of retail schemes.

**'Relevant Declaration'** means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act. The declaration relevant to investors who are neither Irish Resident nor Irish Ordinary Resident (or Intermediaries acting for such investors) is set out in the Application Form.

**'Relevant Institution' or 'Relevant Institutions'** means those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basel Capital Convergence Agreement of July 1988 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

**'Share' or 'Participating Share'** means a share of no par value in the Company designated as a 'Participating Share' by the Articles, and **'Shares' or 'Participating Shares'** shall be construed accordingly.

**'Shareholder'** means a person who is entered as the holder of Participating Shares in the Company's register of Shareholders maintained by the Shareholder Services Provider and Registrar, and **'Shareholders'** shall be construed accordingly.

**'Shareholder Services Provider and Registrar'** means Citibank Europe plc or such other party as is appointed shareholder services provider and registrar and transfer agent to the Company from time to time.

**'Subscriber Shares'** means shares of USD 1 each in the capital of the Company designated as 'Subscriber Shares' in the Articles.

**'Subscription Account'** means the account opened by the Company with Citibank N.A. – London Branch or such other account opened by the Company from time to time.

**'Subscription Price'** means the price at which a Participating Share of any Class can be subscribed, as calculated in the manner set out in the section entitled 'The offer', and **'Subscription Prices'** shall be construed accordingly.

**'Swiss Paying Agency Agreement'** means, as and from 1 January 2015, the paying agency agreement between the Company, the Depositary, the Manager and the Swiss Paying Agent as novated on 9 November 2015 pursuant to which the Swiss Paying Agent was appointed to be the paying agent for the Company in Switzerland.

**'Swiss Paying Agent'** means, as and from 1 January 2015, RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch or such other party as is appointed as Swiss paying agent from time to time.

**'Taxes Act'** means the Taxes Consolidation Act 1997 of Ireland, as amended from time to time.

**'United States'** or **'US'** means the United States of America and its territories and possessions including any state thereof and the District of Columbia.

**'Unregulated Funds'** means Investment Funds that are not Regulated Funds and that may not provide a level of investor protection equivalent to schemes authorised under Irish law and subject to Irish regulations and conditions.

**'US dollar'** or **'USD'** means the lawful currency of the United States.

**'United States person'** or **'US Person'** means, unless otherwise specified in this Prospectus, a person described in one or more of the following paragraphs:

(a) with respect to any person, any individual or entity that would be a US Person under Regulation S of the Securities Act. See Appendix II for the definition of US Person under Regulation S;

(b) with respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws to generally include any individual who (i) holds an Alien Registration Card (a "green card") issued by the US Immigration and Naturalisation Service; or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) the individual was present in the US on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the US during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days; or

(c) with respect to persons other than individuals; (i) a corporation or partnership created or organised in the US or under the law of the US or any state; (ii) a trust where: (a) a US court is able to exercise primary supervision over the administration of the trust; and (b) one or more US Persons have the authority to control all substantial decisions of the trust; and (iii) an estate which is subject to US tax on its worldwide income from all sources,

**'United States Persons'** or **'US Persons'** shall be construed accordingly.

**'Valuation Point'** means the time of close of business in the market or markets relevant for the valuation of the assets and liabilities of the Company on (i) each weekday (other than a Saturday or Sunday) that immediately precedes a Dealing Day and, unless such weekday is also the last calendar day of the month, (ii) the last day of the calendar month (being a date on which an additional non-dealing valuation will be performed for the purposes of monthly reporting) , and/or such other day as may be agreed or determined pursuant to any provisions of the Articles, and **'Valuation Points'** shall be construed accordingly.

**'Valuations Service Provider'** means Citibank Europe plc or such other party as is appointed valuations service provider to the Company from time to time.

**'VAT'** means value-added tax as prescribed in the Irish Value Added Tax Consolidation Act 2010, as amended from time to time.

**'1933 Act'** means the United States Securities Act of 1933, as amended from time to time.

Executive summary

## **The Company**

The Company is an open-ended investment company with variable capital incorporated in Ireland as a public limited company under the Irish Companies Act 2014 and authorised by the Central Bank under Part 24 of the Act.

## **Investment objective**

The investment objective of the Company is to achieve medium-term growth of capital, while restricting the associated risks, by trading a diversified portfolio of Investments on derivative and inter-bank currency markets using the AHL Diversified Programme.

The Company aims to perform independently of traditional stock and bond investments thereby providing valuable diversification benefits and enhancing the risk/reward profile of a traditional investment portfolio.

It is not anticipated that any dividends will be paid on the Participating Shares. Shareholders' returns will be determined by reference to any cumulative net gains or losses (if any) arising from the investment activities of the Company, coupled with any appreciation earned on the Liquidity Reserves.

## **The offering**

Subscriptions for Participating Shares are subject to (i) the Initial Subscription and Incremental Subscription per Application; and (ii) if an Applicant is not a Shareholder at the time of its Application, the Minimum Holding being held following any such subscription.

Participating Shares will entitle the holders:

- (a) to participate in the profits of the Company;
- (b) in the event of a liquidation of the Company, to participate in the assets of the Company in accordance with the details set out within the section entitled 'Distribution of assets on a liquidation'; and
- (c) on a poll, to one vote per Participating Share.

Class DN USD and Class DNR USD Shares are denominated in USD. Class DN H EUR and Class DNR H EUR Shares are denominated in Euro. Class DN H CHF and Class DNR H CHF Shares are denominated in Swiss Franc.

Foreign exchange hedging may be utilised for the benefit of a particular Non-USD Share Class or group of Non-USD Share Classes and its cost and related liabilities and/or benefits shall be for the account of such Class or group of Classes of Shares only. Accordingly, any appreciation or depreciation of the NAV of the Company resulting from expenses, income, gains and losses that are attributable to any foreign exchange hedging in respect of a Non-USD Share Class or group of Non-USD Share Classes shall be attributable solely to the Non-USD Share Class to which it relates.

Participating Shares will be issued at the Subscription Price on the relevant Dealing Day (i.e. on a weekly basis). Applications must be received by the Shareholder Services Provider and Registrar at the latest on the Application

Closing Date (i.e. by 11:00 pm (Irish time) three Business Days prior to the relevant Dealing Day). Payments must be received by no later than the Application Closing Date (i.e. three Business Days prior to the relevant Dealing Day).

### **Redemption**

Redemptions may be made on a weekly basis on a Dealing Day. Redemption Notices must be received by the Shareholder Services Provider and Registrar by at least 11:00 pm (Irish time) three Business Days before the relevant Dealing Day (i.e. three Business Days before the Dealing Day on which the Shareholder wishes the redemption to be effected). Payments of the Redemption Proceeds will normally be made within five Business Days after calculation of the Net Asset Value as at the Valuation Point immediately prior to such Dealing Day. Redemptions must be for a number of Participating Shares equal to, or greater than, the Minimum Redemption and must not (unless all of the Shareholder's Participating Shares are being redeemed) result in the Shareholder holding a number of Participating Shares less than the Minimum Holding. Certain limits on the level of redemptions permitted as of any Dealing Day may apply (see section entitled 'Temporary suspension/postponements'). Subject to those limits, redemptions will be effected except in the event that, inter alia, the calculation of the Net Asset Value per Share has been suspended (also see section entitled 'Temporary suspension/postponements').

### **Net Asset Value/Valuation Point**

The Net Asset Value per Share will be calculated as at each Valuation Point (unless the calculation of the Net Asset Value per Share has, for any reason, been postponed or suspended) in the relevant currency of denomination of each Class of Shares.

### **Taxation – Irish**

The Company is a regulated investment undertaking in Ireland and, therefore, will not be subject to Irish tax on its income or gains.

No stamp duty is payable in Ireland on the issue, redemption/cancellation or transfer of Participating Shares.

Shareholders who are neither Irish Resident nor Irish Ordinary Resident for taxation purposes will not normally be liable to Irish income tax, corporation tax, capital gains tax or withholding tax in respect of distributions made by the Company (if any) or in respect of the disposal or redemption of those Shareholders' Participating Shares. Investors who are subscribing for Participating Shares for the first time and who are neither Irish Resident nor Irish Ordinary Resident will be required to make a declaration in the Application Form confirming that they are neither Irish Resident nor Irish Ordinary Resident.

Shareholders who are Exempted Irish Investors will not be liable to have withholding tax deducted by the Company on distributions made by it (if any) or in respect of the disposal, redemption or assignment of that Shareholder's Participating Shares if they have provided a Relevant Declaration confirming their tax status. Participating Shares may not be purchased or held by or on behalf of any other Irish Residents or Irish Ordinary Residents.

### **Investor restrictions**

Participating Shares may not be purchased or held by, or for the account of, persons who are not Qualified Holders.

## **Listing**

The Class DN USD has been admitted to, and is listed on, the Official List and to trading on the Main Securities Market of the Irish Stock Exchange.

## **ISIN Codes**

Class DN USD	IE0000360275
Class DNR USD	IE00BZ0G2N98
Class DN H EUR	IE00BZ0G2J52
Class DNR H EUR	IE00BZ0G2L74
Class DN H CHF	IE00BZ0G2K67
Class DNR H CHF	IE00BZ0G2M81

## **Principal fees**

### *Investment Manager's fees*

The Investment Manager is entitled to:

- (a) an investment management fee (calculated weekly and payable monthly) in respect of Class A Shares equal to one fifty second (1/52) of 3% of the Net Asset Value of such Class at each Valuation Point (approximately 3% per annum);
- (b) an investment management fee (calculated weekly and payable monthly) in respect of Class B Shares equal to one fifty second (1/52) of 2% of the Net Asset Value of such Class at each Valuation Point (approximately 2% per annum); and
- (c) a performance fee (calculated weekly and payable monthly) in respect of each Class of Shares equal to 20% of any net new profits attributable to that Class (as described in the section entitled 'Investment Manager's fees') as determined at each Valuation Point.

### *Depositary Fees*

The Depositary shall be entitled to receive as remuneration for its services to the Company 0.02% per annum of the Net Asset Value at the last Valuation Point in each month. In addition to such fee, the Depositary shall also be entitled to be reimbursed all reasonable expenses incurred by it in the exercise of its duties in connection with the Depositary Agreement. Such reimbursement of reasonable expenses shall be payable out of the assets of the Company. Any sub-Depositary fees incurred shall be paid out of the assets of the Company provided that such fees are at normal commercial rates. The remuneration which the Depositary shall be entitled to receive as remuneration for its services to the Company may be increased up to 0.03% per annum of the Net Asset Value at the last Valuation Point in each month without prior notification to Shareholders.

### *Management fees*

The fees payable to the Manager are calculated and paid quarterly in arrears. They are based on the following sliding scale and are calculated by reference to the Net Asset Value at the last Valuation Point in each quarter (being the last Valuation Point in March, June, September and December).

Amount of the Net Asset Value to which the fee will be applied (USD)	Fee will comprise an amount equal to USD 12,500 per quarter and
0–50,000,000.00	One-quarter of 0.30% of the Net Asset Value at that Valuation Point.
50,000,000.01– 100,000,000.00	An amount equal to one-quarter of 0.20% of the Net Asset Value at that Valuation Point.
100,000,000.01– 249,999,999.99	An amount equal to one-quarter of 0.125% of the Net Asset Value at that Valuation Point.
250,000,000.00– 499,999,999.99	An amount equal to one-quarter of 0.10% of the Net Asset Value at that Valuation Point.
500,000,000.00 or more	An amount equal to one-quarter of 0.05% of the Net Asset Value at that Valuation Point.

By way of illustration, if the Net Asset Value at the last Valuation Point of a quarter was USD 150 million the fees described above would comprise USD 50,000 (USD 12,500 and USD 37,500) in respect of the first USD 50 million, USD 25,000 for the portion of the Net Asset Value over USD 50 million and up to and including USD 100 million and USD 15,625 in respect of the remaining amount of the Net Asset Value.

The Management fees will be applied pro rata between each Class of Shares.

### *Shareholder Services Provider and Registrar fees*

The Company shall pay to the Manager the following transaction fees in consideration for the services provided by the Shareholder Services Provider and Registrar, calculated and paid quarterly in arrears:

- (a) a fee of USD 75 per new investor account; plus
- (b) a transaction fee of USD 50 per Shareholder transaction; plus
- (c) an annual Shareholder maintenance fee of USD 25 per Shareholder account (subject to a minimum charge of USD 10,000); plus
- (d) an annual product complexity fee of USD 10 per investor account (subject to a minimum charge of USD 10,000).
- (e) The sum of fees (a) to (d) shall be subject to an annual cap of 20 basis points of Net Asset Value.

The Manager shall also be entitled to be reimbursed all reasonable and vouched expenses incurred in the performance of its duties under the Management Agreement (including those expenses incurred by third party service providers such as the Shareholder Services Provider and Registrar).

#### *Principal Paying Agent fees*

The Company shall pay to the Manager the following transaction fees in consideration for the services provided by the Principal Paying Agent, calculated and paid quarterly in arrears (and applied pro-rata between Class A Shares and Class B Shares):

- (a) USD 3,500 per annum as an annual administration fee; and
- (b) an amount equal to 0.05% per annum on the nominal value of the securities held by the Principal Paying Agent for Beneficial Shareholders subject to a minimum annual fee of USD 2,500 per annum plus out-of-pocket expenses.

Any such fees paid will be disclosed in the annual and semi-annual report and accounts of the Company for the period to which they relate.

The Manager is solely responsible for the payment of fees to the Shareholder Services Provider and Registrar, the Valuations Service Provider and the Principal Paying Agent and the Company will have no liability for such fees.

The Swiss Paying Agent has been appointed at a cost of CHF 4,500 per annum

#### *Third party costs*

To the extent that the Manager delegates any of its duties to a third party, the charges of such party (other than out-of-pocket expenses) shall be for the account of the Manager and shall be paid by the Manager from the fees it receives from the Company.

#### *Introducing Broker*

The Introducing Broker will charge an amount calculated weekly and payable monthly equal to one fifty second of 1% of the Net Asset Value at each Valuation Point.

#### *Brokerage fees*

The Company bears all costs of trading transactions and interest on borrowing.

**This executive summary is indicative only. The detailed terms and conditions of this offering follow with substantive qualifications and restrictions that apply to this summary of terms. Accordingly, such terms must be read in conjunction with the terms, qualifications, conditions and restrictions set out below. Capitalised terms have the meanings ascribed to them in the section entitled 'Definitions'.**

Names and addresses

**Directors**

Michael Jackson (Irish)

Victoria Parry (British)

John Walley (Irish)

John Morton (British)

each of whose business address is at:

Man Fund Management Limited

70 Sir John Rogerson's Quay

Dublin 2

Ireland

**Depositary**

Citi Depositary Services Ireland Limited

1 North Wall Quay

Dublin 1

Ireland

**Manager**

Man Fund Management Limited

70 Sir John Rogerson's Quay

Dublin 2

Ireland

**Investment Manager**

AHL Partners LLP

Riverbank House,

2 Swan Lane,

London EC4R 3AD

United Kingdom

**Introducing Broker, Marketing Adviser and representative in Switzerland**

Man Investments AG

Huobstrasse 3

8808 Pfäffikon SZ

Switzerland

**Shareholder Services Provider and Registrar**

Citibank Europe plc

1 North Wall Quay

Dublin 1

Ireland

Tel +353 1 622 2000

Fax +353 1 661 7435

**Valuations Service Provider**

Citibank Europe plc

1 North Wall Quay

Dublin 1

Ireland

**Principal Paying Agent**

Citibank Europe plc

1 North Wall Quay

Dublin 1

Ireland

**Prime Brokers**

Credit Suisse Securities (Europe) Limited

One Cabot Square

Canary Wharf

London E14 4QJ

United Kingdom

Morgan Stanley & Co. International Plc

25 Cabot Square

Canary Wharf

London E14 4QA

United Kingdom

**Swiss Paying Agent**

RBC Investor Services Bank S.A.,

Esch-sur-Alzette, Zurich Branch  
Badenerstrasse 567, P.O. Box 101  
CH-8066 Zurich  
Switzerland

**Company Secretary**

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Legal advisers to the Company**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Listing Sponsor**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Independent Auditors**

Ernst & Young  
Chartered Accountants  
Ernst & Young Building  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

Man AHL Diversified plc

## **Introduction**

This Prospectus comprises information relating to 'Man AHL Diversified plc' (originally named 'AHL Diversified plc'), an open-ended company with variable capital organised under the laws of Ireland. It qualifies, and is authorised in Ireland by the Central Bank, as a designated investment company under Part 24 of the Act. The Participating Shares are available for subscription in accordance with the Articles and this Prospectus. The Participating Share capital of the Company shall at all times equal the Net Asset Value.

## **Investment objective and policies**

The Company seeks to achieve medium-term growth of capital, while restricting the associated risks, by trading a diversified portfolio of Investments on derivative and inter-bank currency markets using the AHL Diversified Programme.

The Company aims to perform independently of traditional stock and bond investments thereby providing valuable diversification benefits and enhancing the risk/reward profile of a traditional investment portfolio. It is the objective of the Company to generate capital gains rather than interest.

At any point in time no more than 15% of the Net Asset Value will be applied towards margin requirements with respect to Off-Exchange contracts. The Liquidity Reserves will be held by the Depositary. On the instructions of the Investment Manager, the Depositary may deposit such monies with banks or credit institutions and may also invest part or all of such monies in money related instruments that the Investment Manager considers to be of high quality and to be short-term including, but not limited to, fixed deposits, certificates of deposit, money market collective investment schemes, commercial paper, treasury bills and bonds issued or guaranteed by the government of any country of the OECD. The Liquidity Reserves may also be invested in reverse repurchase agreements subject to the conditions set out in the section headed "Cash Management".

In pursuit of its investment policy, the Company may also invest up to 20% of its net assets in open ended Investment Funds other than money market investment funds. These Investment Funds will be managed by the Investment Manager or an affiliate and will be managed with the same fundamental philosophy as the Company giving the Company exposure to part of the AHL Diversified Programme. These Investment Funds will therefore invest in a diversified portfolio of exchange traded and over-the-counter ("OTC") derivatives using trading programmes that are similar to the AHL Diversified Programme. These Investment Funds may be collective investment schemes established in OECD or non-OECD jurisdictions including jurisdictions such as Bermuda, the Channel Islands, the Cayman Islands, the Bahamas, the Netherlands Antilles and similar offshore jurisdictions. These Investment Funds may be leveraged and, while typical leverage levels will be between 400% to 1000%, no limit has been established in relation to the extent to which an Investment Fund may be leveraged. These Investment Funds will use derivatives to access either directly or indirectly markets in stocks, bonds, currencies, indices, interest rate swaps and commodities, including utilities, metals and agriculture. In line with the principle of diversification, the Investment Manager will ensure that the Investment Funds' exposure is spread across the full range of sectors and markets. Particular

attention will be paid to the Company's correlation with the Investment Funds' trading programmes in terms of exposure to markets and sectors, expected returns, market access costs and market liquidity. The Investment Funds' portfolios will be regularly reviewed and, when necessary, the Company's exposure will be adjusted to reflect changes in these factors. The Investment Manager will also adjust its real time exposure to particular Investment Funds to reflect changes in the volatility of one or more Investment Funds. These Investment Funds may be Regulated Funds or Unregulated Funds. Unregulated Funds will not provide a level of investor protection equivalent to schemes authorised under Irish laws and subject to Irish regulations and conditions. However, all Investment Funds invested in the Company will be subject to independent audit in accordance with generally accepted international accounting standards and must have arrangements in place such that all assets are held by parties independent of the investment manager of the Investment Fund. No percentage limitations have been imposed on the amount which may be invested in any different category of Investment Funds other than the general limitations set out under "Investment and Borrowing Restrictions" below.

The Company may not invest in feeder funds or fund of funds.

Details of investments in Investment Funds, their investment managers and domiciles will be set out in the periodic reports of the Company together with an outline of the maximum management and performance fees charged by those Investment Funds and the impact of such fees on Shareholder returns.

Any change to the investment objective or any material change to the investment policies of the Company will be subject to the prior approval by way of a majority of the votes cast at a general meeting of the Company. Shareholders will be given one month's notice in writing prior to the implementation of any change to the Company's investment objective and/or material change to its investment policies to enable them to redeem their Participating Shares, if they so wish. The base reference currency of the Company is US dollars.

### **Restricted Stocks**

In recognition of the fact that certain investors may be prevented or constrained from having direct or indirect exposure to certain stocks ("**Restricted Stocks**") by virtue of law, statute, rule, regulation or policy, the policy of the Investment Manager in such instances is to consider submissions from Shareholders which request exclusions of Restricted Stocks in relation to direct investments of the Company or indirect investments of the Company (through its investment in open ended investment funds of which the Investment Manager or an affiliate is investment manager) giving the Company exposure to the AHL Diversified Programme.

The Investment Manager whether in relation to the Company or an underlying investment fund in which the Company invests in order to carry out the AHL Diversified Programme, is under no obligation to act on such submissions and will only exclude such Restricted Stocks from the Company (or underlying investment fund, if applicable) in circumstances where it is considered, in its absolute discretion, that such exclusion would enable the Investment Manager or any underlying investment fund to continue to discharge its duties and obligations as investment manager and that such exclusion will make no material effect to the performance and operation of the Company (or

any underlying investment fund, if applicable). The Investment Manager may, at its absolute discretion, determine not to act on any request to exclude such Restricted Stocks.

The Company and any underlying funds in which it may invest have, respectively, limited capacity to agree to any requests for stock exclusions. Those investors who make a request at a later date to earlier investors bear an increased risk of rejection in order to guard against inadvertent strategy drift and a cumulative and material reduction in the number of investable assets. A list of the stocks that have been excluded by the Company or by underlying funds in which the Company may invest, is available on request.

### **Cash Management**

The Company will have significant Liquidity Reserves. Certain techniques in relation to the management of Liquidity Reserves are noted above. In addition to these the Company may also use reverse repurchase arrangements and other cash management techniques.

#### *Reverse Repurchase Agreements*

The Company may enter into reverse repurchase agreements in accordance with the following conditions:-

1. Reverse repurchase agreements ("reverse repo contracts") may only be effected in accordance with normal market practice.
2. Collateral given and obtained under a reverse repurchase agreement must at all times meet the following criteria:
  - a) Liquidity: Collateral must be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a robust price that is close to its pre-sale valuation;
  - b) Valuation: Collateral must be valued on at least a daily basis and must be marked to market daily; and
  - c) Issuer Credit Quality: Where the collateral issuer is not rated A-1 or equivalent, conservative haircuts must be applied.
3. Until the expiry of the reverse repo contract, collateral obtained under such contracts or arrangements:
  - (i) must be marked to market daily;
  - (ii) must equal or exceed, in value, at all times the value of the amount invested or securities loaned;
  - (iii) must be transferred to the Depositary, or its agent; and

- (iv) must be immediately available to the Company, without recourse to the counterparty, in the event of a default by that entity.

Paragraph (iii) is not applicable in the event that the Company uses tri-party collateral management services of International Central Securities Depositories or relevant institutions which are generally recognised as specialists in this type of transaction. The Depository must be a named participant to the collateral arrangements.

Non-cash collateral:

- (i) cannot be sold or pledged;
- (ii) must be held at the risk of the counterparty;
- (iii) must be issued by an entity independent of the counterparty; and
- (iv) must be diversified to avoid concentration in one issue, sector or country.

Cash collateral:

Cash may not be invested other than in the following:

- (i) deposits with relevant institutions;
- (ii) government or other public securities;
- (iii) daily dealing money market funds which have and maintain a rating of AAA or equivalent. If investment is made in a fund managed by the Manager or by an associated or related company, no subscription, conversion or redemption charge can be made by the underlying money market fund.

Invested cash collateral held at the risk of the Company, other than cash collateral invested in government or other public securities or money market funds, must be invested in a diversified manner. The Company must be satisfied, at all times, that any investment of cash collateral will enable it to meet its repayment obligations.

Invested cash collateral may not be placed on deposit with, or invested in securities issued by the counterparty or a related entity.

4. The Company shall conduct reverse repurchase agreements only with first class counterparties and intermediaries specialising in transactions such as this type, such as banks brokers and insurance companies or recognised securities clearing organisations that guarantee the proper execution of the reverse repurchase agreements and provided always that the counterparty to a reverse repo contract must have a minimum credit rating of A-2 or equivalent, or must be deemed by the Company to have an implied rating of A-2 or equivalent. Alternatively, an unrated counterparty will be acceptable where the Company is

indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A-2 or equivalent.

5. Reverse repo contracts do not constitute borrowing or lending for the purposes of the Central Bank's requirements.

#### *Other Cash Management Techniques and Instruments*

New techniques may be developed for the management of the Liquidity Reserves. The Company may use such other cash management techniques and instruments from time to time in accordance with the requirements of the Central Bank for their use.

The Investment Manager maintains a liquidity risk management policy to monitor the liquidity risk of the Company, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions. The liquidity management systems and procedures employed by the Investment Manager allow the Investment Manager to apply various tools and arrangements necessary to respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out in this section.

Other arrangements may also be used in response to redemption requests (as set out below) which, if activated, will restrict the redemption rights from which Shareholders benefit in the ordinary course. The Company may also temporarily suspend redemptions in certain circumstances as set out below under the section headed "Temporary Suspension of Dealings".

Techniques in relation to the management of Liquidity Reserves are subject to the conditions and limits applicable to retail investor AIFs as provided for in the AIF Rulebook. In the event that the Investment Manager uses techniques for the management of Liquidity Reserves, any related revenues net of direct and indirect operational costs and fees (which do not include hidden revenue), will be returned to the Company. No such direct and indirect operational costs and fees are currently applied. In the event that such costs and fees are applied Shareholders will be notified of the identities of the recipient(s) of any such costs and fees

#### *Credit Ratings*

The ratings referred to in this Prospectus are Standard and Poors. An "equivalent rating" for the purposes of this Prospectus is one which has been provided by an internationally recognised rating agency and which is deemed equivalent to the rating stipulated in the Notice. An "implied rating" arises where a decision on an unrated entity is made by the Company on the basis of a relationship between an issuer and its rated parent, or where an issuer has a senior debt/long term rating but no short term rating.

#### **Investment and borrowing restrictions**

The Company will at all times adhere to the principle of diversification of risk in its derivatives trading. The following investment and borrowing restrictions shall apply.

1. The deposits or short-term securities in which the Company may invest may include securities with a maturity of up to seven years.
2. The Company shall not keep on deposit assets with a value greater than 10% of its Net Asset Value from time to time with any one institution; this limit is increased to 30% for deposits maintained with:
  - (a) an EU credit institution;
  - (b) a bank authorised in a member state of EFTA; or
  - (c) a bank authorised by a signatory state, other than a Member State, or a member state of EFTA, to the Basle Capital Convergence Agreement of July 1988. Related companies are regarded as 'one institution' for the purposes of this paragraph 2.
3. At no time will the obligations of any single third party (other than a Broker) owed to the Company exceed in value an amount equal to 15% of the Net Asset Value (excluding segregated customer monies of the Company held by the Depository or any sub-Depository which it may appoint in which case such limit would apply to the party actually holding such segregated customer monies). At no time will the risk exposure of the Company to a counterparty to an OTC derivative transaction exceed 10% of the Net Asset Value where the counterparty is a Relevant Institution, or, in any other case, 5% of the Net Asset Value.
4. Not more than 5% of the Company's assets may be invested in the debt securities of companies, other than banks, with shareholder funds of less than EUR 1.25 billion (or its equivalent in another currency).
5. The Company may invest up to 10% of of its Net Asset Value in securities issued by the same institution. This requirement does not apply to investments in other open ended Investment Funds. The Company may invest up to 100% of its assets in different transferable securities issued or guaranteed by any EEA or OECD member state or Croatia.
6. Save as set out in paragraph 7 below, Investments of the Company will be traded on a Recognised Exchange or Recognised Market.
7. The Company may trade Investments Off-Exchange provided that:
  - (a) The counterparty to the Broker is a Relevant Institution or an investment firm, authorised in accordance with MiFID in an EEA member state, or is an entity subject to regulation as a Consolidated Supervised Entity ("CSE") by the United States Securities and Exchange Commission;
  - (b) In the case of a counterparty to the Broker which is not a Relevant Institution, the counterparty to the Broker is rated A2 or better by S&P or Moody's or given an equivalent rating by any other recognised rating agency or which, if unrated, has in the opinion of the Investment Manager an implied rating of A2 or better. Alternatively, an unrated counterparty is acceptable where the Company is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which maintains a rating of A2;
  - (c) the Manager is satisfied that:

- (i) the counterparty to the Broker has agreed with the Investment Manager that the transactions will be valued with reasonable accuracy and on a reliable basis at least weekly; and
  - (ii) the transaction will be closed out (at the request of the Investment Manager or the Company) at a fair value; and
- (d) such Investments are subject to reliable and verifiable valuation on a weekly basis and that appropriate systems, controls and processes, adequate and proportionate to the nature and complexity of the Investments, are in place to achieve this.
8. The assets of the Company must include liquid assets which have a total minimum value, at all times except in extraordinary circumstances, at least equal to the sum of margins deposited, and all premiums paid, in respect of transactions which have not been closed out. (The Manager shall notify the Depository immediately if such extraordinary circumstances occur.)
9. The Company will not hold an open position in any one Investment for which the margin or premium requirement is in excess of an amount equal to 5% of the Net Asset Value.
10. The Company will not hold an open position in Investments concerning a single commodity or single financial instrument for which the margin requirement is in excess of an amount equal to 10% of the Net Asset Value.
11. The Company may invest in the units or shares of other Investment Funds provided that:
- (a) no more than 20% of its Net Asset Value is invested in aggregate in Investment Funds;
  - (b) no more than 20% of its Net Asset Value is invested in aggregate in Unregulated Funds, in accordance with the requirements of the Central Bank; and
  - (c) no more than 20% of its Net Asset Value is invested in any one single Investment Fund.

Where a commission is received by the Manager or Investment Manager by virtue of an investment by the Company in the units or shares of any Investment Fund, this commission shall be paid to the Company. Where the Company invests in the units or shares of an Investment Fund that is managed, (a) directly or indirectly, by the Manager; or (b) by any other company with which the Manager is linked (a 'linked company') by: (i) common management; (ii) control; or (iii) a direct or indirect interest of more than 10% of the capital or voting rights, the Manager or linked company may not charge subscription, conversion on the Company's investment in the units of such Investment Fund and the applicable management fees levied in respect of the investment in the units of such other Investment Fund are reduced to a maximum of 0.25% of the Net Asset Value corresponding to the value of the units held in such Investment Fund.

12. The Company may invest 10% of its Net Asset Value in Investments traded on stock exchanges and markets not listed in the constitutional documents or this Prospectus.
13. Gearing applicable to the Company is limited to a maximum of 600% of the Net Asset Value. All Gearing calculations will be effected on behalf of the Investment Manager using a proprietary system and will not be

verified by the Depositary. For the avoidance of doubt, raised loans according to paragraph 18 hereunder are included in the calculation of the Gearing limitation, and the Gearing limitation is distinct from the leverage calculated according to the gross and commitment method set out below.

For the purposes of the AIFM Directive, leverage is calculated through two methods: (i) the gross method; and (ii) the commitment method, these are set out below.

#### *Gross method*

The gross method of calculation aggregates the gross notional values of all financial derivative contracts. This method may give rise to exceptionally high leverage when short-term interest rate strategies are employed, and these notional values do not typically reflect the actual market risks associated with these positions. Attention should also be drawn to the fact that one derivative contract may partially or perfectly offset the market risk of another derivative contract. Although the disclosure of the gross notional value of derivatives is a requirement under AIFM Directive, this measure does not allow for the netting or offsetting just described, therefore it does not necessarily represent the market risk incurred through the use of derivatives. The level of leverage to be incurred through the use of financial derivative instruments is not expected to exceed 35,000% of the Net Asset Value of the portfolio using the sum of gross notional methodology.

#### *Commitment method*

The commitment method of calculation allows for some netting of interest rates exposure. The level of leverage under the commitment approach is not expected to exceed 4,300% of the Net Asset Value of the portfolio

#### *General*

In normal circumstances the portfolio's leverage is expected to be considerably less than the maximum outlined above. However, leverage within the portfolio, calculated in accordance with the gross and commitment methods outlined above, will increase and may approach the maximum leverage in circumstances where short term interest rate derivatives are employed to express an investment theme within the portfolio. For example, the portfolio may invest in short-term interest rate securities. However, this shorter duration also means that such investments are likely to be less volatile. This lower volatility means that it may be necessary to enter into short-term interest rate derivatives with large gross notional values in order to generate a meaningful contribution to the risk and return of the portfolio.

The risk within the portfolio is monitored daily and positions are amended in accordance with these limits and the AIFM Directive. For the reasons outlined above, the extent to which the portfolio engages in the use of short-term interest rate strategies will have a significant bearing on the leverage figure calculated using the sum of the notionals methodology.

14. The percentage restrictions set out above will not apply in cases where, owing to appreciation or depreciation in the value of the Company's holding of such Investments and/or variations in exchange rates, the limit will thereby be breached. The limits will, however, be taken into account when considering changes or additions to the

Company's Investments. Subject to numbered paragraph 15 below, the Company may take short as well as long positions with regard to its Investments.

15. Without prejudice to numbered paragraph 14 above, the Company may not carry out the sale of transferable securities unless title to such securities is held by the Company.
16. Call options with respect to securities may be written/sold by the Company only on the condition that the Company at all times maintains ownership of the relevant security which is the subject of the call option.
17. The Company may not invest in physical commodities or real property.
18. No more than 30% of the Net Asset Value may at any time, except in extraordinary circumstances, be held by the Brokers and used for initial margin purposes. The Investment Manager shall notify the Depository and the Central Bank immediately if such extraordinary circumstances occur.

The Company may, at the discretion of the Directors and with the consent of the Depository, undertake short-term borrowing secured on the assets of the Company:

- (a) to fund the payment of Redemption Proceeds; or
- (b) as short-term funding for the acquisition of Investments,

in each case pending receipt by the Company of the proceeds of sale or redemption of other Investments.

The aggregate borrowing capacity of the Company shall be limited to a maximum of an amount equal to 10% of its Net Asset Value at any time and from time to time. Additionally, a Broker (or one of its affiliated companies) may lend monies to the Company in currencies other than the US dollar to finance non-US dollar margins (both initial and variation). Back-to-back foreign currency borrowing for financing margins, is backed by cash deposited with the Broker or with a credit institution instructed by the Broker. In calculating the amount of the deposit, currency fluctuations will be adequately considered. Any such foreign currency borrowing will not be taken into account in the 10% limit referred to above (on the basis that such borrowing would be made on a back-to-back basis only). However, the sum of back-to-back foreign currency borrowing and the aggregate borrowing of the Company described above will be limited to an amount equal to 50% of the Net Asset Value at any time and from time to time.

The Investment Manager has designed and implemented a statistically derived measure of risk through its computer-based trading systems. This proprietary risk control mechanism (which is continually monitored and updated) operates to control the application of leverage to the Company's Investments, such leverage being variable, depending on the nature of the Investments and the markets traded and prevailing market conditions.

For as long as the Listed Shares are listed on the Irish Stock Exchange:

- (a) the Company will not take legal or management control over any of the entities in which the Liquidity Reserves are invested; and
- (b) the Company will adhere to the principle of diversification of risk in its derivatives trading activities.

The above Irish Stock Exchange restrictions are in addition to, and do not override, any investment restrictions imposed on the Company by the AIF Rulebook of the Central Bank.

The Company may not, nor shall it appoint a Manager or AIFM which would, acquire shares carrying voting rights which would enable it to exercise significant influence over the management of the issuing body.

The limits on Investments set out in the paragraphs above are deemed to apply at the time of purchase of the Investments. If the limits set forth are subsequently exceeded for reasons beyond the control of the Investment Manager (for example due to market movements or where a security is downgraded by a rating agency) or as a result of the exercise of subscription rights, the Investment Manager shall remedy that situation within such period of time as it deems reasonable (for example taking due account of the potential value of an affected security i.e. the potential for the affected security to regain its rating) and the interests of Shareholders.

Collateral received by the Company (other than in the context of reverse repurchase agreements which is subject to the requirements set out above) must at all times meet with the following criteria:

- (i) Liquidity: Collateral (other than cash) must be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a robust price that is close to its pre-sale valuation.
- (ii) Valuation: Collateral must be valued on a daily basis and must be marked to market daily;
- (iii) Issuer credit quality: Where the collateral issue is not rated A-1 or equivalent, conservative haircuts must be applied;
- (iv) Safe-Keeping: Collateral must be transferred to the Depositary, or its agent;
- (v) Enforceable: Collateral must be immediately available to the Company without recourse to the counterparty, in the event of a default by that entity;
- (vi) Non-cash collateral cannot be sold, pledged or re-invested; must be held at the risk of the counterparty; must be issued by an entity independent of the counterparty and must be diversified to avoid concentration risk in one issue, sector or country; and
- (vii) Cash collateral must only be invested in risk-free assets.

*Investment Restrictions imposed in jurisdictions in which Shares are marketed*

Without limitation, the Company may adopt additional investment restrictions to facilitate the distribution of Shares in the Company to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Company in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares in the Company are currently offered. In the event of any such addition to, or change in,

the investment restrictions applicable to the Company, a reasonable notification period will be provided by the Company to enable Shareholders in the Company to redeem their Shares prior to implementation of these changes.

For the benefit of German investors in the Company, the Company intends to adhere to the legal requirements as set out in the grandfathering provisions under Sec. 22 para. 2 of the German Investment Tax Act (*Investmentsteuergesetz*) in its amended version according to the AIFM Tax Adoption Act (*AIFM Steuer-Anpassungsgesetz*) and in this respect, it should be noted that the above sections under the heading "Investment objective and policies" and "Investment and borrowing restrictions" shall ensure compliance with (and in some circumstances are even more restrictive than) the following requirements/restrictions under Section 112 of the former German Investment Act of 15 December 2003 (as amended), and the Company thereby adheres to such requirements / restrictions until the grandfathering period will expire which will be the accounting period of the Company ending on 30 June 2017.

1. In accordance with the Company's terms and conditions for investment, the Company applies the principle of risk diversification in the meaning of Sec. 1 sentence 2 of the former German Investment Act ("GIA"). This relates especially to trading in derivative instruments in the context of applying the AHL Diversified Programme. Further, in line with the scope of the investment strategy, the Company has invested and may invest more than 90% of the Net Asset Value in the eligible assets according to Sec. 2 para. 4 number 1 to 4, 10 and 11 of the former GIA without any restrictions as well as in shares or units of investment funds in accordance with Sections 50, 66, 83, 90g and Sec. 112 of the former GIA and in corresponding foreign investment funds (Sec. 112 para. 1 sentence 1 of the former GIA).
2. The Company's terms and conditions for investment include the use of derivatives - as futures, swaps and other derivative financial instruments - in the context of applying the AHL Diversified Programme in order to achieve leverage for the Company's investments (Sec. 112 para. 1 sentence 2 number 1 of the former GIA).
3. The Company's terms and conditions for investment also include the possibility of utilising short-selling by the Company. Short-selling in this context means the sale of assets for joint account of the investors, in circumstances in which - at the time of the transaction – title to such assets does not belong to the funds property (Sec. 112 para. 1 sentence 2 number 2 of the former GIA).
4. Investments of the Company in real estate and other comparable assets according to Sec. 2 para.4 number 5 GIA will not be made. Investments of the Company in shares of companies, which - according to their articles of association or their memorandum/prospectus - exclusively invest in real estate (real estate corporations), will not be made (Sec. 2 para. 4 number 6 of the former GIA). This does not exclude listed REITs and comparable listed companies.
5. Investments of the Company in private equity (shares of companies which are not listed on a stock exchange or included in an organized market) are limited to 30 % of the Company's net asset value (Sec. 112 para. 1 sentence 3 of the former GIA).

6. Investments of the Company in physical commodities (except for precious metal) will not be made (Sec. 2 para. 4 number 11 of the former GIA). I.e. listed derivatives would have to be closed out before having to take physical delivery. Investments of the Company in uncertified loan receivables will not be made (Sec. 2 para. 4 number 10 and 11 in conjunction with Sec. 114 of the former GIA).

### **AHL Diversified Programme**

AHL manages the AHL Diversified Programme which employs sophisticated computerised processes to identify trends in markets around the world. Trading signals are generated and executed via a finely tuned trading and implementation infrastructure. This process is quantitative and primarily directional in nature, meaning that investment decisions are entirely driven by mathematical models based on market trends and other historical relationships. It is underpinned by rigorous risk control, ongoing research, diversification and the constant quest for efficiency.

The cornerstone of the investment philosophy is that the financial markets exhibit persistent trends and other inefficiencies. Trends are a manifestation of serial correlation in financial markets – the phenomenon whereby past price movements influence price behaviour. Although they vary in their intensity, duration and frequency, price trends are universally recurrent across all sectors and markets. Trends are an attractive focus for active trading styles applied across a diverse range of global markets.

Trading takes place around-the-clock and real-time price information is used to respond to price movements across a diverse range of global markets. The AHL Diversified Programme invests in a varied portfolio of instruments including, but not limited to futures, options, forward contracts, CFDs, swaps and other financial derivatives both on and off exchange. These markets may be accessed directly or indirectly and include, without limitation, stocks, debt, bonds, currencies, short-term interest rates, energies, metals, credit and agriculturals.

As well as emphasising sector and markets diversification, the AHL Diversified Programme has been constructed to achieve diversification by allocating to multiple trading strategies. Most of these strategies work by sampling prices in real time and measuring price momentum and breakouts, aiming to capture price trends and close out positions when there is a high probability of a different trend developing. Signals are generated across different time frames, ranging from a few days to several months. In aggregate, the systems currently run around 2,000 price samples each day spread across the 350 or so markets traded. The AHL Diversified Programme also includes other technical systems, as well as quantitative models based on a variety of fundamental inputs, such as interest rate and equity valuation data.

In line with the principle of diversification, the approach to portfolio construction and asset allocation is premised on the importance of deploying investment capital across the full range of sectors and markets. Particular attention is paid to correlation of markets and sectors, expected returns, market access costs and market liquidity. Portfolios are regularly reviewed and, when necessary, adjusted to reflect changes in these factors. A systematic process for adjusting market risk exposure in real time to reflect changes in the volatility of individual markets is also in place. Through AHL's ongoing investment in research and technology, the number and diversity of markets and strategies

traded directly or indirectly by the AHL Diversified Programme may change over the life of the investment, but always subject to any restrictions set out in this Prospectus. It should also be noted that the AHL Diversified Programme traded by the Company may differ from the AHL Diversified Programme traded by other investment products managed by entities within the Man Group.

## **AHL**

AHL is one of the world's leading quantitative managed futures managers. It is an investment division of Man Group and operates through various legal vehicles including AHL Partners LLP. AHL provides investors with highly liquid and efficient trading strategies which offer low correlation to more traditional investment disciplines. The business was established in 1987 as a division of Man Investments Limited and has developed a long and successful track record, offering strong returns with a low correlation to other asset classes. As of February 2013, AHL merged with Man Systematic Strategies ("**MSS**"), another investment division of Man Group, which brought increased breadth and depth of quantitative research capability. With primary offices in London, UK, AHL maintains a trading office in Hong Kong and research offices in Oxford, UK and Pfaffikon, Switzerland. As at 30 September 2015, AHL/MSS managed approximately USD 17.9 billion in assets. AHL is able to draw on the substantial business and corporate infrastructure, information technology, administration, logistics, compliance and legal functions, and client servicing offered by Man Group through a worldwide network of offices and staff.

## **Investment Manager**

AHL Partners LLP, a member of the Man Group, is appointed as the Investment Manager and AIFM of the Company and is responsible for the investment selection, portfolio construction and portfolio management in respect of the Company's portfolio.

The Investment Manager is authorised and regulated by the FCA in the conduct of its regulated activities in the United Kingdom. The Investment Manager, along with other Man Group entities, provides access for private and institutional investors worldwide to alternative investment strategies through a range of innovative products and solutions designed to deliver long-term investment performance.

Man Group was founded in 1783. Today, the UK listed entity in the FTSE 250 index has a market capitalisation of around £2.8 billion. As at 30 September 2015, Man Group had approximately USD 76.8 billion under management. The business employed approximately 1,100 people worldwide as at 31 December 2014, with key centres in London, Switzerland, New York, Tokyo, Hong Kong and Sydney.

Man Group is a world-leading alternative investment management business. It has expertise in a wide range of liquid investment styles including managed futures, equity, credit and convertibles, emerging markets, global macro and multi-manager, combined with powerful product structuring, distribution and client service capabilities.

## **Research process**

The Investment Manager draws on both academic research and market experience for its product design. The Investment Manager's belief in the need for on-going research and development has led to significant investment in this area. The research process takes advantage of advanced computing power and powerful, proprietary, analysis software to provide solutions to the problems of quantitative trading.

The Investment Manager retains the right to make changes to the AHL Diversified Programme as a result of its continued research and development (provided that any material change has been made in accordance with the requirements of the Central Bank and is promptly notified to the Shareholders and to the Irish Stock Exchange (where applicable)). Such changes may include an increase in the number and diversity of markets and instruments traded directly or indirectly including through collective investment schemes.

## **Risk management**

Risk management is an essential component of AHL's investment management process. AHL has put in place a risk management framework which is designed to identify, monitor and mitigate the portfolio, operational and outsourcing risks relevant to its processes. AHL's risk management framework is part of, and is supported by, the overarching risk management framework of Man Group.

The Investment Manager covers potential professional liability risks resulting from those activities which it carries out pursuant to the AIFM Regulations through additional own funds which are appropriate to cover potential liability risks arising from professional negligence.

Key principles of AHL's risk management framework include the segregation of functions and duties where material conflicts of interest may arise and having an appropriate degree of independent and senior management oversight of business activities. As part of this independent oversight, AHL's activities are subject to regular review by Man Group's internal audit function.

Risk management consists primarily of monitoring risk measures and ensuring the systems remain within prescribed limits. The major risk monitoring measures and focus areas include value-at-risk, stress testing, implied volatility, leverage, margin-to-equity ratios and net exposures to sectors and different currencies.

## **Remuneration Policies and Practices**

The Investment Manager is subject to remuneration policies, procedures and practices (together, the "Remuneration Policy"). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Company. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Investment Manager and the Company and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Investment Manager or the Company and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually.

## **Brokerage**

The nature of futures brokerage arrangements differs substantively from securities brokerage in that significant exposure to the futures markets can be effected with minimal capital commitments. Derivative and currency contracts are entered into on a margin basis whereby the customer is required to deposit only a percentage of the relevant contract value with the broker. As the Company must have access to cash assets to satisfy margin calls there is no prescribed limit on the amount of cash assets the Company may hold (which, in any event, will not exceed the NAV of the Company).

Based on such margin deposits, the Broker(s) will enter into derivatives and currency contracts with the Company on a principal to principal basis. All monies paid by the Company to the Broker(s) as margin deposits, together with any net realised and certain unrealised profits held by the Broker(s) for margin purposes, will be held in the Brokerage Account and the Company's assets will be designated as those of the Company by the Broker(s) for the purposes of the Brokerage Account. The assets in the Brokerage Account shall be subject to a lien in favour of the Broker(s) in respect of liabilities of the Company due to the Broker(s) since such monies constitute the Broker(s)'s collateral in the event of trading losses. See also the section entitled 'Risk factors'.

Subject to the rights of the Depositary pursuant to the Depositary Agreement, monies held by the Depositary shall be subject to the Broker(s)'s right to call for such monies in the event of trading losses being incurred. The Broker(s) will accept trading instructions for the Brokerage Account directly from the Investment Manager on the basis of a formal trading authorisation received from the Company.

## **Distribution policy**

The Company is an accumulating fund and, therefore, does not intend to distribute dividends to Shareholders. The Company's income and other profits will be accumulated and reinvested on behalf of Shareholders. Dividends, if paid on the Participating Shares, may be paid out of the net revenues of the Company (being the income of the Company less its expenses) and out of realised and unrealised capital gains on the disposal/valuation of Investments and other assets less realised and unrealised capital losses of the Company.

## **Risk factors**

Investment in the Company is subject to certain risk factors. As investors could lose some or all of their investment, potential investors should carefully consider the information contained in this Prospectus and each relevant Supplement before making any investment in Shares. In particular, but without limitation Investors should consider the following factors in determining whether investment in the Company is suitable for them. The following list of risk factors does not purport to provide a complete explanation of the risks associated with acquiring and holding the Participating Shares. As the AHL Diversified Programme evolves, an investment in the Company may become subject to risk factors not described in this section. Investors should only invest in the Shares if they understand the terms on which the Shares are offered and should, where appropriate, seek advice from relevant adviser(s) before making an investment.

### *Suitability for investment*

1. An investment in the Company is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may result from such an investment. An investment in the managed futures industry involves a significant degree of risk. There can be no assurance that the Company will achieve its objectives or avoid substantial loss. Investment in the Company (by the purchase of Participating Shares) may not be suitable for all investors.
2. There can be no assurance that the Company will achieve its investment objective. An investment in the Shares is not guaranteed or subject to principal or capital protection and investors could lose some or all of their investment. Both an investment in the Company and the investments which the Company proposes to make are speculative. Regardless of the fact that the Investment Manager intends to manage the Company diligently in pursuit of the Company's investment objective, no guarantee or representation can be made that the Company's investment programme will be successful, that the various investment strategies and trading strategies utilised will have low correlation with each other or that the Company's returns will exhibit low correlation with an investor's traditional investment portfolio. The Company may utilise a variety of investment techniques, each of which can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject.
3. The European Union Savings Directive 2003/48/EC (the 'Directive') came into force with effect from 1 July 2005. The Directive requires a paying agent (as defined in the Directive), established in a Member State, associated/dependent territories, or certain third countries, to either report or withhold tax from payments of 'savings income' to an individual beneficial owner residing in another EU member state or covered territory. 'Savings income' is defined in the Directive and can include coupon and dividend payments, distribution and redemption payments in respect of investments in securities and certain investment funds.
4. The Council of the EU has adopted a Directive (the "Amending Directive") which, if implemented, will amend and broaden the scope of the Savings Directive. For the Amending Directive to be implemented in Ireland, further steps must be undertaken in Ireland. However, it remains uncertain if the Amending Directive will be implemented into national law. In particular, discussions are currently ongoing at an EU level to replace the Savings Directive (and the Amending Directive) with an automatic exchange of information regime in compliance with the regime known as the "Common Reporting Standard" proposed by the Organisation for Economic Co-operation and Development. See section below entitled "OECD Common Reporting Standard". If these proposals are carried out, it would result in the abolishment of the Savings Directive. It is currently proposed that the Savings Directive would be abolished from 1 January 2017.

The Council of the EU has recently adopted Directive 2014/107/EU, which amends Directive 2011/16/EU on administrative cooperation in the field of taxation. This 2014 Directive provides for the adoption of the regime known as the "Common Reporting Standard" proposed by the Organisation for Economic Co-operation and Development and will, once implemented into national law, generalise the automatic exchange of information

within the European Union as of 1 January 2016. Under these measures, the Company may be required to report information relating to Shareholders, including the identity and residence of Shareholders, and income, sale or redemption proceeds received by Shareholders in respect of the Shares. This information may be shared with tax authorities in other EU member states and jurisdictions which implement the OECD Common Reporting Standard.

5. Prospective investors should carefully review and evaluate the risks and the other information contained in this Prospectus before making a decision to invest in the Company. Prospective investors should also seek their own personal financial advice from their independent financial advisers prior to making an investment. The success of the Company is significantly dependent upon the ability of the Investment Manager to develop and implement effectively the Company's investment objective. Except as otherwise discussed herein, investors will be relying entirely on the Investment Manager to conduct and manage the affairs of the Company. Subjective decisions made by the Investment Manager may cause the Company to incur losses or to miss profit opportunities on which it could otherwise have capitalised.
6. The performance of the Investment Manager is largely dependent on the talents and efforts of the personnel of AHL. The success of the Company depends on AHL's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other personnel. There can be no assurance that AHL's investment professionals will continue to be associated with AHL throughout the life of the Company and there is no guarantee that the talents of AHL's investment professionals could be replaced. The failure to attract or retain such investment professionals could have a material adverse effect on the Company and its Shareholders.
7. The Company depends on the Investment Manager to develop appropriate systems and procedures to control operational risk. These systems and procedures may not account for every actual or potential disruption of the Investment Manager's operations. The Investment Manager's business is dynamic and complex. As a result, certain operational risks are intrinsic to the Investment Manager's operations, especially given the volume, diversity and complexity of transactions that the Investment Manager is expected to undertake daily on behalf of its clients. Disruptions in the Investment Manager's operations may cause the Company to suffer, among other things, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage.
8. The Investment Manager maintains global information technology systems, consisting of infrastructure, applications and communications networks to support the Company's as well as its own business activities. These systems could be subject to security breaches such as 'cyber-crime' resulting in theft, a disruption in the Investment Manager's ability to close out positions and the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and/or legal exposure for the Company. The Investment Manager seeks to mitigate attacks on its own systems and those of the Company's but will not be able to control directly the risks to third-party systems to which it may connect. Any breach in security of the Investment Manager's systems could disrupt the Company's and

the Investment Manager's business and may cause the Company to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage.

9. The Company depends on the Investment Manager and its other service providers to develop and implement appropriate systems for the Company's trading activities. Further, the Company relies extensively on computer programmes and systems (and may rely on new systems and technology in the future) for various purposes including, without limitation, to trade, clear and settle transactions, to evaluate certain financial instruments, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of the Company's activities. Certain of the Company's and the Investment Manager's operations interface will be dependent upon systems operated by third parties, including the Valuations Service Provider, market counterparties and their sub-custodians and other service providers, and the Investment Manager may not be in a position to verify the risks or reliability of such third-party systems. These programmes or systems may be subject to certain limitations, including, but not limited to, those caused by computer "worms", viruses and power failures. The Company's operations are highly dependent on each of these systems and the successful operation of such systems is often out of the Company's and Investment Manager's control. The failure of one or more systems or the inability of such systems to satisfy the Company's new or growing businesses could have a material adverse effect on the Company. For example, systems failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the ability of the Company to monitor its investment portfolio and risks. There is a risk that algorithmic trading systems may not be able to adequately react to a market event without serious disruption. Further, trading algorithms may malfunction causing severe losses. While the Investment Manager has a "kill switch" to allow for human intervention to respond to significant system malfunctions, it cannot be guaranteed that losses will not occur in such circumstances.
10. The complex trading programmes operated by the Investment Manager and the speed and volume of transactions invariably result in occasional trades being executed which, with the benefit of hindsight, were not required by the trading programme or occasional trades not being executed when they should have been. To the extent an error is caused by a counterparty, such as a broker, the Investment Manager generally attempts to recover any loss associated with such error from such counterparty. To the extent an error is caused by the Investment Manager, a formalised process is in place for the resolution of such errors. Given the volume, diversity and complexity of transactions executed by the Investment Manager on behalf of the Company, investors should assume that trading errors (and similar errors) will occur. If such errors result in gains to the Company, such gains will be retained by the Company. However, if such errors result in losses, they will be borne by the Investment Manager in accordance with its internal policies unless otherwise determined by the Directors.

#### *Investment in the Shares*

11. The Net Asset Value is not guaranteed and may go down as well as up. Shareholders redeeming Participating Shares may not realise the amount originally invested.

Each Applicant must decide the amount to invest in Participating Shares, taking into consideration the risk factors described in this section and the terms and conditions described in this Prospectus. It should be borne in mind that the risks involved in this type of investment are greater than those normally associated with other types of investment, as the Company's Investments may be subject to sudden, unexpected and substantial price movements (which may be influenced by factors such as changes in interest rates, currency exchange rate and economic and political events which are beyond the control of, and not predictable by, the Investment Manager). Unexpected and substantial price movements may lead to substantial fluctuations in the Net Asset Value per Share within a short period of time. Accordingly, an investment in the Shares should be made only by those persons who could afford to sustain a loss in such an investment. Consequently, the trading of such Investments can lead to substantial losses as well as gains in the Net Asset Value per Share within a short period of time. Accordingly, an investment should be made only by those persons who could sustain a loss in that investment.

12. An Applicant should only allocate a small percentage (5%–10%) of its overall portfolio to an investment in the Company. The difference at any one time between the price paid for a Participating Share and the price at which a Participating Share is redeemed means that investment in the Participating Shares should be viewed as a medium-term investment. The Investment Manager specifically warns that the AHL Diversified Programme is designed and constructed as a medium-term investment.
13. There can be no assurance that information on the Investment Manager or the investment strategies, will be indicative of how the Shares will perform (either in terms of profitability or low correlation with other investments) in the future. No assurance can be given that profits will be achieved or that substantial losses will not be incurred.
14. Certain Investments within the Company's portfolio may, for timing reasons, be based on an estimate of the value provided by the manager or adviser of the Investments. The Investment Manager has been appointed as a competent person for the purposes of determining the fair value of these Investments as being one of fair value. Accordingly, the Net Asset Value may contain an element of estimated pricing. This valuation method is in accordance with the terms of the Articles and this Prospectus.
15. Applicants will need to submit to the Shareholder Services Provider and Registrar an Application Form by no later than three Business Days before the Dealing Day on which the subscription is required to be made. Applicants will, therefore, not know in advance of submitting the Application Form the Subscription Price for the Participating Shares for which they are applying. In the period between Valuation Points the underlying Net Asset Value per Share may change substantially due to market movements and, therefore, the Subscription Price which will be payable by the Applicant on any Dealing Day may vary significantly from the Subscription Price on any preceding Dealing Day. Applicants are not entitled to withdraw an Application Form unless the Directors otherwise determine.
16. Shareholders will need to submit to the Shareholder Services Provider and Registrar (or the appropriate Clearing System, as the case may be) a Redemption Notice at least three Business Days before the Dealing Day on

which the redemption is required to be made. There is currently no secondary market for the Shares. Shareholders will, therefore, not know in advance of giving the Redemption Notice the Redemption Price. In the period between Valuation Points the underlying Net Asset Value per Share may change substantially due to market movements and, therefore, the Redemption Price may vary significantly from the Redemption Price on any preceding Dealing Day. Shareholders are not entitled to withdraw a request for redemption unless the Directors otherwise determine or unless a suspension of dealings and/or calculations has been declared on the terms set out in this Prospectus.

17. The Directors have the ability to suspend temporarily the redemption of Shares in the circumstances set out in the section of this Prospectus entitled 'Temporary suspension/postponements'.
18. The Company may, in its absolute discretion, and subject to the requirements of the Central Bank, waive, reduce or vary any notice periods, conditions to redemptions, periods for or terms of remittance of redemption proceeds, or other requirements or limitations relating to redemptions, either for Shareholders generally or for particular Shareholders or classes of Shareholders and either at the time a particular redemption is proposed or in advance by agreement with one or more Shareholders.
19. Several factors cause substantial redemptions to be a risk factor for Shareholders. The Company will pursue a variety of investment strategies that will take time to develop and implement. Subject to the applicable investment objective and investment strategies, a portion of the Company's portfolio may be comprised of financial instruments that are OTC and which may experience reduced liquidity. The Company may not be able to dispose of such financial instruments readily. Substantial redemptions could be triggered by a number of events, including, for example, unsatisfactory performance, significant change in personnel or management of the Investment Manager, removal or replacement of the Investment Manager as the investment manager of the Company, a decision by the Company and/or the Company's investors to liquidate the Company's assets by redeeming Shares, investor reaction to redemptions from the Investment Manager's other accounts, legal or regulatory issues that investors perceive to have a bearing on the Company or the Investment Manager, or other factors. Actions taken to meet substantial redemption requests from the Company (as well as similar actions taken simultaneously in the Investment Manager's other accounts) could result in prices of financial instruments held by the Company decreasing and in Company expenses increasing (e.g., transaction costs and the costs of terminating agreements). The overall value of the Company also may decrease because the liquidation value of certain assets may be materially less than their mark-to-market value. The Company may be forced to sell its more liquid positions which may cause an imbalance in the portfolio that could adversely affect the remaining Shareholders. Substantial redemptions could also significantly restrict the Company's ability to obtain financing or derivatives counterparties needed for its investment and trading strategies, which would have a further material adverse effect on the Company's performance.

### *Overall Investment Approach*

20. The success of the Company's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Company's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments' prices and the liquidity of the Company's investments. Volatility or illiquidity could impair the Company's profitability or result in losses. The Company may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

The economies of some countries may differ favourably or unfavourably from the US and Western European economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

21. Investors should carefully consider the text within the sections entitled 'Investment objective and policies' and 'Investment and borrowing restrictions' above and remember that the Net Asset Value per Share (i.e. the price of Participating Shares) may fall as well as rise. There is no guarantee that the Company or the Investment Manager will realise the investment objective.
22. Shareholders' returns on the Participating Shares (by way of any payments of Redemption Proceeds or their equivalent) will be determined by reference to any cumulative net gains or losses (if any) arising from the investment activities of the Company and any appreciation earned on the Liquidity Reserves. The Net Asset Value per Share (and therefore the return on the Participating Shares) may vary significantly over time, and may decrease as well as increase, depending upon trading profits and investment gains. The Company makes no representation as to any return that a Shareholder will earn on the Participating Shares and there can be no assurance that information on the Investment Manager or the AHL Diversified Programme set out in this Prospectus will be, in any respect, indicative of how they will perform (either in terms of profitability or low correlation with other investments) in the future.
23. Identification and exploitation of the AHL Diversified Programme involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the allocated assets.
24. Investments by the Company on the advice of the Investment Manager may be concentrated and a significant proportion of the Company's assets may be in the securities of a single issuer or Agency. This limited diversity

could expose the Company to losses disproportionate to market movements in general. Even when the Investment Manager attempts to control risks and diversify the portfolio, risks associated with different assets may be correlated in unexpected ways, with the result that the Company faces concentrated exposure to certain risks. In addition, many pooled investment vehicles pursue similar strategies, which creates the risk that many funds would be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses.

25. The Company may make leveraged investments in markets that are volatile and/or which may become illiquid. Accordingly, although Investments may give greater liquidity than an equity investment, it may be impossible (in the event of trading halts or daily price fluctuation limits on the markets traded or otherwise) or expensive for the Company to liquidate positions against which the market is moving. Alternatively, it may not be possible, in certain circumstances, for a position to be initiated or liquidated promptly (in the event of insufficient trading activity in the relevant market or otherwise). Accordingly, the Company's ability to respond to market movements may be impaired. These risks may be accentuated where the Company is required to liquidate positions to meet margin requests, margin calls, redemption requests or other funding requirements.
26. Although the Company is prohibited from selling transferable securities if title to such securities is not held by the Company, it may undertake short selling of other Investments. Short selling involves agreeing to sell assets at a future date although, at the time of such agreement, the title to the assets to be sold may not be held by the seller. The seller may, at times, have to borrow assets of the same type for delivery to the purchaser, with an obligation on the seller (i.e. the Company) to replace any such borrowed assets at a later date. Short selling allows the investor to profit from declines in market prices to the extent such declines exceed the transaction costs and any costs of borrowing the assets. However, if the borrowed assets must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed assets would result in a loss. Purchasing assets to close out the short position can itself cause the price of the assets to rise further, thereby exacerbating the loss. There can also be no guarantee that assets necessary to cover the short position will be available for purchase. In addition, in some markets there are rules prohibiting short sales at prices below the last sale price, which may prevent the Investment Manager from executing short sales on behalf of the Company at the most desirable time.
27. The Company may invest in equity securities and equity derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Company may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Company has not hedged against such a general move. The Company also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

28. The Company may seek to meet its investment objectives by investing in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task and there can be no assurance that such opportunities will be successfully recognised. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Company's investments may not adequately compensate the financial risks assumed.

The Company may make certain speculative investments in securities which the Investment Manager believes to be undervalued. However there can be no assurance that the securities purchased will in fact be undervalued. In addition, the Company may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the Company's capital would be committed to the securities purchased, thus possibly preventing the Company from investing in other opportunities.

29. While the Company does not currently invest directly in ETFs, underlying funds in which the Company invests may themselves invest in ETFs, which are shares of publicly-traded unit investment trusts, open-end funds, or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. In addition, such underlying funds may bear, along with other shareholders of an ETF, their *pro rata* portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of the Company's expenses (e.g., the management fee and operating expenses), shareholders may also indirectly bear similar expenses of an ETF, which can have a material adverse effect on the return on capital of the Company.

30. The Company may directly or indirectly invest in corporate and government debt securities and instruments, and may take short positions in these securities. The Company may invest in these securities when they offer opportunities for capital appreciation (or capital depreciation in the case of short positions) and may also invest in these securities for temporary defensive purposes and to maintain liquidity. Debt securities include, among others: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by a sovereign government; municipal securities; and mortgage-backed securities ("**MBS**") and asset backed securities ("**ABS**"), including securities backed by collateralised debt obligations ("**CDO**"). The Company may

also be exposed to the underlying creditworthiness of corporations, municipalities and sovereign states (among others) by the use of credit default swaps. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations.

Debt securities are subject to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations (i.e. credit risk) and are subject to price volatility resulting from, among other things, interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). An economic recession could severely disrupt the market for most of these securities and may have an adverse impact on the value of such instruments. It is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The Company may invest in both investment grade debt securities and non-investment grade debt securities (commonly referred to as junk bonds), as well as unrated debt securities. Non-investment grade debt securities in the lowest rating categories and unrated debt securities may involve a substantial risk of default or may be in default. Adverse changes in economic conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of non-investment grade debt securities to make principal and interest payments than issuers of higher grade debt securities. Moreover, the market for lower grade debt securities may be thinner and less active than for higher grade debt securities.

The financial crisis demonstrated that even securities backed by very large pools of assets may be subject to volatility where markets may be subject to volatility levels which are higher than might ordinarily be expected. Pre-crisis, debt securities backed by CDOs were considered to be low-risk instruments, as historical statistics appeared to demonstrate that cash flows from a sufficiently large pool of assets, such as credit card debts or mortgage debts, should be highly stable. Accordingly, ratings agencies frequently assigned investment grade ratings to these securities and, in many cases, "AAA" or equivalent ratings. In spite of such high ratings, during the financial crisis, the holders of many of these debt securities suffered significant losses due, among other factors, to statistically unprecedented levels of defaults by underlying debtors. There can be no assurance that, in comparable markets, MBS or ABS held by the Company would not be subject to similar losses.

Where the Company invests in MBS and other debt securities secured by real estate, it will be exposed to the fluctuations and cycles in value which are characteristic of real estate markets, as well as specific risks including, among others: adverse changes in national or international economic conditions; changes in supply of or demand for properties; the financial condition of tenants, buyers and sellers of properties; changes in the

availability of debt financing; changes in interest rates, exchange rates, real estate tax rates and other operating expenses; and government actions including potential regulations on rent control, environmental laws and regulations, real estate laws and regulations, zoning and planning laws, regulations and other rules and fiscal policies.

31. The Company may enter into derivative instruments, such as credit derivatives. It may take advantage of opportunities with respect to certain derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Company and legally permissible. Special risks may apply to instruments that are invested in by the Company in the future that cannot be determined at this time or until such instruments are developed or invested in by the Company. For example, risks with respect to credit derivatives may include determining whether an event will trigger payment under the contract and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk. Other swaps, options, and other derivative instruments may be subject to various types of risks, including market risk, regulatory risk, tax risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk, and operations risk. Where the Company invests in derivatives such as futures or forwards that are linked to commodities, there is a risk that, were there to be an error in closing out the relevant position in time, the Company might be required to take physical delivery of such commodities, or arrange for another party to take delivery on short notice, with resulting additional costs. In addition, as new derivative instruments are developed, documentation may not be standardised, leading to potential disputes or misunderstanding with counterparties. The regulatory and tax environment for derivative instruments in which the Company may participate is evolving, and changes in the regulation or taxation of such financial instruments may have a material adverse effect on the Company. Further general risks of dealing in derivatives include (i) leverage; (ii) inability to close out a position on favourable terms or at all; (iii) the price of the underlying securities; (iv) over-the counter contracts; and (v) contractual asymmetries and inefficiencies.
32. Investing in derivatives generally involves paying an initial deposit or "initial margin" with a broker, who in the case of exchange-traded derivatives will handle subsequent payments such as margin calls. A relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of the funds actually placed as initial margin and could result in significant margin calls on the Company. The Company may be required to liquidate investments prematurely or incur borrowings to meet margin calls potentially

resulting in losses to the Company, which could have a material adverse effect on the Company's performance and returns to Shareholders.

33. Daily limits on price fluctuations and speculative position limits on exchange-traded derivatives may prevent prompt liquidation of positions which could have a material adverse effect on the performance of the Company and returns to Shareholders.
34. Investing in derivatives involving underlying securities or indices, such as options, exposes the Company to the risk of change in the market price in the underlying securities.
35. Off-exchange or "over-the-counter" contracts, such as forward financial exchange contracts, are subject to greater price volatility and greater illiquidity than those traded on an exchange: (i) as they are traded through an informal network of banks and other dealers which have no obligation to make markets in these instruments; (ii) as there are fewer market makers, likely resulting in wider spreads between their bid and asked prices and lower trading volumes; and (iii) as positions are not marked-to-market on a daily basis. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Counterparties to a transaction may be unable or unwilling to perform their side of such a contract and as such contracts are not guaranteed by an exchange or clearing house any such default would eliminate any profit potential and compel the Company to cover its commitments for resale or repurchase, if any, at the then-prevailing price, which may be difficult to determine. Any of these events could have a material adverse effect on the performance of the Company and returns to Shareholders.
36. The Company may enter into certain contracts that contain provisions that place it in an "asymmetrical" position relative to its counterparty, such as break clauses, whereby a counterparty may unilaterally terminate a transaction on the basis of a specified reduction in net asset value, incorrect collateral calls or delays in collateral recovery. Where the Company does not have similar rights against the counterparty, the exposure of the Company to such counterparty is increased, which could have a material adverse effect on the performance of the Company and returns to Shareholders.
37. Investment in derivatives involves special risks and may result in losses. The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the Company's positions

trade or of its clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Company from promptly liquidating unfavourable positions and subject the Company to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures exchange or other regulator could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract. The price of stock index futures contracts may not correlate perfectly with the movement in the underlying stock index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, shareholders may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Secondly, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of stock index futures contracts by the Company also is subject to the Investment Manager’s ability to correctly predict movements in the direction of the market.

38. The Company may incur risks associated with the sale and purchase of call options and/or put options.

The seller (writer) of a call option, which is covered (i.e., the writer holds the underlying security), assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the

opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

39. The Company may enter into swap transactions. Swaps are entered into in an attempt to obtain a particular return without the need to purchase the underlying reference asset. The use of total return swaps, price return swaps, volatility swaps, variance swaps, performance swaps, rate swaps, basis swaps, forward rate transactions, swaptions, basket swaps, index swaps, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions or any other similar transactions, whether referencing fixed income, equity or hybrid securities, credit, rates, commodities, currencies, baskets or indices (including any option with respect to any of these transactions) is a highly specialised activity that involves investment techniques and risks different from those associated with ordinary securities transactions. Swaps are individually negotiated transactions where each party agrees to make a one-time payment or periodic payments to the other party. Certain swap agreements require one party's payments to be "up-front" and timed differently than the other party's payments (such as is often the case with currency swaps), in which case the entire principal value of the swap may be subject to the risk that the other party to the swap will default on its contractual delivery obligations. Other swap agreements, such as interest rate swaps, typically do not obligate the parties to make "principal" payments, but only to pay the agreed rates or amounts as applied to an agreed "notional" amount. Accordingly, the Company's risk of credit loss may be the amount of interest payments it is entitled to receive on a net basis. As swap transactions are not typically fully funded, a payment of margin is often required by the counterparty. Where a trade is 'in the money', the Company is further exposed to the creditworthiness of the counterparty until any excess margin is returned.

Certain swap agreements are principal-to-principal transactions in which performance is the responsibility of the individual counterparty and not an organised exchange or clearinghouse. As such, the Company is exposed to the risk of counterparty default and counterparty credit risk. In addition, the margin rate associated with the transaction is often at the discretion of the Company's counterparty, which may result, in certain circumstances, in an unexpectedly large margin call and an associated liquidity drain for the Company. However, global regulators have recently moved to more closely regulate the over-the-counter market, and accordingly currently require that certain swaps be executed in regulated markets and be submitted for clearing through regulated clearinghouses and will require that a substantial portion current over-the-counter swaps be so executed and cleared, and subject to mandated margin requirements. It is unclear as to how effective this regulatory change

will be at reducing counterparty risk and increasing the efficiency of the market. The future costs associated with such trades and the liquidity impact of providing collateral is also uncertain and may be significantly more than is currently the case, thereby potentially reducing returns. In addition, a swap transaction is a contract whose value is derived from another underlying asset. As such, a move in the price of the underlying asset, can, due to the embedded leverage in the swap, magnify any gains or losses resulting from the transaction. As is the case with any derivative transaction, the counterparty hedge-based pricing and funding costs on entry and exit may be more costly than buying the underlying reference asset directly. Moreover, the Company's forecasts of market values, interest rates, and currency exchange rates may be inaccurate and may result in overall investment performance results that are worse than the results that would have been achieved if the Company did not engage in swap transactions.

40. The Company may make use of forward contracts. Forward contracts are transactions involving an obligation to purchase or sell a specific instrument or entitlement at a future date at a specified price. Forward contracts may be used by the Company for hedging purposes, such as to protect against uncertainty in the level of future foreign currency exchange rates. Forward contracts may also be used to attempt to protect the value of the Company's existing holdings of securities held in currencies other than the Base Currency of the Company. As is the case for any attempt at hedging downside risk, there is a risk that there is an imperfect correlation between the value of the securities and the forward contracts entered into with respect to those holdings resulting in an unprotected loss. Forward contracts may also be used for investment, non-hedging purposes to pursue the Company's investment objective, for example where it is anticipated that a particular currency will appreciate or depreciate in value.
41. Forward contracts and options thereon, unlike futures contracts, are generally not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. However, certain forward currency exchange contracts are regulated as swaps by the Commodity Futures Trading Commission ("**CFTC**") and have begun being voluntarily traded on swap execution facilities. To the extent the Company is treated as a US Person or if the Company's swap counterparty is a US person (for the purposes of the CFTC's swap regulations), some of these contracts may be required to be centrally cleared by a regulated US clearinghouse, and may be required to be traded on regulated exchanges in the future. Interbank forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. As in the case of a futures contract, a forward usually only requires a much smaller amount of margin to be provided relative to the economic exposure which the forward contract provides to the relevant investment; it creates a 'gearing' or 'leverage' effect. This means that a small margin payment can lead to enhanced losses as well as enhanced gains. It also means that a relatively small movement in the underlying instrument can lead to a much greater proportional movement in the

value of the forward contract. The principals who deal in the interbank forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets, particularly the currency markets, due to unusually high trading volume, political intervention, market dislocations, unanticipated third country events affecting the underlying asset, unscheduled holidays and market closures or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of the Company. Market illiquidity or disruption could result in major losses to the Company.

42. A contract for difference (“**CFD**”) is a contract between two parties, buyer and seller, stipulating that the seller will pay the buyer the difference between the current value of an asset (a security, instrument, basket or index) and its value at contract time. If the difference is negative then, instead, the buyer pays the seller. CFDs allow investors to take synthetic long or synthetic short positions with a variable margin, which, unlike futures contracts, have no fixed expiry date or contract size. Unlike shares, with CFDs the buyer is potentially liable for far more than the amount they paid on margin.
43. The Investment Manager relies heavily on quantitative models (both proprietary models developed by the Investment Manager, and those supplied by third parties (collectively “**Models**”)) and information and data both developed by the Investment Manager and those supplied by third parties (collectively “**Data**”) rather than granting trade-by-trade discretion to the Investment Manager's investment professionals. Models and Data are used to construct sets of transactions and investments, to value investments or potential investments (including without limitation, for trading purposes and for the purposes of determining the Net Asset Value of the Company), to provide risk management insights, and to assist in hedging the Company's investments. Models and Data are known to have errors, omissions, imperfections and malfunctions (collectively, “**System Events**”). System Events in third-party Models are generally entirely outside of the control of the Investment Manager.

The Investment Manager seeks to reduce the incidence and impact of System Events through a certain degree of internal testing and real-time monitoring, and the use of independent safeguards in the overall portfolio management system and often, with respect to proprietary models, in the software code itself. Despite such testing, monitoring and independent safeguards, System Events will result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, delays in the execution of anticipated trades, the failure to properly allocate trades, the failure to properly gather and organise available data, the failure to take

certain hedging or risk reducing actions and/or the taking of actions which increase certain risk(s)—all of which may have materially negative effects on the Company and/or its returns.

The Investment Strategies of the Company are highly reliant on the gathering, cleaning, culling and analysis of large amounts of Data. Accordingly, Models rely heavily on appropriate Data inputs. However, it is not possible or practicable to factor all relevant, available Data into forecasts and/or trading decisions of the Models. The Investment Manager will use its discretion to determine what Data to gather with respect to each Investment Strategy and what subset of that Data the Models take into account to produce forecasts which may have an impact on ultimate trading decisions. In addition, due to the automated nature of Data gathering, the volume and depth of Data available, the complexity and often manual nature of Data cleaning, and the fact that the substantial majority of Data comes from third-party sources, it is inevitable that not all desired and/or relevant Data will be available to, or processed by, the Investment Manager at all times. If incorrect Data is fed into even a well-founded Model, it may lead to a System Event subjecting the Company to loss. Further, even if Data is input correctly, "model prices" anticipated by the Data through the Models may differ substantially from market prices, especially for financial instruments with complex characteristics in which the Company may invest.

Where incorrect or incomplete Data is available, the Investment Manager may, and often will, continue to generate forecasts and make trading decisions based on the Data available to it. Additionally, the Investment Manager may determine that certain available Data, while potentially useful in generating forecasts and/or making trade decisions, is not cost effective to gather due to either the technology costs or third-party vendor costs and, in such cases, the Investment Manager will not utilise such Data. Shareholders should be aware that there is no guarantee that any specific Data or type of Data will be utilised in generating forecasts or making trading decisions with respect to the Models, nor is there any guarantee that the Data actually utilised in generating forecasts or making trading decisions underlying the Models will be (i) the most accurate data available or (ii) free of errors. Shareholders should assume that the Data set used in connection with the Models is limited and should understand that the foregoing risks associated with gathering, cleaning, culling and analysis of large amounts of Data are an inherent part of investing with a process-driven, systematic adviser such as the Investment Manager.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose the Company to potential losses. For example, by relying on Models and Data, the Investment Manager may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favourable opportunities altogether. Similarly, any hedging based on faulty Models

and Data may prove to be unsuccessful and when determining the Net Asset Value of the Company, any valuations of the Company's investments that are based on valuation Models may prove to be incorrect.

In addition, Models may incorrectly forecast future behaviour, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, in unforeseen or certain low-probability scenarios (often involving a market disruption of some kind), Models may produce unexpected results which may or may not be System Events.

Errors in Models and Data are often extremely difficult to detect, and, in the case of proprietary models and third-party models, the difficulty of detecting System Events may be exacerbated by the lack of design documents or specifications. Regardless of how difficult their detection appears in retrospect, some System Events will go undetected for long periods of time and some may never be detected. The degradation or impact caused by these System Events can compound over time. Finally, the Investment Manager will detect certain System Events that it chooses, in its sole discretion, not to address or fix, and the third party software will lead to System Events known to the Investment Manager that it chooses, in its sole discretion, not to address or fix. The Investment Manager believes that the testing and monitoring performed on its models and third party models will enable the Investment Manager to identify and address those System Events that a prudent person managing a process-driven, systematic and computerized investment programme would identify and address by correcting the underlying issue(s) giving rise to the System Events or limiting the use of proprietary and third party models, generally or in a particular application. Shareholders should assume that System Events and their ensuing risks and impact are an inherent part of investing with a process-driven, systematic investment manager such as the Investment Manager. Accordingly, the Investment Manager does not expect to disclose discovered System Events to the Company or to Shareholders.

The Company will bear the risks associated with the reliance on Models and Data including that the Company will bear all losses related to System Events unless otherwise determined by the Investment Manager in accordance with its internal policies or as may be required by applicable law.

44. The Company is unlikely to be successful in its quantitative trading strategies unless the assumptions underlying the Models are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the Models do not reflect certain factors, and the Investment Manager does not successfully address such omission through its testing and evaluation and modify the Models accordingly, major losses may result, all of which will be borne by the Company. The Investment Manager will continue to test, evaluate and add new Models, which may

lead to the Models being modified from time to time. Any modification of the Models or strategies will not be subject to any requirement that Shareholders receive notice of the change or that they consent to it. There can be no assurance as to the effects (positive or negative) of any modification on the Models or investment strategies on the Company's performance.

45. There is significant competition among quantitatively-focused managers and the ability of the Investment Manager to deliver returns that have a low correlation with global aggregate equity markets and other hedge funds is dependent on their ability to employ Models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that the Investment Manager is not able to develop sufficiently differentiated models, the Company's investment objectives may not be met, irrespective of whether the Models are profitable in an absolute sense. In addition, to the extent that the Investment Manager's Models come to resemble those employed by other managers, there is an increased risk that a market disruption may negatively affect predictive Models such as those employed by the Company, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of funds utilizing Models (or similar quantitatively focused investment strategies) in the marketplace.
46. The ability of the Investment Manager to achieve its investment goals for the Company is dependent in large part on its ability to develop and protect its models and proprietary research. The models and proprietary research and the Models and Data are largely protected by the Investment Manager through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations (or disclosure obligations to exchanges or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer the Investment Manager's models, and thereby impair the relative or absolute performance of the Company.
47. The Investment Manager manages the risk for the Company by seeking to ensure that the underlying risk is within predetermined levels. Nevertheless, Applicants should note that in the event of an exceptional decline in the value of the Company's trading capital to a level insufficient to sustain access to the AHL Diversified Programme, the Company may have to cease trading activities in the AHL Diversified Programme.

#### *Market Risks*

48. Certain markets in which the Company may invest are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns, or the liquidity of the Company's portfolio positions may be reduced. There can be no assurance that the Investment Manager will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. There has been significant growth in

the number of firms organised to make such investments, which may result in increased competition to the Company in obtaining suitable investments.

49. The Company may make investments in markets that are volatile and/or which may become illiquid. Accordingly, the ability of the Company to respond to market movements may be impaired, which may result in significant losses to the Company. To the extent that the Company invests on a public exchange it bears the risk that the exchange may exercise a right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for the Company to liquidate its positions and thereby exposes it to losses. In addition, there is no guarantee that markets will remain liquid enough for the Company to close out positions.

50. Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Company interacts on a daily basis. Such risks may be exacerbated by the obligations for certain financial instruments to be centrally cleared by a third- party clearing house.

Further, world events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in liquidity and counterparty issues which could result in the Company incurring substantial losses.

51. The Company may borrow money for cash management purposes and to meet redemptions that would otherwise result in the premature liquidation of its investments. The use of short-term borrowing creates several additional risks for the Company. If the Company is unable to service the debt, a secured lender could liquidate the Company’s position in some or all of the financial instruments that have been pledged as collateral and cause the Company to incur significant losses. The occurrence of other material defaults and other financing agreements, may trigger cross-defaults under the Company’s agreements with other brokers, lenders, clearing firms or other counterparties, multiplying the materially adverse impact to the Company. The amount of debt which the Company may have outstanding at any time may be large in relation to its assets. Consequently, the level of interest rates generally, and the rates at which the Company can borrow particularly will affect the operating results of the Company.

52. The Company’s portfolio is subject to the risk of loss arising from exposure that it may incur, directly or indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could adversely affect the return of the Company.

53. The Company’s investment strategies and trading strategies depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. The Company’s trading orders may not be executed in a timely and efficient manner due to various circumstances,

including, without limitation, trading volume surges or systems failures attributable to the Investment Manager, the Company's counterparties, brokers, dealers, agents or other service providers. In such event, the Company might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, the Company might not be able to make such adjustment. As a result, the Company would not be able to achieve the market position selected by the Investment Manager, which may result in a loss

#### *Investment in Regulated and Unregulated Funds*

54. The Company may invest part or all its assets in Investment Funds managed by the Investment Manager and/or other members of the Man Group and/or independent investment managers. While investors in the Company will not be subject to management or performance fees at the level of the underlying vehicles managed by the Investment Manager, investors in the Company will be subject to service provider or other operating expenses both at the level of the Company and, indirectly, at the level of the underlying fund. In the event that fees are charged by members of the Man Group to an underlying fund, such fees will be either waived or rebated to the Company. Should an underlying fund through which the Company directly or indirectly invests fail for any reason (including, but not limited to, failures relating to fraud, operations, valuations or the custody of assets) the Net Asset Value per Share may reduce accordingly. Should an underlying fund suspend redemption or impose any other restrictions on redemptions, the Company's ability to honour redemptions of Shares may be adversely impacted.

The Company may be materially affected by the actions of other funds investing in the underlying vehicles through which the Company directly or indirectly invests. Consequently, if another fund were to redeem from the underlying vehicle through which the Company directly or indirectly invests, the remaining funds, including the Company, may experience higher *pro rata* operating expenses, thereby producing lower returns, and the underlying vehicle through which the Company directly or indirectly invests may become less diverse due to a redemption by a larger fund, resulting in increased portfolio risk.

55. At the time of striking the Net Asset Value of the Company, it is possible that only estimated prices will be available for certain of the Investment Funds or in certain appropriate circumstances, the Directors may have estimated the probable realisable value of any holding in an Investment Fund, in which case CEP will rely on such estimates when calculating the Net Asset Value of the Company. The reliance on such estimated values shall be final and conclusive notwithstanding any subsequent variation in the net asset value per share or unit of the relevant investment fund as issued by such investment fund or its duly appointed delegate.

56. The Investment Funds generally are invested wholly independently of one another and may at times hold economically offsetting positions. To the extent that the Investment Funds do, in fact, hold such positions, the Company, considered as a whole, cannot achieve any gain or loss despite incurring expenses. In addition, an Investment Fund will be compensated based on the performance of its investment. Accordingly, a particular

Investment Fund may receive incentive compensation in respect of its portfolio for a period even though the Company's overall portfolio depreciated during such periods.

57. The Investment Funds invested in by the Company may face similar risks or greater risks in regard to their investments as are described in these risk factors as applicable to the Company and consequently the Company will also bear these risks indirectly. Certain investment practices or trading strategies employed, such as investment in financial and commodity futures and in derivative instruments and use of other investment techniques entail separate and substantial risk. Leverage can be employed by the Investment Funds invested in by the Company in a number of ways including direct borrowing, margining, short selling and the use of futures, warrants, options and other derivative products. Generally, leverage is used to increase the overall level of investment in a portfolio. Higher investment levels may offer the potential for higher returns. This exposes investors to increased risk as leverage can increase the portfolio's market exposure and volatility; the risk of leverage in futures contracts and investing in warrants is that small price movements can result in large losses or profits. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time. If assumptions made by the Investment Manager are wrong or if the instruments do not work as anticipated, the Company could lose more than if the Investment Funds had not used such investment techniques.
58. The Company may be materially affected by the actions of other funds investing in the underlying Investment Funds invested in by the Company. Consequently, if another fund were to redeem from such Investment Funds, the remaining funds, including the Company, may experience higher *pro rata* operating expenses, thereby producing lower returns, and the Investment Funds may become less diverse due to a redemption by a larger fund, resulting in increased portfolio risk.
59. Investment Funds may have redemption periods that affect liquidity. In the course of performing its duties, the Company may be required to accept in specie redemptions from an underlying Investment Fund. In such a situation, the investment may not be sufficiently liquid in order to be readily realisable. However, redemption proceeds shall always be paid within 90 calendar days of the cut-off time for receipt of Redemption Notices.
60. Prospective investors should note that Unregulated Funds will not provide a level of investor protection equivalent to funds authorised under Irish laws and subject to Irish regulations and conditions.

#### ***Fees and transaction costs***

61. The Company will be subject to the payment of substantial fees. Unless significant trading profits and interest income are earned by the Company there may, after the payment of fees and expenses of the Company, be little or no return to the Shareholders. See information within the section entitled 'Fees and expenses'. Such fees and transaction costs are to a substantial degree payable to the Man Group.
62. The performance of the Company will be affected by charges related to the investments of the Company. The Company, through the Investment Manager, may be engaged in a high level of trading resulting in

commensurably higher transaction costs. Typically, high portfolio turnover may result in correspondingly high transaction costs and the exact amount of brokerage and related transaction costs that will be incurred will depend upon a number of factors, including the nature and frequency of the market opportunities presented, the size of transactions and the transaction rates in effect from time to time. Such fees and transaction costs are to a substantial degree payable to the Man Group.

63. The fees and transaction costs payable by the Company may be subject to renegotiation over the life of the Company.

#### *Counterparty risk*

64. The Company will have significant credit and operational risk exposure to its counterparties, which will require the Company to post collateral to support its obligations in connection with transactions involving forwards, swaps, futures, options and other derivative instruments. Generally, counterparties will have the right to sell, pledge, re-hypothecate, assign, use or otherwise dispose of the collateral posted by the Company in connection with such transactions. Additionally, for example, the Company may lend securities on a collateralised and an uncollateralised basis, from its portfolio.
65. Investments will normally be entered into between the Company and brokers as principal (and not as agent). Accordingly, the Company is exposed to the risk that brokers may, in an insolvency or similar event, be unable to meet their contractual obligations to the Company. This includes contractual obligations relating to margin monies held by the Broker(s) on behalf of the Company. The Company is also exposed to the default of the Broker(s). Should any counterparty transacting with the Company become insolvent, any claim that the Company may have against such counterparties would ordinarily be unsecured.
66. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Company has concentrated its transactions with a single or small group of counterparties. If there is a default by the counterparty to a transaction, the Company will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the Net Asset Value of the Company being less than if the Company had not entered into the transaction.
67. If one or more of the Company’s counterparties that act as custodian or broker-dealer for the Company, or the Depositary or any sub-custodian appointed by the Depositary were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of the Company’s securities and other assets from the Depositary, such custodian, sub-custodian or broker-dealer will not be capable of being recovered and/or will be delayed or be of a value less than the value of the securities or assets originally entrusted to the Depositary, such custodian, sub-custodian or broker-dealer.
68. Investors should assume that the insolvency of any Company counterparty would result in a loss to the Company, which could be material.

69. To the extent that margin monies of the Company held by the Broker(s) are placed with a market counterparty of the Broker(s), such margin monies may be pooled with margin monies of other customers of both the Broker(s) and/or the market counterparty that are held with such market counterparty and may be exposed to loss through netting in the event of the market counterparty's insolvency.
70. Funds not immediately required for margin purposes by the Broker(s) will be held in a segregated client account or accounts with a third party bank or banks in accordance with the Client Money Rules. Funds held by the Broker(s) in a segregated client account may be subject to pooling (that is, pro-rata allocation). In the event that there is an overall shortfall in amounts due from the Broker(s) to its customers out of such customer segregated funds the Company may not fully recover funds held on its behalf. Funds held in segregated client accounts will not, however, be available to the general creditors of the Broker(s).

#### *Leverage arrangements*

71. In addition to the leverage inherent in the AHL Diversified Programme, the Company, or the underlying vehicles through which the Company directly or indirectly invests, may borrow and/or utilise swaps and other off balance sheet derivative transactions and other forms of leverage. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent leverage is employed. The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment could be a substantial loss, which would be greater than if leverage were not used. As a general matter, the banks and dealers that provide financing to the Company can apply essentially discretionary margin, haircut financing as well as security and collateral valuation policies. For example, should the financial instruments pledged to brokers to secure the Company's margin accounts decline in value, the Company could be subject to a "margin call", pursuant to which the Company must either deposit additional funds or financial instruments with the broker or suffer mandatory liquidation of the pledged financial instruments to compensate for the decline in value. In the event of a sudden drop in the value of the Company's portfolio, the Company might not be able to liquidate financial instruments quickly enough to satisfy their margin requirements. Increases in the amount of margin or similar payments could result in the need for trading activity at times and prices which could be disadvantageous to the Company or the underlying vehicles through which the Company directly or indirectly invests and could result in substantial losses.
72. As a consequence of leverage, interest expense may be material as a percentage of the assets of the Company. Interest expense could force a reduction in the exposure of the Company to the relevant trading strategies. The use of such leverage means that even comparatively small losses, or insufficient profits to offset expenses, could rapidly deplete the capital available to the Company and reduce or eliminate its profit potential. Further fees relating to any financing arrangements such as arrangement, commitment, minimum utilisation and renewal fees

may also be payable. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants. The imposition of any such limitations or restrictions could compel the Company to liquidate all or part of its portfolio at disadvantageous prices, which may lead to a complete loss of the Company's equity.

#### *Interest rate and exchange rate risk*

73. Fluctuations in exchange rates could cause the value of investments made by Shareholders to increase or decrease. The Company may have exposure to foreign exchange and/or interest rate risks. The Company may seek to mitigate its risks through hedging transactions. To the extent these hedging transactions are imperfect or are only placed over a portion of the target investment exposure, the relevant Shareholders will realise the resulting benefit or loss.

The investments of the Company will be denominated primarily in US dollars and any return of such investments will therefore be in the same currency. The Company may invest in financial instruments denominated in non-US currencies, the prices of which are determined with reference to currencies other than the US Dollar. However, the Company values its financial instruments in US Dollars. The Company may or may not seek to hedge its non-US currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that financial instruments suitable for hedging currency or market shifts will be available at the time when the Company wishes to use them, or that hedging techniques employed by the Company will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all.

To the extent unhedged, the value of the Company's direct or indirect positions in non-US investments will fluctuate with US Dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the US Dollar compared to the other currencies in which the Company makes investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the Company's financial instruments in their local markets and may result in a loss to the Company. Conversely, a decrease in the value of the US Dollar will have the opposite effect on the Company's non-US Dollar investments.

74. Non-USD Shares are designated in a currency other than USD, the Base Currency of the Company. In such circumstances adverse exchange rate fluctuations between the Base Currency and the relevant currency in

which Non-USD Shares are denominated may result in a decrease in return and/or a loss of capital for Shareholders. The Company may try to mitigate this risk by using any of the techniques and instruments referred to in the section entitled “*Cash Management*” above, (including currency options and forward currency exchange contracts), within the conditions and limits imposed by the Central Bank, to hedge the foreign currency exposure of such Classes into the Base Currency. The Company may hedge the foreign currency exposure of Non-USD Share Classes in order that investors in that Class receive a return in the currency of that share Class which is substantially in line with the investment objective of the Company.

It may not always be possible or desirable to fully or accurately hedge all currency exposure back into the Base Currency of the Company and there is no guarantee that the exposure of the currency of Non-USD Share Classes can be fully hedged against the Base Currency. While it is not the intention of the Company, over-hedged or under-hedged positions may arise due to factors outside the control of the Company. However, in no case will over-hedged positions be permitted to exceed 105% of the net asset value of the particular Non-USD Share Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed this limit and the Company will ensure that positions materially in excess of 100% will not be carried forward from month to month.

Investors should be aware that, while foreign exchange hedging will protect Shareholders against a decline in the Base Currency against their Class currency, this strategy may substantially limit Shareholders of the relevant hedged Class from benefiting if the Class currency falls against the Base Currency and/or the currency/currencies in which the assets of the Company are denominated. In such circumstances, Shareholders of the hedged Class may be exposed to fluctuations in the Net Asset Value per Shares reflecting the gains/loss on and the costs of the relevant financial instruments.

As foreign exchange hedging will be utilised for the benefit of a particular Class of Shares, its cost and related liabilities and/or benefits shall be for the account of that Class of Shares only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for Shares of any such Class.

Where there is more than one hedged Class in the Company denominated in the same currency (which is a currency other than the Base Currency) and it is intended to hedge the foreign currency exposure of such Classes into the Base Currency, the Company may aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/loss on and the costs of the relevant financial instruments pro rata to each such Non-USD Share Class.

75. The Company may have exposure to interest rate risks. To the extent prevailing interest rates change, it could negatively affect the Net Asset Value per Share.

#### *Tax*

76. The Company intends to conduct its affairs such that it should not be deemed to be engaged in a trade or business in any jurisdiction other than from Ireland and should not, therefore, be liable to taxes of any jurisdiction other than from Ireland. If any of the activities were deemed to constitute a trade or business from a jurisdiction

other than Ireland, then that jurisdiction's taxes may apply. Any such taxes would adversely affect the investment performance of the Shares.

77. This Prospectus does not take into consideration any tax consequences of investing in the Company other than as set out in the section entitled 'Taxation of Shareholders'. Prospective investors should also seek their own personal tax advice from their independent advisers prior to making an investment.
78. The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Company obtains a repayment of foreign tax, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.
79. The Company may take positions on certain tax issues which depend on legal conclusions not yet addressed by the courts. Additionally, no assurance can be given that legislative, administrative or judicial changes will not occur which will alter, either prospectively or retroactively, the tax considerations or risk factors discussed in this Prospectus.
80. Certain EU Member States have taken steps towards implementing a "financial transactions tax" ("FTT"), applicable to transactions in securities or other financial instruments where at least one party to the transaction, the issuer of the securities or other financial instruments, or the relevant broker, is located in the European Union. If implemented, the FTT may result in substantial loss to the Company, both directly through increased transaction costs and also indirectly through reduced liquidity in markets in securities and other financial instruments. The FTT may also render economically unviable certain investment strategies which the Investment Manager might otherwise have pursued, which may impair the Investment Manager's ability to generate returns for Shareholders.
81. The regulatory or tax environment for derivative and related instruments is evolving and may be subject to government or judicial action, which may affect the value or liquidity of investments held by the Company or its ability to obtain the leverage it might otherwise obtain.

Where the Company invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Company will not be able to recover such withheld tax and so any change would have an adverse effect on the Net Asset Value of the Shares. Where the Company sells securities short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the Company.

### *FATCA*

82. The Company will require Shareholders to certify information relating to their status for FATCA purposes and to provide other forms, documentation and information in relation to their FATCA status. The Company may be unable to comply with its FATCA obligations if Shareholders do not provide the required certifications or information. In such circumstances, the Company could become subject to US FATCA withholding tax in respect of its US source income if the US Internal Revenue Service specifically identified the Company as being a 'non-participating financial institution' for FATCA purposes. Any such US FATCA withholding tax would negatively impact the financial performance of the Company and all Shareholders may be adversely affected in such circumstances.

### *Foreign Taxes*

83. The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Company obtains a repayment of foreign tax, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

### *Depositary*

84. The Depositary must, in the case of the Company, and may, in the case of the Manager and the Investment Manager, review their respective procedures for ensuring that the Company's assets and investments are managed in accordance with the investment objective, policies, strategies and investment and borrowing restrictions contained in this Prospectus and any imposed by the Central Bank pursuant to Part 24 of the Act. However, the Depositary, in carrying out any review, may be reliant on information supplied by the Broker(s), the Investment Manager and/or the Manager and the Depositary may not be in a position to validate the accuracy of such information.

85. The Depositary is not and shall not accept any liability for any losses sustained by the Company (and hence investors) as a result of any default by the Broker(s). The Depositary Agreement specifically excludes all such liability (except for negligence, fraud, bad faith, wilful default or recklessness on the part of the Depositary).

### *Regulatory risks*

86. The United States Hiring Incentives to Restore Employment Act (the "**HIRE Act**") was signed into US law in March 2010 creating a new withholding regime referred to as the Foreign Account Tax Compliance Act ("**FATCA**"). In order for the Company to avoid US withholding under FATCA (i.e. a tax of thirty percent (30%) on certain payments including eventually payments of gross proceeds) made with respect to certain actual and deemed US investments, the Company generally will be required to register with the US Internal Revenue Service ("IRS") by 31 December 2013 and may be required to identify and report certain of its direct and indirect

US account holders (including debt holders and equity holders). The Company is subject to rules under an Intergovernmental Agreement (IGA), the Company will implement these FATCA provisions under local law and any required information will be provided to the local authorities in Ireland who will then provide it on to the IRS.

Investors in the Company will likely be required to provide to the Company information which identifies any direct and indirect US ownership as well as information that may certify other FATCA compliance or non-US status. The Company will likely be required to provide information on its direct and indirect US investors to the local tax authority of the Company, who may share this information with the IRS. Such information may include, inter alia, the name, address and taxpayer identification number of certain US Persons that own, directly or indirectly, an interest in the Company, as well as certain other information relating to such interest, including amounts paid or credited by the Company to such investor.

A non-US investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will generally be required to register with the IRS by 31 December 2013 and agree to identify certain of its own direct and indirect US account holders (including debt holders or equity holders). If the non-US investor is subject to rules under an IGA (such as the Company), the non-US investor will implement these FATCA provisions under local law and information may be provided to the local authorities who will then provide on to the IRS. A non-US investor in the Company who fails to provide requested information to the Company register and agree to identify such account holders (as applicable), may be subject to the thirty percent (30%) withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of the Company and the Directors may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information gave rise to the withholding. Shareholders should consult their own tax advisers regarding the possible implications of these rules on their investments in the Company).

87. Legal, tax and regulatory developments could occur during the term of the Company that may adversely affect the Company. Securities and futures markets are subject to comprehensive regulation and limitation of statutes, regulatory rules and margin requirements. Regulators and self-regulatory organisations and exchanges may be authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict what, if any, changes in regulations may occur, but any regulations which restrict the ability of the Company to trade in securities or the ability of the Company to employ, or brokers and other counterparties to extend, credit in their trading (as well as other regulatory changes that result) could have a material adverse impact on the profit potential of the Company.
88. In the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 (the "**Dodd-Frank Act**") established a comprehensive framework for the regulation of markets, market participants and financial instruments that were previously unregulated and substantially alters the regulation of many other markets,

market participants and financial instruments. Because many provisions of the Dodd-Frank Act require rule-making by applicable regulators and mandate numerous studies and reports, the final extent and impact of the legislation is yet to be fully determined but it is likely to affect the Company and/or the Investment Manager. The European Market Infrastructure Regulation ("**EMIR**") seeks comprehensively to regulate the OTC derivatives market in Europe for the first time including, in particular, imposing mandatory central clearing, trade reporting and, for non-centrally cleared trades, risk management obligations on counterparties, including timely confirmation, portfolio reconstruction, dispute resolution and margining requirements. In addition, the revised Markets in Financial Instruments Directive ("**MiFID II**") and Markets in Financial Instruments Regulation ("**MiFIR**") will require certain standardised OTC derivatives to be executed on regulated trading venues. Similarly, the Dodd-Frank Act includes provisions that substantially increase the regulation of the OTC derivatives markets for the first time. The Dodd-Frank Act will require that a substantial portion of OTC derivatives must be executed in regulated markets and submitted for clearing to regulated clearinghouses. For example, certain interest rate swaps, including certain foreign exchange forwards defined as swaps by the CFTC, and credit default index swaps are required by the CFTC to be submitted for clearing if traded by US persons. These OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as margin requirements mandated by the CFTC, SEC and/or federal prudential regulators. OTC derivative dealers also are required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as they are allowed to do for uncleared OTC trades. This has increased and will continue to increase the dealers' costs, which costs are generally passed through to other market participants in the form of higher upfront and mark-to-market margin, less favourable trade pricing, and the imposition of new or increased fees, including clearing account maintenance fees. The overall impact of EMIR, MiFID II, MiFIR and the Dodd-Frank Act on the Company is highly uncertain and it is unclear how the OTC derivatives markets will adapt to these new regulatory requirements.

89. The "Volcker Rule" component of the Dodd-Frank Act materially restricts proprietary speculative trading by banks, "bank holding companies" and other regulated entities. As a result, there has been a significant influx of new portfolio managers into investment funds who had previously traded institutional proprietary accounts. Such influx can only increase the competition for the Company from other talented portfolio managers trading in the Company's investment sector.
90. In April 2014, the European Parliament adopted proposals as part of the review of the Market Abuse Directive including a Market Abuse Regulation ("**MAR**") and a directive on criminal sanctions for insider dealing and market manipulation ("**CSMAD**") (together "**MAD II**"). MAR will expand the scope of the market abuse regulatory regime to cover, for the first time, different trading systems and financial instruments and take into account technological developments, notably algorithmic trading and high frequency trading. The final legislation was published in the Official Journal on 12 June 2014. There is now a 24-month period for the adoption of implementing measures by the European Commission concerning MAR and for member states to implement the

CSMAD in national law. MAR will address the interaction between spot markets and derivative markets, including commodity markets and address potential sources of abuse and manipulation between them, including through provisions allowing member states to introduce criminal sanctions for market abuse offences. These changes, if adopted, could lead to increased regulation and operational and compliance requirements for the markets in which the Company operates.

91. Since November 2012, short sales and credit default swaps have been subject to the provisions of the EU Regulation on Short Selling and certain aspects of Credit Default Swaps (the “**Short Selling Regulation**”), which was published in the Official Journal of the European Union on 24 March 2012. The Short Selling Regulation introduces restrictions and disclosure requirements for persons taking short positions in EU shares and sovereign bonds, and prohibits entering into uncovered credit default swaps in relation to EU sovereign debt (i.e., where the investor does not have an exposure that it is seeking to hedge either to the sovereign debt itself or to assets or liabilities whose value is correlated to the sovereign debt). In addition, the Short Selling Regulation permits the competent authorities of EU Member States to prohibit or restrict short sales, limit sovereign credit default swaps and impose emergency disclosure requirements, among other things, during times of stressed markets. Competent authorities may also restrict short sales of individual financial instruments which have suffered a significant fall in price in a single day.

Provisions of the Dodd-Frank Act and new rules promulgated by the SEC may increase the costs of short selling, make interactions with the issuers of securities being sold short more difficult and alter the prices or timing of short sales. The Dodd-Frank Act requires broker-dealers to provide notices to their customers that inform them of their right to opt out of allowing broker-dealers to use their fully paid securities for short sales. In the event that many broker-dealer customers opt out of allowing their fully paid shares to be used in short selling, locating shares for pre-borrowing may become more expensive, especially after the adoption of the SEC’s 2008 short selling rules, which were targeted at preventing “naked short selling”. Moreover, the SEC’s “Circuit Breaker Uptick Rule”, will limit the Company’s ability to sell securities short during the day a stock has declined 10% on its listing market and the following day, except for transactions that are at a price that are above the last national best bid.

The provisions of the SEC rules and the Short Selling Regulation may hinder the Company’s investment programme by preventing it from taking positions that the Investment Manager considers favourable. They may also result in overvaluations of certain financial instruments due to restrictions on market efficiency. In addition, the SEC’s “Circuit Breaker Uptick Rule” and the emergency powers granted under the Short Selling Regulation to competent authorities during times of stressed markets and with respect to individual financial instruments, may adversely affect the Company by preventing it from taking hedging positions or other positions that the Investment Manager considers to be in its best interests. The imposition of emergency measures under the Short Selling Regulation could, therefore, result in substantial losses to the Company.

92. Position limits imposed by various regulators or exchanges may limit the Company’s ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or

entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Company does not intend to exceed applicable position limits, it is possible that the Investment Manager's other accounts together with the Company may be aggregated. To the extent that the Company's position limits were collapsed with an affiliate's position limits, the effect on the Company and resulting restriction on its investment activities may be significant. If at any time positions managed by the Investment Manager were to exceed applicable position limits, the Investment Manager would be required to liquidate positions, which might include positions of the Company, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, the Company might have to forego or modify certain of its contemplated trades.

In addition, the Dodd-Frank Act significantly expands the CFTC's authority to impose position limits with respect to futures contracts, options on futures contracts, swaps that are economically equivalent to futures or options on futures, swaps that are traded on a regulated US exchange and certain swaps that perform a significant price discovery function. In response to this expansion of its authority, in 2012, the CFTC proposed a series of new speculative position limits with respect to futures and options on futures on so-called "exempt commodities" (which includes most energy and metals contracts) and with respect to agricultural commodities. Those proposed speculative position limits were vacated by a United States District Court, but the CFTC has again proposed a new set of speculative position rules which are not yet finalised (or effective). If the CFTC is successful in this second try, the size or duration of positions available to the Company may be severely limited. All accounts owned or managed by the Investment Manager are likely to be combined for speculative position limit purposes. The Company could be required to liquidate positions it holds in order to comply with such limits, or may not be able to fully implement trading instructions generated by its trading models, in order to comply with such limits. Any such liquidation or limited implementation could result in substantial costs to the Company.

MiFID II and MiFIR will come into force in January 2017 and will introduce for the first time within the European Union position limit and position reporting requirements in relation to certain commodity derivatives. The precise implication and scope of these requirements is not yet known, as the implementing measures are not yet finalised. However, it is likely that these measures will impose restrictions on the positions that the Company and the Investment Manager on behalf of all accounts owned or managed by it may hold in certain commodity derivatives and will require the Investment Manager to more actively monitor such positions. If the Company's and/or the Investment Manager's positions reach the position limit thresholds, the Investment Manager will be required to reduce those positions in order to comply with such limits.

93. The CFTC has adopted final guidance for swaps market participants on the cross-border application of the Dodd-Frank Act's swap regulatory regime. The application of this regulatory regime to a cross-border swap transaction depends, in large part, on whether one of the counterparties to the swap is a "US person". The guidance includes a new definition of "US person", which has been adopted only for the purposes of the CFTC's swap regulatory regime, that is different from the definitions of US Person under Regulation S and the CFTC's

Regulation 4.7 that are used for other regulatory purposes. Among other things, this definition of US person includes a non-US domiciled collective investment vehicle, such as the Company, that is majority-owned by US persons. If at any time the Company is majority-owned by US persons, the Company will be a US person for the purposes of the CFTC's swap regulatory regime. This may impose significant regulatory burdens on the Company, including reporting and recordkeeping requirements as well as mandatory clearing of certain swaps and mandatory trade execution of such swaps in the future.

#### *Performance Based Compensation*

94. The Investment Manager will receive incentive compensation based upon the net capital appreciation allocated to Participating Shares. The performance fee payable to the Investment Manager, may create an incentive for the Investment Manager to make investments on behalf of the Company that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, since such compensation is calculated on a basis that includes unrealised appreciation of the Company's assets (which may never be realised), such compensation may be greater than if it were based solely on realised gains and losses.

#### *The Prime Brokers*

95. As disclosed below under the section entitled "Prime Brokers", the Company's obligations to the Prime Brokers may be secured by transferring to the Prime Brokers all rights, title and interest in and to certain of the assets of the Company. Such assets may be borrowed, lent or otherwise used by the Prime Brokers for their own purposes, whereupon such assets will become the property of the Prime Brokers and the Company will have a contractual right against the Prime Brokers for the return of equivalent assets. Any such assets are not required to be segregated and the Company will rank as an unsecured creditor in relation thereto and, in the event of insolvency of any of the Prime Brokers, the Company may not be able to recover such equivalent assets in full.

Cash held by each Prime Broker that has not been taken by the Prime Broker as collateral will generally be treated as client money and will be subject to the client money protections conferred by the FCA client money rules.

96. The Company has been informed by the Depositary and the Prime Brokers that the Association of Financial Markets in Europe and prime brokers have interpreted the AIFM Directive in such a way that prime brokers do not segregate assets received from alternative investment fund clients from assets received from non-alterative investment fund clients. Currently, when the Investments are transferred by the Depositary or its agent, to the Prime Brokers, the Prime Brokers do not segregate the Investments from other client assets, including non-alterative investment fund assets. There is a risk that the European Securities and Markets Authority or such other regulator, including but not limited to the FCA or the Central Bank, may determine that prime brokers are incorrect in not segregating alternative investment fund clients assets from non-alterative investment fund client assets. If such a determination were to be made, the Depositary, or its agent, would require that the Investments held by the respective Prime Brokers be returned to the Depositary immediately, which may incur losses for the Company. The Company could also be exposed to the risk of loss should a Prime Broker default on its

obligation to return the Investments, particularly as there may be practical or timing problems associated with enforcing the Company's rights to its Investments in these circumstances.

The Company notes that it is the responsibility of the Depositary to hold Investments in accordance with the terms of the AIFM Directive. In the event that losses are realised because of the way in which Investments are held the Company reserves the right to pursue the Depositary for any such losses in accordance with the liability standards set out in the AIFM Directive.

### **Exchange control**

Under current legislation in Ireland, there are no exchange control laws or exchange control regulations in effect which would affect either the Company or any Shareholder.

### **Management and administration**

#### **Directors**

The Directors, whose details are set out below, control, manage and supervise the affairs of the Company and are responsible for the overall investment policy, which will be determined by them and given to the Manager from time to time. The Directors are all non-executive directors of the Company.

**Michael Jackson** (Irish) is a partner in Matheson, the legal advisers to the Fund as to matters of Irish law. He joined Matheson in September 1991 following graduation from University College Cork with a Bachelor of Civil Laws Degree. In 1994 Mr. Jackson worked in the investment funds department of a leading international law firm based in the United States returning to Matheson in October 1994. Between September 1998 and January 1999 he was seconded to the private client services division of a major international investment firm based in London. Mr. Jackson returned to Matheson in January 1999 and was admitted to partnership in January 2000. He is a member of the Incorporated Law Society of Ireland and was a member of the committee established by the Irish Government to assess the impact of electronic commerce on the International Financial Services Centre ("IFSC") in Dublin. Mr. Jackson is a member of the Primary Market Committee and Funds Listing Committee of the Irish Stock Exchange and is a former member of the Council and the executive committee of the Irish Funds Industry Association ("IFIA"). Mr. Jackson was appointed Chairman of the IFIA in May 2009. He is also a member of the IFSC Funds Group and is chairman of the legislative sub-group of the IFSC Funds Group.

**John Morton** (British) undertook his training contract at Cameron McKenna, qualifying into the Corporate Department in September 1991. He joined Morgan Grenfell Asset Management in May 1994, as the company's first in house legal counsel. In September 2000 he joined Societe Generale Asset Management's UK business (SGAM UK) as its Head of Legal and in 2003 he was also appointed to the role of Head of Compliance. Following GLG's acquisition of SGAM UK in April 2009, he joined GLG's legal department and he then became a member of Man's legal department following its acquisition of GLG in November 2010. John is currently Head of the GLG and UCITS Products team within Man's Legal department.

**Victoria Parry** (British) was, until April 2013, Global Head of Product Legal for Man Group plc and, prior to the merger of Man Group plc and GLG Partners in 2010, Senior Legal Counsel for GLG Partners. Ms Parry joined Lehman Brothers International (Europe) in April 1996 where she was legal Counsel with responsibility for inter alia the activities of the GLG Partners division. Ms Parry left Lehman Brothers in September 2000 upon the establishment of GLG Partners. Prior to joining Lehman Brothers in 1996 Ms Parry practised as a solicitor with a leading London based firm of solicitors. Ms Parry graduated from University College Cardiff, with a LLB (Hons) in 1986. Ms Parry became a solicitor and a member of the Law Society of England and Wales. Ms Parry is a director of a number of other companies including funds managed or advised by entities within the Man Group Plc group of companies.

**John Walley** (Irish) is a member of the Institute of Bankers in Ireland and the Institute of Auditors in Ireland. He currently acts as consultant within the hedge fund industry. Until June 2008 he was Chief Executive of Olympia Capital Ireland Ltd, a position he has held since 1998 when the company was formed. Previously he was Group Managing Director of Investors Trust Holdings (Ireland) Limited between 1996 and 1997. Prior to that he established Chemical Bank's first presence in Ireland and was its Managing Director from 1993 to 1996. He joined Chase Manhattan Bank in Ireland in 1982 working in various senior management capacities, including head of global custody and service products.

The Directors have appointed the Investment Manager to manage the assets of the Company. The Directors monitor and review the activities of the Investment Manager in relation to the Company through receipt of reports from the Investment Manager at their quarterly Board Meetings and by taking such appropriate steps as they consider are appropriate and in the best interests of the Company in relation to any matters arising out of such reports.

### **Manager**

The Company has appointed Man Fund Management Limited as its manager pursuant to the Management Agreement. It has responsibility for the administration of the Company's affairs (apart from portfolio management or risk management) subject to the overall policy and supervision of the Directors.

The Manager is a private company limited by shares and was incorporated in Ireland on 20 June 1994. It is a wholly-owned subsidiary of Man Group plc. The Manager has an issued and fully paid up share capital of USD 560,000. The Manager's main business is the provision of fund management and administration services to collective investment schemes promoted and sponsored by Man Group. The directors of the Manager are Michael Jackson, John Morton, Victoria Parry and Bronwyn Wright.

### **Administrator**

Pursuant to the Administration Agreement, the Manager has appointed CEP on behalf of the Company to provide general shareholder services (which will include maintenance of the Company's register) and certain accounting and valuation services. The Manager has also agreed to monitor the provision of those services by CEP.

CEP is a licenced bank, authorised and regulated by the Central Bank of Ireland. CEP was incorporated in Ireland on 9 June 1988 under registered number 132781. CEP is a member of the Citigroup group of companies, having as its ultimate parent Citigroup Inc., an US publicly quoted company.

The Company has agreed to both indemnify the Manager and exempt the Manager from liability in respect of all actions, proceedings and claims and against all costs, demands and expenses (including legal and professional expenses) arising therefrom in connection with the Manager's role and provision of its services, the appointment of service providers or the performance or non-performance of the relevant service provider's duties and/or any alleged untrue statement of material fact contained in the Prospectus (otherwise than due to the wilful misconduct, fraud, bad faith, or negligence in the performance by the Manager, its servants or agents of its obligations or functions under the Management Agreement). Further, the Manager shall not be under any liability to the Company or any investors in the Company for any act, omission or default of, the insolvency of, or for the performance or non-performance of any services whatsoever by CEP or other provider of transfer agency, registrar, valuation or other administration services to the Company from time to time appointed by the Manager.

The Administration Agreement also includes provisions pursuant to which the Company has agreed to both indemnify and exempt from liability CEP, members of its group, its delegates and its associates from losses, liabilities, damages or costs in connection with the appointment of the service provider or the performance or non-performance of its duties and/or any untrue statement of material fact contained in the Prospectus that is not due to a breach of the Administration Agreement by, or the negligence, wilful default, bad faith or fraud of, CEP, members of its group, its delegates or its associates. The Administration Agreement may be terminated by the Company or the Manager on giving not less than 3 months' notice in writing to the other parties, or by CEP on the occurrence of certain defined events.

Pursuant to the Administration Agreement, the Manager on behalf of the Company has appointed CEP to provide general administration, valuation, registrar, paying and transfer agency services either directly or through sub-service providers (as the case may be) with the prior written consent of the Manager, not to be unreasonably withheld. Further details of these services are provided below.

### **Investment Manager**

The Investment Manager is authorised and regulated by the FCA in the conduct of its regulated activities in the United Kingdom. A member of the Man Group, the Investment Manager, along with other Man Group entities, provides access for private and institutional investors worldwide to alternative investment strategies through a range of innovative products and solutions designed to deliver long-term investment performance.

The Investment Manager may, in accordance with the requirements of the Central Bank, and subject to the section entitled "Conflicts of Interest", appoint a member of Man Group to purchase or sell or otherwise execute and/or clear transactions on behalf of the Company, and the Investment Manager, or any of its officers or affiliates may receive a charge from any member of Man Group or pay a charge to any such entity or charge the Company in respect of transactions executed and/or cleared on behalf of the Company. The fees of any entity appointed by the Investment Manager to purchase or sell or otherwise execute and/or clear transactions shall not be payable out of the assets of the Company.

Currently within the Investment Manager, the following people are designated as being responsible for oversight of management of the Company's assets:

Tim Wong is the Executive Chairman of AHL, which was formed through the merger of Man Group's two quantitative investing businesses in February 2013. Tim is also a member of the Man Executive Committee. Prior to this he was the CEO of AHL for 10 years. He joined AHL in 1991 as a research analyst, and later assumed overall responsibility for the day-to-day running of the research and investment management operations. Tim graduated from the University of Oxford in 1991 with a first class honours degree in Engineering Science. He subsequently gained an MSc in Statistics and Operational Research from London University. He is an associate of the UK Society of Investment Professionals.

Matthew Sargaison is the Chief Investment Officer for AHL, with overall responsibility for sector-based research and portfolio management. He served as Chief Risk Officer between 2009 and 2012, prior to which he spent 13 years working at Deutsche Bank, Barclays Capital and UBS. Matthew originally worked for AHL from 1992 to 1995 as a trading system researcher and institutional product designer. Matthew gained his BA/MA in Mathematics from the University of Cambridge in 1991 and a Masters in Advanced Computer Science from the University of Sheffield.

In the event the Investment Manager designates replacements for Mr Wong or Mr Sargaison, details of the replacements will be advised to the Swiss Financial Market Supervisory Authority (FINMA). Relevant details will be updated at the next following revision to the Prospectus.

### **Prime Brokers**

#### *Morgan Stanley & Co. International plc*

Morgan Stanley & Co. International plc ("MS"), a member of the Morgan Stanley Group of companies, based in London, will provide prime brokerage services to the Company under the terms of the International Prime Brokerage Agreement entered into between the Company and MS for itself and as agent for certain other members of the Morgan Stanley Group of companies (the "MS Companies") on 17 November 2014 (the "MS Prime Brokerage Agreement") and the Delegation Agreement entered into between MS and the Depositary on 17 November 2014 as novated by way of a deed of novation dated 6 November 2015, referred to herein as the "Delegation Agreement", (the MS Prime Brokerage Agreement and the Delegation Agreement, together the "Agreement"). These services may include the provision to the Company of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Company may also utilise MS, other MS Companies and other brokers and dealers for the purposes of executing transactions for the Company. MS is authorised by the Prudential Regulatory Authority ("PRA") and regulated by the FCA and the PRA.

Under the terms of the Delegation Agreement, MS is appointed as a sub-custodian of certain assets of the Company by the Depositary and MS will therefore also provide a custody service for certain of the Company's financial instruments, including documents of title or certificates evidencing title to financial instruments, held on the books of MS as part of its prime brokerage function in accordance with the terms of the Agreement and the rules of the FCA. MS may appoint sub-custodians, including the MS Companies, of such financial instruments.

In accordance with FCA rules, MS will record and hold financial instruments of the Company held by it as custodian in such a manner that the identity and location of such financial instruments can be determined at any time and that such financial instruments are readily identifiable as belonging to a customer of MS and are separately identifiable from MS's own investments. Furthermore, in the event that any of the Company's financial instruments are registered in the name of MS where, due to the nature of the law or market practice of jurisdictions outside the United Kingdom, it is in the Company's best interests so to do or it is not feasible to do otherwise, such financial instruments may not be segregated from MS's own financial instruments and in the event of the MS's default may not be as well protected.

MS will treat money received from the Company as client money ("**Client Money**") in accordance with the terms of the FCA's Rules. The legal and regulatory regime applying to parties holding Client Money outside the EEA may be different to that of the UK and in the event of their default such money may be treated in a different manner from that which would apply if the money was held by such a party in an EEA state.

As security for the payment and discharge of all liabilities of the Company to MS and the MS Companies, the financial instruments and cash held by MS and each such MS Company will be charged by the Company in their favour. Financial instruments and cash may also be deposited by the Company with MS and other members of the MS Companies as margin and will also constitute collateral for the purposes of the FCA rules.

The Company's financial instruments may be borrowed, lent or otherwise used by MS and the MS Companies for its or their own purposes, and the market value of investments borrowed, lent or otherwise used by MS and the MS Companies may not exceed 120% of the adjusted value, as defined in the MS Prime Brokerage Agreement whereupon such financial instruments will become the property of MS or the relevant MS Company and the Company will have a right against MS or the relevant MS Company for the return of equivalent assets. The Company will rank as an unsecured creditor in relation thereto and, in the event of the insolvency of MS or the relevant MS Company, the Company may not be able to recover such equivalent assets in full.

Subject to any specific indemnity agreed between the Depositary and MS for loss of financial instruments held in custody by MS, neither MS nor any MS Company will be liable for any loss to the Company resulting from any act or omission in relation to the services provided under the terms of the Agreement unless such loss results directly from the negligence, wilful default or fraud of MS or any MS Company. Neither MS nor any other MS Company shall have any liability or responsibility for any act or omission of the Depositary and shall be under no obligation to monitor or supervise the Depositary. The Depositary shall remain liable for all applicable monitoring, oversight and supervision of the Company and its agents' investment decisions and for ensuring their conformity with applicable law and regulation and neither MS nor any other MS Company assumes any liability or responsibility in this regard. MS will not be liable for the solvency, acts or omissions of any sub-custodians or other third party by whom or in whose control any of the Company's financial instruments or cash may be held. MS and the MS Companies accept the same level of responsibility for nominee companies controlled by them as for their own acts. The Company has agreed to indemnify MS and the MS Companies against any loss suffered by, and any claims made against, them

arising out of the Agreement, save where such loss or claims result primarily from the negligence, wilful default or fraud of the indemnified person.

MS may terminate the MS Prime Brokerage Agreement on 30 business days' written notice to the Company, and the Company may terminate on 5 business day's written notice to MS.

MS is a service provider to the Company and is not responsible for the preparation of this document or the activities of the Company and therefore accepts no responsibility for any information contained in this document. MS will not participate in the investment decision-making process.

*Credit Suisse Securities (Europe) Limited*

Credit Suisse Securities (Europe) Limited ("CS"), a subsidiary of Credit Suisse AG and based in London, will provide prime brokerage services to the Company pursuant to the Master Prime Brokerage Terms between the Company and CS dated 17 November 2014 as amended by way of agreement dated 9 November 2015 (the "CS Agreement") supplemented by CS' standard terms and conditions.

The services provided by CS to the Company may include clearance and settlement, custody of assets, securities lending, financing and foreign exchange. The Company may also utilise the Prime Broker, other members of the Credit Suisse Group ("CS Affiliates") and other brokers and dealers for the purposes of executing transactions for the Fund.

The Prime Broker is authorised by the PRA and regulated by the FCA and PRA in the conduct of its investment business and has financial resources in excess of USD 200 million (or its equivalent in another currency). The Prime Broker's parent company, Credit Suisse AG, has been assigned a credit rating as at the date of this Addendum of A1 for long term credit and P-1 for short term credit by the credit agency Moody's Investor Services and A for long term credit and A-1 for short term credit by the credit agency Standard & Poor's.

As security for the payment and performance by the Company of all of its obligations to CS all securities, financial instruments or other property of the Company held by CS will be subject to a security interest in favour of CS on trust for itself and each CS Affiliate.

All rights, title and interest in securities, financial instruments or other property of the Company (other than cash) transferred by the Company to CS, shall pass to CS free from all liens, charges and encumbrances ("Rehypothecated Assets"), subject to an obligation of CS to transfer equivalent assets back to the Company, provided that the Rehypothecated Assets may not at any time exceed an amount equal to 110% of the aggregate indebtedness of the Company to CS.

Any Rehypothecated Assets may be sold, borrowed, lent or otherwise transferred or used by CS for its own purposes in which event the Company will have a right against CS for the return of assets equivalent to the Rehypothecated Assets so used. To the extent so used, any such Rehypothecated Assets will not be segregated from other assets belonging to CS and may be available to creditors of CS in the event of its insolvency.

Pursuant to the CS Agreement, the Company indemnifies CS and CS Affiliates for any loss, claim, damage or expense incurred or suffered by such CS entities arising out of the performance by such CS entity of services for the Company pursuant to the CS Agreement or other losses, claims, damages or expenses related to the CS Agreement as set out in the CS Agreement, unless such losses, claims, damages or expenses have been caused by CS or CS Affiliates by their negligence, fraud or wilful default, or breach of the CS Agreement.

CS and the Depositary have entered into a sub-custodian agreement pursuant to which the Depositary has delegated its safekeeping obligations under Article 21(8)(a) of the AIFM Directive to CS in respect of financial instruments that are capable of being held in custody in accordance with Article 21(8)(a). CS has agreed to carry out the duties referred to in Article 21(8)(a) of the AIFM Directive as applicable to an entity to whom such duties have been delegated in accordance with Article 21(11) of AIFM Directive.

CS shall keep such records in such a manner to enable it at any time and without delay to identify the securities and financial instruments of the Company and to distinguish them from its own assets, assets of its other clients and assets of the Depositary. CS shall at all times comply with the requirements of Article 99(2) of Commission Delegated Regulation (EU) No. 231/2013 (the "Level 2 Regulation").

Where CS delegates to a third party the holding of securities and financial instruments of the Company held by CS, CS undertakes to comply with all obligations referred to in Article 21(11) of the AIFM Directive and Articles 88, 98(4) and 99 of the Level 2 Regulation and CS shall only sub-delegate the holding of financial instruments of the Company where there is an objective reason for doing so, and such sub-delegation is not made in order to avoid the requirements of the AIFM Directive and the Level 2 Regulation. CS shall ensure, where it replaces a sub-delegate, that the above mentioned articles of the AIFM Directive and the Level 2 Regulation continue to be met both during any transition period and upon the appointment of the new sub-delegate.

Pursuant to the sub-custody agreement, CS shall be liable for the Depositary's direct damages resulting from the negligence, wilful default or fraud of CS or any CS Affiliates in connection with the sub-custody agreement, and CS indemnifies the Depositary from the amount paid out by the Depositary to the Company, the Investment Manager on behalf of the Company or a Shareholder, due to the Depositary becoming liable under the first two sub-paragraphs of Article 21(12) of the AIFM Directive (in accordance with Articles 100 and 101 of the Level 2 Regulation) for a loss of financial instruments held in custody in respect of securities or financial instruments of the Company custodied with CS or its sub-delegate, except where such sub-delegate is the Depositary or an affiliate of the Depositary and/or CS demonstrates that such loss is not caused by the negligence, intentional failure or fraud of CS and/or the loss is caused by the acts or omissions of the Depositary or any of its affiliates.

Money received or held by CS pursuant to the PB Terms will not be subject to the protections conferred by the rules of the FCA relating to the holding and treatment of client money ("Client Money Rules"), will not be segregated from CS' own money and will be used by CS in the course of its own business. Consequently, the Company will rank as a general creditor of CS with respect to such money, provided that any credit cash balances held by CS in excess of

the absolute value of all obligations owed by the Company to CS on any business day shall be held subject to the protections conferred by the Client Money Rules.

CS may terminate the CS Agreement on twenty business days' written notice to the Company, and the Company may terminate on one business day's written notice to CS.

CS is a service provider to the Company and is not responsible for the preparation of this document or the activities of the Company and therefore accepts no responsibility for any information contained in this document. CS is not an investment or other adviser to the Company and will not participate in the investment decision-making process.

The Company reserves the right to change the arrangements described above by agreement with CS and/or, in its discretion, to appoint additional or alternative prime broker(s) and custodian(s).

### **ISDA Counterparties**

The Company may effect derivatives transactions which are "over-the-counter" with counterparties. The Company will, from time to time, enter into a master agreement published by the International Swaps and Derivatives Association, Inc. (each, an "**ISDA Master Agreement**") with a counterparty (either directly or through an intermediary). The ISDA Master Agreement is individually negotiated between the Company (or an intermediary on behalf of the Company) and an over-the-counter derivatives counterparty and governs over-the-counter derivative transactions between the Company and such counterparty. The ISDA Master Agreement includes events of default, such as a failure to pay, a breach of the agreement and termination events (among others) and may include separately negotiated events of default and termination provisions in relation to the Company which differ from counterparty to counterparty. The ISDA Master Agreement will also govern each individual transaction entered into and confirmed between the parties and will regard all the transactions entered into pursuant to a particular ISDA Master Agreement as a single agreement. In the event of a default, typically the non-defaulting party will value the transactions and calculate the amount due on a netted basis and the netted amount may be paid either by the defaulting party to the non-defaulting party or by the non-defaulting party to the defaulting party. Generally there are set-off provisions which allow the derivative counterparty and its affiliates to set off all economic exposure among all agreements entered into between the Company and the derivatives counterparty and any of its affiliates. In the event of the insolvency of its counterparty, amounts due as a result of termination are unsecured and the Company may rank as an unsecured creditor in the recovery of such debt in any such insolvency proceedings.

### **Broker(s)**

Brokers will be appointed pursuant to Broker Agreements. The Company may appoint a number of Brokers to provide clearing services in relation to its trading activities. Man Investments AG has been appointed as the Introducing Broker for the Company pursuant to the Introducing Broker Agreement. The Introducing Broker is responsible for recommending appropriate Brokers to the Company as well as managing these relationships, ensuring appropriate service levels and an adequate diversification of Brokers.

The Broker(s) will hold cash (for the purposes of margin only) on behalf of the Company in the Brokerage Account in connection with transactions contemplated pursuant to the Broker Agreement. Any such Broker will be an appropriately regulated entity.

#### *Use of Dealing Commission*

The Investment Manager utilises various brokers and dealers to execute securities transactions. Portfolio transactions for the fund are allocated to brokers and dealers on the basis of best execution (in accordance with the rules of the FCA and SEC) based on a number of factors, including among other things, commission rates (and other transactional charges), the broker's financial strength, ability to commit capital, stability and responsibility, reputation, reliability, overall past performance of services, research capability and coverage, responsiveness to the Investment Manager as well as means of communication, quality of recommendations, deal calendar, ability to execute trades based on the characteristics of a particular trade, technology and trading systems, trading activity in a particular security, block trading and block positioning capabilities, nature and frequency of sales coverage, net price, depth of available services, arbitrage operations, bond capability and options operations, investment banking coverage, capacity of syndicate operations, the availability of stocks to borrow for short trades, willingness to execute related or unrelated difficult transactions, order of call, back office, settlement processing and special execution capabilities, efficiency and speed of execution, and error resolution. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. All such transactions will be undertaken in compliance with the rules of the FCA and SEC on inducements and the use of dealing commission. Accordingly, dealing commissions will be used only for the provision of execution or research services.

In addition, the Investment Manager may enter into "soft dollar" arrangements with one or more brokers in order to obtain brokerage and research products and services for the Company. However, the Investment Manager intends that any such "soft dollar" arrangements will fall within the Safe Harbor provided by Section 28(e) of the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"). Under Section 28(e) of the Exchange Act, if the Investment Manager determines in good faith that the amount of commissions, spreads or mark-ups charged by a broker is reasonable in relation to the value of the brokerage, research products or services and related products and services provided by such broker, the Company may pay commissions, spreads or mark-ups to such broker in amounts that are greater than another broker charges. The Investment Manager may use such "soft dollars" generated by the Company to service other investment funds for which the Investment Manager serves as investment manager.

Brokers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research services or products. Research products and services received from the Company's brokers may be used by the Investment Manager in servicing all of its accounts, and not all such research products and

services need to be used in connection with the Company. Nonetheless the Investment Manager believes that such investment information provides the Company with benefits by supplementing the research otherwise available to the Company.

#### **Shareholder Services Provider and Registrar**

In accordance with the Administration Agreement, the Manager has appointed CEP on behalf of the Company as Shareholder Services Provider and Registrar. The Shareholder Services Provider and Registrar will perform certain general shareholder services including maintaining the register of investors of the Company and processing certain anti money laundering documents.

The register records the legal owner of the Shares (being the Shareholders or, in respect of Shares held in the Clearing Systems, The Bank of New York Mellon, London Branch (Depository) Nominees Limited as the Common Depository). The Shareholder Services Provider and Registrar also maintains (or will cause to be maintained) a register in which the Shareholders and the Direct Shareholders will be recorded.

The Shareholder Services Provider and Registrar may delegate its duties with the prior written consent of the Manager, not to be unreasonably withheld.

#### **Valuations Service Provider**

In accordance with the Administration Agreement, the Manager has appointed CEP on behalf of the Company as Valuations Service Provider to the Company. The Valuations Service Provider will perform certain valuation and accounting services for the Company. The Valuations Service Provider may delegate some of its duties with the prior written consent of the Manager, not to be unreasonably withheld.

The Valuations Service Provider is not responsible and will have no liability in connection with any trading decisions of the Company. The Valuations Service Provider will not provide any investment advisory or investment management services to the Company. The Valuations Service Provider will not be responsible for and will have no liability in connection with monitoring any investment restrictions or compliance with the investment restrictions.

In determining the Net Asset Value per Share, the Valuations Service Provider will follow the valuation policies and procedures adopted by the Company. The manner in which the services of the Valuations Service Provider will be performed by the Valuations Service Provider will be determined in accordance with the Articles of the Company and the Prospectus and the liability of the Valuations Service Provider will be determined in accordance with the Administration Agreement. For the purpose of calculating the Net Asset Value per Share, the Valuations Service Provider shall in certain circumstances, and shall be entitled to, rely on, and will not be responsible for and will have no liability in connection with the accuracy of, financial data furnished to it by various third parties which may include the Depository and/or the Investment Manager

#### **Principal Paying Agency Services**

In accordance with the Administration Agreement, the Manager has appointed CEP on behalf of the Company as Principal Paying Agent to the Company. The Principal Paying Agent will perform certain paying agency services for

the Company. The Principal Paying Agent may delegate some of its duties with the prior written consent of the Manager, not to be unreasonably withheld.

### **The Depositary**

The Investment Manager as the Company's AIFM has, under the terms of the Depositary Agreement, engaged the Depositary, as depositary of the Company's assets, which shall be responsible for the oversight of the Company.

The key duties of the Depositary are to perform on behalf of the Company the depositary duties referred to in Regulation 22 of the AIFM Regulations, essentially consisting of:

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

Citi Depositary Services Ireland Limited is the Depositary of the Company.

The Depositary shall act as depositary of the Investments and shall be responsible for the oversight of the Company to the extent required by and in accordance with applicable law, rules and regulations. The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Depositary Agreement.

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

Under the terms of the Depositary Agreement and in accordance with the AIFM Regulations, the Depositary has power to delegate certain of its depositary functions. The Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the Investments to Citibank, N.A.. The liability of the Depositary will not be affected by the fact that it has entrusted to a third party certain of the Investments in its safekeeping. The Company or the Investment Manager will notify the Shareholders without delay where any liability has been discharged to a delegate. In order to discharge its responsibility in this regard, the Depositary must exercise due skill, care and diligence in the selection, continued appointment and ongoing monitoring of a third party as a safe-keeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned; and maintain an appropriate level of supervision

over the safe-keeping agent; and make appropriate inquiries from time to time to confirm that the obligations of the agent continue to be competently discharged.

The Depositary may, in the course of its business, have potential conflicts of interest where it delegates the safekeeping function to Citibank, N.A., as the Depositary and Citibank, N.A. are affiliates. When discharging its duties where conflicts of interest may arise, the Depositary will have regard to its obligations under the Depositary Agreement and applicable laws, in particular, to its obligations to act in the best interests of the Company and the Shareholders so far as practicable, and will ensure that such conflicts are resolved fairly. The Depositary may have a conflict of interest in the event that an error occurs at Citibank, N.A.. Should an error occur the Depositary will examine the issue and will take appropriate action to ensure that the Shareholders are treated appropriately, having regard to its obligations under the Depositary Agreement and applicable laws.

The Depositary Agreement provides that it will continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the Investment Manager as the Company's AIFM and the Company shall with due observance of the applicable requirements of the Central Bank, appoint a successor Depositary. The Depositary may not be replaced without the approval of the Central Bank.

The Depositary is liable to the Company or the Shareholders for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfill its obligations. The Depositary Agreement contains indemnities in favour of the Depositary excluding matters arising by reason of its failure to satisfy its obligation of due skill, care and diligence, or by reason of its negligence, intentional failure or fraud.

The Depositary Agreement is governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.

### **Secretary**

The Secretary of the Company is Matsack Trust Limited, 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

### **Legal advisers**

The Company is advised as to matters of Irish law by Matheson, 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

### **Independent auditors**

The Company has appointed Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

### **Conflicts of Interest**

#### *General Conflicts of Interest*

There is a risk that conflicts of interest, as described in this Prospectus, may arise for the Directors, for the Man Group entities providing services to the Company, for the Depositary and for the entity/entities providing general shareholder, registrar, valuations and transfer agency services.

### *Transactions*

Due to the widespread operations undertaken by the Manager, the Shareholder Services Provider and Registrar, the Principal Paying Agent, the Valuations Service Provider, the Depositary, the Investment Manager, the Broker(s), the Marketing Adviser, the Prime Brokers, the Directors and their respective holding companies (if any), subsidiaries and affiliates (each an 'Interested Party') conflicts of interest may arise. An Interested Party may acquire, hold or dispose of Investments notwithstanding that such Investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the Interested Party was concerned provided that the acquisition by an Interested Party of such Investments is effected on normal commercial terms negotiated on an arm's length basis and the Investments held by the Company are acquired on the best terms reasonably obtainable having regard to the interests of the Company.

An Interested Party may transact with the Company as principal or as agent, provided that any such transactions are in the best interests of Shareholders and are carried out as if effected on normal commercial terms negotiated on an arm's length basis and in relation to which:

- (a) a certified valuation of the transaction by a person approved by the Depositary (or the Directors in the case of a transaction with the Depositary) as independent and competent is obtained; or
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or
- (c) if (a) or (b) is not practical, the transaction is executed on terms which the Depositary (or the Directors in the case of a transaction with the Depositary) is satisfied are normal commercial terms negotiated at arm's length.

The above requirements shall not apply in relation to transactions entered into by the Company and the Broker acting as principal (save that any such transactions must be executed on terms which the Investment Manager is satisfied are on normal commercial terms). In the event that a conflict of interest does arise, the Directors and each Interested Party will endeavour, so far as they are able (in view of the frequency of trading and the importance of timely execution of trades) to ensure that it is resolved fairly.

### *Directors*

The Directors may have conflicts of interests, principally arising from their roles within various service providers to the Company which are set out in more detail in the Section entitled "Statutory and general information", and from their role as directors of other collective investment vehicles. The Directors will have regard to their obligations to act in the best interests of the Company in managing these conflicts.

### *Fees & Expenses*

As the fees of the Investment Manager are based on the Net Asset Value of the Company, if the Net Asset Value of the Company increases, then so too do the fees of the Investment Manager. Accordingly, there is a conflict of interest where the Investment Manager has been appointed as a competent person in accordance with the Articles and this

Prospectus, for the purposes of determining, when required, the fair value of certain of the Company's Investments referred to in the "Investment objective and policies" section of this Prospectus.

*Man Group entities and affiliates*

Each of the Manager, the Investment Manager, the Introducing Broker, the Marketing Adviser, the other members or affiliates of the Man Group from time to time and their respective officers, employees and affiliates (the "Man Group entities and/or affiliates") may undertake financial, investment or professional activities which give rise to conflicts of interest between (a) the Company and (b) either such Man Group entities and/or affiliates or another client of them ("Man Conflicts").

The Investment Manager has policies and processes which are designed to prevent market abuse.

Where there is a material risk of damage to the Company arising from any Man Conflict, this conflict will be managed by the Man Group entities and/or affiliates in accordance with the conflict of interest policy that has been adopted by the relevant Man Group entity and/or affiliate in order to prevent the conflict from adversely affecting the interests of the Company so far as it is practicable having regard to their obligations to other clients. Where it cannot be managed it will be disclosed to the Company. In many cases, approval by the Company of arrangements with the Man Group entities and/or affiliates will be the primary mechanism of managing potential Man Group Conflicts.

Examples of potential Man Conflicts include the following:

**Product Allocations:** There may be occasions when the Man Group entities and/or affiliates have an interest in fees and expenses charged by or in relation to products or managed accounts in which the Company directly or indirectly invests, or have an interest in the underlying investment managers themselves.

**The Investment Manager has different compensation and liquidity arrangements with other accounts:** The Investment Manager could be subject to a conflict of interest because varying compensation and liquidity arrangements among the Company and its other accounts could incentivise the Investment Manager to manage the Company and such other accounts differently. These fee and liquidity differences could make the Company less profitable on a marginal basis to the Investment Manager than certain other accounts.

**Devotion of Time; Compensation of the AHL's Personnel:** AHL and its senior management and key personnel will devote as much time to the management of the Company and its other accounts as AHL deems appropriate. Certain of AHL's senior management and key personnel may have a greater financial interest in the performance of AHL's other accounts than in the performance of the Company. Such circumstances may create conflicts of interest in making investments on behalf of the Company and such other accounts. Although AHL will seek to treat the Company and its other accounts fairly, there can be no assurance that such conflicts will have no impact on the performance of AHL's senior management or key personnel's responsibilities on behalf of the Company.

The Investment Manager and its affiliates are not restricted from forming other investment funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the Company and/or may involve substantial time and resources of the Investment Manager. Where the Investment Manager, in the course of its business, has a potential conflict of interest with the Company, it shall at all times have regard to its obligations to the Company and endeavour to ensure that such conflicts are resolved fairly. Potential conflicts of interest will include conflicts arising where the Investment Manager (or its affiliates) effects transactions for the Company in which the Investment Manager (or its affiliates) have, directly or indirectly, a material interest or a relationship of any description with another party. In the event that the Investment Manager or any of its affiliates decides to engage in such activities in the future, the Investment Manager or its affiliates will undertake to do so in a manner that is consistent with its fiduciary duties to the Company. Nevertheless, these activities could be viewed as creating a conflict of interest in that the time and effort of the members of the Investment Manager and their officers and personnel will not be devoted exclusively to the business of the Company, but will be allocated among the business of the Company and the management of the monies of other advisees of the Investment Manager.

**Order Aggregation and Average Pricing:** If the Investment Manager determines that the purchase or sale of a financial instrument is fair with regard to the Company and one or more of its other accounts, the Investment Manager may, but is not obligated to, when possible, aggregate orders placed simultaneously in order to reduce transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating account will receive the average price, with transaction costs generally allocated pro rata based on the size of each account's participation in the order (or allocation in the event of a partial fill) as determined by the Investment Manager. In the event of a partial fill, allocations may be modified on a basis that the Investment Manager deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. To the extent that orders are not aggregated, trades will be processed in the order

that they are placed with the broker or counterparty selected by the Investment Manager. As a result, certain trades in the same financial instrument for the Company or an Investment Manager's other account (including an account in which the Investment Manager and its personnel may have a direct or indirect interest) may receive more or less favourable prices or terms than another account, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved

**Service provision:** Man Investments AG, in its role as the Marketing Adviser providing structuring services, or as the Introducing Broker, may propose that the Company enter into agreements with Man Investments AG, affiliated entities or third parties with which Man Investments AG or its affiliates have a broader commercial relationship for the provision of various services, including in respect of financing arrangements, and brokerage services in respect of which they may receive fees, spreads and other compensation. The final decision as to which service provider is chosen is made by the Directors.

**Competitor products:** Any of the Man Group entities and/or its affiliates provide and may in the future provide investment management, investment advice or other services in relation to separate competitor investment products or managed accounts. These competitor vehicles may have investment policies similar to those of the Company or entities through which they make investment allocations and such Man Group entities and/or its affiliates may be compensated in a different manner in respect of those vehicles. The Man Group entities and/or its affiliates will follow procedures designed to ensure an appropriate allocation of available investment opportunities among the Company and competitor vehicles.

**Proprietary investment activities:** Any of the Man Group entities and/or affiliates may buy, hold and redeem Shares in the Company in the normal course of their business and may on occasions hold a significant percentage of the Shares. They may also enter into transactions as principal with the Company. Certain Man Group entities and/or affiliates are major participants in equity, fixed-income, global currency, commodity, derivative and other financial markets. As such Man Group entities and/or affiliates may be actively involved in transactions in the same financial instruments in which the Company may invest. Man Group entities and/or affiliates may compete with the Company for appropriate investment opportunities (and, for the avoidance of doubt, may be deemed other accounts that are allocated investment opportunities along with the Company pursuant to the Investment Manager's allocation policies). Man Group entities and/or affiliates are under no obligation to share any investment opportunity, idea or strategy with the Company.

**Principal and Cross Trades.** Man Group entities and/or affiliates may enter into "principal transactions" (including swaps) with the Company in which any of the Man Group entities and/or affiliates act as principal for its own account with respect to the sale of a security (or other asset) to or purchase of a security (or other asset) from the Company (any such transaction, a "**Principal Trade**"). However, the Investment Manager currently anticipates that substantially all Principal Trades, if any, in which a Man Group entity or affiliate transacts as principal with the Company will be in circumstances where a Man Group entity or affiliate holds a sufficiently large interest in another account that such other account is deemed to be a proprietary account of Man Group entities and/or affiliates (i.e., a

Man Group entity and/or affiliate has a greater than 25% proprietary investment in such other account) (a "**Principal Account**"). These types of Principal Trades can occur when the Investment Manager organises a new fund that it expects to raise capital but during its "ramp up" period has solely or significant proprietary capital such as in connection with a Man Group entity or affiliate seeding a new other account. Any Principal Trade will only be done in compliance with applicable law.

The Investment Manager or any of its affiliates may effect purchase and sale transactions (or engage in other transactions) between the Company and other accounts ("**Cross Trades**") when the Investment Manager, exercising its judgment in good faith, determines that a Cross Trade is mutually beneficial to the Company and such other account and is fair and equitable. For instance, the Investment Manager may wish to reduce the investment of the Company/other account in a security (or other asset) and increase the investment of the Company/other account in such security (or other asset), and thus may effect such transactions by directing the transfer of the security (or other asset) between the Company/other account directly or through a broker or by transferring the economic return of the security (or other asset) between Company/other account through swaps or other derivatives. In particular, many Cross Trades are expected to occur systematically through the Investment Manager's use of quantitative Models within its trading programmes (which incorporate Cross Trades within the corresponding algorithms). In certain cases, Cross Trades (including those done regularly through such algorithms) may be considered Principal Trades if an other account is deemed to be a Principal Account as discussed above. The Investment Manager may also cause the Company to purchase or sell an investment that is being sold or purchased, respectively, at the same time by the Investment Manager, an affiliate or another account.

In analysing Principal Trades and Cross Trades, the Investment Manager may have a conflict between acting in the best interests of the Company and assisting itself and Man Group entities and/or affiliates (including proprietary other accounts) by selling or purchasing a particular security (or other asset). However, the Investment Manager believes that it has controls in place to mitigate such conflicts such that the Company and the other accounts (including Principal Accounts) are treated on a fair and equitable basis (including, without limitation, such controls as are inherent as a consequence of the Investment Manager's reliance on Models and non-discretionary, algorithmic trading programmes). All related party transactions shall be subject to the requirements of the Central Bank, as detailed above.

**Affiliated Investment Managers.** The Investment Manager may invest the Company's assets in or with investment funds managed by the Investment Manager or other members of the Man Group ("**Affiliated Investment Managers**"). Such investments may provide the capital necessary for such Affiliated Investment Managers to start or continue their operations, thus making the investment funds managed by such Affiliated Investment Managers available as potential investments for the Company. When the Company invests in a fund for which the Investment Manager acts as the general partner, manager or investment manager, fees associated with such investments will be waived at the underlying fund level to prevent a layering of fees. Investors should note that, despite any fee waiver or rebate, the investment of the Company's capital may enable the Investment Manager to invest or contract with a new Affiliated Investment Manager who might (in the absence of the Company's capital investment) not be willing to accept such

investment or enter into such contract or might enable the Investment Manager or such affiliate to launch a new fund or strategy through the provision of Company capital. Further, the Company's investment may make the Affiliated Investment Manager more attractive to other investors and thus increase the capital invested with such Affiliated Investment Manager's funds (and thus the fees earned by the Man Group).

*Shareholder, registrar, valuations and transfer agency services*

The Manager and other members of the Man Group have selected and appointed CEP and its affiliates to also provide similar services to a number of other funds, investment companies and other clients of the Manager or other members of the Man Group. The fees payable by the Manager or other members of the Man Group to the relevant service providers in respect of the services provided to the Company may not directly correlate to the fees paid to the Manager by the Company. Further, the Manager or another member of the Man Group may, pursuant to their appointment as a manager to another fund, investment company or other client, in relation to processing claims by that other client, act as a claims manager for that other client in connection with claims against the relevant service providers appointed by the Company. Neither the Manager nor any other member of the Man Group shall be restricted from acting in a manner that is, or may be, contrary to the interests of the Company in processing claims. The Manager or other member of the Man Group shall also not be required to inform the Company of the actions that it has taken when acting as manager for another fund, investment company or client.

CEP as well as its respective officers, employees and affiliates may from time to time provide other services to the Man Group and/or its affiliates and/or be involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company or members of the Man Group or which may conflict with the investment objectives and policies being pursued at any time and/or which may give rise to conflicts of interest in relation to CEP and other members or affiliates of CEP.

*The Depositary*

Citi Depositary Services Ireland Limited and its respective officers, employees and affiliates may from time to time provide other services to the Man Group or its affiliates and/or be involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company or members of the Man Group or which may conflict with the investment objectives and policies being pursued at any time and/or which may give rise to conflicts of interest in relation to the Depositary and other members or affiliates of Citi Depositary Services Ireland Limited.

The Investment Manager has policies and procedures in place to monitor the conflicts of interest that may arise in the context of the Company or the Investment Manager's delegation of certain of its functions. To the extent any actual conflicts of interest are determined to have arisen, the Company or the Investment Manager will effectively manage such conflicts to minimise any potential impact on the investment performance, and will also seek to prevent them from reoccurring. Certain activities may be required to be modified or terminated to minimise conflicts of interest which may be identified from time to time.

## Reporting

The Company's accounting period will end each year on the last Monday in June. The Company will prepare an annual report and audited annual accounts, a copy of which will be available to Shareholders four months after the end of the financial period to which it relates. A copy of the unaudited semi-annual reports (made up to the last Monday in December) will also be available to Shareholders two months after the end of the half-year period to which it relates. Both of these reports will be sent to the Central Bank, the Companies Announcement Office of the Irish Stock Exchange and to the Swiss Financial Market Supervisory Authority (FINMA) within the same time periods. The Company's annual report and audited annual accounts and the unaudited semi-annual reports will be available to be downloaded from [www.man.com](http://www.man.com). Copies of these reports will also be furnished to Shareholders upon request. For financial periods beginning on or after 1 July 2014, annual reports, audited annual accounts and unaudited semi-annual reports will be prepared in accordance with International Financial Reporting Standards written and published by the International Accounting Standards Board (IASB), as implemented in Ireland. Annual reports, audited annual accounts and unaudited semi-annual reports relating to prior financial periods are prepared in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accounts in Ireland.

The following information will be made available to Shareholders as part of the Company's periodic reporting process (but will not be in audited form unless required under the Irish Companies Acts and relevant regulations):

- (i) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- (ii) the current risk profile of the Company and the risk management systems employed by the Investment Manager to manage those risks; and
- (iii) the total amount of leverage employed by the Company.

The above information will be provided to Shareholders at the same time as the annual report produced in the Company's periodic reporting cycle.

Shareholders will also be provided with information regarding changes to (i) the maximum level of leverage which the Manager may employ on behalf of the Company; or (ii) the rights for reuse of collateral or any guarantee granted under the Company's leveraging arrangements; or (iii) any guarantee granted under the Company's leveraging arrangements.

This information will be made available to Shareholders, without undue delay following the occurrence of that change, by way of update to this Prospectus. Where required, such change will be preceded by notification to Shareholders.

It is intended that Shareholders will be notified if the Company activates gates or similar arrangements or if the Manager decides to suspend redemptions. Shareholders will also be notified whenever the Manager makes material changes to liquidity risk management systems and procedures employed in respect of the Company.

Subscription Prices and Redemption Prices will be published on a weekly basis in data services such as Bloomberg, Reuters, Standard & Poor's and Telekurs.

Man Group also provides access to valuations via its website [www.man.com](http://www.man.com).

### **Meetings**

Shareholders will be entitled to attend and vote at general meetings of the Company. The annual general meeting of the Company will be held in Ireland normally within six months after the end of each financial year. Notices concerning each annual general meeting will be sent to Shareholders, together with a copy of the annual accounts and reports, not less than 21 days before the date fixed for the meeting.

Offer, valuation, subscription and redemption

### **The offer**

The Initial Offer Period in respect of Class DN H EUR, Class DN H CHF, Class DNR H EUR, Class DNR H CHF and Class DNR USD Shares of the Company shall be the period beginning at 9:00 am (Irish) time on 11 November 2015 and ending at 5:00 pm (Irish time) on 12 November 2015 or such other date as the Directors may determine and notify to the Central Bank. The Initial Offer Price for Class DN H EUR and Class DNR H EUR Shares shall be EUR 100 per Share. The Initial Offer Price for Class DN H CHF and Class DNR H CHF shall be CHF100 per Share. The Initial Offer Price for Class DNR USD Shares shall be USD 100 per Share.

In the case of Class DN USD Shares, and after the close of the Initial Offer Period in the case of Class DN H EUR, Class DN H CHF, Class DNR H EUR, Class DNR H CHF and Class DNR USD Shares, the Company is offering Participating Shares to investors on a weekly basis on each Dealing Day (save during any period when the calculation of the Net Asset Value is suspended).

The Subscription Price for Shares of any Class which have launched shall be ascertained by:

- (a) determining the amount of the Net Asset Value calculated as at the Valuation Point immediately preceding the applicable Dealing Day attributable to a Class by allocating the relevant fees and class expenses to the Class, making appropriate adjustments to take account of distribution, subscriptions, redemptions, gains and expenses of that Class and apportioning the Net Asset Value accordingly;
- (b) dividing the amount calculated under (a) above by the number of Participating Shares in issue or deemed to be in issue in such Class at the relevant Valuation Point;
- (c) in the case of Non-USD Share Classes, the Subscription Price shall be calculated in the relevant Class Currency, based on the exchange rate at the applicable Valuation Point, whether official or otherwise, which the Directors deem appropriate; and
- (d) deducting therefrom such amount as may be necessary to amend the resulting amount down to the nearest two decimal places.

Under the Articles, the Directors are given authority to effect the issue of Participating Shares and have absolute discretion to accept or reject in whole or in part any Application. In the event of the Directors rejecting an Application, the application monies (or relevant part thereof) will be returned, as soon as practicable after such rejection, via bank transfer to the Applicant without interest and at the Applicant's risk and expense. All Participating Shares will rank *pari passu*.

### **Initial Subscription, Incremental Subscription, Applications and settlements**

The Initial Subscription per Applicant is USD 30,000 (or Euro or CHF equivalent) in respect of Class A Shares and 1,000,000 (or Euro or CHF equivalent) in respect of Class B Shares, unless otherwise determined by the Directors. All subscriptions for Participating Shares must be made in the currency in which the Class is denominated. A Shareholder may increase its holding of Class A Shares in increments of not less than USD 10,000 (or non-USD

currency equivalent) and may increase its holding of Class B Shares in increments of not less than USD 100,000 (or non-USD currency equivalent), unless otherwise determined by the Directors. Hong Kong Investors must subscribe for a minimum subscription of USD 65,000 (or non-USD currency equivalent) unless otherwise determined by the Directors. Saudi Arabian Investors must subscribe for a minimum subscription USD, Euro or CHF value equivalent to SAR 1,000,000, unless otherwise determined by the Directors.

Subscription for Participating Shares must be made by application through the Shareholder Services Provider and Registrar. Applicants may only apply for Participating Shares using an Application Form, which may be obtained from the Company. Further Application Forms may be obtained from the Shareholder Services Provider and Registrar. Subscription Prices will be available during normal business hours every Business Day at the office of the Shareholder Services Provider and Registrar. Applications should be made by:

- (a) completing and signing an Application Form;
- (b) sending the completed and signed Application Form (and applicable Anti-money Laundering Documents) to the Shareholder Services Provider and Registrar at the contact addresses stated in the Application Form; and
- (c) remitting (or causing to be remitted) cleared funds into the Subscription Account in the amount in the Share Class currency that the Applicant wishes to subscribe for Participating Shares.

Application Forms must be received by the Shareholder Services Provider and Registrar no later than the Application Closing Date. Subscription monies should be sent by inter-bank transfer to the Subscription Account (for details of banking instructions see the Application Form) and cleared funds must be received on the third Business Day prior to the relevant Dealing Day. The Company shall not issue Shares, or if issued shall cancel such Shares, if the payment for Shares is not made within a reasonable time, as determined by the Directors or as specified above. Alternatively, Applications may be made by fax to the Shareholder Services Provider and Registrar at the fax number shown in the section entitled 'Names and addresses' providing the details (including the Anti-Money Laundering Documents) requested in the relevant Application Form. Applicants must promptly mail the relevant original Application Form (and Anti-Money Laundering Documents) duly completed and signed by or on behalf of the Applicant to the Shareholder Services Provider and Registrar who has been appointed to process Applications. Subsequent applications for Shares may also be submitted to the Shareholder Services Provider and Registrar by facsimile or by any other form of electronic communication agreed in advance with the Shareholder Services Provider and Registrar, provided that all on-going anti-money laundering checks are complete. However, any amendments to an investor's registration details and payment instructions will only be effected on receipt of original documents. Shareholders will not be entitled to payment of any Redemption Proceeds (pursuant to a request for redemption) until the original Application Form (and Anti-Money Laundering Documents) has been received by the Shareholder Services Provider and Registrar.

The Shareholder Services Provider and Registrar will not require an original executed version of any subsequent Application Form in respect of any application for additional Shares and, in such circumstances, will regard an Application Form sent by facsimile or by any other form of electronic communication as authentic and conclusive,

provided that the Applicant has agreed to indemnify the Shareholder Services Provider and Registrar in connection with such subsequent Application Form sent by facsimile or by any other form of electronic communication and has provided their relevant bank account information in relation to the account which the redemption proceeds should be credited to as part of its original executed and delivered initial Application Form (as described in the previous paragraph). The Applicant will also always be under the obligation to promptly mail the duly completed and signed Anti-money Laundering Documents to the Shareholder Services Provider and Registrar.

Application Forms that are not duly completed may, at the Directors' absolute discretion, be rejected. The Directors may, in their absolute discretion, reject any Application without giving any reason or approve the issue to the Applicant of less Participating Shares than the number comprising the Application. In such event, the Applicant's subscription monies, or any balance thereof, as appropriate, will be returned to the Applicant via bank transfer without interest and at the Applicant's risk.

Any Application Forms received after the relevant Application Closing Date will not (unless received prior to the Valuation Point and the Directors agree otherwise) be accepted for subscription on the Dealing Day immediately following that Application Closing Date (the 'Missed Dealing Day') but will (unless the Shareholder Services Provider and Registrar receives instructions in writing to the contrary from the Applicant at least two Business Days prior to the next Dealing Day after the Missed Dealing Day) be held over until, and shall be deemed to be for subscription on, the next Dealing Day after the Missed Dealing Day.

Applicants wishing to have their Participating Shares credited to their account with Euroclear or Clearstream should specify all the details of such account in their Application Form. Applicants who do not have an account with Euroclear or Clearstream should note the nominee account facilities referred to in the Application Form.

Participating Shares will only be issued in inscribed form (that is, no certificate will be issued other than the Global Share Certificate (as defined in paragraph 7 of the section entitled 'Statutory and general information')) but a contract note will be issued by the Shareholder Services Provider and Registrar (or its duly appointed delegate) to each Applicant who is issued Shares confirming, among other things, the number of Participating Shares that have been issued to that Applicant, the Subscription Price for those Participating Shares, the Applicant's ownership of those Participating Shares and the noting of the Applicant's ownership of those Participating Shares in the Company's register of Shareholders. The Directors consider that an advantage of this, apart from avoiding the inconvenience of lost or damaged certificates, is that Shareholders will be able to redeem Participating Shares by sending the Redemption Notice by fax to the Shareholder Services Provider and Registrar subject to the original Redemption Notice having been received by the Shareholder Services Provider and Registrar prior to the payment of Redemption Proceeds. A contract note will be issued to each Shareholder confirming allocation after the Net Asset Value per Share for the relevant Dealing Day has been determined. Once completed Application Forms have been received and accepted by the Company they are irrevocable (unless in any particular instance the Directors shall determine otherwise).

Notwithstanding anything else in this Prospectus, where a Shareholder has approval from the Shareholder Services Provider and Registrar and has previously completed a full Application Form and submitted all applicable Anti-money Laundering Documents, the Shareholder may increase its holding of Participating Shares without having to complete a full Application Form.

The Applicant agrees and consents to account communications being electronically delivered and communicated to the Applicant by the Company, Man Group and/or their service providers (each a "**Data Recipient**"). Electronic delivery and communication includes by e-mail to the e-mail address provided by the Applicant in the Application Form and as subsequently updated by written notice from the Applicant to the Company and the Shareholder Services Provider and Registrar (the "**Authorised E-mail Address**"), as well as electronically making available to the investor any account communication on the Company's or the Investment Manager's Internet site, if applicable. The Company is requesting consent on behalf of itself, Man Group and/or all other Data Recipients. The Applicant is providing such consent, including with respect to the Authorised E-mail Address. It is the Applicant's affirmative obligation to notify the Company in writing if the Authorised E-mail Address changes. The Applicant acknowledges that e-mail is a non-secure medium and all electronic correspondence between the Applicant, the Company, Man Group and/or any other Data Recipient shall be governed by the relevant standard terms and conditions, a copy of which is available upon request. None of the Company, Man Group nor any other Data Recipient will be liable for any interception of account communications. Investors should note that no additional charge for electronic delivery will be assessed, but the investor may incur charges from its Internet service provider or other Internet access provider. In addition, there are risks, such as systems outages, that are associated with electronic delivery. The Applicant may revoke or restrict its consent to electronic delivery of the foregoing communications at any time by notifying the Company and the Shareholder Services Provider and Registrar, in writing, of the Applicant's intention to do so.

By signing an Application Form, prospective investors will (a) confirm that they have read the Prospectus and the Application Form and that they agree that any personal data provided by them to the Company in the Application Form and any other personal data furnished in connection with their investment in the Company (the "Personal Data") may be disclosed to any Man Group entities and/or affiliates, the Shareholder Services Provider and Registrar and/or any other service providers and their affiliated and non-affiliated sub-delegates (the "Data Processors") and may be used for the purposes of processing the Application Form, the administration of their investment in the Company to include the storage and maintenance of shareholders' registers and related activities; the prevention of money laundering, financing of terrorism or fraud; informing the Applicant about their investment in the Company (including information of a confidential nature); statistical analysis and market research; compliance with any legal and regulatory obligations (including statutory reporting obligations to the Central Bank, the Irish Revenue Commissioners or other relevant regulators); and (unless otherwise indicated by Applicants on their Application Form) direct marketing of services that any Data Processor thinks may be of interest to the Applicant (all the "Data Purposes"); (b) consent to the processing of the Applicant's Personal Data, including the transfer of the Personal Data, to jurisdictions outside the EEA that may not have data protection laws or have data protection laws that do not provide the same level of protection as EU data protection law (such transfer will only be carried out for the Data Purposes

described above or as otherwise required by law or regulation, and in accordance with applicable data protection legislation); (c) recognise that they have the right to require corrections to, and receive a copy of, the Personal Data and that a fee may be charged to them for any such copy; and (d) consent to their Personal Data being processed by the Shareholder Services Provider and Registrar (as Data Processor on behalf of the Company) in accordance with the Data Protection Acts 1988 to 2003. The Applicant's Personal Data will be processed for the purposes of carrying out the services of the Shareholder Services Provider and Registrar of the Company and for the Data Purposes described above or as otherwise required by law or regulation, and in accordance with applicable data protection legislation. The Shareholder Services Provider and Registrar or the Company will disclose the Applicant's information to third parties where necessary as set out in this paragraph. This may include disclosure to third parties such as auditors, the Irish Revenue Commissioners, the Central Bank or other regulators or agents and service providers of the Shareholder Services Provider and Registrar who may process the Personal Data for the Data Purposes described above.

Subscription monies must be remitted by SWIFT MT103 using the relevant bank instruction letter provided with the relevant Application Form. Subscription monies must not be sent by personal cheque or bank draft. At the Directors' absolute discretion, payments may be accepted in forms of consideration other than cash.

By signing the Application Form, an Applicant will certify, represent, warrant and agree that he/she/it is not a US Person for the purposes of US Federal income tax or that the Shares applied for are not being acquired directly or indirectly by or on behalf of, or for the account of a US Person. An Applicant will further certify, represent, warrant and agree that the Applicant will notify the Shareholder Services Provider and Registrar or the Company (as the case may be) in the event that either the Applicant becomes a US Person or holds the Shares on behalf of, or for the account or benefit of, a US Person. A false statement or misrepresentation of tax status by a US Person could lead to penalties under US law. If an Applicant's tax status changes and it becomes a US citizen or a resident, it must notify the relevant party as mentioned above within 30 days.

### **Subscription Account**

The Subscription Account has been opened by the Company with Citibank N.A. – London Branch. Any monies received from an Applicant and credited to the Subscription Account shall be held in escrow for the benefit of that Applicant pending the allocation of any Participating Shares to that Applicant. No interest shall be credited to Applicants on monies paid into the Subscription Account. Upon the issue of any Participating Shares to an Applicant all monies standing to the credit of the Subscription Account and which were subscribed in respect of those Participating Shares shall belong to the Company absolutely. If an Application is accepted by the Company, the Company will issue (subject to the conditions contained in this Prospectus) 'N' Participating Shares to the Applicant. For the purposes of this paragraph, 'N' is the number of Shares (rounding down to the nearest whole number) calculated by dividing the amount of the subscription monies received into the Subscription Account in respect of the relevant Application by the applicable Subscription Price. If the amount of the relevant subscription monies is not an exact multiple of the Subscription Price, the excess subscription monies (the amount of which will in all cases be less than the Subscription Price) shall be retained by the Company, being Man AHL Diversified plc.

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

The Net Asset Value is expressed in US dollars. The Net Asset Value per Share is expressed in the currency of denomination of the relevant Class of Shares. The calculation of the Net Asset Value and the Net Asset Value per Share is the responsibility of the Valuations Service Provider and is to be effected weekly in accordance with the requirements of the Articles and this Prospectus. Further information is set out in the section entitled 'Statutory and general information'. The Net Asset Value and the Net Asset Value per Share will, upon calculation, be notified without delay by the Valuations Service Provider to the Irish Stock Exchange for Listed Shares.

### **Redemption of Participating Shares**

Every Shareholder has the right to require the Company to redeem its Participating Shares on a Dealing Day (save during any period when the calculation of the Net Asset Value is temporarily suspended). The Minimum Redemption is 50 Participating Shares, unless otherwise determined by the Directors.

The Redemption Price of any Class shall be ascertained by:

- (a) determining the amount of the Net Asset Value calculated as at the Valuation Point immediately preceding the applicable Dealing Day attributable to a Class by allocating the relevant fees and class expenses to the Class, making appropriate adjustments to take account of distribution, subscriptions, redemptions, gains and expenses of that class and apportioning the Net Asset Value accordingly;
- (b) dividing the amount calculated under (a) above by the number of Participating Shares then in issue or deemed to be in issue in such Class at the relevant Valuation Point; and
- (c) in the case of Non-USD Share Classes, the Redemption Price shall be calculated in the relevant Class Currency, based on the exchange rate at the applicable Valuation Point, whether official or otherwise, which the Directors deem appropriate; and
- (d) deducting therefrom such amount as may be necessary to round the resulting amount down to the nearest cent.

The Company is under no obligation to pay any Redemption Proceeds until (i) the original Application Form and Anti-money Laundering Documents have been received by the Shareholder Services Provider and Registrar; and (ii) if the Redemption Notice was sent by fax to the Shareholder Services Provider and Registrar, the original of that Redemption Notice has been received by the Shareholder Services Provider and Registrar.

#### *Redemption procedures for Beneficial Shareholders*

Participating Shares may be redeemed by the service, whether by fax or other form of electronic communication, of a Redemption Notice by a Shareholder on the Shareholder Services Provider and Registrar. Any Redemption Notice must be received by the Shareholder Services Provider and Registrar, at the latest, by 11:00 pm (Irish time) three Business Days prior to the Dealing Day upon which the Beneficial Shareholder requires the redemption to be effected. Any Redemption Notice received after this time will be treated as a request for redemption on the Dealing Day after the next following Dealing Day (or such later Dealing Day as may be specified in the Redemption Notice). Redemptions must be for a number of Participating Shares equal to, or greater than, the Minimum Redemption and

must not (unless all of the Shareholder's Participating Shares are being redeemed) result in the Shareholder holding a number of Participating Shares less than the Minimum Holding.

Certain limits on the level of redemptions permitted as of any Dealing Day may apply (see section entitled 'Temporary suspension/postponements'). Subject to those limits, redemptions will be effected except in the event that, inter alia, the calculation of the Net Asset Value has been suspended (also see section entitled 'Temporary suspension/postponements').

Unless otherwise requested in writing by a Beneficial Shareholder, any payment due to that Beneficial Shareholder in respect of a redemption of any of its Participating Shares shall be effected in the relevant Share Class currency, at that Shareholder's expense and risk. However, any bank wire charges taken by the Company's bank associated with the payment of Redemption Proceeds to investors will be borne by the Company rather than by the redeeming Shareholder. Upon receipt of the Beneficial Shareholder's original Redemption Notice, such payment will be made by the Company by bank to bank SWIFT transfer in accordance with the SWIFT banking instructions provided by that Shareholder to the Shareholder Services Provider and Registrar (or, in the case of a joint holding, the first named Shareholder). Shareholders are requested to provide such SWIFT banking instructions to the Shareholder Services Provider and Registrar with their Redemption Notice. Monies will be withheld until the Beneficial Shareholder's original Redemption Notice and SWIFT banking instructions are provided to the Shareholder Services Provider and Registrar.

Payment of Redemption Proceeds will be made as soon as reasonably practicable following registration by the Shareholder Services Provider and Registrar in the Company's register of Shareholders of the redemption or transfer (as the case may be) to which such payment relates, which will usually be five Business Days following the calculation of the Net Asset Value as at the relevant Valuation Point.

In relation to any redemption notice sent by fax or any other form of electronic communication, the Shareholder Services Provider and Registrar will not require an original executed version of the redemption notice to be sent as described in the previous paragraph, provided that the redeeming Shareholder has agreed to indemnify the Shareholder Services Provider and Registrar in connection with such redemption notices sent by facsimile or by any other form of electronic communication and has provided their relevant bank account information in relation to the account which the redemption proceeds should be credited to as part of its original executed and delivered initial Application Form.

#### *Redemption procedures for Direct Shareholders*

Direct Shareholders may give their Redemption Notice to the relevant Clearing System (in accordance with the applicable rules for that Clearing System), at the latest, by 11:00 pm (Irish time) three Business Days prior to the Dealing Day upon which the Direct Shareholder requires the redemption to be effected. Any Redemption Notice received after the above specified time will be treated as a request for redemption on the Dealing Day after the next following Dealing Day (or such later Dealing Day as may be specified in the Redemption Notice). The Clearing System account administrator should be requested to quote the Direct Shareholder's application number when

issuing its instruction into the Clearing System. That application number will be quoted on the contract note for the Shareholder's Participating Shares. In order for the Shareholder Services Provider and Registrar to provide the best service possible, Direct Shareholders should also inform the Shareholder Services Provider and Registrar of any transfer or redemption.

The relevant Clearing System will, within 24 hours after receipt of such a Redemption Notice, notify the Shareholder Services Provider and Registrar of the details of such Redemption Notice.

Payment of Redemption Proceeds will usually be made within five Business Days after the relevant Dealing Day via the Principal Paying Agent to the Clearing System which will credit the relevant clearing account accordingly. Such procedures shall be effected in accordance with the usual operating rules and procedures of Euroclear and/or Clearstream (as applicable). Payment of Redemption Proceeds will be at such Direct Shareholder's expense and risk, provided that any bank wire charges taken by the Company's bank associated with the payment of Redemption Proceeds to investors will be borne by the Company rather than by the redeeming Shareholder.

#### *Cancellation of redemptions*

Shareholders are not entitled to withdraw a Redemption Notice unless the Directors otherwise determine or unless a suspension of dealings and/or calculations has been declared as per the terms of this Prospectus. Following receipt of a Redemption Notice the relevant Shares will be blocked in the applicable clearing account pending payment of the Redemption Proceeds.

#### *Compulsory redemption*

The Directors may redeem Participating Shares compulsorily if:

- (a) they become aware or believe that such Participating Shares are held, or are beneficially owned, by a person who is not a Qualified Holder;
- (b) they become aware or believe that such Participating Shares expose the Company to adverse tax or regulatory consequences; or
- (c) a Shareholder (or the ultimate beneficial holder of the Shares held by a Shareholder) fails to disclose its identity to the reasonable satisfaction of the Directors.

#### **Total redemption/winding up**

All of the Participating Shares shall be redeemed if:

- (a) the holders of 75% in value of the issued shares of the Company carrying voting rights at general meetings of the Company approve of the redemption at a general meeting of which not more than 12 and not less than four weeks' notice has been given;
- (b) at any time, the aggregate of the Net Asset Value on each of three successive Valuation Points is less than USD 3,000,000 and provided that notice of not less than four and not more than 12 weeks has been given to the Shareholders within four weeks after the third relevant Valuation Point.

All of the Participating Shares may, at the Directors' discretion, be redeemed if the Depositary has served notice of its intention to retire under the terms of the Depositary Agreement (and has not revoked such notice) and no new Depositary has been formally approved and appointed within six months after the date of service of such notice.

On a winding up of the Company the assets available for distribution (after satisfaction of creditors) shall be distributed firstly to the holders of Subscriber Shares to the extent of their nominal value up to the nominal amount paid thereon and secondly to the Shareholders in respect of the remaining assets of the Company in proportion to the number of Participating Shares held.

## **Transfers**

### *Direct Shareholders*

Transfers between Direct Shareholders within Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant Clearing System. So as to ensure they are properly recorded as Shareholders on the Company's register of Shareholders maintained by the Shareholder Services Provider and Registrar and that they receive communications (including monthly investment management reports), transferees should inform the Shareholder Services Provider and Registrar accordingly and provide the Shareholder Services Provider and Registrar with reasonable proof of ownership of Shares.

A transfer from a Direct Shareholder to a Beneficial Shareholder must be accompanied by a completed 'Transfer request form' of Man Group (available from the Shareholder Services Provider and Registrar) and signed for and on behalf of the transferor and the transferee. Neither Euroclear nor Clearstream shall be responsible for monitoring or controlling such transfer restrictions nor will either Clearing System be responsible for monitoring ownership restrictions as referred to under the definition 'Qualified Holder'.

### *Beneficial Shareholders*

Beneficial Shareholders are entitled to transfer Shares to anyone who is a Qualified Holder by completion of the 'Transfer request form' of Man Group (available from the Shareholder Services Provider and Registrar) and signed for and on behalf of the transferor and the transferee.

The Directors may decline to register a transfer until (i) the original 'Transfer request form' and Anti-money Laundering Documents have been received by the Shareholder Services Provider and Registrar; and (ii) if the 'Transfer request form' was sent by fax, the original of that 'Transfer request form' has been received by the Shareholder Services Provider and Registrar. The Directors shall decline to register any transfer of a Participating Share where they are aware or believe that such transfer would or might result in the beneficial ownership of such Participating Shares by a person who is not a Qualified Holder or might expose the Company to adverse tax or regulatory consequences.

## **Temporary suspension/postponements**

The Company may temporarily suspend the determination of the Net Asset Value, the determination of the Net Asset Value per Share and the subscription and redemption of Participating Shares:

- (a) during the whole or any part of any period when any of the principal markets on which any significant portion of the Investments of the Company from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;
- (b) during the whole or any part of any period when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the Company is not, in the opinion of the Directors, reasonably practicable without this being seriously detrimental to the interests of owners of Participating Shares or if, in the opinion of the Directors, the Net Asset Value cannot fairly be calculated or such disposal would be materially prejudicial to the owners of Participating Shares;
- (c) if any breakdown arises with respect to the means of communication normally employed to determine the value of the Investments, or if the value of the Investments or other assets of the Company cannot otherwise reasonably be determined; or
- (d) if, owing to exchange controls or restrictions on other asset transfers, the Company can no longer transact its business.

If total requests for redemptions on any Dealing Day exceed 20% of the total number of Participating Shares in issue, each redemption request may, if in the sole discretion of the Directors acting in good faith it is believed to be necessary or desirable in order not to prejudice the interests of the Shareholders not requesting redemption or on grounds of liquidity or other like reason, be reduced 'pro rata'. Any redemption request so reduced shall be effected in priority to subsequent redemption requests on the following Dealing Day, subject always to the foregoing provisions. Direct Shareholders would have to re-submit Redemption Notices in accordance with the rules and procedures of the relevant Clearing System.

In the event of any suspension as set out above, the Company will immediately (and in any event during the Business Day on which the suspension occurs) notify the Central Bank and the Irish Stock Exchange.

## Fees and expenses

### General

All fees and expenses relating to the establishment and launch of the Company have been amortised. The Company is responsible for VAT (if any) payable on any fees and expenses payable by it.

The Company may incur an expense which forms part of a larger aggregate expense (“Expense”) relating to a number of investment entities for which a member of the Man Group provides services. Such Expense will normally be allocated between the relevant investment entities, including the Company, pro rata to the value of the net assets of the relevant investment entity, in conjunction with a flat fee per investment entity for a portion of the Expense, where possible and appropriate. In all such cases, the Directors shall liaise with the Investment Manager to determine the basis on which the Expense shall be allocated to the Company and in doing so will seek to ensure that all expenses borne by the Company are equitable.

### Management fees

The fees payable to the Manager are calculated and paid quarterly in arrears. They are based on the following sliding scale and are calculated by reference to the Net Asset Value at the last Valuation Point in each quarter (being the last Valuation Point in March, June, September and December):

Amount of the Net Asset Value to which the fee will be applied (USD)	Fee
0–50,000,000.00 (or currency equivalent)	The sum of: (a) USD 12,500 (applied pro-rata between Class A Shares and Class B Shares); and (b) one-quarter of 0.30% of the Net Asset Value at that Valuation Point.
50,000,000.01– 100,000,000.00 (or currency equivalent)	An amount equal to one-quarter of 0.20% of the Net Asset Value at that Valuation Point.
100,000,000.01– 249,999,999.99 (or currency equivalent)	An amount equal to one-quarter of 0.125% of the Net Asset Value at that Valuation Point.
250,000,000.00 – 499,999,999.99 (or currency equivalent)	An amount equal to one-quarter of 0.10% of the Net Asset Value at that Valuation Point.
500,000,000.00 or more (or currency equivalent)	An amount equal to one-quarter of 0.05% of the Net Asset Value at that Valuation Point.

By way of illustration, if the Net Asset Value at the last Valuation Point of a quarter was USD 150 million the fees described above would comprise USD 50,000 (USD 12,500 and USD 37,500) in respect of the first USD 50 million, USD 25,000 for the portion of the Net Asset Value over USD 50 million and up to and including USD 100 million and USD 15,625 in respect of the remaining amount of the Net Asset Value.

### **Shareholder Services Provider and Registrar fees**

The Company shall pay to the Manager the following transaction fees in consideration for the services provided by the Shareholder Services Provider and Registrar, calculated and paid quarterly in arrears:

- (a) a fee of USD 75 per new investor account; plus
- (b) a transaction fee of USD 50 per Shareholder transaction; plus
- (c) an annual Shareholder maintenance fee of USD 25 per Shareholder account (subject to a minimum charge of USD 10,000); plus
- (d) an annual product complexity fee of USD 10 per investor account (subject to a minimum charge of USD 10,000).

The sum of fees (a) to (d) shall be subject to an annual cap of 20 basis points of Net Asset Value.

The Manager shall also be entitled to be reimbursed all reasonable and vouched expenses incurred in the performance of its duties under the Management Agreement (including those expenses incurred by third party service providers such as the Shareholder Services Provider and Registrar).

### **Principal Paying Agent fees**

The Company shall pay to the Manager the following transaction fees in consideration for the services provided by the Principal Paying Agent, calculated and paid quarterly in arrears (and applied pro-rata between Class A Shares and Class B Shares):

- (a) USD 3,500 per annum as an annual administration fee; and
- (b) an amount equal to 0.05% per annum on the nominal value of the securities held by the Principal Paying Agent for Beneficial Shareholders subject to a minimum annual fee of USD 2,500 per annum plus out-of-pocket expenses.

Any such fees paid will be disclosed in the annual and semi-annual report and accounts of the Company for the period to which they relate.

The Manager is solely responsible for the payment of fees to the Shareholder Services Provider and Registrar, the Valuations Service Provider and the Principal Paying Agent and the Company will have no liability for such fees.

The Swiss Paying Agent has been appointed as a Swiss paying agent for the Company pursuant to the Swiss Paying Agency Agreement from 1 January 2015 at a cost of CHF 4,500 per annum to the Company.

### **Prime Brokers' Fees**

Each of MS and CS shall be entitled to receive fees for their respective services at normal commercial rates which shall not exceed, in respect of each of MS and CS, up to 1% per annum of the value of any securities loaned to the Company, in addition to interest charges on any financing provided by MS or CS to the Company.

### **Investment Manager's fees**

The following fees are payable by the Company under the Investment Management Agreement:

- (a) an investment management fee (calculated weekly and payable monthly) in respect of Class A Shares equal to one-fifty second (1/52) of 3% of the Net Asset Value of such Class at each Valuation Point (approximately 3% per annum);
- (b) an investment management fee (calculated weekly and payable monthly) in respect of Class B Shares equal to one-fifty second (1/52) of 2% of the Net Asset Value of such Class at each Valuation Point (approximately 2% per annum); and
- (c) a performance fee (calculated weekly and payable monthly) in respect of each Class of Shares equal to 20% of any net new profits attributable to that Class (as described in the section entitled 'Investment Manager's fees') as determined at each Valuation Point.

For the purposes hereof, 'Net New Profits' means E multiplied by N where:

E is the excess of:

- (a) the Net Asset Value per Share at the relevant Valuation Point (after deducting investment management fees and performance fees for the period in respect of which the performance fee is calculated); over
- (b) the highest Net Asset Value per Share at any preceding Valuation Point or (if higher) USD 100.

N is the number of Participating Shares in issue at the relevant Valuation Point.

The Depositary shall verify the calculation and accrual of the performance fee.

The maximum annual fee charged by the Manager and the Investment Manager and disclosed in the Investment Management Agreement shall not be increased without approval on the basis of a majority of votes cast at a general meeting of Shareholders of the Company. In the event of an increase in the maximum annual fee disclosed in the Investment Management Agreement, a reasonable notification period shall be provided by the Company to enable Shareholders to redeem their Shares prior to the implementation of the increase. In circumstances where the fees payable to the Manager and/or the Investment Manager are increased, but remain below the maximum annual fee, Shareholders will be provided with advance notification of such fee increase, but shareholder approval to such an increase shall not be sought.

### **Third party costs**

To the extent that the Manager delegates any of its duties to a third party, the charges of such party (other than out-of-pocket expenses) shall be for the account of the Manager and shall be paid by the Manager from the fees it receives from the Company.

### **Depositary fees**

The Depositary shall be entitled to receive as remuneration for its services to the Company 0.02% per annum of the Net Asset Value at the last Valuation Point in each month. In addition to such fee, the Depositary shall also be entitled to be reimbursed all reasonable expenses incurred by it in the exercise of its duties in connection with the Depositary Agreement. Such reimbursement of reasonable expenses shall be payable out of the assets of the

Company. Any sub-Depositary fees incurred shall be paid out of the assets of the Company provided that such fees are at normal commercial rates. The remuneration which the Depositary shall be entitled to receive as remuneration for its services to the Company may be increased up to 0.03% per annum of the Net Asset Value at the last Valuation Point in each month without prior notification to Shareholders.

### **Brokerage**

The Company bears all costs of trading transactions and interest on borrowing. The institutional rates vary with the contract and the market on which the contract is traded. The rates comprise two elements:

- (a) actual costs incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and
- (b) a clearing fee, charged at market rates, levied by the Broker.

The fees of any additional Broker appointed by the Company is not expected to exceed the rates set out above.

### **Introducing Broker**

The Introducing Broker will charge an amount calculated weekly and payable monthly equal to one fifty second of 1% of the Net Asset Value at each Valuation Point.

### **Directors' fees**

The Directors are entitled to receive a fee and remuneration for their services at a rate to be determined from time to time by the Directors. The aggregate level of fees paid to the Directors in each financial year will be disclosed in the annual report and audited annual accounts relating to such period. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company.

### **Operational expenses**

The Company will also pay out of its assets:

- (a) any fees in respect of circulating details of the Net Asset Value and/or the Net Asset Value per Share (including publishing prices);
- (b) stamp duties;
- (c) taxes (including VAT (if any) on fees payable by the Company);
- (d) the Company secretarial fees;
- (e) rating fees (if any);
- (f) brokerage or other expenses of acquiring and disposing of Investments;
- (g) the Central Bank's industry funding levy;
- (h) fees and expenses of the Auditors, tax, legal and other professional advisers of the Company;
- (i) fees connected with the listing of Participating Shares on any stock exchange;

- (j) fees and expenses in connection with the distribution of Participating Shares and costs of registration of the Company and the Participating Shares in jurisdictions outside Ireland (a portion of these fees and expenses may be received by Man Group or its affiliates);
- (k) costs of preparing, printing and distributing the Prospectus and supplements, reports, accounts and any explanatory memoranda;
- (l) any necessary translation fees;
- (m) any costs incurred as a result of periodic updates of this Prospectus, any supplements, 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); and
- (n) any other fees and expenses relating to the management and administration of the Company or attributable to the Company's investments (including the legal costs of relevant Man Group entities as approved by the Directors).
- (o) Investors may apply for Shares through financial intermediaries who may impose fees that would not be imposed if Shares were purchased directly from the Company. Such investors should contact their financial intermediary for more information.

#### **Rebates**

The Manager and the Investment Manager or as relevant other Man Group entities may from time to time and at their discretion and out of their own resources decide to rebate to some or all Shareholders, intermediaries, or Man Group entities part or all of the management fee, investment management fee and performance fees payable to, respectively, the Manager and the Investment Manager.

#### Taxation of Shareholders

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

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

#### Taxation of the Company

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

#### ***Direct Shareholders***

Provided the Shares remain held in a recognised clearing system (which includes Euroclear and Clearstream), the Company will not be obliged to account for any Irish tax in respect of the Shares. However, if the Shares cease to be held in a recognised clearing system, the Company would be obliged to account for Irish tax to the Irish Revenue Commissioners in certain circumstances.

#### ***Beneficial Shareholders***

The Company will be obliged to account for Irish income tax to the Irish Revenue Commissioners if Shares are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms '*resident*' and '*ordinarily resident*' are set out at the end of this summary.

#### Taxation of Non-Irish Shareholders

#### ***Direct Shareholders***

Shareholders who are not resident (or ordinarily resident) in Ireland for Irish tax purposes will have no liability to Irish income tax or capital gains tax in respect of their Shares.

If a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax (on a self-assessment basis) in respect of the Shares. Explanations of the terms '*resident*' and '*ordinarily resident*' are set out at the end of this summary.

### ***Beneficial Shareholders***

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder's Shares once the declaration set out in the application form accompanying this Prospectus<sup>1</sup> has been received by the Company confirming the Shareholder's non-resident status. The declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term '*Intermediary*' is set out at the end of this summary.

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

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

### **Taxation of Irish Shareholders**

#### ***Exempt Irish Beneficial Shareholders***

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1 Check that the application form includes the necessary 'non-resident' declaration made pursuant to section 739D TCA.

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) of the Taxes Consolidation Act of Ireland (“TCA”), the Company will not deduct Irish tax in respect of the Shareholder’s Shares once the declaration has been received by the Company confirming the Shareholder’s exempt status.

The categories listed in section 739D(6) TCA can be summarised as follows:

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Pensions Reserve Fund Commission or a Commission investment vehicle.
15. Qualifying companies (within the meaning of section 110 TCA).

16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

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

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

#### ***Non - Exempt Irish Beneficial Shareholders***

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

#### ***Distributions by the Company***

If the Company pays a distribution to a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

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

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

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

### ***Redemptions and Transfers of Shares***

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

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

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

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

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

### ***Eighth Anniversary' Events***

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

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

2. 41% of the increase in value, in all other cases.

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

However, if less than 10% of the Shares (by value) in the Company are held by non-exempt Irish resident Shareholders, the Company may elect not to account for Irish tax on this deemed disposal. To claim this election, the Company must:

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

If the exemption is claimed by the Company, any non-exempt Irish resident Shareholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Company on the eighth anniversary (and any subsequent eighth anniversary).

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

### ***Share Exchanges***

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

### ***Direct Shareholders***

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

### **Taxation of Other Irish Shareholders**

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

### **Stamp Duty**

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

### **Gift and Inheritance Tax**

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

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

## **FATCA**

Ireland has an intergovernmental agreement with the United States of America (the “**IGA**”) in relation to FATCA, of a type commonly known as a ‘model 1’ agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The Company intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. The Company has registered with the US Internal Revenue Service as a ‘reporting financial institution’ for FATCA purposes and reports information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Exemptions from the obligation to register for FATCA purposes and from the obligation to report information for FATCA purposes are available only in limited circumstances. Any information reported by the Company to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

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

### **Meaning of Terms**

#### ***Meaning of ‘Residence’ for Companies***

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

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

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

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

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

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

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

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

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

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third

consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2015 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2018.

### ***Meaning of 'Intermediary'***

An 'intermediary' means a person who:

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

Statutory and general information

### **1. Incorporation, registered office and share capital**

- (a) The Company was incorporated in Ireland on 23 October 1995 as a public limited company under registration number 239901 and under the name 'AHL Diversified plc'. The name of the Company was changed to 'Man AHL Diversified plc' on 24 April 2002. The Company is organised under the laws of Ireland as an open-ended investment company with variable capital pursuant to Part 24 of the Act and is an investment company authorised by the Central Bank.
- (b) The registered office of the Company is presently at 1 North Wall Quay, Dublin 1, Ireland.
- (c) On incorporation, the Company had an authorised share capital of USD 60,000 divided into 60,000 Subscriber Shares and 50,000,000,000 Participating Shares. In order to provide for the minimum share capital on incorporation required under Irish law, the Manager subscribed for 59,993 Subscriber Shares for cash at par paid up as to USD 1 per share and a further seven Subscriber Shares have been issued fully paid up for cash at par to nominees of the Manager. Subsequently, the Manager redeemed its holding of 59,993 Subscriber Shares. At the date of this Prospectus, there are two Subscriber Shares in issue. No further Subscriber Shares will be issued. The Subscriber Shares (or any of them) may be repurchased by the Company at any time.
- (d) No capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- (e) Neither the Subscriber Shares nor the Participating Shares carry pre-emption rights.
- (f) All shares will be issued in registered form.

### **2. Share capital**

#### *Subscriber Shares*

The holders of the Subscriber Shares shall:

- (a) on a poll be entitled to one vote per Subscriber Share;

- (b) not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares; and
- (c) in the event of a winding up or dissolution of the Company, be entitled to payment in respect of the nominal amount paid up thereon out of the assets of the Company, but shall not be entitled to any further or other amount.

#### *Participating Shares*

The holders of Participating Shares shall:

- (a) on a poll be entitled to one vote per Participating Share;
- (b) be entitled to such dividends as the Directors may from time to time declare; and
- (c) in the event of a winding up or dissolution of the Company, be entitled (after payment to the holders of the Subscriber Shares of the nominal amount paid up thereon) to the remaining assets of the Company in proportion of the number of Participating Shares held.

#### *Voting rights*

This is dealt with under the rights attaching to the Subscriber Shares and Participating Shares respectively referred to above. A quorum at a general meeting shall be two shareholders in the Company present (i) in the case of an individual, in person; (ii) in the case of a corporate body, by its duly authorised representative; and (iii) in either case, by proxy. Subject to any special terms as to voting upon which any shares in the Company may be issued or may for the time being be held, at any general meeting on a show of hands every holder of shares in the Company who (being an individual) is present in person or (being a corporation) is present by duly authorised representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every share held in the Company. To be passed, resolutions of the Company in general meeting will require a simple majority of the votes cast by the shareholders in the Company. A majority of not less than 75% of the shareholders in the Company present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to (i) rescind, alter or amend any article of the Articles or make a new article in the Articles; and (ii) wind up the Company.

#### *Fair Treatment of Shareholders*

The Company will at all times seek the fair treatment of Shareholders by complying with the Articles and provisions of applicable law. In addition, the Company operates in accordance with the principles of treating customers (including, as appropriate, funds and their investors) fairly. Amongst other things, the principles of treating customers fairly include (i) developing and marketing products responsibly, keeping product ranges under constant review and adapting to changes in markets and regulation; (ii) ensuring that all marketing communications are clear, fair and not misleading and carefully tailored to their intended audience; (iii) ensuring that employees are properly trained and supervised to perform at the appropriate professional standards; and (iv) ensuring that material conflicts of interests are identified, avoided where possible, managed and disclosed to ensure fair outcomes to clients.

These principles of treating customers fairly focus primarily on risk analytics, technology and business process engineering, and are taken into account when setting strategy and commercial objectives of AHL Partners LLP, in its capacity as the AIFM to the Company.

Shareholders should note however that fair treatment does not necessarily equate to equal or identical treatment and that, as described in the section entitled “Fees and Expenses”, the terms and conditions of any given Shareholder’s investments in the Company may differ to other Shareholders.

The Company and the Manager may enter into arrangements with certain Shareholders which cover areas such as, inter alia, country specific regulatory and tax matters.

#### *Shareholder Rights*

In order to subscribe for Shares, Shareholders must complete an Application Form in accordance with the section titled “Initial Subscription, Incremental Subscription, Applications and Settlements” above. By doing so, Shareholders agree to subscribe for Shares and to be bound by the terms of this Prospectus and the Articles (the Application Form, Prospectus and Articles, together, the “Subscription Documents”). The Subscription Documents are governed by Irish law and the courts of Ireland shall have such jurisdiction in relation to them as is determined in accordance with Council Regulation (EC) No 44/2001.

### **3. Rights against Service Providers**

Shareholders have generally no direct rights against the Company’s service providers. As set out in the Depositary Agreement, the Depositary will be liable to the Company and the Shareholders for any loss arising from the Depositary’s negligence or its intentional failure to properly fulfil its obligations pursuant to the AIFM Directive.

The Company is reliant on the performance of third party service providers, including the Investment Manager, the Depositary, the Administrator and the Auditors, whose details are set out above. No Shareholder will have any direct contractual claim against any service provider with respect to such service provider’s default. Any Shareholder who believes they may have a claim against any service provider in connection with their investment in the Company, should consult their legal adviser.

### **4. Memorandum of association**

The memorandum of association of the Company provides that the Company’s principal object is the collective investment of its funds in property with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds. The object and powers of the Company are set out in full in Clause 3 of the memorandum of association, which is available for inspection at the registered office of the Company.

### **5. Articles**

The following section is a summary of the principal provisions of the Articles not previously summarised in this Prospectus.

#### *Alteration of share capital*

The Company may from time to time by ordinary resolution increase its capital, consolidate and divide its shares or any of them into shares of a larger amount, sub-divide its shares or any of them into shares of a smaller amount, or cancel any shares not taken or agreed to be taken by any person. The Company may also by special resolution from time to time reduce its share capital in any way.

### *Issue of Participating Shares*

The Participating Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Irish Companies Act 2014) allot, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms as they may consider in the best interests of the Company.

### *Variation of rights*

Whenever the share capital is divided into different Classes of Shares, the rights of any Class may be varied or abrogated with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that Class, or with the sanction of a special resolution passed at a separate general meeting of the holders of that Class of Shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding shares issued in that Class or their proxies (and at the adjourned meeting the necessary quorum shall be one person holding shares of that Class or his proxy). The special rights attaching to any shares of any Class shall not (unless the conditions of issue of such Class of Shares expressly provide otherwise) be deemed to be varied by the creation or issue of other shares ranking *pari passu* therewith.

### *Transfer of Participating Shares*

- (a) Transfers of Participating Shares involving a Beneficial Shareholder shall be effected by an instrument in writing in a form approved by the Directors but need not be under seal. Participating Share transfers between Direct Shareholders shall be in accordance with the rules and procedures of the relevant Clearing System.
- (b) The instrument of transfer of a Participating Share must be signed by, or on behalf of, the transferor and the transferee. The transferor shall be deemed to remain the holder of the Participating Share until the name of the transferee is entered in the Company's register in respect of such Participating Share.
- (c) The Directors may decline to register a transfer of Participating Shares (i) where they are aware or believe that such transfer would or might result in the beneficial ownership of such Participating Shares by a person who is not a Qualified Holder or expose the Company to adverse tax or regulatory consequences; and (ii) where, in the case of a transfer, the proposed transferee would be the holder of Participating Shares with an aggregate value less than the Initial Subscription. The registration of transfers may be suspended for such times and at such periods as the Directors may determine provided always that such registration may not be suspended for more than 30 days in any one year.

### *Redemption of Participating Shares*

Any certificate as to the Net Asset Value, the Net Asset Value per Share and/or the Redemption Price given in good faith by or on behalf of the Directors is binding on all parties. A holder of Participating Shares shall have the right (subject as provided within the section entitled 'Temporary suspension/postponements') to require the Company to redeem all or any part of his holding subject to the Minimum Holding requirement.

### *Determination of Subscription Price/Redemption Price*

For the purposes of, *inter alia*, the determination of the Subscription Price and the Redemption Price:

- (a) Participating Shares which have been allotted but not issued on a Dealing Day shall be deemed to be in issue on receipt of payment therefor and Participating Shares whose allotment has been cancelled and the relevant application monies have not been returned to the Applicant on or prior to a Dealing Day shall be deemed to cease to be in issue at the close of business on the day of such cancellation; and
- (b) Participating Shares which have been redeemed on a Dealing Day shall be deemed to have ceased to be in issue at the close of business on the relevant Dealing Day.

*Directors*

- (a) Unless and until otherwise determined by the Company in general meeting each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine.
- (b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company on such terms as the Directors may determine.
- (c) Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
  - (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company in which the Company is otherwise interested;
  - (ii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company thereof is otherwise interested; and
  - (iii) shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- (d) A Director shall not generally be permitted to vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material to, or a duty which conflicts or may conflict with the interests of, the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. A Director shall be entitled to vote (and be counted in the quorum) in respect of resolutions concerning certain matters in which he has an interest including any proposal concerning any other company in which he is interested, directly or indirectly provided that he is not the holder of or beneficially interested in 10% or more of the issued

shares of any Class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived).

- (e) There is no provision in the Articles requiring a Director to hold shares in the Company or to retire by reason of any age limit and there is no shareholding qualification for Directors.
- (f) The number of Directors shall not be less than two.
- (g) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two.
- (h) The office of a Director shall be vacated in any of the following circumstances:
  - (i) he ceases to be a Director by virtue of any provisions of the Irish Companies Act 2014 or becomes prohibited by law from being a Director;
  - (ii) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) in the opinion of a majority of the Directors he becomes incapable, by reason of mental disorder, of discharging his duties as a Director;
  - (iv) he resigns from his office by notice to the Company;
  - (v) he is convicted of an indictable offence and the Directors determine that as a result of such conviction he shall cease to be a Director; or
  - (vi) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors pass a resolution that he has by reason of such absence vacated office.

The Company may also, as a separate power, in accordance with and subject to the provisions of the Act, by ordinary resolution of the shareholders, remove any Director (including any managing director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Articles or in any agreement between the Company and any such Director.

#### *Borrowing and pledging powers*

The Directors may exercise all the powers of the Company to borrow or raise money (including the power to borrow for the purpose of repurchasing shares) but may not hypothecate, mortgage, charge or pledge its undertaking, property, assets or any part thereof, or issue debentures, debenture stock or other securities, whether outright or as collateral security for any debt, liability or obligations of the Company save in accordance with the provisions of Part 24 of the Act or as permitted by the Central Bank. Nothing contained herein shall restrict liens arising in the ordinary course of business. Notwithstanding the above, the Directors may pledge or encumber the Company's assets in respect of short-term loans raised for the account of the Company provided that:

- (a) the aggregate amount of such loans does not exceed 10% of the Net Asset Value; and
- (b) the prior approval of the Depositary to the terms and conditions of the loans is obtained.

### *Dividends*

No dividends are payable on the Subscriber Shares. Subject to the provisions of the Irish Companies Acts 2014, the Company may by ordinary resolution declare dividends on the Participating Shares, but no dividends shall exceed the amount recommended by the Directors. If the Directors so resolve, and in any event on the winding up of the Company or on the redemption of all of the Participating Shares, any dividend which has remained unclaimed for 12 years shall be forfeited and will revert to the Company.

### *Distribution of assets on a liquidation*

If the Company is wound up, the liquidator may, with a sanction of a special resolution of the Company or other sanction as required by the Irish Companies Acts 2014, divide among the Shareholders in specie or in kind, all or any part of the assets of the Company and may for such purpose value any property to be divided as aforesaid and may determine how such division should be carried out as between the Shareholders.

### *Restrictions on Shareholders*

The Directors have power to impose such restrictions as they may think necessary for the purpose of ensuring that no Participating Shares are acquired or held by:

- (a) any person who is not a Qualified Holder; and
- (b) any person in breach of the law or requirements of any country, government or authority or any person or persons in circumstances (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) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary, fiscal or regulatory disadvantage which the Company might not otherwise have incurred or suffered or the Company being required to comply with any registration or filing requirement in any jurisdiction with which it would not otherwise be required to comply.

If it comes to the notice of the Directors that any Participating Shares are so held by any such non-qualified person as outlined above the Directors may give notice to such person requiring the redemption or transfer of such Participating Shares in accordance with the provisions of the Articles. If any person upon whom such a notice has been served fails to comply with such requirements within 30 days, that person shall be deemed to have given a Redemption Notice in respect of all its Participating Shares. A person who becomes aware that it is a non-qualified person is required either to deliver to the Company a written request for redemption of its Participating Shares in accordance with the Articles or to transfer the same to a person who would not thereby be a non-qualified person.

## **6. Money laundering**

The Manager has a responsibility to regulators for compliance with anti-money laundering regulations around the world and, for that reason, existing Shareholders, potential subscribers for and transferees of Participating Shares may be asked for proof of identity. Until satisfactory proof of identity is provided by potential investors or transferees, as determined by the Directors, the Directors reserve the right to withhold the issue or approval of transfers (as the case may be) of the applicable Participating Shares. In case of delay or failure to provide satisfactory proof of identity,

the Company and the Manager may take such action as they see fit including the right to redeem issued Participating Shares compulsorily.

**The following is a list of the Anti-Money Laundering Documents currently required:**

**Note: Anti-Money Laundering Documents should be submitted with the Application. Shareholders will not receive the proceeds of any redemption of Shares until the original of the Application and the Anti-Money Laundering Documents relating to the subscription for such Shares have been received by the Shareholder Services Provider and Registrar.**

- (a) If the Applicant is a sole proprietor or an individual please provide a certified copy (within 6 months) of a current valid passport or current valid identity card or current valid driver's licence. The document must contain a photograph, date of birth and signature. Please also provide two original or two certified copies (within 3 months) of differing current utility bills, or an original or certified copy of one utility bill and an original or certified copy of a recent bank statement from a reputable financial institution.
- (b) If the Applicant is a corporation or a limited liability company, please supply:
  - (i) an original or certified copy of the certificate of incorporation or its equivalent in the jurisdiction of domicile;
  - (ii) an original or certified copy of the memorandum and articles of association or its equivalent in the jurisdiction of domicile;
  - (iii) a list of all directors' names, occupations, residential addresses, business addresses and dates of birth;
  - (iv) a properly authorised mandate of the directors to make the investment (i.e. a certified copy of board minutes);
  - (v) documentation (as outlined in paragraph (a) above) confirming the identity of at least two directors and all persons authorised to operate the account from time to time; and
  - (vi) a list of names and addresses of any shareholders holding 10% or more of the company's issued share capital. If the shareholder is an individual, please supply documentation (as outlined in paragraph (a) above) confirming the identity of such shareholder; if the shareholder is a company, the following is required: original or certified copy of the certificate of incorporation or its equivalent in the jurisdiction of domicile; original or certified copy of the memorandum and articles of association or its equivalent in the jurisdiction of residence; list of all directors' names, occupations, residential and business addresses, and dates of birth.

Additional information and/or documentation may be required at the Shareholder Services Provider and Registrar's discretion to verify the source of the subscription monies and/or the beneficial owner(s) of the investment.

The Shareholder Services Provider and Registrar reserves the right to request such information and/or documentation as is necessary to verify the identity of an Applicant, and/or the beneficial owner(s) of the investment or the source of the subscription monies. In the event of delay or failure by the Applicant to produce any information required for verification purposes, the Shareholder Services Provider and Registrar may refuse to accept the application and subscription monies.

It is further acknowledged that the Shareholder Services Provider and Registrar, in the performance of its delegated duties, shall be held harmless by the Applicant against any loss arising as a result of a failure to process the subscription if such information as has been requested by the Shareholder Services Provider and Registrar has not been provided by the Applicant.

## **7. Indemnities**

The Directors, Secretary and other officers of the Company shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in discharge of his duties (other than in the case of fraud, negligence or wilful default).

## **8. Euroclear/Clearstream**

### *(a) Form of Participating Shares held by Direct Shareholders*

The Participating Shares will be represented by a global share certificate (the 'Global Share Certificate') registered in the nominee name indicated on the Application Form for credit to the accounts of the subscribers with Euroclear and Clearstream. The Clearing Systems (or their nominee) shall note the number of Participating Shares represented by the Global Share Certificate on the reverse of the Global Share Certificate and shall note any increase (by way of an issue of additional Participating Shares) or reduction (by way of transfer or redemption of Participating Shares) on the reverse of the Global Share Certificate.

### *(b) Clearing and settlement*

Arrangements have been made with the Clearing Systems to facilitate the issue of Participating Shares. Transfers within the Clearing Systems will be in accordance with the usual rules and operating procedures of the relevant Clearing System.

### *(c) Settlement in relation to the Participating Shares*

Upon the issue of the Global Share Certificate appropriate book entries will be made by the Clearing Systems. In accordance with instructions received from the Shareholder Services Provider and Registrar, the respective Clearing System will note the increase in credit to it of the beneficial interest represented by the relevant Global Share Certificate and credit the relevant number of Participating Shares to the accounts of such participants. Ownership of beneficial interests in the Participating Shares will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Clearing Systems (subject to the arrangement for Beneficial Shareholders as described in the section entitled 'Initial Subscription, Incremental Subscription, Applications and settlements'). Securities clearance accounts and cash accounts with the Clearing Systems are subject to the terms and conditions

governing their use, the related operating procedures of each of the Clearing Systems and applicable law. All securities in the Clearing Systems are held on a fungible basis without attribution of specific certificates to specific securities accounts.

*(d) Clearstream*

Clearstream was incorporated in 1970 as 'Cedel S.A.', a company with limited liability under Luxembourg law (a société anonyme). Cedel S.A. subsequently changed its name to Cedelbank. On 10 January 2000, Cedelbank's parent company, Cedel International, société anonyme merged its clearing, settlement and custody business with that of Deutsche Börse Clearing AG. On 18 January 2000, Cedelbank was renamed Clearstream Banking, société anonyme. Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream customers through electronic book-entry changes in accounts of Clearstream customers, thereby eliminating the need for physical movement of certificates. Transactions may be settled by Clearstream in any of 36 currencies. Clearstream also deals with domestic securities markets in over 30 countries through established depository and custodial relationships. Clearstream is registered as a bank in Luxembourg and, as such, is subject to regulation by the Commission de Surveillance du Secteur Financier, which supervises Luxembourg banks. Currently, Clearstream has approximately 2,000 customers located in over 80 countries, including all major European countries, Canada, and the United States. Indirect access to Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of Clearstream. Clearstream, Luxembourg has established an electronic bridge with Euroclear Clearance Systems plc as the operator of the Euroclear system in Brussels to facilitate settlement of trades between Clearstream and Euroclear.

*(e) Euroclear*

Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between its participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries. The Euroclear system is owned by Euroclear Clearance System plc and operated through a license agreement by Euroclear, a bank incorporated under the laws of the Kingdom of Belgium (the 'Euroclear Operator'). Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to others that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. The Euroclear Operator is regulated and examined by the Belgian Banking and Finance Commission and the National Bank of Belgium. Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear system, and applicable Belgian law (collectively, the 'Terms and Conditions'). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and

Conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

### **9. Calculation of the Net Asset Value**

The calculation of the Net Asset Value is the responsibility of the Valuations Service Provider. In determining such Net Asset Value, the Articles provide, inter alia, that:

- (a) the Net Asset Value shall be expressed in US dollars or in such other currency as the Directors may determine in any specific case (translated where necessary at such rate of exchange as the Directors think fit) and shall be determined, subject to suspension, as at each Valuation Point and shall be the value of all the assets of the Company less all the liabilities of the Company subject to any regulations of the Central Bank and pursuant to Part 24 of the Act. The Net Asset Value of a Class shall be expressed in the currency in which that Class is designated or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case, and shall be determined, subject to suspensions, in accordance with the valuation rules set out hereafter, as at each Valuation Point subject to the requirements of the Central Bank. Where the Directors have created different Classes and have determined that (i) each Class or Classes will incur different levels of fees (the details of which shall be set out in the Prospectus); (ii) currency hedging transactions may be entered into in order to hedge any relevant currency exposure of any Class or Classes denominated in a currency other than the Base Currency; (iii) interest rate hedging transactions may be entered into in respect of a specific Class or Classes; or (iv) financial instruments may be utilised on behalf of a specific Class or Classes in accordance with the requirements of the Central Bank, in each case the Administrator shall adjust the relevant Net Asset Value per Class in order to reflect such different levels of fees payable in respect of each such Class and/or the costs and resultant gains/losses of such hedging transactions and/or financial instruments;
- (b) the assets of the Company shall be deemed to include:
  - (i) all cash in hand, on deposit or on call including any interest accrued thereon and all accounts receivable;
  - (ii) all bills, demand notes, certificates of deposit and promissory notes;
  - (iii) all bonds, forward currency transactions, commodities (of every description including precious metals and oils), time notes, shares, stock, units of or participation in collective investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, contracts for differences, fixed rate securities, floating rate securities, securities in respect of which the return and/or redemption amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it;

- (iv) all stock and cash dividends and cash distributions to be received by the Company and not yet received by it but declared to shareholders on record on a date on or before the day as of which the Net Asset Value is being determined;
  - (v) all interest accrued on any interest-bearing securities owned by the Company except to the extent that the same is included or reflected in the principal value of such security;
  - (vi) all other Investments of the Company;
  - (vii) the preliminary expenses of the Company including the cost of issuing and distributing Participating Shares in so far as the same have not been written off; and
  - (viii) all other assets of the Company of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors. The paid-up nominal capital of the Subscriber Shares shall be excluded as an asset of the Company for the purposes of determining the Net Asset Value;
- (c) where any security or currency contract owned or contracted for by the Company is listed or dealt in on a Market, the value thereof shall be based on the latest quoted mid-market price for such securities or such contracts available to the Directors at the latest Valuation Point or for such amount of such investment as the Directors may consider in all circumstances to provide a fair criterion. Where such security or such contract is listed or dealt in on more than one Market, the relevant Market shall be the one which the Directors determine provides the fairest criteria in the valuation of such security. For the purposes of this paragraph and the following paragraphs the expression 'Market' shall mean any stock exchange, over-the-counter market or other securities market, any commodity exchange or market on which commodities are regularly traded or publicly auctioned as relevant to the particular Investment in any part of the world;
- (d) where any security or currency contract owned or contracted for by the Company is listed or dealt in on a Market but in respect of which for any reason, prices on that Market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value therefore shall be the probable realisation value thereof estimated with care and in good faith certified by a person, firm or association making a market in such security or contract approved by the Depositary and/or any other person qualified, in the opinion of the Directors (and with the approval of the Depositary) to provide such a certificate;
- (e) the value of any security or currency contract owned or contracted for by the Company which is not listed or dealt in on a Market shall be the probable realisable value therefore ascertained as hereinafter provided with the concurrence of the Depositary:
- (i) the probable realisable value of such security or currency contract as estimated by the Directors, acting in good faith and with due care and approved by the Depositary; and
  - (ii) taking into account interest or interest bearing securities or contracts;

- (f) the value of any off-exchange derivative Investment valued using the counterparty valuation shall be subject to verification by a party independent of the counterparty and approved for such purpose by the Depositary at least monthly.
- (g) the value of any forward foreign exchange contracts will be valued by reference to the price at which a new forward contract of the same size and maturity could be undertaken on the day in which the relevant Valuation Point occurs;
- (h) the value of any future contracts and options which are dealt in on a Market shall be calculated by reference to the price appearing to the Directors to be the settlement price as determined by the Market in question, provided that where it is not the practice of the relevant market to quote a settlement price or if such settlement price is not available for any reason, such value shall be calculated in accordance with paragraph 9(d) above.
- (i) other derivative instruments shall be valued, on at least a weekly basis, at such price as the Directors in good faith, with the approval of the Depositary and in consultation with the Investment Manager, consider represents the best possible realisation value of the derivative instrument, provided the Company (or its delegate) has adequate human and technical means to perform the valuation. Such valuation shall be reconciled to the counterparty valuation on at least a monthly basis. Where significant differences arise such differences will be promptly investigated and the final position documented.
- (j) the value of any Investment which is a participation in an open-ended collective investment scheme/mutual fund shall be calculated by reference to the most recent net asset value of such participation calculated in accordance with the requirements of the relevant scheme/fund;
- (k) cash shall be valued at face value (together with accrued interest to the relevant Valuation Point) unless, in the opinion of the Directors, any adjustment should be made to reflect the value thereof;
- (l) if in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors shall decide provided that such method has been approved by the Depositary and the rationale and the methodology for adjusting the value are clearly documented;
- (m) The Company shall not adjust the value of an asset unless such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant. The rationale and methodology for adjusting the value must be clearly documented; and
- (n) any valuations made pursuant to the Articles shall be binding on all persons.

#### **10. Circumstances of a winding up**

The Company shall be wound up in the following circumstances:

- (a) by the passing of a special resolution for a winding up;
- (b) where the Company suspends its business for a year;
- (c) where the number of shareholders falls below the statutory minimum (currently two);
- (d) where the Company is unable to pay its debts and a liquidator has been appointed;
- (e) where the appropriate court in Ireland is of the opinion that the Company's affairs and the powers of the Directors have been exercised in a manner oppressive to shareholders; or
- (f) the appropriate court in Ireland is of the opinion that it is just and equitable that the Company should be wound up.

#### **11. Commissions**

Save as disclosed within the section entitled 'Fees and expenses', no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any capital of the Company.

#### **12. Directors' interests**

Neither the Directors nor any connected person has any interest in the Participating Shares or any options in respect of such Participating Shares.

For the purposes of this paragraph 'connected person' means in respect of any Director:

- (a) his 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 the Director; or
- (d) a company controlled by that Director.

Save for the contracts listed in paragraph 13 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 Company.

Mr Walley is a director of the Manager; Mr Jackson is a partner of Matheson, the legal advisers to the Company which law firm owns the entire issued share capital of Matsack Trust Limited, the Company Secretary of the Company; and, accordingly, each have, or had (as the case may be), an interest in fees payable by the Company to such entities. The Company has not granted loans to any Directors nor has it provided any guarantees for their benefit.

### **13. Litigation**

The Company is not engaged in any litigation or arbitration proceedings and the Directors are not aware of any litigation or claim pending or threatened by or against the Company.

### **14. Material contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- (a) the Management Agreement. This agreement provides that the appointment of the Manager will continue in force unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances (for example the insolvency of either party, unremedied breach after notice, etc.) the agreement may be terminated forthwith by notice in writing by either party to the other. The agreement contains indemnities in favour of the Manager excluding matters arising due to the wilful misconduct, fraud, bad faith, or negligence in the performance by the Manager, its servants or agents of its obligations or functions under the Management Agreement. Details of the fees payable to the Manager by the Company are set out within the section entitled 'Fees and expenses';
- (b) the Administration Agreement. This agreement provides for the Manager to appoint CEP, on behalf of the Company, to provide general shareholder services (which will include maintenance of the Company's register) and certain accounting and valuation services to the Company, as well as monitoring the providers of those services;
- (c) the Depositary Agreement. This agreement provides that the Investment Manager as the Company's AIFM has engaged the Depositary as depositary of the Company's assets and provides for certain oversight functions to be performed by the Depositary over the Company. The Depositary Agreement provides that it will continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. The Depositary is liable to the Company or the Shareholders for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfill its obligations. The Depositary Agreement contains indemnities in favour of the Depositary excluding matters arising by reason of its failure to satisfy its obligation of due skill, care and diligence, or by reason of its negligence, intentional failure or fraud;
- (d) the Introducing Broker Agreement (including the Broker's Standard Terms and Conditions of Business) pursuant to which the Original Broker was appointed clearing broker to the Company and the Introducing Broker was appointed introducing broker. With effect from 19 July 2010, the agreement may be terminated by the Introducing Broker giving not less than three months' notice to the Company or by the Company giving not less than six months' written notice to the Introducing Broker. The agreement may be terminated immediately upon written notice by either the Introducing Broker or the Company in a number of circumstances, including where a party is in material breach of the agreement and the breach is not

remedied within the specified remedy period or in the event of a party's insolvency. The agreement contains indemnities in favour of the Introducing Broker (excluding matters arising by reason of its bad faith, wilful misconduct or gross negligence). Details of the fees payable by the Company under the Introducing Broker Agreement are set out within the section entitled 'Fees and expenses';

- (e) the Investment Management Agreement pursuant to which the Investment Manager is appointed as the Company's AIFM and the Investment Manager provides trading advice in relation to the assets of the Company and pursuant to which the Marketing Adviser has agreed to provide marketing, liquidity, administration and other services to the Company. This agreement may be terminated by the Company, the Investment Manager or the Marketing Adviser giving not less than 90 days' written notice to the others, although in certain circumstances (for example an unremedied material breach occurs, or any party to the Investment Management Agreement becomes insolvent) the agreement may be terminated forthwith. The Company may terminate the Investment Management Agreement forthwith if either the Investment Manager or Marketing Adviser ceases to hold any authorisation or registration or the Company is required or advised by any regulatory authority to terminate the appointment of either the Investment Manager or Marketing Adviser. The Investment Management Agreement contains indemnities in favour of the Investment Manager and Marketing Adviser (excluding matters arising by reason of its fraud, negligence or wilful default) and provisions regarding the Investment Manager's and Marketing Adviser's respective legal responsibilities. Details of the fees payable to the Investment Manager by the Company are set out within the section entitled 'Fees';
- (f) the Swiss Paying Agency Agreement pursuant to which the Swiss Paying Agent has been appointed, from 1 January 2015, as paying agent in relation to the issue of Participating Shares to investors in Switzerland;
- (g) The prime broker appointment agreement whereby the Company appointed Morgan Stanley & Co. International plc to provide certain margin financing, clearing, settlement, stock borrowing, and foreign exchange facilities to the Company dated, 17 November 2014;
- (h) The prime broker appointment agreement whereby the Company appointed Credit Suisse Securities (Europe) Limited to provide certain margin financing, clearing, settlement, stock borrowing, and foreign exchange facilities to the Company dated, 17 November 2014 as amended by way of agreement dated 9 November 2015.

#### **15. Governing Law and Recognition and Enforcement of Judgments in Ireland**

The 1980 Rome Convention on the Law Applicable to Contractual Obligations (other than Article 7(1)), Regulation (EC) 593/2008 (Rome I) and Regulation (EC) 864/2007 (Rome II), all have force of law in Ireland (together the "Rome Regulations"). Accordingly, the choice of a governing law in any given agreement is subject to the provisions of the Rome Regulations. Under the Rome Regulations, the courts of Ireland may apply any rule of Irish law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of Ireland. The courts of Ireland determine what the public policy of Ireland is on a

case by case basis. The fact that contractual parties choose a foreign law, whether or not accompanied by the choice of a foreign tribunal, shall not, where all the other elements relevant to the situation at the time of the choice are connected with one country only, prejudice the application of rules of the law of that country, which cannot be derogated from by agreement.

Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters has force of law in Ireland. In accordance with its provisions, a judgment obtained in the courts of a foreign jurisdiction will in general be recognised and enforced in Ireland without review as to its substance, save in certain exceptional circumstances.

## **16. Miscellaneous**

- (a) The Company does not have, nor has it had since its incorporation, any employees.
- (b) The Company may buy securities from or sell securities to any entity managed by the Manager or any associate or affiliate thereof on an arm's length basis.
- (c) Save as disclosed in paragraph 11 above, no Director has any interest direct or indirect in the promotion of the Company or in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired by, disposed of or leased to the Company, nor is there any contract or arrangement subsisting at the date of this Prospectus in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (d) The Company has not purchased or acquired, nor agreed to purchase or acquire, any property.
- (e) Class DN USD were first issued on 17 November 1995 at a price of USD 10 per Participating Share.
- (f) No Director has:
  - (i) any unspent convictions in relation to indictable offences;
  - (ii) become bankrupt or entered into any voluntary arrangement;
  - (iii) been a director of any company or a partner of any firm which, at the time or within 12 months after his ceasing to become a director or a partner (as the case may be), had a receiver appointed to it or had gone into compulsory liquidation, creditors voluntary liquidation or into administration, or had entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;
  - (iv) owned an asset or been a partner of a partnership owning an asset over which a receiver has been appointed at the time or within 12 months after his ceasing to be a partner; or
  - (v) had any public criticism against him by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a court from acting as a director or acting in the management or conduct of the affairs of any company.

(g) Recognised Exchanges and Recognised Markets: The following Recognised Exchanges and Recognised Markets are listed below in accordance with the requirements of the Central Bank, it being noted that the Central Bank does not issue a list of approved markets and exchanges.

1. All stock exchanges in a Member State of the European Union.
2. all stock exchanges in a Member State of the European Economic Area (EEA) (Norway, Iceland and Liechtenstein).

3. all stock exchanges located in any of the following countries:

in Australia

in Canada

in Japan

in Hong Kong

in New Zealand

in Switzerland

in USA

4. the following investment exchanges and markets:

in Australia the Sydney Futures Exchange

in Hong Kong the Hong Kong Exchanges and Clearing

in India the National Stock Exchange

the Bombay Stock Exchange

the Delhi Stock Exchange

in Japan the Tokyo Grain Exchange

the Osaka Securities Exchange

the Tokyo International Financial Future Exchange

the Tokyo Commodity Exchange

in the Republic Korea the Korea Stock Exchange

KOSDAQ

the Korea Futures Exchange (KOFEX)

in Mexico the Mexican Stock Exchange

in Singapore the Singapore Futures Exchange (SGX-DT)

in South Africa the Johannesburg Stock Exchange

in Switzerland the SIX Swiss Exchange

the Eurex Zurich

in Taiwan the Taiwan Stock Exchange

in the United States the Chicago Board of Trade

the Chicago Board Options Inc.

the Chicago Mercantile Exchange

the New York Mercantile Exchange  
the New York Board of Trade  
the Minneapolis Grain Exchange  
the Coffee Sugar & Cocoa Exchange;

5. (a) the markets organised by the International Capital Market Association;
- (b) the Second Marche of the stock exchange set up in France in accordance with the laws of France;
- (c) the French market for 'Titres de Creance Negotiable' (over-the-counter market in negotiable debt instruments);
- (d) the Tokyo Over-the-Counter Market regulated by the Securities Dealers Association of Japan;
- (e) the Alternative Investment Market regulated and operated by the London Stock Exchange Limited;
- (f) the over-the-counter market conducted by primary and secondary dealers which are regulated by the United States Financial Industry Regulatory Authority, Inc. and the United States Securities and Exchange Commission and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- (g) the market in the UK conducted by the 'listed money market institutions' as described in the Financial Services Authority publication 'The Regulation of the Wholesale Cash and OTC Derivatives markets (The Grey Paper)';
- (h) the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
- (i) NASDAQ (the electronic inter-dealer quotation system of America operated by the Financial Industry Regulatory Authority, Inc.);
- (j) the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada; and
- (k) NASDAQ Europe (the European Association of Securities Dealers Automated Quotation);
6. for the purposes only of determining the value of the assets of a fund, the term 'Recognised Market' shall be deemed to include, in relation to any futures or options contract utilised by a fund for the purposes of efficient portfolio management or to provide protection against exchange rates, any organised exchange or market on which such futures or options contract is regularly traded;
7. to the extent not already included above, the following investment exchanges and markets:
- Athens Derivative Exchange;
  - Austrian Futures and Options Exchange;

- Bolsa de Mercadorias & Futuros (BM&F);
- Bursa Maylasia;
- Bolsa de Valores de Lisboa e Porto (BVLP);
- Bombay Stock Exchange;
- Dubai Gold and Commodities Exchange;
- Eurex Deutschland;
- Eurex US;
- Eurex Zurich;
- Euronext Amsterdam NV;
- Euronext Paris SA;
- Euronext Liffe;
- European Energy Exchange;
- Helsinki Exchanges;
- Intercontinental Exchange;
- International Petroleum Exchange of London Ltd.;
- Kansas City Board of Trade;
- Korea Futures Exchange;
- London Metal Exchange Ltd.;
- Malaysian Derivatives Exchange;
- MEFF;
- Mercato Italiano Derivati (IDEM);
- Mercato Italiano Futures (MIF);
- Mercado Mexicano De Derivados (Mdex);
- Montreal Exchange;
- Multi Commodity Exchange of India;
- National Commodity and Derivative (India);
- OM London;
- Osaka Mercantile Exchange;
- Shanghai Futures Exchange;
- Singapore Commodity Exchange;
- Singapore Exchange;
- South African Futures Exchange;
- Taiwan Futures Exchange;
- Thailand Futures Exchange;
- Tokyo Financial Exchange;
- Turkish Derivatives Exchange;
- Wiener Borse AG;

- Winnipeg Grain Exchange;
- Winnipeg Commodities Exchange.

### **17. Inspection of documents**

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the registered office of the Company in Dublin and at the offices of the listing sponsor, Matheson:

- (a) the memorandum of association of the Company and the Articles;
- (b) the Management Agreement;
- (c) the Administration Agreement;
- (d) the Depositary Agreement;
- (e) the Broker Agreement;
- (f) the Investment Management Agreement;
- (g) the Swiss Paying Agency Agreement;
- (i) the AIF Rulebook published by the Central Bank;
- (j) the Irish Companies Act 2014;
- (k) the latest available annual and semi-annual report and accounts of the Company; and
- (l) a memorandum in respect of each of the Directors detailing the names of all companies and partnerships of which they have been a director or partner at any time in the previous five years, together with an indication of whether or not they are still a director or partner.

Copies of this Prospectus, the memorandum of association of the Company, the Articles and the latest annual and semi-annual report and accounts of the Company may be obtained free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays in Ireland) at the registered office of the Company in Dublin.

Date: 9 November 2015

## Additional distribution and selling restrictions

**The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying Application Form in any such jurisdiction may treat this Prospectus or such Application Form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such Application Form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Application Form could lawfully be used without compliance with any registration or other legal requirements.**

**When marketing Shares in any territory of the EEA (other than Ireland) to Professional Investors that are domiciled or have a registered office in the EEA, the Investment Manager intends to utilise marketing passports made available under the provisions of the AIFM Directive. Shares in the Company may only be marketed pursuant to such passports to Professional Investors in those territories of the EEA in respect of which a passport has been obtained.**

### **Argentina**

The Shares are not and will not be marketed in Argentina by means of a public offer of securities, as such term is defined under Section 16 of Law N° 17,811, as amended. No application has been or will be made with the Argentine Comisión Nacional de Valores, the Argentine securities governmental authority, to offer the Shares in Argentina.

### **Australia**

No offer of securities or any other financial product is being made into Australia other than to investors who are both: (i) "wholesale clients" as defined in section 761G of the Corporations Act (Cth) 2001; and (ii) "Sophisticated investors" as defined in section 708(8) of the Corporations Act (Cth) 2001 or "Professional investors" as defined in section 708(11) of the Corporations Act (Cth) 2001.

This Prospectus has not been, and will not be, lodged with the Australian Securities and Investments Commission as a disclosure document for the purposes of the Corporations Act (Cth) 2001.

Any Shares issued upon acceptance of the offering may not be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least twelve (12) months after their issue, except in circumstances where disclosure to investors is not required under Chapter 6D of the Corporations Act (Cth) 2001 or unless a disclosure document that complies with the Corporations Act (Cth) 2001 is lodged with the Australian Securities and Investments Commission.

Investors are advised that the Company is not licensed in Australia to provide financial product advice in relation to the Shares. No cooling-off regime will apply in respect of the acquisition of Shares.

### **Bahrain**

This offer is a private placement. It is not subject to the regulations of the central bank of Bahrain that apply to public offerings of securities, and the extensive disclosure requirements and other protections that these regulations contain. This memorandum is therefore intended only for "accredited investors" as defined in the glossary to this memorandum.

The financial instruments offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). The Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this document.

The Directors 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 that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the reliability of such information.

#### **Brazil**

The Company and its Shares have not been, nor will they be, registered or qualified under any rules issued by the Brazilian Securities Exchange Commission (the "CVM") or any applicable securities laws of Brazil, and are not, and will not be, subject to public offering in Brazil. Therefore, the Company and its Shares cannot be marketed, offered or sold to the general public in Brazil. Any offers or sales of Shares in violation of the foregoing shall be considered as an irregular public offering of securities in Brazil, and treated by the Company as void.

This Prospectus is highly confidential and has been delivered to an exclusive and restricted group of potential investors who have previous and/or regular business relationship with the distributor and/or such other persons, firms or companies as may from time to time be appointed as distributor or co-distributor or sub-distributor and/or other entities within their group. This Prospectus is personal to the person to whom it has been delivered and does not constitute a public offering of securities or any sort of investment in Brazil. Distribution of this Prospectus to any person other than the person to whom it has been delivered is unauthorised, and any disclosure of any of its contents is prohibited. Each person to whom this Prospectus has been delivered, by accepting delivery of this Prospectus, agrees to the foregoing and agrees not to make any copies of this Prospectus, in whole or in part.

#### **Canada**

The Shares may not be offered or sold, and this Prospectus may not be delivered, in Canada or to a resident of Canada unless and until this Prospectus is accompanied by an appropriate Canadian wrapper. In addition, the Shares may only be offered or sold to qualified investors in Canada, in accordance with the requirements of the securities regulations of the investor's place of residence or domicile.

## **Cayman Islands**

No invitation to the public in the Cayman Islands to subscribe for Shares is permitted to be made unless the Shares are listed on the Cayman Islands Stock Exchange. As at the date of this Prospectus, no such listing is anticipated to be made.

## **Chile**

For the residents of the Republic of Chile. Neither the Company nor the Shares have been registered with the Chilean Superintendency of Securities and Insurance (Superintendencia de Valores y Seguros de Chile, the "**SVS**"). Therefore, the Shares may not be offered, distributed or sold in the Republic of Chile nor may any subsequent resale of the interests be carried out in the Republic of Chile except in circumstances which do not constitute a public offer of securities in the Republic of Chile as defined in the Chilean Securities Market Act (Ley 18,045, Ley de Mercado de Valores) or without complying with all legal and regulatory requirements in relation thereto.

The Prospectus attached hereto is confidential and personal to each offeree, it has not been registered with the SVS and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise to acquire the Shares. Distribution of the Prospectus to any person other than the offeree is unauthorised, and any disclosure of any of the content of the Prospectus without our prior written consent is prohibited. Each investor, by accepting the delivery of the Prospectus, agrees to the foregoing and will not forward or copy the Prospectus or any documents referred to herein.

Each investor must make its own assessment as to whether the Shares may be lawfully acquired by it and seek financial advice in this regard. We reserve the right to reject any offer to purchase, in whole or in part, and for any reason, the Shares offered hereby. We also reserve the right to sell or place less than all of the Shares offered hereby.

## **China**

The Shares may not be offered, sold or delivered, directly or indirectly, in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the "**PRC**") unless otherwise permitted by the local laws and regulations. The Shares may only be offered or sold to the PRC investors that are authorised to engage in the purchase of the Shares being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licences (if any) by themselves, including, but not limited to, any which may be required from the State Administration of Foreign Exchange and other competent regulatory authorities and complying with all relevant PRC regulations (if applicable), including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

The Company does not represent that this Prospectus may be lawfully distributed, or that any Shares may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Company which would permit a public offering of any Shares or distribution of this document in the PRC. Accordingly, the Shares are not being offered or sold within the PRC by means of this

Prospectus or any other document. Neither this Prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

### **Colombia**

The Shares have not and will not be marketed, offered, sold or distributed in Colombia or to Colombian residents except in circumstances which do not constitute a public offer of securities in Colombia within the meaning of Article 6.1.1.1.1 of Decree 2555 of 2010, as amended from time to time. Neither the Company nor the Shares will be publicly offered, marketed or negotiated in Colombia through promotional or advertisement activities (as defined under Colombian Law) except in compliance with the requirements of Colombian regulations (especially, Decree 2555 of 2010 issued by the Ministry of Finance and Public Credit, Law 964 of 2005 and Decree 663 of 1993 or the Organic Statute of the Financial System), as amended and restated, and decrees and regulations made thereunder. The Shares have not been registered in the National Securities and Issuers Registry (Registro Nacional de Valores y Emisores) of the Colombian Financial Superintendency (Superintendencia Financiera de Colombia) and the Shares are not intended to be offered publicly in Colombia.

Pursuant to Decree 2555 of 2010, as amended by, amongst others, Decree 2955 of 2010, certain requirements must be met in order for Colombian pension fund administrators to be able to invest in private equity funds established outside Colombia.

There are Colombian laws and regulations (specifically foreign exchange and tax regulations) that may be applicable to any transaction or investment consummated in connection with this Prospectus. The investor bears sole liability for full compliance with any such laws and regulations.

### **Costa Rica**

This Prospectus has been produced for the purpose of providing information about the Shares and will be provided to a maximum of 50 investors per fund in Costa Rica who are Institutional or Sophisticated Investors in accordance with the exemptions established in the Regulations on Public Offers of Values. This Prospectus is made available on the condition that it is for the use only by the recipient and may not be passed onto any other person or be reproduced in any part. The Shares have not been and will not be offered in the course of a public offering or of equivalent marketing in Costa Rica.

The Shares are the product of a private offer, in accordance with the exceptions established in the Regulation on Public Offer of Securities. No collective communication media has been used. The holder acknowledges and accepts the legal and tax regimes that apply to the private offer of securities.

### **Dubai International Financial Centre**

This Prospectus relates to a Company which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this Company. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no

responsibility for it. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

### **Guernsey**

The offer of the Shares described in this Prospectus does not constitute an offer to the public in the Bailiwick of Guernsey for the purposes of the Prospectus Rules 2008 (the "**Rules**") issued by the Guernsey Financial Services Commission (the "**GFSC**"). Neither this Prospectus nor any other offering material relating to the Shares will be distributed or be caused to be distributed to the public in Guernsey. The Rules do not apply to this Prospectus and, accordingly, this Prospectus has not been, nor is it required to be, submitted to or approved or authorised by the GFSC. The Company will not be regulated by the GFSC. The GFSC has no on-going responsibility to monitor the performance of the Company or to protect the interests of Shareholders.

To the extent to which any promotion of the Shares is deemed to take place in the Bailiwick of Guernsey, the Shares are only being promoted in or from within the Bailiwick of Guernsey either: (i) by persons licensed to do so under the Protection of the Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "**POI Law**"); or (ii) to persons licensed under the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000. Promotion is not being made in any other way.

### **Hong Kong**

**WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.**

This Prospectus has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly: (i) the Shares may not be offered or sold in Hong Kong by means of this Prospectus or any other document other than to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

### **India**

Please note that any Shares of the Company that are issued will be issued strictly on a private placement basis. The Securities and Exchange Board of India ("**SEBI**") has not approved, authorised or registered this Prospectus or any offering of the Shares. This Prospectus is made available to the recipient thereof on a restricted and strictly

confidential basis in reliance upon the representation of such recipient as to its eligibility to receive this Prospectus and to subscribe for the Shares. No other person is permitted to view this Prospectus, to subscribe for any Shares or to distribute or solicit for subscription or purchase in any manner this Prospectus, the Shares or any direct or indirect interest in the Company. No general solicitation or offering to the public is made hereby and no more than 49 numbered copies of this Prospectus have been made available to persons in India. This Prospectus is not a prospectus, statement in lieu of a prospectus, draft prospectus, red herring prospectus, shelf prospectus or letter of offer within the meanings given to such terms by the Indian Companies Act, 1956, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, or any other laws or regulations in India.

Investment in the Shares by persons resident in India is subject to compliance with: (i) the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004; (ii) the Master Circular on Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary Abroad dated 1 July 2011 (RBI/2011- 12/11 Master Circular No. 01/2011-12); and (iii) the Master Circular on Miscellaneous Remittances From India – Facilities for Residents dated 1 July 2011 (RBI/2011 – 12/1) issued by the Reserve Bank of India and as may be amended or replaced from time to time. Except as expressly permitted in terms of the above, no person resident in India is permitted to subscribe for securities of an entity incorporated outside India. In particular, no person in India is eligible to subscribe for or to purchase the Shares, except for the following, subject to the restrictions specified under applicable regulations: (a) companies in India, statutory corporations established by Acts of the Indian parliament and registered partnerships in India which are eligible to invest up to 400% of their net worth in entities outside India (subject to approval of the relevant regulator for investments in entities engaged in financial services) to the extent permitted under the aforesaid regulations; (b) companies listed on a stock exchange in India (other than companies engaged in the financial services sector) that are permitted to invest up to 50% of their net worth in shares of an overseas company which is listed on a recognized stock exchange to the extent permitted by the aforesaid regulations; (c) mutual funds registered with the SEBI to the extent permitted by the aforesaid regulations; (d) Indian resident individuals who intend to make investments up to USD200,000 annually under the liberalized remittance scheme detailed under the Reserve Bank of India's Master Circular on Miscellaneous Remittances From India – Facilities for Residents dated 1 July 2011 (RBI/2011 – 12/1) as may be amended or replaced from time to time; and (e) such other persons who have received express permission from the Reserve Bank of India.

It is the responsibility of each recipient of this Prospectus to evaluate based on legal advice whether any subscription to Shares of the Company is a permissible capital account transaction under the Foreign Exchange Management Act, 1999 and regulations thereunder.

#### **Indonesia**

The Shares have not been offered or sold and will not be offered or sold in Indonesia or to Indonesian nationals, corporations or Indonesian citizens under the Indonesian Capital Markets Law (Law No.8/1995), wherever they are domiciled or to Indonesian residents, including by way of invitation, offering or advertisement, and neither this Prospectus nor any other offering materials relating to the Shares have been distributed, or will be distributed, in

Indonesia or to Indonesian nationals, corporations or residents, in a manner which constitutes a public offering of the Shares under the laws or regulations of the Republic of Indonesia.

### **Israel**

Neither this Prospectus nor the Application Form attached hereto constitutes a prospectus within the meaning of the Israeli Securities Law, 1968 ("**Israeli Securities Law**"), and none of them have been approved by the Israeli Securities Authority. A prospectus has not been prepared or filed, and will not be prepared or filed with the Israeli Securities Authority in connection with the offer of the Shares under this Prospectus and Application Form.

Neither the Prospectus nor the Application Form constitutes an offer or sale of Securities and/or Units to the general public in the State of Israel, as such terms are defined in the Israeli Securities Law and the Israeli Joint Investment Trust Law, 1994 ("**Israeli Joint Investment Trust Law**"), respectively.

The Shares are being offered only to special types of investors that are listed in the First Supplement of the Israeli Securities Law ("**Special Investors**"), and which have provided their prior written confirmation that they comply with the eligibility criteria set forth therein to be treated as Special Investors, are aware of the meaning of being treated as Special Investors, and consent to be treated as such. The term "Special Investors" shall include: A Mutual Trust Fund, as defined under the Israeli Joint Investment Trust Law, or a trust fund manager; a Provident Fund, as defined under the Israeli Supervision of Financial Services (Provident Funds) Law, 5765-2005, or a company managing a Provident Fund; an Insurer as defined under the Israeli Law of Supervision of Insurance Business, 1981; a Banking Corporation and an Auxiliary Corporations as defined under the Israeli Banking Law (License), 1981 ("**Israeli Banking Law**") (except for a company licensed as a Joint Services Company under the Israeli Banking Law), purchasing Shares for their own account and/or for investors which are considered as Special Investors; an entity which is licensed to render Portfolio Management services under the Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 1995 ("**Israeli Advice Law**") (provided that such entity is purchasing Shares for its own account and for clients who are considered, by themselves, as Special Investors); an entity which is licensed to render Investment Advice and/or Investment Marketing services, under the Israeli Advice Law (purchasing Shares for its own account); a member of the Tel-Aviv Stock Exchange (purchasing Shares for its own account, and/or for clients which are considered, by themselves, as Special Investors); a certain type of underwriter which complies with certain eligibility conditions set forth in Section 56(c) of the Israeli Securities Law (purchasing Shares for its own account); a venture capital fund which is primarily engaged in investment in corporations, which, at the time of its investment, was engaged mainly in research and development activities or in the manufacture of innovative and know-how based products or processes, which involve a relatively high risk; a corporation fully owned by Special Investors; a corporation (with the exception of a corporation incorporated for the purpose of purchasing securities in a certain offer) whose equity capital is in excess of 50 million NIS; and/or an individual, purchasing the Shares for her/his own account, with respect to whom two of the three following conditions are fulfilled: (i) the total value of her/his cash, deposits, financial assets and securities as defined under Section 52 of the Israeli Securities Law exceeds 12 million NIS; (ii) she/he has expertise and capabilities in the capital market field or was employed for at least one (1) year in a professional position which requires expertise in the capital market; and (iii) had performed

at least thirty (30) transactions (except for transactions performed by an entity licensed under the Israeli Investment Advice Law to render Portfolio Management services for such individuals).

This Prospectus and the Application Form may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent by the Company and/or its authorised representatives of the Company. Any offeree who purchases Shares is purchasing such Shares for its own benefit and account and not with the aim or intention of distributing or offering such Shares to other parties. Nothing in this Prospectus and/or in the Application Form shall be considered as render of Investment Advice, Investment Marketing and/or Portfolio Management services, or an Offer to Render Investment Advice, Investment Marketing and/or Portfolio Management Services, as such terms are defined under the Investment Advice Law. Potential investors are encouraged to seek competent investment advice from an Israeli entity licensed under the Investment Advice Law to render Investment Advice and/or Investment Marketing services prior to making the investment.

### **Japan**

The Shares have not been and will not be registered for a public offering in Japan pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law (the "**FIEL**"). The Shares may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements for the FIEL and otherwise in compliance with such law and other relevant laws and regulations. As used in this paragraph, "resident of Japan" means a natural person having his place of domicile or residence in Japan, or a juridical person having its main office in Japan as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Trade Law of Japan (Law No. 228 of 1949).

### **Jersey**

Consent under the Control of Borrowing (Jersey) Order 1958 (the "**COB Order**") has not been obtained for the circulation of this Prospectus. Accordingly, the offer that is the subject of this Prospectus may only be made in Jersey where such offer is not an offer to the public (as defined in the COB Order) or where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. The Directors may, but are not obliged to, apply for such consent in the future.

### **Kenya**

The offer of the Shares does not constitute an offer to the public within the meaning of section 57 of the Companies Act (Chapter 486, laws of Kenya) (the "**CA**") or an offer of securities to the public within the meaning of regulation 5(1) of The Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulation, 2002 as amended by The Capital Markets (Securities) (Public Offers, Listing and Disclosures) (Amendment) Regulations, 2008 (the "**Regulations**"). The Company and its local distributors and the investors to whom this Prospectus is provided will agree that the Shares may not be offered or sold directly or indirectly to the public or otherwise in Kenya.

In accordance with the CA and the Regulations, this Prospectus and the offer of the Shares have not been and will not be approved by the Capital Markets Authority in Kenya and will not be delivered to the Registrar of Companies or the Capital Markets Authority in Kenya for registration.

### **Lebanon**

Neither this Prospectus nor the accompanying Application Form constitutes or forms part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Shares in the Company in the Lebanese territory, nor shall it (or any part of it), nor the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The Company has not been, and will not be, authorised or licensed by the Central Bank of Lebanon (the "**CBL**") and its Shares cannot be marketed and sold in Lebanon. No public offering of the Shares is being made in Lebanon and no mass-media means of contact are being employed. This Prospectus is aimed at institutions and sophisticated, high net worth individuals only, and this Prospectus will not be provided to any person in Lebanon except upon the written request of such person.

The Shares may not be sold or transferred except as permitted by the Company and will be subject to significant restrictions upon transfer.

Recipients of this Prospectus should pay particular attention to the disclosure under the heading "Risk Factors" in this Prospectus. Investment in the Shares is suitable only for sophisticated investors with the financial ability and willingness to accept the risks and lack of liquidity associated with such an investment, and said investors must be prepared to bear those risks for an extended period of time.

### **Malaysia**

No approval from the Securities Commission of Malaysia is or will be obtained, nor will any prospectus be filed or registered, nor this Prospectus deposited as an information memorandum, with the Securities Commission of Malaysia for the offering of the Shares in Malaysia. This Prospectus neither constitutes nor is intended to constitute an invitation or offer for subscription or purchase of the Shares to any person in Malaysia. The Shares may not be offered or sold or made available to any person in Malaysia. Neither this Prospectus nor any other offering material or document relating to the Shares may be published or distributed, directly or indirectly, to any person in Malaysia.

### **Mexico**

The Shares are not authorised to be publicly offered in Mexico. The Shares have not been and will not be registered with the Registro Nacional de Valores (the "**National Securities Registry**") maintained by the Comision Nacional Bancaria y de Valores (the "**National Banking and Securities Commission**", or "**CNBV**"), and may not be offered or sold publicly, or otherwise be the subject of brokerage activities in Mexico, except pursuant to a private placement exemption pursuant to article 8 of the Ley del Mercado de Valores, as amended (the "**Mexican Securities Market Law**").

The information contained in this Prospectus is exclusively the responsibility of the Company and has not been reviewed or authorised by the CNBV. In making an investment decision, all investors, including any Mexican

investors who may acquire shares from time to time, must rely on their own review of this Prospectus, the Company, the Manager as well as their investment regime and applicable taxes.

### **New Zealand**

The offering which is the subject of this Prospectus is available in New Zealand only to investors who are not "members of the public" in New Zealand within the meaning of the Securities Act 1978 (NZ). Applications to invest by members of the public in New Zealand will not be accepted. New Zealand investors must be persons: whose principal business is the investment of money; who, in the course of and for the purposes of their business, habitually invest money; or who pay a minimum subscription price for their Shares of at least NZD 500,000 before the allotment of those Shares (excluding any amount borrowed from the Company or the Investment Manager (or any of their associated persons)). This Prospectus does not constitute and should not be construed as an offer, invitation, proposal or recommendation to apply for Shares by persons who are members of the public in New Zealand. The Investment Manager may, at its sole discretion, decline to accept any application for Shares from a New Zealand applicant if it suspects that the applicant is a member of the public in New Zealand.

### **Panama**

The Company has not been and will not be registered with the Security Market Superintendence of the Republic of Panama under Decree Law N°1 of July 8, 1999, as amended by Law 67 of September 1, 2011 (the "**Panamanian Securities Act**") and its Shares may not be publicly offered or sold within the Republic of Panama, except in certain limited private offerings exempt from the registration requirements of the Panamanian Securities Act. The Shares do not benefit from the tax incentives provided by the Panamanian Securities Act and are not subject to regulation or supervision by the Security Market Superintendence of the Republic of Panama.

### **Peru**

The Shares have not been, nor will they be, registered or qualified under the Peruvian Securities Act, as amended. Thus, except with respect to Peruvian Qualified Investors (as defined below), the Shares may not be offered, sold, transferred or delivered directly or indirectly in Peru or to any Peruvian person. Any sales or transfers of Shares in violation of the abovementioned shall be prohibited and treated as null and void, unless the Shares are listed on the Peruvian Stock Exchange under the regulations provided by the Peruvian Securities Act. As of the date of this Prospectus, no such listing is anticipated.

In accordance with the applicable Peruvian regulations contemplated in the Peruvian Securities Law the following entities and individuals qualify as "**Peruvian Qualified Investors**" for the purposes of this Prospectus: (i) banks, finance entities and insurance companies, broker dealers, private pension funds, investment funds, mutual funds and foreign entities that carry out similar activities; (ii) the Public Pension Fund (Oficina de Normalización Previsional), the Public Health Services Entities (EsSalud) and securitization companies; (iii) entities considered as "Qualified Institutional Buyers" under Rule 144-A of the US Securities and Exchange Commission; (iv) other financial entities under the surveillance of the Superintendence of Banking, Insurance and Private Pension Securities Managers; (v) public or private entities engaged in the investment in securities on a regular basis (in the case of private entities, their net worth should be equal to or greater than PEN 750,000.00); (vi) natural persons whose individual net worth,

or joint net worth with that person's spouse, at the time of his purchase is equal to or greater than PEN 2,000,000.00, and who had individual net income or joint net income with that person's spouse, equal to or greater than PEN 750,000.00 during the past three (3) years prior to the purchase; (vii) officers and managers of the aforementioned entities; (viii) any corporation in which all of the equity owners are one of the aforementioned persons; and (ix) securities or trusts managed by the aforementioned persons, when they take the investment decisions, if the net worth of said funds or trusts is equal to or greater than PEN 400,000.00.

### **Philippines**

THE SECURITIES BEING OFFERED FOR SALE OR SOLD HEREIN (THE "**SHARES**") HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION ("**SEC**") OF THE PHILIPPINES UNDER THE SECURITIES REGULATION CODE ("**SRC**"). ANY FUTURE OFFER TO SELL OR SALE OF THE SECURITIES IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE SRC UNLESS SUCH OFFER TO SELL OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

The Company is not an investment company registered with the SEC pursuant to Republic Act No. 2629 or the Investment Company Act. Hence, the Company is not authorised nor recognised by the SEC and the Shares are not allowed to be sold or be offered for sale to the retail public in the Philippines. The Company has not secured the written confirmation of the SEC that the sale or offer for sale of the Shares in the Philippines is exempt from the registration requirements under the SRC. The Company will comply with all applicable selling and distribution restrictions of the SEC.

The distribution of this Prospectus and the sale or offering for sale of the Shares in the Philippines is not subject to the registration requirements under the SRC and will qualify as an exempt transaction under Section 10.1 (I) of the SRC, if the Shares will be sold or offered for sale only to qualified individual and institutional buyers. The qualified individual and institutional buyers should be registered with a registrar authorised by the SEC and said buyers should possess the qualifications provided under SEC Memorandum Circular No. 6, Series of 2007. If you are not such a qualified individual or institutional buyer, please be guided accordingly by consulting with your legal and financial adviser.

Pursuant to SRC Rule 10.1, a notice of exemption in the form of SEC Form 10-1 shall be filed by the Company with the SEC after the sale of the Shares in accordance with the rules of the SEC.

### **Russian Federation**

No Shares have been offered or sold or transferred or otherwise disposed of, or will be offered or sold or transferred or otherwise disposed of (as part of their initial distribution or at any time thereafter) to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law.

Since neither the issue of the Shares nor a securities prospectus in respect of the Shares has been, or is intended to be, registered with the Federal Service for Financial Markets of the Russian Federation, the Shares are not eligible

for initial offering or public circulation in the Russian Federation and may not be offered in the Russian Federation in any way other than to Russian "qualified investors" (as defined under Russian law) in a manner that does not constitute "advertisement", "placement" or "public circulation" (as defined under Russian law) of the Shares in the Russian Federation.

Information set forth in this Prospectus is not an offer, advertisement or invitation to make offers, to sell, exchange or otherwise transfer the Shares in the Russian Federation or to or for the benefit of any Russian person or entity.

### **Saudi Arabia**

This Prospectus includes information given in compliance with the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October, 2004 and amended by resolution of the Board of the Capital Market Authority resolution number 1-28-2008 dated 18 August, 2008 (the "**KSA Regulations**"). This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the KSA Regulations. It should not be distributed to any other person, or relied upon by any other person.

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Shares in the Company pursuant to the offering should note that the offer of these Shares is a limited offer under paragraph (a) of article 11 of the KSA Regulations. The Shares will be offered to no more than 60 Saudi Investors and the minimum amount payable by each Saudi Investor must not be less than Saudi Riyal (SR) 1 million or an equivalent amount. This offer of the Shares is therefore exempt from the public offer of the KSA Regulations, but is subject to the following restrictions on secondary market activity:

- (a) a Saudi Investor (the "**transferor**") who has acquired Shares pursuant to this exempt offer may not offer or sell the Shares to any person (referred to as a "**transferee**") unless the price to be paid by the transferee for such shares equals or exceeds SR 1 million;
- (b) if the provisions of paragraph (a) cannot be fulfilled because the price of the Shares being offered or sold to the transferee has declined since the date of the original exempt offer, the transferor may offer or sell the Shares to the transferee if their purchase price during the period of the original exempt offer was equal to or exceeded SR 1 million;
- (c) if the provisions of (b) cannot be fulfilled, the transferor may offer or sell the Shares if he/she sells his/her entire holding of shares to one transferee, the provisions of paragraph (a), (b) and (c) shall apply to all subsequent transferees of the Shares.

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Saudi Capital Market Authority.

The Saudi Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

## Singapore

The offer or invitation of the shares (the “**Shares**”) of the Company, which is the subject of this Prospectus, does not relate to a collective investment scheme which is authorised under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”) or recognised under Section 287 of the SFA. The Company is not authorised or recognised by the Monetary Authority of Singapore (the “**MAS**”) and the Shares are not allowed to be offered to the retail public. This Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 305 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;

- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 305A(5) of the SFA; or
- (5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

The offer or invitation of the Shares is supervised by the Central Bank under Part 24 of the Companies Act 2014.

The contact details of the Central Bank are as follows:

Address: Central Bank of Ireland, PO Box 559, Dame Street, Dublin 2

Tel: +353-1-224-6000

Fax: +353-1-671-6561

The business address of the Company is 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

Man Fund Management Limited (the "**Manager**"), being the manager of the Company, is regulated by the Central Bank. The contact details of the Central Bank are as set out above.

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

The contact details of the Prudential Regulation Authority are as follows:

Address: 20 Moorgate, London EC2R 6DA, United Kingdom,

Tel: + 44 (0)20 7601 4444

Fax: + 44 (0)20 7601 4771

The contact details of the Financial Conduct Authority are as follows:

Address: 25 North Colonnade, Canary Wharf, London E14 5HS, United Kingdom.

Tel: +44 20 7066 1000

Email: [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)

Investors in Singapore should note that if they wish to obtain information on the past performance of the Company, they should contact the Investment Manager of the Company, AHL Partners LLP at +44-207-3204, or the relevant distributors, to obtain such information. The Company does not currently have a policy of entering into any side letters that may further qualify the relationship between the Company and selected investors.

### **South Africa**

The Company is a collective investment scheme as defined in the Collective Investment Schemes Control Act, 2002 (**CISCA**). The Company has not been approved as a foreign collective investment scheme in South Africa and therefore in terms of the CISCA the Shares may not be solicited to members of the public in South Africa, which includes: (a) members of any section of the public, whether selected as clients, members, shareholders, employees or ex-employees of the person issuing an invitation to acquire a participatory interest in a collective investment scheme; and (b) a financial institution regulated by any law, but excludes persons confined to a restricted circle of individuals with a common interest who receive the invitation in circumstances which can properly be regarded as a domestic or private business venture between those persons and the person issuing the invitation.

Furthermore, a copy of the Company's Memorandum of Association, and a list of the names and addresses of its Directors, has not been filed with the Companies and Intellectual Property Commission in South Africa. Nor has this Prospectus been registered in South Africa. Accordingly, in terms of the Companies Act 2008, no Shares under this Prospectus shall be offered to the public in South Africa, which includes an offer of the Shares to any section of public, whether selected: (a) as holders of the Shares; (b) as clients of the person issuing the Prospectus; (c) as the holders of any particular class of property; or (d) in any other manner, but does not include an offer made, inter alia, in the following circumstances:

- (i) if the offer is made only to: (A) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, whether as principals or agents; (B) the Public Investment Corporation as defined in the Public Investment Corporation Act, 2004; (C) a person or entity regulated by the Reserve Bank of South Africa; (D) an authorised financial services provider, as defined in the Financial Advisory and Intermediary Services Act, 2002; (E) a financial institution, as defined in the Financial Services Board Act, 1990; (F) a wholly-owned subsidiary of a person contemplated in subparagraph (C), (D) or (E), acting as agent in the capacity of an authorised portfolio manager for a pension fund registered in terms of the Pension Funds Act, 1956, or as manager for a collective investment scheme registered in terms of CISC; or (G) any combination of persons contemplated in paragraphs (A) to (F);
- (ii) if the total contemplated acquisition cost of the securities, for any single addressee acting as principal, is equal to or greater than the amount prescribed in terms of subsection 96(2) (a) of the Companies Act 2008 (being R1 million as at the date of this Prospectus).

### **South Korea**

Neither the Fund nor the Investment Manager is making any representation with respect to the eligibility of any recipients of this prospectus to acquire the Shares therein under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act and Regulations thereunder. The Shares have not been registered under the Financial Investment Services and Capital Markets Act of Korea, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

### **Taiwan**

The Company has not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered, distributed, or sold in Taiwan, the Republic of China through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Law of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China.

### **Thailand**

The Company is not authorised by the Securities and Exchange Commission and the Prospectus has not been approved by or filed with the Securities and Exchange Commission or any other regulatory authority of the Kingdom of Thailand. Accordingly, the Shares may not be offered or sold, or this Prospectus distributed, directly or indirectly, to any person in Thailand except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the Thai government and regulatory authorities in effect at the relevant time.

### **Trinidad and Tobago**

The Company is not authorised by the Securities and Exchange Commission and the Prospectus has not been approved by or filed with the Securities and Exchange Commission or any other regulatory authority in Trinidad and Tobago. Accordingly, the Shares may not be offered or sold, or this Prospectus distributed, directly or indirectly, to any person in Trinidad and Tobago except to market actors registered under the Securities Industry Act and in compliance with the Securities Industry Act and its Regulations.

### **United Arab Emirates Residents**

This document and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates and accordingly should not be construed as such. The Shares are only being offered to a limited number of sophisticated investors in the UAE who (a) are willing and able to conduct an independent investigation of the risks involved in an investment in such Shares, and (b) upon their specific request. The Shares have not been approved by or licensed or registered with the UAE Central Bank, the Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the UAE. The document is for the use of the named addressee only and should not be given or shown to any other person (other

than employees, agents or consultants in connection with the addressee's consideration thereof). No transaction will be concluded in the UAE and any enquiries regarding the Shares should be made to the local distributor.

### **United Kingdom**

The Company is an unregulated collective investment scheme as defined in the Financial Services and Markets Act 2000, as amended ("**FSMA**"). It has not been authorised, or otherwise recognised by the United Kingdom Financial Conduct Authority ("**FCA**") and accordingly, as an unregulated collective investment scheme, its Shares cannot be marketed in the United Kingdom to the general public. The distribution in the United Kingdom of this Prospectus: (A) if made by a person who is not an authorised person under FSMA, is being made to only the following persons: (i) persons who are "Investment Professionals" as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); (ii) persons falling within any of the categories of persons described in Article 49 of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made to; and (B) if made by a person who is an authorised person under FSMA, is being made to only the following persons: (i) persons falling within one of the categories of "Investment Professionals" as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemption) Order 2001, as amended (the "**Promotion of CISs Order**"); (ii) persons falling within any categories of persons described in Article 22 of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order or pursuant to the rules of the FCA made pursuant to FSMA. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Prospectus. If you are not a permitted recipient do not forward this Prospectus on to any other person and please return it to the person who provided it to you.

Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Company and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

### **United States**

No Shares shall be issued in the U.S. or to any U.S. person unless the Directors otherwise approve in their sole discretion and applicable U.S. disclosures are made prior to such approval.

The Shares have not been, nor will they be, registered or qualified under the US Securities Act of 1933, as amended (the 'Securities Act'), or any applicable securities laws of any state or other political sub divisions of the United States of America. The Shares may not be offered, sold, transferred or delivered directly or indirectly in the U.S. or to any U.S. person unless otherwise approved by the Directors in their sole discretion. Any sales or transfers of Shares in violation of the foregoing shall be prohibited and treated by the Company as void. All applicants and transferees of Shares must complete an Application Form which confirms, among other things, that a purchase or a transfer of Shares would not result in a sale or transfer to a person or an entity which is a U.S. person unless otherwise approved by the Directors.

To the extent Shares are offered and sold within the United States or to or for the account or benefit of persons who are “US Persons” within the meaning of Regulation S under the Securities Act (‘Regulation S’), such offers and sales will be made in transactions exempt from registration under the Securities Act pursuant to Section 4(a)(2) of the Securities Act, Rule 506(b) thereunder and the provisions of Regulation S. None of the US Securities and Exchange Commission (the ‘SEC’), the securities regulatory authority of any state of the United States or the security regulatory authority of any other jurisdiction has passed upon the value of the Shares, made any recommendations as to their purchase, approved or disapproved this offering, or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.

### **Uruguay**

The Shares have not been registered with the Central Bank of Uruguay and will be offered in Uruguay only through private offering. In addition, the Company was not established under the system provided for in Law 16,774 of September 27, 1996 (Investment Funds Act).

### **Venezuela**

Under exchange control and securities regulations in effect in Venezuela, the Shares may not be offered to, nor traded with, any individual or entity in Venezuelan territory. Venezuelan investors (whether individuals or entities) may acquire the Shares outside Venezuelan territory.

**The attention of potential investors is drawn to the section entitled ‘Risk factors’.**

## Appendix I - Regulation S – Definition of a US Person

1. Pursuant to Regulation S of the US Securities Act of 1933, as amended (the "Securities Act"), "US Person" means:
  - (a) any natural person resident in the United States;
  - (b) any partnership or corporation organised or incorporated under the laws of the United States;
  - (c) any estate of which any executor or administrator is a US Person;
  - (d) any trust of which any trustee is a US Person;
  - (e) any agency or branch of a foreign entity located in the United States;
  - (f) 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 US Person;
  - (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
  - (h) any partnership or corporation if:
    - (i) organised or incorporated under the laws of any non-United States jurisdiction; and
    - (ii) formed by a US Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.
2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person".
3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a US Person if:
  - (a) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (b) the estate is governed by non-United States law.
4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person.
5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a US Person.
6. Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
  - (a) the agency or branch operates for valid business reasons; and

(b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulations, respectively, in the jurisdiction where located.

7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

"United States" means the United States of America and its territories and possessions including any state thereof and the District of Columbia.

## Appendix II - Information for investors in Switzerland

**This section is part of the prospectus issued by Man AHL Diversified plc (the ‘Prospectus’). It supplements information in the foregoing sections about the Shares of Man AHL Diversified plc which are distributed to qualified and non-qualified investors in Switzerland. This section does not contain all the details which are to be found in the foregoing sections of the Prospectus, in the memorandum of association of the Company and in the Articles of the Company and must therefore be read in conjunction with these documents. This Prospectus is available in English and German and can be translated into further languages.**

### **1. Representative**

The representative in Switzerland is Man Investments AG, Huobstrasse 3, 8808 Pfäffikon SZ, Switzerland.

### **2. Paying agent**

The paying agent in Switzerland is RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Badenerstrasse 567, P.O. Box 1292, CH-8048 Zurich, Switzerland.

### **3. Location where the relevant documents may be obtained**

The Prospectus, the Articles as well as the annual and semi-annual reports may be obtained free of charge from the representative.

### **4. Publications**

a. Publications concerning the Company are made in Switzerland on the electronic platform of fundinfo AG ([www.fundinfo.com](http://www.fundinfo.com)).

b. Each time Participating Shares are issued or redeemed, the Subscription Price and the Redemption Price or the Net Asset Value per Share together with a reference stating “excluding commissions” must be published on the electronic platform of fundinfo AG ([www.fundinfo.com](http://www.fundinfo.com)). Prices must be published at least twice per month by each second and fourth Thursday.

### **5. Payment of retrocessions and rebates**

a. Retrocessions

The Company, the Manager, the Investment Manager, the representative or and their agents, as the case may be, may pay retrocessions as remuneration for distribution activity in respect of Participating Shares in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- Market, promote, distribute or otherwise offer or arrange investments in investment products.

- Provide initial and on-going investment services to clients including, for example, investment advice and/or discretionary management services.
- Provide assistance to clients in the completion of subscription forms and providing required anti-money laundering and know your customer information to satisfy requirements of the appointed investment products' administrator.
- Provide on-going administration support to investors once invested in the investment products, including support in relation to the completion of redemption forms, delivery of documents relating to investment products and delivering performance reports and updates.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors. The recipients of retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they receive for distribution. On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

#### b. Rebates

In the case of distribution activity in or from Switzerland, either the Company, the Manager, the Investment Manager, the representative or and their agents, as the case may be, (the "Rebate Payer") may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question.

Rebates are permitted provided that:

- they are paid from fees received by the Rebate Payer and therefore do not represent an additional charge on the Company's assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Rebate Payer may be as follows (combinations of some criteria might be cumulatively required in case of some investment products):

- the volume subscribed by the investor or the total volume they hold in the Company or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. (expected) investment period);
- the investor's willingness to provide support in the early launch phase of a collective investment scheme.
- Strategic Investor (for example an investor who is considered a "gateway" investor into a specific market segment).
- Employee: employees of Man Group plc and including all the companies and divisions comprising Man Group plc's group of companies or to their respective pension scheme(s)

- Return on investment: clients where the performance of their investment is materially below the target return for the fund;
- Custodian / Platform Fees: the purchasing and holding of Participating Shares by an investor for the account of a third party.

At the request of the investor, the Company must disclose the amounts of such rebates free of charge.

#### **6. Place of performance and jurisdiction**

In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the representative.

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