



SOURCE FINANCIAL SERVICES S&P US SELECT SECTOR UCITS ETF

Supplement to the Prospectus

This Supplement contains information in relation to the Source Financial Services S&P US Select Sector UCITS ETF (the "**Fund**"), a Fund of Source Markets plc (the "**Company**") an umbrella type open-ended investment company with variable capital, governed by the laws of Ireland and authorised by the Central Bank of Ireland (the "**Central Bank**") of Block D, Iveagh Court, Harcourt Road, Dublin 2, Ireland.

This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 5 June 2015, as may be amended, supplemented or modified from time to time, (the "Prospectus")), and must be read in conjunction with, the Prospectus.

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

Capitalised terms used in this Supplement will have the meanings given to them in the Definitions section below or in the Prospectus.

In addition to investing in transferable securities, it is the intention of the Company to invest on behalf of the Fund principally in financial derivative instruments ("FDIs") for investment and efficient portfolio management purposes (as detailed below under "Use of Derivative Contracts") where applicable.

The Fund's Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units/shares and may receive less than the current net asset value when selling them.

Certain risks attached to investments in FDIs are set out in the Prospectus under "Risk Factors". The Directors of the Company expect that the Net Asset Value of the Fund will have medium volatility through investments in the FDIs.

Source Markets plc

An umbrella fund with segregated liability between the sub-funds

Dated 21 January 2016

IMPORTANT INFORMATION

Suitability of Investment

You should inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section headed "Risk Factors" of the Prospectus and the section headed "Other Information – Risk Factors" of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

Profile of a typical investor

A typical investor would be one who is seeking capital appreciation over the long term. Such an investor is also one that is able to assess the merits and risks of an investment in the Shares.

Responsibility

The Directors (whose names appear under the heading "**Directors of the Company**" of the Prospectus) accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement when read together with the Prospectus (as complemented, modified or supplemented by this Supplement) is in accordance with the facts as at the date of this Supplement and does not omit anything likely to affect the importance of such information.

General

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and the latest annual report and audited accounts of the Company and the Fund (other than to prior recipients of the Prospectus) and if published after such report, a copy of the then latest semi-annual report and unaudited accounts. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares, it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any

relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

Definitions

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

TERMS OF THE SHARES REPRESENTING INTERESTS IN THE FUND

Investment Objective

The investment objective of the Fund is to achieve the net total return performance of the S&P Select Sector Capped 20% Financial Services Index (the "**Reference Index**") less fees, expenses and transaction costs.

The S&P Select Sector Capped 20% Financial Services Index represents the financial services sector of the S&P 500 Index excluding the real estate sector constituents but including mortgage REITs. All constituent securities are classified according to the Global Industry Classification Standard (GICS®) and maintain the same classification as that found in the parent S&P 500. The Reference Index follows a modified market capitalisation weight methodology. The weight of each stock is based on its float adjusted market cap but is modified such that no stock has a weight over 19% of the Reference Index as of each quarterly rebalancing. Further information on the components of the Reference Index is set out below under "General Description of the Reference Index".

Investment Policy

In order to achieve the investment objective, the Company will on behalf of the Fund invest all or substantially all of the net proceeds of any issue of Shares in:

- (i) a basket of global equity securities and equity related securities (the "**Basket**") whereby the Fund, in exchange for the performance/return of the Basket with an Approved Counterparty, will receive the return of the Reference Index through unfunded Swaps (meaning that the Fund will not post or receive collateral under the terms of the Swaps), being an agreement between the Fund and the Approved Counterparty to exchange one stream of cash flows against another stream pursuant to a master agreement in accordance with the requirements of the International Swaps and Derivatives Association; or
- (ii) global equities and equity related securities (which may include common stock and preferred stock) where such instruments will provide the performance of the Reference Index. The Fund will invest directly in these global equities and equity related securities as opposed to entering into a Swap as detailed at (i) above. The global equities and equity related securities may include both constituents of the Reference Index and constituents not included in the Reference Index and shall be listed and/or traded on the exchanges and markets set out in Appendix 1 of the Prospectus. Consequently, the prime criterion for selecting the individual equity and equity related securities is not their perceived attractiveness or potential growth or value but rather their suitability in terms of attaining the investment objective of delivering the performance of the Reference Index.

The current intention of the Fund is to gain exposure to the Reference Index via an unfunded Swap as detailed at (i). However, the Fund may, having due regard to the best interests of Shareholders, decide from time to time to switch partially or totally between the above described policies at (i) and (ii), and shall inform the Shareholders in advance of any such switch and the Supplement shall be updated accordingly.

Each Approved Counterparty to the Swaps and the Company on behalf of the Fund have entered into a master agreement (including any supporting agreements) and will enter into confirmations for each Swap transaction. Such confirmations may be entered into before or after the relevant transaction and may be in electronic form.

The Fund will not be leveraged for investment or efficient portfolio management purposes and will therefore not be subject to any shortfall risk. Any financial obligation arising in respect of the use of the financial derivative instruments shall never exceed the available capital in the Fund.

The Swaps, the Basket, global equities and equity related securities and ancillary cash held by the Fund shall constitute the "**Fund Assets**" for the purposes of the Prospectus.

Further information relevant to the Fund's investment policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".

Index Tracking Strategy

Further information on the index tracking strategy is contained in the main body of the Prospectus under the heading "Tracking Error".

Use of Derivative Contracts

Swaps

As per the investment policy, the Fund may enter into Swaps to receive the net total return performance of the Reference Index. For the avoidance of doubt, the Approved Counterparty may, where necessary, provide appropriate Collateral to the Company, on behalf of the relevant Fund, in accordance with the Investment Restrictions so that the Company's risk exposure to the Approved Counterparty is reduced to the extent required by the Central Bank.

In order to reduce the tracking difference, the return on the index provided for the purposes of calculating the Swap may reflect a lower rate of withholding tax than ordinarily applied within the Reference Index.

The Swaps may be terminated by either party at any time at their fair value or on the occurrence of certain events with respect to either the Fund or the Approved Counterparty including, but not limited to, an event of default (such as a failure to pay, breach of agreement or bankruptcy) or a termination event (which is not due to the fault of either party, for example, illegality or a tax event).

If the Swaps are terminated, due to an event of default or termination event, a close-out amount will be determined with respect to the Swaps. An amount equal to the relevant close-out amount (calculated in accordance with the terms of the Swaps) or such other amount as agreed between the parties will be settled between the Approved Counterparty and the Fund. The Swaps will at all times be valued in accordance with the provisions of the Prospectus. The Fund may then enter into new Swaps unless the Directors resolve that it is inadvisable to enter into new Derivative Contracts, or to invest directly in the underlying securities of the Reference Index or, if the Directors determine that there is no reasonable way to achieve the net total return performance of the Reference Index, the Fund may be terminated in accordance with the provisions of the Prospectus.

The Swaps are unfunded payments and are linked to the return on the Basket. The Swap provides the difference between the payments received for the Basket and the performance of the Reference Index.

The Company on behalf of the Fund has filed with the Central Bank its risk management policy which enables it to accurately measure, monitor and manage the various risks associated with the use of Financial Derivative Instruments. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Company will use the commitment approach for the purposes of calculating global exposure for the Fund. The Fund's total exposure to the Reference Index will be limited to 100% of Net Asset Value.

Efficient Portfolio Management

Further information on efficient portfolio management is contained in the main body of the Prospectus under the heading "Use of Financial Derivative Instruments and Efficient Portfolio Management".

Collateral Policy

Further information on the collateral policy is contained in the main body of the Prospectus under the heading "Collateral Policy".

The Fund will not post or receive collateral.

Consequences of Disruption Events

Upon the occurrence of a Disruption Event (and without limitation to the Directors personal powers as further described in the Prospectus) an Approved Counterparty may make adjustments to determine the value of the relevant Swaps and the Net Asset Value may be affected by such adjustment; and/or the Directors may (i) temporarily suspend the calculation of the Net Asset Value and any subscription, repurchase and exchange of Shares in accordance with the provisions of the Prospectus under the section "**Suspension of Calculation of Net Asset Value**"; and/or (ii) the Directors may, in certain circumstances as set out in the Prospectus, terminate the Fund.

Investment Restrictions

Investors in particular must note that the general investment restrictions set out under "**Investment Restrictions**" in the Prospectus apply to the Fund.

The Fund shall not invest more than 10% of its net assets in other UCITS or other open or closed ended CIS.

Limited Recourse

A Shareholder will solely be entitled to look to the assets of the Fund in respect of all payments in respect of its Shares. If the realised net assets of the Fund are insufficient to pay any amounts payable in respect of the Shares, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other Fund or any other asset of the Company.

Leverage

The Fund does not use leverage in its investments methods or contain any leveraged instrument.

Borrowings

In accordance with the general provisions set out in the Prospectus under the heading "**Borrowing and Lending Powers**", the Company on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a temporary basis. Such borrowings may only be used for short term liquidity purposes to cover the redemption of Shares.

Dividend Policy

There are no dividend entitlements for the Shares.

Trading

Application will be made to the London Stock Exchange, the Irish Stock Exchange and/or such other exchanges as the Directors may determine from time to time (the "**Relevant Stock Exchanges**") for listing and/or admission to trading of the Shares issued and available to be issued on the main market of each of the Relevant Stock Exchanges on or about the Launch Date. This Supplement and the Prospectus together comprise listing particulars for the purposes of trading on the main market of each of the Relevant Stock Exchanges.

Exchange Traded Fund

The Fund is an Exchange Traded Fund ("**ETF**"). The Shares of this Fund are fully transferable among investors and will be listed and/or traded on the Relevant Stock Exchanges. It is envisaged that Shares will be bought and sold by public, institutional and retail investors in the secondary market in the same way as the ordinary shares of a listed trading company.

General Information Relating to the Fund

Type	Open-ended.
Base Currency	USD.
Business Day	A day (other than a Saturday or a Sunday) on which the United States Federal Reserve System is open or such other day or days that the Directors may determine and notify to Shareholders in advance.
Dealing Day	Any Business Day. However, some Business Days will not be Dealing Days where, for example, markets on which the Fund's Assets are listed or traded or markets relevant to the

	<p>Reference Index are closed provided there is at least one Dealing Day per fortnight, subject always to the Directors' discretion to temporarily suspend the determination of the Net Asset Value and the sale, conversion and/or redemption of Shares in the Company or any Fund in accordance with the provisions of the Prospectus and the Articles.</p> <p>The Investment Manager produces dealing calendars which detail in advance the Dealing Days for each Fund. The dealing calendar may be amended from time to time by the Investment Manager where, for example, the relevant market operator, regulator or exchange (as applicable) declares a relevant market closed for trading and/or settlement (such closure may be made with little or no notice to the Investment Manager).</p> <p>The dealing calendar for the Fund is available from the Manager.</p>
Dealing Deadline	17:00 (Dublin time) on the relevant Dealing Day. No subscription, exchange or redemption applications may be accepted after the Valuation Point.
Subscriptions, Exchanges and Repurchases In- Kind	All subscriptions, exchanges and repurchases in-kind can only take place through an Authorised Participant or other representative appointed by the Company in the relevant jurisdiction.
Launch Date	Means 12 April 2016 unless such date is not a Business Day, in which case it will be the next Business Day, or such other date as the Board of Directors may determine.
Initial Offer Period	The Initial Offer Period in respect of the Class A Shares will start at 9.00 a.m. (Dublin time) on 22 January 2016 until 5.00 p.m. (Dublin time) on 11 April 2016 or such earlier or later date as the Directors may determine.
Minimum Fund Size	USD 30,000,000.
Valuation Point	Close of business on the relevant Dealing Day by reference to which the Net Asset Value per Share of the Fund is determined. At all times the Valuation Point will be after the Dealing Deadline.
Settlement Date	2 Business Days after the relevant Dealing Day.
Website	www.sourceETF.com - Information on portfolio composition and details of the indicative net asset value are set out on the Website.

Description of the Shares

Share Class	"A"
ISIN	IE00BYM8JC42
Share Class Currency	USD
Initial Issue Price	<p>Means in USD, the official closing level of the Reference Index on the Business Day preceding the Launch Date divided by 10.</p> <p>For example, if on 6 January 2016 the official closing level of the Reference Index was 120.213 and assuming the Fund launched on the following Business Day (i.e. the Launch Date), the Initial Issue Price of the A Shares in the Fund would be 12.0213.</p> <p>Investors should note that the Initial Issue Price of the Shares on the Launch Date will be available on www.sourceETF.com</p>
Minimum Initial Subscription	USD 1,000,000 unless the Directors determine otherwise.
Minimum Subscription	USD 1,000,000 unless the Directors determine otherwise.
Minimum Redemption Amount	USD 1,000,000 unless the Directors determine otherwise.

Minimum Holding	N/A.
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Intra-Day Portfolio Value ("iNAV")

Further information on intra-day portfolio value is contained in the main body of the Prospectus under the heading "Intra-Day Portfolio Value".

Fees and Expenses

The following fees will be incurred on each Share by Shareholders (which accordingly will not be incurred by the Company on behalf the Fund and will not affect the Net Asset Value of the Fund):

Share Class	"A"
Subscription Charge	Up to 5%
Redemption Charge	Up to 3%

The Subscription Charge is deducted from the investment amount received from an investor for subscription for Shares. Such Subscription Charge is payable to the Manager.

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Share Class of the Fund.

Share Class	"A"
Management Fee	Up to 0.30% per annum or such lower amount as may be advised to Shareholders from time to time.

The Management Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Management Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Manager will pay out of its fees (and not out of the assets of the Fund) the fees and expenses (where appropriate) of the Investment Manager, the Administrator, the Custodian, the Directors and the ordinary fees, expenses and costs incurred by the Fund that include Setting Up Costs and Other Administrative Expenses as described in the Prospectus.

This section headed "**Fees and Expenses**" should be read in conjunction with the section headed "**Fees and Expenses**" in the Prospectus.

GENERAL DESCRIPTION OF THE REFERENCE INDEX

The Reference Index is the S&P Select Sector Capped 20% Financial Services Index (the "**Reference Index**"). The Reference Index is further described below but only represents an extract of information available from public sources and neither the Directors, the Manager, Standard & Poor's or such other successor sponsor to the Reference Index (the "**Index Provider**") nor the Investment Manager take any responsibility for the accuracy or completeness of such information.

The S&P Select Sector Capped 20% Financial Services Index represents the financial services sector of the S&P 500 Index excluding the real estate sector constituents but including mortgage REITs. All constituent securities are classified according to the Global Industry Classification Standard (GICS®) and maintain the same classification as that found in the parent S&P 500. The Reference Index follows a modified market capitalisation weight methodology. The weight of each stock is based on its float adjusted market cap but is modified such that no stock has a weight over 19% of the Reference Index as of each quarterly rebalancing.

The rebalancing frequency of the Reference Index has no direct impact on the transaction costs associated with the Fund itself as any rebalancing within the Reference Index is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case were the Reference Index to be static.

The Manager monitors the investment restrictions applicable to the Fund. As soon as the Manager becomes aware that the weighting of any particular component stock in the Reference Index exceeds the permitted investment restrictions, the Manager will seek to either unwind that particular position or reduce the Fund's exposure to that component stock to ensure that the Fund at all times operates within the permitted investment restrictions and complies with the requirements of the UCITS Regulations.

Index Provider and Website

The Reference Index is sponsored by Standard & Poor's and more details on the Reference Index can be found at www.standardandpoors.com.

Publication

The level of the Reference Index will be published on the Standard & Poor's page: www.standardandpoors.com.

OTHER INFORMATION

Risk Factors

Certain risks relating to the Shares are set out under the heading "**Risk Factors**" in the Prospectus. In addition, Shareholders must also note that:

- (a) The value of investments and the income from them, and therefore the value of and income from the Shares relating to each Fund can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is linked to the components performance of the Reference Index which, in turn, is exposed to general market movements (negative as well as positive).
- (b) The return payable under the Swaps with an Approved Counterparty is subject to the credit risk of the Approved Counterparty. In addition, the Approved Counterparty will act as the calculation agent under the Swaps (the "**Calculation Agent**"). Shareholders should note that not only will they be exposed to the credit risk of the Approved Counterparty but also potential conflicts of interest in the performance of the function of Calculation Agent by the Approved Counterparty. The Approved Counterparty has undertaken to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the interests of the Company and the Shareholders are not unfairly prejudiced. The Directors believe that the Approved Counterparty is suitable and competent to perform such functions. In addition the valuations provided by the Approved Counterparty in its role as Calculation Agent will be verified at least weekly by a party independent of the Approved Counterparty who shall either be the Administrator or sourced by the Administrator as appropriate and who has been approved for such purpose by the Custodian.
- (c) The sub-funds of the Company are segregated as a matter of Irish law and as such, in Ireland, the assets of one sub-fund will not be available to satisfy the liabilities of another sub-fund. However, it should be noted that the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability as set out above.
- (d) If a Disruption Event or an Index Disruption and Adjustment Event occurs, the Calculation Agent and the Investment Manager may make such determinations and/or adjustments to determine the net total return performance of the Reference Index (in the case of the Investment Manager) and/or the Swap (in the case of the Calculation Agent). The Net Asset Value may be affected by such adjustment.

- (e) Whilst the Company has the right to use and reference the Reference Index in connection with the Fund in accordance with the terms of the Reference Index licence, in the event that the licence is terminated the Fund will be terminated or if any other Index Disruption and Adjustment Event occurs, adjustments may be made to the terms of the Swaps after negotiation with each Approved Counterparty to account for any such event including adjustment to the Reference Index or the calculation of the Reference Index level which may have a significant impact on the Net Asset Value of the Fund.
- (f) There can be no assurance that the Reference Index will be successful at producing positive returns consistently or at all. The Index Provider makes no representation or warranty, express or implied, that the Reference Index will produce positive returns at any time. Furthermore, it should be noted that the results that may be obtained from investing in any financial product linked to the Reference Index or otherwise participating in any transaction linked to the Reference Index may be significantly different from the results that could theoretically be obtained from a direct investment in the component stocks in respect of the Reference Index.
- (g) Subject to certain pre-defined parameters, it is possible that the methodology used to calculate the Reference Index or the formulae underlying the Reference Index could change and such change may result in a decrease in the performance of the Reference Index. As such, aspects of the Reference Index could change in the future, including, without limitation, the methodology and third party data sources. Any changes may be made without regard to the interests of a holder of any product linked to the Reference Index. Additionally, the Reference Index was created by the Index Provider, who has the right to permanently cancel the Reference Index at any time, such cancellation may have a material adverse effect on any linked investments or transactions.

Investors should also refer to the Prospectus for additional disclosure of risks and conflicts of interest.

An English version of a term-sheet summarising the general terms of all derivative contracts, such as swap agreements, are available to investors upon request at the Company's registered office.

Miscellaneous

The Company has the following sixty-eight Funds established as at the date of this Supplement namely:

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| 1. Source FTSE 100 UCITS ETF | 24. Source STOXX Europe 600 Optimised Financial Services UCITS ETF | 42. Source Financials S&P US Select Sector UCITS ETF |
| 2. Source FTSE 250 UCITS ETF | 25. Source STOXX Europe 600 Optimised Food & Beverage UCITS ETF | 43. Source J.P. Morgan Macro Hedge US TR UCITS ETF |
| 3. Source EURO STOXX 50 UCITS ETF | 26. Source STOXX Europe 600 Optimised Media UCITS ETF | 44. Source J.P. Morgan Macro Hedge Dual TR UCITS ETF |
| 4. Source STOXX Europe 600 UCITS ETF | 27. Source STOXX Europe 600 Optimised Personal & Household Goods UCITS ETF | 45. Source Nomura Voltage Short-Term UCITS ETF |
| 5. Source MSCI Europe UCITS ETF | 28. Source STOXX Europe 600 Optimised Retail UCITS ETF | 46. Source MSCI Europe Value UCITS ETF |
| 6. Source STOXX Europe Small 200 UCITS ETF | 29. Source STOXX Europe 600 Optimised Telecommunications UCITS ETF | 47. Source MSCI China UCITS ETF |
| 7. Source STOXX Europe Mid 200 UCITS ETF | 30. Source STOXX Europe 600 Optimised Travel & Leisure UCITS ETF | 48. Source MAN GLG Europe Plus UCITS ETF |
| 8. Source MSCI USA UCITS ETF | 31. Source STOXX Europe 600 Optimised Industrial Goods & Services UCITS ETF | 49. Source EURO STOXX Optimised Banks UCITS ETF |
| 9. Source MSCI Japan UCITS ETF | 32. Source STOXX Europe 600 Optimised Health Care UCITS ETF | 50. Source Nomura Voltage Mid-Term UCITS ETF |
| 10. Source S&P 500 UCITS ETF | 33. Source Russell 2000 UCITS ETF | 51. Source LGIM Commodity Composite UCITS ETF |
| 11. Source S&P 500 VIX Futures UCITS ETF | 34. Source Materials S&P US Select Sector UCITS ETF | 52. Source FTSE Emerging EMEA 40 UCITS ETF |
| 12. Source MSCI World UCITS ETF | 35. Source Energy S&P US Select Sector UCITS ETF | 53. Source Morningstar US Energy Infrastructure MLP UCITS ETF |
| 13. Source RDX UCITS ETF | 36. Source Industrials S&P US Select Sector UCITS ETF | 54. Source Man GLG Continental Europe Plus UCITS ETF |
| 14. Source MSCI Emerging Markets UCITS ETF | 37. Source Technology S&P US Select Sector UCITS ETF | 55. Source Man GLG Asia Plus UCITS ETF |
| 15. Source STOXX Europe 600 Optimised Banks UCITS ETF | 38. Source Utilities S&P US Select Sector UCITS ETF | 56. Source Nomura Modelled PERI UCITS ETF |
| 16. Source STOXX Europe 600 Optimised Basic Resources UCITS ETF | 39. Source Health Care S&P US Select Sector UCITS ETF | 57. Source Goldman Sachs Equity Factor Index World UCITS ETF (GS EFI World ETF) |
| 17. Source STOXX Europe 600 Optimised Oil & Gas UCITS ETF | 40. Source Consumer Staples S&P US Select Sector UCITS ETF | 58. Source Russell Europe SMID 300 UCITS ETF |
| 18. Source STOXX Europe 600 Optimised Technology UCITS ETF | 41. Source Consumer Discretionary S&P US Select Sector UCITS ETF | 59. Source J.P. Morgan Macro Hedge Dual Vega Target 4% TR UCITS ETF |
| 19. Source STOXX Europe 600 Optimised Insurance UCITS ETF | | 60. Source Morgan Stanley Europe MEMO Plus UCITS ETF |
| 20. Source STOXX Europe 600 Optimised Utilities UCITS ETF | | 61. Source JPX-Nikkei 400 UCITS ETF |
| 21. Source STOXX Europe 600 Optimised Automobiles & Parts UCITS ETF | | |
| 22. Source STOXX Europe 600 Optimised Chemicals UCITS ETF | | |
| 23. Source STOXX Europe 600 Optimised Construction & Materials UCITS ETF | | |

- 62. Source NASDAQ Biotech UCITS ETF
- 63. Source R Equal-Risk European Equity UCITS ETF
- 64. Source Goldman Sachs Equity Factor Index Europe UCITS ETF (GS EFI Europe ETF)
- 65. Source STOXX Eurozone Exporters UCITS ETF
- 66. Source STOXX Japan Exporters UCITS ETF
- 67. Source Financial Services S&P US Select Sector UCITS ETF
- 68. Source Real Estate S&P US Select Sector UCITS ETF

Disclaimers

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SOURCE S&P 500 UCITS ETF

Supplement to the Prospectus

This Supplement contains information in relation to the Source S&P 500 UCITS ETF (the "**Fund**"), a Fund of Source Markets plc (the "**Company**") an umbrella type open-ended investment company with variable capital, governed by the laws of Ireland and authorised by the Central Bank of Ireland (the "**Central Bank**") of Block D, Iveagh Court, Harcourt Road, Dublin 2, Ireland.

This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 5 June 2015, as may be amended, supplemented or modified from time to time, (the "Prospectus")), and must be read in conjunction with, the Prospectus.

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

Capitalised terms used in this Supplement will have the meanings given to them in the Definitions section below or in the Prospectus.

In addition to investing in transferable securities, it is the intention of the Company to invest on behalf of the Fund principally in financial derivative instruments ("FDIs") for investment and efficient portfolio management purposes (as detailed below under "Use of Derivative Contracts") where applicable.

The Fund's Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units/shares and may receive less than the current net asset value when selling them.

Certain risks attached to investments in FDIs are set out in the Prospectus under "Risk Factors". The Directors of the Company expect that the Net Asset Value of the Fund will have medium volatility through investments in the FDIs.

Source Markets plc

An umbrella fund with segregated liability between the sub-funds

Dated 16 October 2015

IMPORTANT INFORMATION

Suitability of Investment

You should inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section headed "Risk Factors" of the Prospectus and the section headed "Other Information – Risk Factors" of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

Profile of a typical investor

A typical investor would be one who is a public or institutional investor and is seeking capital appreciation over the long term. Such an investor is also one that is able to assess the merits and risks of an investment in the Shares.

Responsibility

The Directors (whose names appear under the heading "**Directors of the Company**" of the Prospectus) accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement when read together with the Prospectus (as complemented, modified or supplemented by this Supplement) is in accordance with the facts as at the date of this Supplement and does not omit anything likely to affect the importance of such information.

General

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and the latest annual report and audited accounts of the Company and the Fund (other than to prior recipients of the Prospectus) and if published after such report, a copy of the then latest semi annual report and unaudited accounts. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to

purchase any Shares, it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

Definitions

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

TERMS OF THE SHARES REPRESENTING INTERESTS IN THE FUND

Investment Objective

The investment objective of the Fund is to achieve the net total return performance of the S&P 500 Index (the "**Reference Index**") (less fees, expenses and transaction costs). The Fund does not intend to make dividend payments.

The Reference Index is an index of listed equities which focuses on the large cap segment of the US market. It includes 500 US companies with a market capitalisation greater than US\$ 5 billion and listed on the NYSE or one of the NASDAQ exchanges. Index constituents are selected by the index committee using a series of rules as guidelines. For full details of the Reference Index please see the index factsheet and index methodology at www.standardandpoors.com.

Investment Policy

In order to achieve the investment objective, the Company will on behalf of the Fund invest all or substantially all of the net proceeds of any issue of Shares in:

- (i) a basket of global equity securities and equity related securities (the "**Basket**") whereby the Fund, in exchange for the performance/return of the Basket with an Approved Counterparty, will receive the return of the unhedged Reference Index or a version of the Reference Index which is denominated in a currency other than USD and hedged, including a currency version denominated in Euro (the "**Hedged Currency Version**"), through unfunded Swaps (meaning that the Fund will not post or receive collateral under the terms of the Swaps), being an agreement between the Fund and the Approved Counterparty to exchange one stream of cash flows against another stream pursuant to a master agreement in accordance with the requirements of the International Swaps and Derivatives Association. The purpose of the Hedged Currency Version is to limit, at a Share Class level, the profit or loss generated from foreign exchange exposure when holding a USD denominated asset in a currency other than USD. This is achieved by the Hedged Currency Version employing one month rolling forward FX contracts. The Fund will enter into unfunded Swaps receiving the performance of the Reference Index for Class A Shares and will enter into unfunded Swaps receiving the performance of the Hedged Currency Version for Shares whose currency is different to the currency of the Reference Index; or
- (ii) global equities and equity related securities (which may include common stock and preferred stock) where such instruments will provide the performance of the Reference Index. The Fund will invest directly in these global equities and equity related securities as opposed to entering into a Swap as detailed at (i) above. The global equities and equity related securities may include both constituents of the Reference Index and constituents not included in the Reference Index and shall be listed and/or traded on the exchanges and markets set out in Appendix 1 of the Prospectus. Consequently, the prime criterion for selecting the individual equity and equity related securities is not their perceived attractiveness or potential growth or value but rather their suitability in terms of attaining the investment objective of delivering the performance of the Reference Index. In addition, where Shares are offered and their currency is different to the currency of the global equities and equity related securities, the Fund may employ rolling forward FX contracts to limit the profit or loss generated from foreign exchange exposure when holding a USD denominated asset in a currency other than USD.

The current intention of the Fund is to gain exposure to the Reference Index via an unfunded Swap as detailed at (i). However, the Fund may, having due regard to the best interests of Shareholders, decide from time to time to switch

partially or totally between the above described policies at (i) and (ii), and shall inform the Shareholders in advance of any such switch and the Supplement shall be updated accordingly.

Each Approved Counterparty to the Swaps and the Company on behalf of the Fund have entered into a master agreement (including any supporting agreements) and will enter into confirmations for each Swap transaction. Such confirmations may be entered into before or after the relevant transaction and may be in electronic form.

The Swaps, the Basket, global equities and equity related securities and ancillary cash held by the Fund shall constitute the "**Fund Assets**" for the purposes of the Prospectus.

The Fund will not be leveraged for investment or efficient portfolio management purposes and will therefore not be subject to any shortfall risk. Any financial obligation arising in respect of the use of the financial derivative instruments shall never exceed the available capital in the Fund.

The EUR Hedged Share Class intends to hedge currency risk either by employing Swaps in respect of the Hedged Currency Version or by employing rolling forward FX contracts (as per paragraphs (i) and (ii) respectively of the Investment Policy section above). In both cases, the aim of the currency hedge is to limit the FX exposure of the Class of Shares which is not denominated in the currency of the Reference Index. Such hedging does not, under normal market conditions, generate additional global exposure under the commitment approach when calculating global exposure of the Fund.

Further information relevant to the Fund's investment policy is contained in the main part of the Prospectus under "**Investment Objectives and Policies**" and under "**Investment Restrictions**".

Index Tracking Strategy

Further information on the index tracking strategy is contained in the main body of the Prospectus under the heading "Tracking Error".

Use of Derivative Contracts

Swaps

As per the investment policy, the Fund may enter into Swaps to receive the net total return performance of the Reference Index. For the avoidance of doubt, the Approved Counterparty may, where necessary, provide appropriate Collateral to the Company, on behalf of the relevant Fund, in accordance with the Investment Restrictions so that the Company's risk exposure to the Approved Counterparty is reduced to the extent required by the Central Bank.

In order to reduce the tracking difference, the return on the index provided for the purposes of calculating the Swap may reflect a lower rate of withholding tax than ordinarily applied within the Reference Index.

The Swaps may be terminated by either party at any time at their fair value or on the occurrence of certain events with respect to either the Fund or the Approved Counterparty including, but not limited to, an event of default (such as a failure to pay, breach of agreement or bankruptcy) or a termination event (which is not due to the fault of either party, for example, illegality or a tax event).

If the Swaps are terminated, due to an event of default or termination event, a close-out amount will be determined with respect to the Swaps. An amount equal to the relevant close-out amount (calculated in accordance with the terms of the Swaps) or such other amount as agreed between the parties will be settled between the Approved Counterparty and the Fund. The Swaps will at all times be valued in accordance with the provisions of the Prospectus. The Fund may then enter into new Swaps unless the Directors resolve that it is inadvisable to enter into new Derivative Contracts, or to invest directly in the underlying securities of the Reference Index or, if the Directors determine that there is no reasonable way to achieve the net total return performance of the Reference Index, the Fund may be terminated in accordance with the provisions of the Prospectus.

The Swaps are unfunded payments and are linked to the return on the Basket. The Swap provides the difference between the payments received for the Basket and the performance of the Reference Index or the Hedged Currency Version, as the case may be.

The Fund may enter into separate Swaps agreements for different Classes of Shares. Each Swap will provide the relevant Class of Shares with exposure to either the Reference Index or to the Hedged Currency Version. Accordingly, the performance of the corresponding equity basket is accounted for at the level of the relevant Class of Shares.

The Company on behalf of the Fund has filed with the Central Bank its risk management policy which enables it to accurately measure, monitor and manage the various risks associated with the use of Financial Derivative Instruments. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Company will use the commitment approach for the purposes of calculating global exposure for the Fund. The total exposure of a Class of Shares to the Reference Index or a Hedged Currency Version, as the case may be, will be limited to 100% of Net Asset Value. The Fund does not have any additional incremental exposure or leveraged exposure to the Reference Index or Hedged Currency Version therefore the global exposure of the Fund is, under normal market conditions, 0% (i.e. the total exposure of the Fund to the Reference Index or Hedged Currency Version will under normal market conditions be limited to 100% of Net Asset Value).

Efficient Portfolio Management

Further information on efficient portfolio management is contained in the main body of the Prospectus under the heading "Use of Financial Derivative Instruments and Efficient Portfolio Management".

Collateral Policy

Further information on the collateral policy is contained in the main body of the Prospectus under the heading "Collateral Policy".

The Fund will not post or receive collateral.

Consequences of Disruption Events

Upon the occurrence of a Disruption Event (and without limitation to the Directors personal powers as further described in the Prospectus) an Approved Counterparty may make adjustments to determine the value of the relevant Swaps and the Net Asset Value may be affected by such adjustment; and/or the Directors may (i) temporarily suspend the calculation of the Net Asset Value and any subscription, repurchase and exchange of Shares in accordance with the provisions of the Prospectus under the section "**Suspension of Calculation of Net Asset Value**"; and/or (ii) the Directors may, in certain circumstances as set out in the Prospectus, terminate the Fund.

Investment Restrictions

Investors in particular must note that the general investment restrictions set out under "**Investment Restrictions**" in the Prospectus apply to the Fund.

The Fund shall not invest more than 10% of its net assets in other UCITS or other open or closed ended CIS.

Limited Recourse

A Shareholder will solely be entitled to look to the assets of the Fund in respect of all payments in respect of its Shares. If the realised net assets of the Fund are insufficient to pay any amounts payable in respect of the Shares, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other Fund or any other asset of the Company.

Leverage

The Fund does not use leverage in its investments methods or contain any leveraged instrument. As stated under "General Description of the Reference Index", the Reference Index, being the S&P 500 Index, is an unleveraged index. The Hedged Currency Version employs a hedging methodology which may result in leverage being generated on an intra-month basis. In the event that there is a gain on the foreign currency hedge of a Hedged Currency Version, no leverage will result from such gain but where there is a loss from such hedge, leverage will result from such loss. The Manager expects that, under normal market conditions, the level of leverage generated in the Hedged Currency Versions will be minimal. Notwithstanding this, the Fund is unleveraged as any leverage from the hedging methodology will be removed when the Hedged Currency Version is rebalanced each month.

Borrowings

In accordance with the general provisions set out in the Prospectus under the heading "**Borrowing and Lending Powers**", the Company on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a

temporary basis. Such borrowings may only be used for short term liquidity purposes to cover the redemption of Shares.

Dividend Policy

There are no dividend entitlements for the Class A Shares or EUR Hedged Shares.

With respect to Class B Shares only and at the discretion of the Board of Directors, the Fund aims to pay quarterly dividends calculated by reference to the embedded reinvested dividends within the Reference Index during the relevant dividend period less taxes or other withholding. The Reference Index seeks to track the price performance of the companies contained within the Reference Index and distributions made by those companies. There is no guarantee that any dividend will be paid. It should be noted that the payment of any dividend will be calculated in a manner such that the declared dividend will never be more than the excess performance of the total return performance of the Fund as calculated by reference to the price return performance of the Reference Index, over the relevant calculation period.

The Company will declare dividends in accordance with the terms of the Prospectus. Only investors who purchase Shares prior to the date on which the relevant dividend is declared by the Board of Directors and remain in the Fund until the date on which the Board of Directors pay the relevant dividend, will receive the declared dividend, otherwise they are not entitled to such dividend. Details relating to the declaration and payment of dividends shall be set out on the Website. One of the economic consequences of the payment of a dividend (if any) is that the Net Asset Value of the Class B Shares will be reduced accordingly.

Trading

Application has been made to the London Stock Exchange and/or such other exchanges as the Directors may determine from time to time (the "**Relevant Stock Exchanges**") for listing and/or admission to trading of the Shares issued and available to be issued on the main market of each of the Relevant Stock Exchanges on or about the Launch Date. This Supplement and the Prospectus together comprise listing particulars for the purposes of trading on the main market of each of the Relevant Stock Exchanges.

Exchange Traded Fund

The Fund is an Exchange Traded Fund ("**ETF**"). The Shares of this Fund are fully transferable among investors and will be listed and/or traded on the Relevant Stock Exchanges. It is envisaged that Shares will be bought and sold by public and institutional investors in the secondary market in the same way as the ordinary shares of a listed trading company.

General Information Relating to the Fund

Type	Open-ended
Base Currency	USD
Business Day	A day (other than a Saturday or a Sunday) on which the United States Federal Reserve System is open or such other day or days that the Directors may determine and notify to Shareholders in advance.
Dealing Day	<p>Any Business Day. However, some Business Days will not be Dealing Days where, for example, markets on which the Fund's Assets are listed or traded or markets relevant to the Reference Index are closed provided there is at least one Dealing Day per fortnight, subject always to the Directors' discretion to temporarily suspend the determination of the Net Asset Value and the sale, conversion and/or redemption of Shares in the Company or any Fund in accordance with the provisions of the Prospectus and the Articles.</p> <p>The Investment Manager produces dealing calendars which detail in advance the Dealing Days for each Fund. The dealing calendar may be amended from time to time by the Investment Manager where, for example, the relevant market operator, regulator or exchange (as applicable) declares a relevant market closed for trading and/or settlement (such closure may be made with little or no notice to the Investment Manager).</p> <p>The dealing calendar for the Fund is available from the Manager.</p>
Dealing Deadline	17:00 (Dublin time) on the relevant Dealing Day. No subscription, exchange or redemption

	applications may be accepted after the Valuation Point.
Subscriptions, Exchanges and Repurchases In- Kind	All subscriptions, exchanges and repurchases in-kind can only take place through an Authorised Participant or other representative appointed by the Company in the relevant jurisdiction.
Initial Offer Period	The Initial Offer Period in respect of the Class B Shares will start at 9.00 a.m. (Dublin time) on 19 October 2015 until 5.00 p.m. (Dublin time) on 19 October 2015 or such earlier or later date as the Directors may determine and notify to the Central Bank. The Initial Offer Period in respect of the Class A Shares closed on 20 May 2010 and in respect of the EUR Hedged Shares closed on 5 December 2014.
Launch Date	Means 21 May 2010 in respect of the Class A Shares, 8 December 2014 in respect of the EUR Hedged Shares and 20 October 2015 in respect of the Class B Shares.
Minimum Fund Size	USD 30,000,000
Valuation Point	Close of business on the relevant Dealing Day by reference to which the Net Asset Value per Share of the Fund is determined. At all times the Valuation Point will be after the Dealing Deadline.
Settlement Date	2 Business Days after the relevant Dealing Day.
Website	www.sourceETF.com – Information on portfolio composition and details of the indicative net asset value are set out on the Website.

Description of the Shares

Share Class	"A"
ISIN	IE00B3YCGJ38
Share Class Currency	USD
Minimum Initial Subscription	USD 1,000,000 unless the Directors determine otherwise.
Minimum Subscription	USD 1,000,000 unless the Directors determine otherwise.
Minimum Redemption Amount	USD 1,000,000 unless the Directors determine otherwise.
Minimum Holding	N/A

Share Class	"B"
ISIN	IE00BYML9W36
Initial Issue Price	Means in USD, the official closing level of the Reference Index on the Business Day preceding the Launch Date divided by 100. For example, if on 12 October 2015 the official closing level of the Reference Index was 1881.449 and assuming the Fund launched on the following Business Day (i.e. the Launch Date), the Initial Issue Price of the Class B Shares in the Fund would be 18.8145. Investors should note that the Initial Issue Price of the Shares on the Launch Date will be available from the Administrator and on www.sourceETF.com
Share Class Currency	USD
Minimum Initial Subscription	USD 1,000,000 unless the Directors determine otherwise.
Minimum Subscription	USD 1,000,000 unless the Directors determine otherwise.
Minimum Redemption Amount	USD 1,000,000 unless the Directors determine otherwise.

Minimum Holding	N/A
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Share Class	"EUR Hedged"
ISIN	IE00BRKWGL70
Share Class Currency	EUR
Minimum Initial Subscription	EUR 1,000,000 unless the Directors determine otherwise.
Minimum Subscription	EUR 1,000,000 unless the Directors determine otherwise.
Minimum Redemption Amount	EUR 1,000,000 unless the Directors determine otherwise.

Intra-Day Portfolio Value ("iNAV")

Further information on intra-day portfolio value is contained in the main body of the Prospectus under the heading "Intra-Day Portfolio Value".

Fees and Expenses

The following fees will be incurred on each Share by Shareholders (which accordingly will not be incurred by the Company on behalf the Fund and will not affect the Net Asset Value of the Fund):

Share Class	"A"	"B"	"EUR Hedged"
Subscription Charge	Up to 6%	Up to 6%	Up to 6%
Redemption Charge	Up to 3%	Up to 3%	Up to 3%

The Subscription Charge is deducted from the investment amount received from an investor for subscription for Shares. Such Subscription Charge is payable to the Manager.

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Share Class of the Fund.

Share Class	"A"	"B"	"EUR Hedged"
Management Fee	Up to 0.05 % per annum or such lower amount as may be advised to Shareholders from time to time.	Up to 0.05 % per annum or such lower amount as may be advised to Shareholders from time to time.	Up to 0.15 % per annum or such lower amount as may be advised to Shareholders from time to time

The Management Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Management Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Manager will pay out of its fees (and not out of the assets of the Fund) the fees and expenses (where appropriate) of the Investment Manager, the Administrator, the Custodian, the Directors and the ordinary fees, expenses and costs incurred by the Fund that include Setting Up Costs and Other Administrative Expenses as described in the Prospectus. To assist with meeting some of the Fund's costs (including fees of the Investment Manager, the Administrator, the Custodian and the index licence costs) the Manager may request a fees contribution from the Approved Counterparties (further details are available on request). Investors should note that, due to the costs involved in providing the hedged exposure, it may not be possible to achieve the same dividend rates across each Share Class.

This section headed "**Fees and Expenses**" should be read in conjunction with the section headed "**Fees and Expenses**" in the Prospectus.

GENERAL DESCRIPTION OF THE REFERENCE INDEX

The Reference Index is the S&P 500 Index (the "**Reference Index**"). The Reference Index is further described below but only represents an extract of information available from public sources and neither the Directors, the Manager, Standard & Poors or such other successor sponsor to the Reference Index (the "**Index Provider**") nor the Investment Manager take any responsibility for the accuracy or completeness of such information.

The Reference Index is an index of listed equities which focuses on the large cap segment of the US market. It includes 500 US companies with a market capitalisation greater than US\$ 5 billion and listed on the NYSE or one of the NASDAQ exchanges. Index constituents are selected by the index committee using a series of rules as guidelines.

The Reference Index is calculated in US dollars. The Reference Index has different currency versions, denominated in a currency other than USD, including a currency version denominated in Euros (the "**Hedged Currency Version**"). Such Hedged Currency Version employs forward FX contracts to provide the relevant currency return. The Hedged Currency Version is designed to represent the returns of the Reference Index while hedging currency risk but not the underlying equity market risk. By employing such a strategy, the Hedged Currency Version seeks to reduce the risk of downward currency fluctuations although potential currency gains may also be sacrificed. The Reference Index value in respect of the Hedged Currency Version is determined in accordance with the index methodology, further information on which is set out at www.standardandpoors.com.

The Reference Index is rebalanced on a monthly basis.

The rebalancing frequency of the Reference Index has no direct impact on the transaction costs associated with the Fund itself as any rebalancing within the Reference Index is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case were the Reference Index to be static.

The Manager monitors the investment restrictions applicable to the Fund. As soon as the Manager becomes aware that the weighting of any particular component stock in the Reference Index exceeds the permitted investment restrictions, the Manager will seek to either unwind that particular position or reduce the Fund's exposure to that component stock to ensure that the Fund at all times operates within the permitted investment restrictions and complies with the requirements of the UCITS Regulations.

Index Provider and Website

The Reference Index is sponsored by Standard & Poors. For full details of the Reference Index please see the index factsheet and index methodology at www.standardandpoors.com.

Publication

The level of the Reference Index will be published on the Standard & Poors page: www.standardandpoors.com.

OTHER INFORMATION

Risk Factors

Certain risks relating to the Shares are set out under the heading "**Risk Factors**" in the Prospectus. In addition, Shareholders must also note that:

- (a) The value of investments and the income from them, and therefore the value of and income from the Shares relating to each Fund can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is linked to the components performance of the Reference Index and the Hedged Currency Version which are both, in turn, exposed to general market movements (negative as well as positive).
- (b) The return payable under the Swaps with an Approved Counterparty is subject to the credit risk of the Approved Counterparty. In addition, the Approved Counterparty will act as the calculation agent under the Swaps (the "**Calculation Agent**"). Shareholders should note that not only will they be exposed to the credit risk of the Approved Counterparty but also potential conflicts of interest in the performance of the function of Calculation Agent by the Approved Counterparty. The Approved Counterparty has undertaken to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective

obligations and duties) and to ensure that the interests of the Company and the Shareholders are not unfairly prejudiced. The Directors believe that the Approved Counterparty is suitable and competent to perform such functions. In addition the valuations provided by the Approved Counterparty in its role as Calculation Agent will be verified at least weekly by a party independent of the Approved Counterparty who shall either be the Administrator or sourced by the Administrator as appropriate and who has been approved for such purpose by the Custodian.

- (c) The sub-funds of the Company are segregated as a matter of Irish law and as such, in Ireland, the assets of one sub-fund will not be available to satisfy the liabilities of another sub-fund. However, it should be noted that the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability as set out above.
- (d) There are Classes of Shares issued in respect of the Fund. Additional Classes of Shares may be created at any time without the consent of the then existing Shareholders in accordance with the Central Bank's requirements. Each Class of Shares issued in respect of the Fund will perform differently as a result of differences in currency and fees (as applicable). The Company on behalf of the Fund will enter into Swaps that are designed to generate the cashflows payable in respect of the Shares of the relevant Classes. There is no legal segregation of assets and liabilities between Classes and there is no separate portfolio of assets held for each Class. Accordingly, if more than one Class of Shares has been issued and there is a shortfall attributable to one Class, this will adversely affect the other Classes of Shares issued in respect of the Fund.
- (e) Classes of Shares denominated in currencies other than USD are exposed to the Hedged Currency Version relating to the currency of denomination. Consequently, returns in respect of a Class denominated in one currency may differ from those in respect of Classes denominated in different currencies. For example, if the Reference Index's value (which is denominated in USD) increases, the amount of increase in the Hedged Currency Version denominated in Euros will depend on the USD / Euro exchange rate; if the USD is relatively weak against the Euro, the increase in the Hedged Currency Version denominated in Euro will be smaller than if the USD is relatively strong against the Euro. In addition, the exchange rates used in determining the Hedged Currency Versions may be less favourable than exchange rates which may be obtained from other sources.
- (f) If a Disruption Event or an Index Disruption and Adjustment Event occurs, the Calculation Agent and the Investment Manager may make such determinations and/or adjustments to determine the net total return performance of the Reference Index (in the case of the Investment Manager) and/or the Swap (in the case of the Calculation Agent). The Net Asset Value may be affected by such adjustment.
- (g) Whilst the Company has the right to use and reference the Reference Index in connection with the Fund in accordance with the terms of the Reference Index licence, in the event that the licence is terminated the Fund will be terminated or if any other Index Disruption and Adjustment Event occurs, adjustments may be made to the terms of the Swaps after negotiation with each Approved Counterparty to account for any such event including adjustment to the Reference Index or the calculation of the Reference Index level which may have a significant impact on the Net Asset Value of the Fund.
- (h) There can be no assurance that the Reference Index will be successful at producing positive returns consistently or at all. The Index Provider makes no representation or warranty, express or implied, that the Reference Index will produce positive returns at any time. Furthermore, it should be noted that the results that may be obtained from investing in any financial product linked to the Reference Index or otherwise participating in any transaction linked to the Reference Index may be significantly different from the results that could theoretically be obtained from a direct investment in the component stocks in respect of the Reference Index.
- (i) Subject to certain pre-defined parameters, it is possible that the methodology used to calculate the Reference Index or the formulae underlying the Reference Index could change and such change may result in a decrease in the performance of the Reference Index. As such, aspects of the Reference Index could change in the future, including, without limitation, the methodology and third party data sources. Any changes may be made without regard to the interests of a holder of any product linked to the Reference Index. Additionally, the Reference Index was created by the Index Provider, who has the right to permanently cancel the Reference Index at any time. Such cancellation may have a material adverse effect on any linked investments or transactions.

Investors should also refer to the Prospectus for additional disclosure of risks and conflicts of interest.

An English version of a term-sheet summarising the general terms of all derivative contracts, such as swap agreements, are available to investors upon request at the Company's registered office.

Miscellaneous

The Company has the following sixty-six Funds established as at the date of this Supplement namely:

- | | | |
|--|---|---|
| 1. Source FTSE 100 UCITS ETF | 26. Source STOXX Europe 600 Optimised Media UCITS ETF | 47. Source MSCI China UCITS ETF |
| 2. Source FTSE 250 UCITS ETF | 27. Source STOXX Europe 600 Optimised Personal & Household Goods UCITS ETF | 48. Source MAN GLG Europe Plus UCITS ETF |
| 3. Source EURO STOXX 50 UCITS ETF | 28. Source STOXX Europe 600 Optimised Retail UCITS ETF | 49. Source EURO STOXX Optimised Banks UCITS ETF |
| 4. Source STOXX Europe 600 UCITS ETF | 29. Source STOXX Europe 600 Optimised Telecommunications UCITS ETF | 50. Source Nomura Voltage Mid-Term UCITS ETF |
| 5. Source MSCI Europe UCITS ETF | 30. Source STOXX Europe 600 Optimised Travel & Leisure UCITS ETF | 51. Source LGIM Commodity Composite UCITS ETF |
| 6. Source STOXX Europe Small 200 UCITS ETF | 31. Source STOXX Europe 600 Optimised Industrial Goods & Services UCITS ETF | 52. Source FTSE Emerging EMEA 40 UCITS ETF |
| 7. Source STOXX Europe Mid 200 UCITS ETF | 32. Source STOXX Europe 600 Optimised Health Care UCITS ETF | 53. Source Morningstar US Energy Infrastructure MLP UCITS ETF |
| 8. Source MSCI USA UCITS ETF | 33. Source Russell 2000 UCITS ETF | 54. Source Man GLG Continental Europe Plus UCITS ETF |
| 9. Source MSCI Japan UCITS ETF | 34. Source Materials S&P US Select Sector UCITS ETF | 55. Source Man GLG Asia Plus UCITS ETF |
| 10. Source S&P 500 UCITS ETF | 35. Source Energy S&P US Select Sector UCITS ETF | 56. Source Nomura Modelled PERI UCITS ETF |
| 11. Source S&P 500 VIX Futures UCITS ETF | 36. Source Industrials S&P US Select Sector UCITS ETF | 57. Source Goldman Sachs Equity Factor Index World UCITS ETF (GS EFI World ETF) |
| 12. Source MSCI World UCITS ETF | 37. Source Technology S&P US Select Sector UCITS ETF | 58. Source Russell Europe SMID 300 UCITS ETF |
| 13. Source RDX UCITS ETF | 38. Source Utilities S&P US Select Sector UCITS ETF | 59. Source J.P. Morgan Macro Hedge Dual Vega Target 4% TR UCITS ETF |
| 14. Source MSCI Emerging Markets UCITS ETF | 39. Source Health Care S&P US Select Sector UCITS ETF | 60. Source Morgan Stanley Europe MEMO Plus UCITS ETF |
| 15. Source STOXX Europe 600 Optimised Banks UCITS ETF | 40. Source Consumer Staples S&P US Select Sector UCITS ETF | 61. Source JPX-Nikkei 400 UCITS ETF |
| 16. Source STOXX Europe 600 Optimised Basic Resources UCITS ETF | 41. Source Consumer Discretionary S&P US Select Sector UCITS ETF | 62. Source NASDAQ Biotech UCITS ETF |
| 17. Source STOXX Europe 600 Optimised Oil & Gas UCITS ETF | 42. Source Financials S&P US Select Sector UCITS ETF | 63. Source R Equal-Risk European Equity UCITS ETF |
| 18. Source STOXX Europe 600 Optimised Technology UCITS ETF | 43. Source J.P. Morgan Macro Hedge US TR UCITS ETF | 64. Source Goldman Sachs Equity Factor Index Europe UCITS ETF (GS EFI Europe ETF) |
| 19. Source STOXX Europe 600 Optimised Insurance UCITS ETF | 44. Source J.P. Morgan Macro Hedge Dual TR UCITS ETF | 65. Source STOXX Eurozone Exporters UCITS ETF |
| 20. Source STOXX Europe 600 Optimised Utilities UCITS ETF | 45. Source Nomura Voltage Short-Term UCITS ETF | 66. Source STOXX Japan Exporters UCITS ETF |
| 21. Source STOXX Europe 600 Optimised Automobiles & Parts UCITS ETF | 46. Source MSCI Europe Value UCITS ETF | |
| 22. Source STOXX Europe 600 Optimised Chemicals UCITS ETF | | |
| 23. Source STOXX Europe 600 Optimised Construction & Materials UCITS ETF | | |
| 24. Source STOXX Europe 600 Optimised Financial Services UCITS ETF | | |
| 25. Source STOXX Europe 600 Optimised Food & Beverage UCITS ETF | | |

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S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P 500 OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, CONDITION OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE MANAGER, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500 OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS OR CONDITIONS, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE AND ANY OTHER EXPRESS OR IMPLIED WARRANTY OR CONDITION WITH RESPECT TO THE S&P 500 OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) RESULTING FROM THE USE OF THE S&P 500 OR ANY DATA INCLUDED THEREIN, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

THE DIRECTORS OF THE COMPANY, THE MANAGER, THE INVESTMENT MANAGER AND THE INDEX PROVIDER TOGETHER THE "RESPONSIBLE PARTIES" DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY DESCRIPTION RELATING TO THE REFERENCE INDEX OR ANY DATA INCLUDED THEREIN AND THE RESPONSIBLE PARTIES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. THE RESPONSIBLE PARTIES MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE FUND, TO ANY SHAREHOLDER IN THE FUND, OR TO ANY OTHER PERSON OR ENTITY IN RESPECT OF THE REFERENCE INDEX DESCRIBED HEREIN.

THE INDEX PROVIDER MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE REFERENCE INDEX OR STRATEGY OR ANY DATA INCLUDED HEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE INDEX PROVIDER HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES OR FOR ANY LOST PROFITS, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.



Source Markets plc

PROSPECTUS dated 5 June 2015

(A company incorporated in Ireland with limited liability as an open-ended investment company with variable capital and segregated liability between its sub-funds under the laws of Ireland with registered number 463397)

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

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1 IMPORTANT INFORMATION

THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY OF THE SHARES YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

CENTRAL BANK AUTHORISATION - UCITS

The Company is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities ("Undertakings for Collective Investment in Transferable Securities") Regulations 2011 (S.I. No. 352 of 2011) as amended. **Such authorisation is not an endorsement or guarantee of the Company or any Fund by the Central Bank, nor is the Central Bank responsible for the contents of this Prospectus. The authorisation of Source Markets plc (the "Company") by the Central Bank (the "Central Bank") shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. The value of and income from Shares in the Company may go up or down and you may not get back the amount you have invested in the Company.** Information applicable to the Company generally is contained in this Prospectus. Shares constituting each Fund offered by the Company are described in the Supplements to this Prospectus.

THIS PROSPECTUS

The Company is an umbrella investment company with segregated liability between Funds and with variable capital incorporated on 16 October 2008. The Company is structured as an umbrella investment company, in that different Funds may be established from time to time by the Directors with the prior approval of the Central Bank.

The particulars of each Fund will be set out in a separate Supplement. Any such Supplement shall list all of the existing Funds. Shares of more than one Class may be issued in relation to a Fund. Information contained within the Supplements is selective and should be read in conjunction with this Prospectus. The creation of any new Classes of Shares must be notified to and cleared in advance by the Central Bank. On the introduction of any new Class of Shares, the Company will prepare and the Directors will issue documentation setting out the relevant details of each such Class of Shares. A separate portfolio of assets shall be maintained for each Fund and shall be invested in accordance with the investment objective applicable to such Fund.

Shares in any of the Funds may be subscribed for or redeemed in cash or on an in-specie (in-kind) basis. Shares may also be bought or sold on the secondary market (as described below).

The Company may decline any application for Shares in whole or in part without assigning any reason therefor and will not accept an initial subscription for Shares of any amount which is less than the Minimum Initial Subscription as set forth in the Supplement for the relevant Fund, unless the Minimum Initial Subscription is waived by the Directors.

After the initial issue, Shares will be issued and redeemed at the Net Asset Value per Share plus or minus duties and charges (as the case may be) including any Subscription Charge, Redemption Charge or Contingent Deferred Sales Charge ("**CDSC**") specified in the relevant Supplement. The Net Asset Value of the Shares of each Class and the Issue and Repurchase Prices will be calculated in accordance with the provisions summarised under the heading "**Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets**" in this Prospectus.

The Shares of each Fund may be listed on one or more Relevant Stock Exchanges and are fully transferable by Shareholders. It is envisaged that Shares will be bought and sold by retail and institutional investors and professional traders in the secondary market like the ordinary shares of a

listed company. However, the Company cannot guarantee that a liquid secondary market will develop in relation to the Shares of any particular Fund.

Shares in the relevant Fund which are purchased on the secondary market (as further described in section 10 of the Prospectus) cannot usually be redeemed directly from the Company. Investors normally sell their Shares on the secondary market with the assistance of an intermediary (e.g. a stockbroker or other investment broker) and may incur fees for investing in this manner. In addition, please note that such investors may pay more than the current Net Asset Value per Share when purchasing Shares on the secondary market and may receive less than the current Net Asset Value when selling their shareholding.

Where the value of the Shares quoted on the secondary market significantly differs or varies from the current Net Asset Value per Share, investors who hold their shares through a secondary market will be permitted to redeem their shareholding directly from the Company. For example, this may apply in cases of market disruption such as the absence of a market maker. In such situations, information will be communicated to the regulated market indicating that the Company is open for direct redemptions from the Company. Such secondary market investors should refer to section 9 of the Prospectus for details on how to process such redemption requests. Only the actual costs of providing this facility (i.e. those costs associated with liquidating any underlying positions) will be charged to such secondary market investors and in any event, the fees in respect of any such redemptions shall not be excessive.

Details of Dealing Days in respect of each Fund are set out in the relevant Supplement.

A Redemption Charge of up to 3% of the Repurchase Price of any Class of Shares of a Fund may be charged by the Company. The amount of Redemption Charge (if any) will be set out in the relevant Supplement.

However, in certain Funds, this Redemption Charge may be expressed as a CDSC. In such circumstances a CDSC of up to 4% of the Repurchase Price of any Class of Shares of a Fund may be charged by the Company. The amount of CDSC (if any) will be set out in the relevant Supplement. Where a CDSC is charged, no Subscription Charge will be payable on subscription for Shares in the relevant Fund.

Before investing in the Company, you should consider the risks involved in such investment. Please see "**Risk Factors**" below and where applicable to each Fund in the relevant Supplement.

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

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles, copies of which are available upon request.

Defined terms used in this Prospectus shall have the meaning attributed to them in the section headed "**Definitions**".

DISTRIBUTION AND SELLING RESTRICTIONS

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

The Company is a recognized collective investment scheme for the purpose of promotion into the United Kingdom ("**UK**"). This Prospectus is issued in the UK by Source UK Services Limited, which is authorised and regulated in the conduct of its investment business by the Financial Conduct Authority (the "**FCA**"). Prospective investors in the UK are advised that all, or most, of the protections offered

by the UK regulatory system will not apply to an investment in the Company and that compensation will not be available under the UK Financial Services Compensation Scheme.

The Articles of the Company give powers to the Directors to impose restrictions on the holding of Shares by any person who appears to be in breach of the laws or requirements of any country or government authority or by 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 or the relevant Fund incurring any liability to taxation or suffering any other pecuniary, regulatory, legal or material administrative disadvantage which the Company or the relevant Fund might not otherwise have incurred or suffered. "Benefit Plan Investors", as defined in the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), will not be permitted to subscribe for Shares. The Articles also permit the Directors where necessary to redeem and cancel Shares (including fractions thereof) held by a person who is an Irish Taxable Person on the occurrence of a chargeable event for Irish taxation purposes as described under "Taxation" below (together "Prohibited Persons").

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

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

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

Investment in the Company should be regarded as a long-term investment. There can be no guarantee that the objective of the Company or any Funds will be achieved. Potential investors must review the section "Risk Factors" of this Prospectus.

UNITED KINGDOM INVESTOR INFORMATION

The Company is recognised as a collective investment scheme for the purposes of section 264 of the Financial Services and Markets Act 2000 ("FSMA") of the United Kingdom. The Prospectus will be distributed in the United Kingdom by or on behalf of the Company and is approved by Source UK Services Limited, which is regulated by Financial Conduct Authority.

Source UK Services Limited is acting for the Company in relation to the Prospectus and all matters relating to it and Source UK Services Limited or any of its associates may have an interest or position in Shares of the Company. It is not acting for, or advising or treating as its customer, any other person (unless other arrangements apply between Source UK Services Limited and such person) in relation to investment in the Company.

Important

A United Kingdom investor who enters into an investment agreement with the Company to acquire Shares in response to the Prospectus will not have the right to cancel the agreement under the cancellation rules made by the FCA in the United Kingdom because that investor will not have received any advice in relation to an investment in a Fund of the Company. The agreement will be binding upon acceptance of the order by the Company.

The Company does not carry on any regulated activities from a permanent place of business in the United Kingdom and United Kingdom investors are advised that most of the protections afforded by the United Kingdom regulatory system will not apply to an investment in a Fund of the Company. Shareholders in the Company may not be protected by the Financial Services Compensation Scheme established in the United Kingdom.

Any investor wishing to make a complaint regarding any aspect of the Company or its operations may do so directly to the Company or to Source UK Services Limited.

Potential investors should note that the investments of a Fund are subject to normal market fluctuations and other risks inherent in investing in shares and other securities, in addition to the additional risks associated with investment in certain of the Funds, as described under the "Investment Objectives and Policies" and "Risk Factors" sections of the Prospectus and in the Supplements for the relevant Funds.

The value of investments and the income from them, and therefore the value of, and income from, Shares of each Class relating to each Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies may also cause the value of the investment to diminish or increase.

Application and Redemption Procedures

The attention of investors is drawn to the application and redemption procedures contained in the Prospectus and the relevant Supplement in particular with regard to the deadlines for the relevant Funds. Any person wishing to obtain information in relation to prices of Shares and any Shareholder wishing to arrange for repurchase of Shares may do so at the address below. Application and redemption requests should be sent to the Administrator in Ireland details of which are contained on the Application Form.

UNITED STATES

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**1933 Act**") and may not be sold, offered or otherwise transferred to a U.S. person except in accordance with the provisions contained herein, in the US Supplement hereto and in the Subscription Application and Agreement to be completed by United States persons subscribing for Shares. To constitute an offer to any eligible U.S. person, this Prospectus must be accompanied by the US Supplement. The Shares offered hereby have not been approved or disapproved by the SEC, by the securities regulatory authority of any US state, or by any similar authority of any other country or jurisdiction, and neither the SEC nor any such authority will do so. The Articles provide that the Company may refuse to register any transfer of Shares to a United States Person. The offering and sale of the Shares to Non-United States Persons will be exempt from registration pursuant to Regulation S promulgated under the 1933 Act.

The Funds have not been and will not be registered under the US Investment Company Act of 1940, as amended (the "**1940 Act**"), pursuant to the exemption from such registration set forth in Section 3(c)(7) of the 1940 Act. Any purchaser of Shares that is a United States Person must be a "**qualified purchaser**" as defined in Section 2(a)(51)(A) of the 1940 Act and the rules promulgated thereunder and a "**qualified institutional buyer**" as defined in Rule 144A of the 1933 Act.

No offering literature or advertising in any form shall be employed in the offering of these Shares to U.S. persons except for this Prospectus, the Exhibits attached hereto and the US Supplement.

FOR FLORIDA RESIDENTS ONLY: Pursuant to the laws of the State of Florida, if sales are made to five (5) or more investors in Florida, any Florida investor may, at his option, withdraw, upon written (or telegraphic) notice, any purchase hereunder within a period of three (3) days after (a) the investor first tenders or pays to the company, an agent of the Company or an escrow agent the consideration required hereunder, (b) the investor delivers his executed subscription agreement, or (c) the availability of that privilege is communicated to such investor, whichever occurs later.

PURSUANT TO AN EXEMPTION UNDER THE U.S. COMMODITY FUTURES TRADING COMMISSION (“CFTC”) REGULATIONS, THE COMPANY’S MANAGER IS NOT REQUIRED TO REGISTER AS A COMMODITY POOL OPERATOR (“CPO”). AS A RESULT, THE MANAGER WILL NOT BE REQUIRED TO DELIVER A DISCLOSURE DOCUMENT (CONTAINING CERTAIN CFTC PRESCRIBED DISCLOSURE) AND A CERTIFIED ANNUAL REPORT TO THE COMPANY’S INVESTORS. A CLAIM OF EXEMPTION HAS BEEN FILED EFFECTUATING THIS EXEMPTION.

THE MANAGER’S ELIGIBILITY FOR THE CFTC REGISTRATION EXEMPTION WITH RESPECT TO THE COMPANY IS SET FORTH IN RULE 4.13(a)(3) OF THE CFTC’S REGULATIONS, AND IS BASED ON THE FACT THAT: (I) THE OFFER AND SALE OF SHARES IN THE COMPANY ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ARE NOT BEING OFFERED THROUGH A PUBLIC OFFERING IN THE UNITED STATES; (II) EACH PARTICIPANT IN THE COMPANY IS AN “ACCREDITED INVESTOR,” AS THAT TERM IS DEFINED IN SECTION 501 OF REGULATION D UNDER THE 1933 ACT) OR IS A NON-U.S. PERSON; (III) EITHER (A) THE AGGREGATE NET NOTIONAL VALUE OF THE COMPANY’S COMMODITY INTEREST POSITIONS DOES NOT EXCEED 100% OF THE LIQUIDATION VALUE OF THE COMPANY’S PORTFOLIO OR (B) THE AGGREGATE INITIAL FUTURES MARGIN AND OPTIONS PREMIUM REQUIRED TO ESTABLISH THE COMPANY’S COMMODITY INTEREST POSITIONS DOES NOT EXCEED 5% OF THE LIQUIDATION VALUE OF THE COMPANY’S PORTFOLIO; AND (IV) SHARES IN THE COMPANY ARE NOT MARKETED AS OR IN A VEHICLE FOR TRADING IN THE COMMODITY FUTURES OR COMMODITY OPTIONS MARKETS.

CANADA

The distribution of Shares is being made primarily outside Canada and will only be made in Canada only on a private placement basis to the residents of Canada, excluding residents of the Yukon, Northwest Territories and Nunavut, pursuant to section 2.3 (the “Accredited Investor Exemption”) of National Instrument 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators (“NI 45-106”). Accordingly, the distribution is exempt from the requirements in Canada that the Manager prepare and file a prospectus with the relevant securities regulatory authorities. No securities regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or merits of the securities described in this Prospectus. Any representation to the contrary is an offence.

Resale Restrictions

Any resale of Shares in Canada must be made in accordance with applicable Canadian securities laws, which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with exemptions from registration and prospectus requirements. Investors in Canada are advised to seek legal advice prior to any resale of the Shares.

Representations of Investors

An investor in Shares who is resident in Canada must provide written certification to the Fund, the Company and any dealer with whom the order was placed in their subscription agreement that such investor (a) is an “accredited investor” as defined in section 1.1 of NI 45-106 (other than a person described in paragraph (m) of such definition that was created or is used solely to purchase or hold Shares as an accredited investor); (b) is purchasing Shares as principal; and (c) is either (i) purchasing Shares from a dealer that is registered with the securities regulatory authority of the applicable province or territory of Canada, as an investment dealer or an exempt market dealer, each as defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations (“NI 31-103”), or (ii) a “Canadian Permitted Client” and is purchasing the

Shares from a person or company who is entitled to rely upon the International Dealer Exemption provided for in section 8.18 of NI 31-103.

The Manager is required to, and will, in accordance with NI 45-106, deliver to the applicable securities regulatory authorities in Canada personal information (“personal information”) pertaining to the purchaser as required to be disclosed in Schedule I of Form 45-106F1 (including its name, address, telephone number and the number and value of the Shares purchased), which form is required to be filed by the Manager under NI 45-106. In Ontario, such information is being collected indirectly by the Ontario Securities Commission (the “OSC”) under the authority granted to it under securities legislation of Ontario and is being collected for the purposes of the administration and enforcement of securities legislation in Ontario. The public official in Ontario who can answer questions about the OSC’s indirect collection of such personal information is the Administrative Assistant to the Director of Corporate Finance at the OSC, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593-8086. The investor’s name, address, telephone number and other specified information, including the number of the Shares it has purchased and the aggregate purchase price to the investor, may be disclosed to other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable laws. By placing an order to purchase Shares, the purchaser consents to the disclosure of such information.

Language

By purchasing the Shares, each investor in Canada is deemed to acknowledge that its express wish is that all documents evidencing or relating in any way to the sale of the Shares be drafted in the English language only

Taxation and Eligibility for Investment

Any discussion of taxation and related matters contained in this Prospectus does not address Canadian tax considerations. Canadian investors should consult with their own legal and tax advisers with respect to the tax consequences of an investment in the Shares in their particular circumstances and with respect to the eligibility of the Shares for investment by such investor under relevant Canadian legislation and regulations.

Rights of Action for Damages or Rescission

Securities legislation in certain of the provinces and territories of Canada provides purchasers with rights of rescission or damages, or both, where an offering memorandum or any amendment to it contains a misrepresentation. In certain provinces and territories of Canada, this Prospectus may be considered an “offering memorandum”. A “misrepresentation” is an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in the light of the circumstances in which it was made. These remedies must be commenced by the purchaser within the time limits prescribed and are subject to the defences contained in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or damages, or both, under securities legislation in those of the provinces of Canada where such summary is required to be disclosed under the relevant securities legislation, and as such, is subject to the express provisions of the legislation and the related regulations and rules. The rights described below are in addition to, and without derogation from, any other right or remedy available at law to purchasers of the securities.

Ontario Purchasers

Ontario securities legislation provides that where an offering memorandum is delivered to a purchaser and contains a misrepresentation, the purchaser will, except as provided below, have a statutory right of action for damages or for rescission against the issuer, without regard to whether the purchaser relied on the misrepresentation. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the issuer. No such action shall be commenced more than, in the case of an action for rescission, 180 days after the date of the

transaction that gave rise to the cause of action, or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action. The Ontario legislation provides a number of limitations and defences to such actions, including: (a) the issuer is not liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation; (b) in an action for damages, the issuer shall not be liable for all or any portion of the damages that the issuer proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the securities were offered.

These rights are not available for a purchaser that is: (a) a Canadian financial institution, meaning either: (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a province or territory of Canada to carry on business in Canada or a province or territory of Canada; (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada); (c) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or (d) a subsidiary of any person referred to in clauses (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

New Brunswick Purchasers

New Brunswick securities legislation provides that where any information relating to an offering that is provided to a purchaser of the securities contains a misrepresentation, a purchaser who purchases the securities shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase. Such purchaser has a right of action for damages against the issuer or a selling security holder on whose behalf the distribution is made, or may elect to exercise a right of rescission against the issuer or any selling security holder, in which case the purchaser shall have no right of action for damages. No such action shall be commenced more than, in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or, in the case of any action, other than an action for rescission, the earlier of (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action. The New Brunswick legislation provides a number of limitations and defences to such actions, including: (a) the issuer or a selling security holder is not liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation; (b) in an action for damages, the issuer or a selling security holder shall not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the securities were offered.

Nova Scotia Purchasers

Nova Scotia securities legislation provides that in the event that an offering memorandum or a record incorporated by reference in an offering memorandum, together with any amendments thereto, or any advertising or sales literature (as defined in the Nova Scotia securities legislation) contains a misrepresentation, a purchaser who purchases the securities referred to in it is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase. Such purchaser has a statutory right of action for damages against the seller (which includes the issuer) and, subject to certain additional defences, the directors of the seller. Alternatively, the purchaser while, still an owner of the securities, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the seller or the directors. No such action shall be commenced to enforce the right of action for rescission or damages more than 120 days after the date payment was made for the securities (or after the date on which initial payment was made for the securities where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial

payment). The Nova Scotia legislation provides a number of limitations and defences, including: (a) no person or company is liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation; (b) in the case of an action for damages, no person or company is liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and (c) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

A person or company, other than the issuer, is not liable with respect to any part of the offering memorandum or any amendment to the offering memorandum not purporting (a) to be made on the authority of an expert or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) believed that there had been a misrepresentation.

A person or company, other than the issuer, will not be liable if that person or company proves that: (a) the offering memorandum or any amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent; (b) after delivery of the offering memorandum or any amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum or any amendment to the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum or any amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or (c) with respect to any part of the offering memorandum or any amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a misrepresentation, or (B) the relevant part of the offering memorandum or any amendment to the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Saskatchewan Purchasers

Saskatchewan securities legislation provides that in the event that an offering memorandum, together with any amendments thereto, contains a misrepresentation, a purchaser who purchases such securities has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against: (a) the issuer and the selling security holder on whose behalf the distribution is made; (b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered; (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them; (d) every person who or company that, in addition to the persons or companies mentioned in clauses (a) to (c), signed the offering memorandum or the amendment to the offering memorandum; and (e) every person who or company that sells securities on behalf of the issuer and the selling security holder under the offering memorandum or amendment to the offering memorandum. If such purchaser elects to exercise a statutory right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that person or company. No such action for rescission or damages shall be commenced more than, in the case of a right of rescission, 180 days after the date of the transaction that gave rise to the cause of action or, in the case of any action, other than an action for rescission, before the earlier of (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan legislation provides a number of limitations and defences, including: (a) no person or company will be liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation; (b) in the case of an action for damages, no person or

company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and (c) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

No person or company, other than the issuer, will be liable if the person or company proves that: (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; (b) after the filing of the offering memorandum or any amendment to it and before the purchase of securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum or any amendment to it, the person or company withdrew the person's or company's consent to it and gave reasonable general notice of the person's or company's withdrawal and the reason for it; (c) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; (d) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert that contains a misrepresentation attributable to failure to represent fairly his, her or its report, opinion or statement as an expert, (i) the person or company had, after reasonable investigation, reasonable grounds to believe, and did believe, that the part of the offering memorandum or any amendment to it fairly represented the person's or company's report, opinion or statement, or (ii) on becoming aware that the part of the offering memorandum or of any amendment to it did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Saskatchewan Securities Commission and gave reasonable general notice that such use had been made of it and that the person or company would not be responsible for that part of the offering memorandum or of the amendment to it; or (e) with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, the statement was a correct and fair representation of the statement or copy of or extract from the document and the person or company had reasonable grounds to believe, and did believe, that the statement was true.

The Saskatchewan legislation also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

The Saskatchewan legislation provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of Saskatchewan securities legislation, regulations or a decision of the Saskatchewan Financial Services Commission.

The Saskatchewan legislation also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by the Saskatchewan legislation.

The Saskatchewan legislation also provides that a purchaser who has received an amended offering memorandum that was amended and delivered in accordance with such legislation has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the

purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

Enforcement of Legal Rights

Some of the Company's directors and officers, as well as certain experts named in the Prospectus, are located outside of Canada and, as a result, it may not be possible for purchasers in Canada to effect service of process within Canada upon the issuer or such persons. All or a substantial portion of the assets of the Company and of such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the issuer or such persons outside of Canada.

SINGAPORE

The offer or invitation of 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 and accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and 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.

2 DIRECTORY

COMPANY

Source Markets plc
Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

PROMOTER

Source UK Services Limited
110 Cannon Street
London EC4N 6EU
United Kingdom

MANAGER

Source Investment Management Limited
Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

INVESTMENT MANAGER

Assenagon Asset Management S.A.
Aerogolf Center
1B, Heienhaff
1736 Senningerberg
Luxembourg

CUSTODIAN

Northern Trust Fiduciary Services (Ireland) Limited

George's Court
54-62 Townsend Street
Dublin 2
Ireland

ADMINISTRATOR

Northern Trust International Fund Administration Services (Ireland) Limited
George's Court
54-62 Townsend Street
Dublin 2
Ireland

SECRETARY

MFD Secretaries Limited
2nd Floor Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

AUDITORS

PricewaterhouseCoopers
Spencer Dock
Dublin 1
Ireland

IRISH LEGAL ADVISERS TO THE COMPANY

Maples and Calder
75 St. Stephen's Green
Dublin 2
Ireland

US LEGAL ADVISERS TO THE PROMOTER AND THE COMPANY

Katten Muchin Rosenman LLP
575 Madison Avenue
New York, NY 10022
USA

3 DEFINITIONS

Administration Agreement	means the amended and restated administration agreement dated 12 May 2014 between the Company, Manager and the Administrator.
Administrative Expenses	means the administrative expenses defined as such in the section headed " Fees and Expenses ".
Administrator	means Northern Trust International Fund Administration Services (Ireland) Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank.
Affiliate	means any person which in relation to the person concerned is (i) a holding company, (ii) a subsidiary of any such holding company; (iii) a subsidiary or (iv) controlled directly or indirectly by the person concerned and "control" of an entity for this purpose means the power, direct or indirect, to direct or cause the direction of the management and policies of such entity whether by contract or otherwise and, in any event and without limitation of the foregoing, any entity owning more than 50% of the voting securities of a second entity shall be deemed to control that second entity.
Application Form	means the original form which must be submitted with the Subscription Form upon an initial application or exchange of Shares. It only needs to be submitted with subsequent applications if the investors' details or circumstances have changed from when this form was originally submitted.
Approved Counterparty	means Morgan Stanley and Co. International plc, Morgan Stanley Capital Services LLC, Goldman Sachs International, Bank of America Merrill Lynch International Limited, Nomura International plc, UBS AG, Barclays Bank plc, Deutsche Bank AG, Citigroup Inc and J.P. Morgan Securities Limited (which may be a division or an Affiliate of Morgan Stanley and Co. International plc, Morgan Stanley Capital Services LLC, Goldman Sachs International, Bank of America Merrill Lynch International Limited, Nomura International plc, UBS AG, Barclays Bank plc, Deutsche Bank AG, Citigroup Inc or J.P. Morgan Securities Limited, respectively) or any other entity selected by the Manager as may be described in the relevant Supplement, provided always that the relevant entity is, in relation to OTC derivatives, one falling within a category permitted by the Central Bank's UCITS Notices.
Articles	means the Memorandum and Articles of Association of the Company.
Associated Person	a person is associated with a Director if, and only if, he or she is: that Director's spouse, parent, brother, sister or child; 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; a partner of that Director.

A company will be deemed to be connected with a Director if it is controlled by that Director.

Authorised Participant	means an entity or person authorised by the Company for the purposes of subscribing for and redeeming Shares with a Fund on a cash or in-kind basis. The current Authorised Participants of the Company are Morgan Stanley & Co. International plc, Goldman Sachs International, Bank of America Merrill Lynch International Limited, Nomura International plc, Credit Suisse Securities (Europe) Limited and J.P. Morgan Securities Limited. The Company may add or replace an Authorised Participant from time to time without prior notice to Shareholders. A current list of Authorised Participants can be found at the Company's website www.source.info .
Base Currency	means in relation to any Fund such currency as is specified in the Supplement for the relevant Fund.
Benefit Plan Investor	Is defined in Section 3(42) of ERISA as (a) any employee benefit plan subject to Part 4 of Title 1 of ERISA, (b) any plan to which Section 4975 of the Code applies, and (c) any entity the underlying assets of which include plan assets by reason of a plan's investment in such entity.
Business Day	means a day on which banks are open for business in such jurisdictions and/or cities as are specified in the Supplement for the relevant Fund or such other day(s) as the Directors may, with the approval of the Custodian, determine.
Calculation Agent	means the relevant Approved Counterparty, unless otherwise specified in the relevant Supplement.
Central Bank	means the Central Bank of Ireland or any successor authority.
Central Bank's UCITS Notices	means the notices and guidelines affecting the Company issued by the Central Bank as may be amended, supplemented, consolidated, substituted in any form or otherwise modified or replaced from time to time by the Central Bank.
Class(-es)	means the class or classes of Shares relating to a Fund where specific features with respect to subscription, exchange, redemption or contingent deferred sales charge, minimum subscription amount, dividend policy, investor eligibility criteria, voting rights or other specific features may be applicable. The details applicable to each Class will be described in the Supplement for the relevant Fund.
Clearing Agent	means any entity affiliated with one or more Relevant Stock Exchanges and which facilitates the validation, delivery and settlement of transactions in the Company's Shares.
Code	means the US Internet Revenue Code of 1986, as amended.
Contingent Deferred Sales Charge (CDSC)	means the charge, if any, to be paid out of the Repurchase Price which Shares may be subject to, as specified in the relevant Supplement.
Collateral	means assets delivered as defined under the relevant credit support annex for a Fund and which are acceptable collateral in accordance with the Central Bank's UCITS Notices.

Company	means Source Markets plc.
Companies Acts	the Companies Acts 1963 to 2013 including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital.
Connected Person	means the persons defined as such in the section headed " Conflicts of Interest ".
Custodian	means Northern Trust Fiduciary Services (Ireland) Limited or any other person or persons for the time being duly appointed Custodian hereof in succession to Northern Trust Fiduciary Services (Ireland) Limited in accordance with the requirements of the Central Bank.
Custodian Agreement	means the custodian agreement dated 22 December 2008 between the Company, the Manager and the Governor and Company of the Bank of Ireland (as novated to the Custodian by way of a novation agreement dated 1 June 2011), as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.
Dealing Day	means in relation to each Fund such day or days as is specified in the relevant Supplement or such other day(s) as the Directors may with the approval of the Custodian determine and notify in advance to Shareholders provided always that there shall be at least two Dealing Days in each calendar month.
Dealing Deadline	means in relation to applications for subscription, exchange or redemption of Shares in a Fund, the dates and times specified in the Supplement for the relevant Fund.
Dematerialised Form	means in relation to Shares, means Shares, title to which is recorded as being in uncertificated form and which may be transferred by means of a computer based settlement system in accordance with the Companies Act, 1990 (Uncertified Securities) Regulations, 1996 (of Ireland).
Directors	means the directors of the Company.
Disruption Events	means a Market Disruption Event or a Force Majeure Event.
EEA	means the European Economic Area (Member States, Iceland, Norway, and Liechtenstein).
EEA Member State	means a member state of the EEA.
ERISA	means the U.S. Employee Retirement Income Security Act of 1974, as amended.
ETF	means exchange traded fund(s).
EU	means the European Union.
Exchange Charge	means the charge, if any, payable on the exchange of Shares as is specified in the Supplement for the relevant Fund.
Extraordinary Expenses	means the extraordinary expenses defined as such in the section headed "Fees and Expenses".

means:

- FATCA**
- a) sections 1471 to 1474 of the US Internal Revenue Code of 1986 or any associated regulations or other official guidance;
 - b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
 - c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any Government Authority or taxation authority in any other jurisdiction.
- FDI** means a financial derivative instrument (including an OTC derivative) permitted by the Regulations.
- Fixed Fee** means, as further described in the section headed "**Fees and Expenses**", the fee that may be payable by the Company for each Fund in respect of the other administrative expenses and transaction fees incurred by that Fund.
- Fixed Fee Payment** means the fixed fee payment detailed as such under the heading "Fixed Fee Arrangement" in the section headed "**Fees and Expenses**".
- Force Majeure Event** means an event or circumstance (including, without limitation, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance) that is beyond the reasonable control of the Investment Manager and that the Investment Manager determines affects the Fund Assets.
- Foreign Person** means a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Company with the appropriate declaration under Schedule 2B TCA and in respect of whom the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect.
- Fund** means a separate portfolio of assets which is invested in accordance with the investment objective and policies set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such portfolio shall be applied and charged and Funds means all or some of the Funds as the context requires or any other portfolios as may be established by the Company from time to time with the prior approval of the Central Bank.
- Fund Assets** means the transferable securities and/or the financial derivative instruments and/or the other financial instruments invested in by a Fund and cash held by the Fund in accordance with the Regulations, as further described in the relevant Supplement.

Global Share Certificate	means the certificates issued in the name of the Company (as described in further detail under " Form of Share and Register ").
Group Companies	companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with international accounting rules.
Index Provider	means in relation to a Fund, the entity or person acting by itself or through a designated agent which compiles, calculates and publishes information on the Index corresponding to a Fund and who has licensed the Index to the Company, as specified in the relevant Supplement.
In-Kind Transaction Fee	means the fee amount payable by an Authorised Participant in the currency specified in the relevant Supplement, in addition to the value of the Shares subscribed for, or deducted from the value of the Shares redeemed.
Initial Issue Price	means the price per Share (excluding any Subscription Charge) at which Shares are initially offered in a Fund for such period as is specified in the Supplement for the relevant Fund.
Investment Manager	means Assenagon Asset Management S.A. or any other person or persons for the time being duly appointed investment manager of the Company in addition or in succession to Assenagon Asset Management S.A. and where the Investment Manager has delegated responsibility for the investment management of the assets of a Fund, the term Investment Manager shall also refer to the sub-investment manager of that particular Fund.
Irish Taxable Person	means any person, other than:- <ul style="list-style-type: none"> a Foreign Person; an intermediary, including a nominee, for a Foreign Person ; a qualifying management company within the meaning of section 734 TCA; an investment undertaking within the meaning of section 739B TCA; an investment limited partnership within the meaning of section 739J TCA; an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA; a company carrying on life business within the meaning of section 706 TCA; a special investment scheme within the meaning of section 737 TCA;

a unit trust to which section 731(5)(a) TCA applies;

a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;

a person entitled to exemption from income tax and capital gains tax under section 784A(2), or section 787I TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, or a personal retirement savings account (as defined in section 787A TCA);

the Courts Service;

a credit union;

the National Asset Management Agency;

a company within the charge to corporation tax under section 739G(2) TCA, but only where the Fund is a money market fund;

a company within the charge to corporation tax under section 110(2) TCA;

the National Pensions Reserve Fund Commission; and

any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under section 739C TCA;

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

Issue Price means the price at which Shares are issued, as may be specified in the relevant Supplement.

Launch Date means the date on which the Company issues Shares relating to a Fund in exchange for subscription proceeds as set out in the Supplement for each Fund.

Market means a stock exchange or regulated market which is provided for in the Articles and listed in Appendix I.

Market Disruption Event means the occurrence or existence of one or more of the following events, which occur in relation to any Fund Asset:

- (i) it is not possible to obtain a price or value (or an element of such price or value) of any Fund Asset according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);
- (ii) the calculation of the price or value of any Fund Asset is, at the relevant time, in the opinion of the Manager and/or Investment Manager, impractical or impossible to make;
- (iii) there is a reduction in liquidity in any Fund Asset in the

- determination of the Manager and/or the Investment Manager;
- (iv) any suspension of or limitation is imposed on trading on any exchanges, quotation systems or over-the-counter market where any Fund Asset is traded; or any suspension of or limitation is imposed on trading on any exchanges, quotation systems or over-the-counter market where securities that comprise 20% or more of the level of the Reference Index are traded; and/or there exists an event or circumstance that prevents or materially limits transactions in any Fund Asset or securities that comprise 20% or more of the level of the Reference Index. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Manager and/or Investment Manager, constitute a Market Disruption Event;
 - (v) where the Fund Asset is not traded on any exchange, quotation system or other similar system, the Manager and/or the Investment Manager is unable to obtain (a) from dealers in the Fund Asset firm quotations in respect thereof or (b) a subscription or a redemption price of any Fund Asset according to the rules or normal accepted procedures for such Fund Asset;
 - (vi) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Manager and/or Investment Manager;
 - (vii) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of any Fund Asset into the Base Currency through customary legal channels, as determined by the Manager and/or the Investment Manager;
 - (viii) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of any Fund Asset to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of any Fund Asset between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Manager and/or Investment Manager; and/or
 - (ix) a general moratorium is declared in respect of banking

activities in London, Dublin, New York, or TARGET.

Market Makers	means financial institutions that are a member of the Relevant Stock Exchanges and have signed a market making contract with the Company or that are registered as such with the Relevant Stock Exchanges.
Member State	means a member state of the EU.
Minimum Fund Size	means such amount (if any) as the Directors may consider for each Fund and as set out in the Supplement for the relevant Fund.
Minimum Holding	means such number of Shares or Shares having such value (if any) as is specified in the Supplement for the relevant Fund.
Minimum Initial Subscription	means such amount (excluding any subscription charge) in the relevant Base Currency which must be initially subscribed by each Shareholder for Shares of any Class in a Fund as is specified for the relevant Fund in the Supplement hereto.
Minimum Subscription	means such amount (excluding any subscription charge) in the relevant Base Currency which must be subscribed by each Shareholder for Shares of any Class in a Fund, following their initial subscription, as is specified for the relevant Fund in the Supplement hereto.
Money Market Instruments	means money market instruments permitted by the Regulations and as further described in the relevant Supplement.
Month	means calendar month.
Net Asset Value or Net Asset Value per Share	means in respect of the assets of a Fund or in respect of a Share of any Class, the amount determined in accordance with the principles set out in this Prospectus under the heading " Issue and Repurchase Price/Calculation of Net Asset Value/Valuation of Assets " as the Net Asset Value of a Fund or the Net Asset Value per Share.
Non-Voting Shares	means a particular Class of Shares that do not carry the right to notice of or to attend or vote at general meetings of the Company of the relevant Fund.
OECD	means the Organisation for Economic Co-operation and Development.
OTC derivative	means an FDI which is dealt in an "over-the-counter" market.
Prospectus	means this prospectus issued from time to time by the Company as amended, supplemented, consolidated or otherwise modified from time to time.
Recognised Clearing and Settlement System	means any clearing system for the settlement of transactions in relation to the securities designated by the Revenue Commissioners of Ireland as a recognised clearing system for the purposes of Chapter 1(a) of Part 27 of the Taxes Consolidation Act, 1997 which at the date hereof comprise Clearstream Banking SA, Clearstream Banking AG, Euroclear, Crest UK, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG and NECIGEF (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.-the Dutch central

institute for giro transferred securities), BNY Mellon, Central Securities Depository SA/NV, Central Moneymarkets Office, Depository Trust Company of New York, Deutsche Bank AG, Depository and Clearing System, Japan Securities Depository Centre, Monti Titoli SPA, National Securities Clearing System, The Canadian Depository for Securities Ltd. and VPC AB.

Redemption Charge	means the charge, if any, to be paid out of the Repurchase Price (including any Contingent Deferred Sales Charge) which Shares may be subject to, as specified in the relevant Supplement.
Redemption Form	means the form which may be submitted to make an application to redeem Shares.
Reference Asset	means the basket of securities whose performance a Fund will aim to match, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Supplement.
Reference Index	means the index of securities whose performance a Fund will aim to match, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Supplement.
Register	means the register of Shareholders of the Company.
Registered Shares	means Shares which are issued in registered form of which the ownership is registered and documented in the Company's Register.
Regulations	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended, supplemented or otherwise modified from time to time and includes any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the Company.
Related Companies	has the meaning assigned thereto in Section 140(5) of the Companies Act, 1990 as amended from time to time. In general, this provision states that companies are related where 50% of the paid up share capital of, or 50% of the voting rights in, one company are owned directly or indirectly by another company.
Relevant Declaration	means the declaration relevant to the Shareholder as set out in Schedule 2B of the TCA.
Relevant Stock Exchanges	means markets on which the Shares of the Funds will be listed and/or admitted to trading such as the Deutsche Börse, the London Stock Exchange, and/or such other stock exchanges as the Directors may determine from time to time.
Repurchase Price	means the price at which Shares are repurchased, as may be specified in the relevant Supplement.
Setting Up Costs	means the costs defined as such in the section headed " Fees and Expenses ".
Settlement Date	means in respect of receipt of monies for payment of subscription monies or dispatch of monies for the redemption of Shares the dates specified in the Supplement for each Fund.

Shares	means participating shares in the Company and includes, where the context so permits or requires, the Shares in a Fund which may be divided into different Classes, such Shares may be Voting Shares or Non-Voting Shares.
Shareholders	means holders of Shares, and each a " Shareholder ".
Subscription Charge	means the charge, if any, payable to the Manager on subscription for Shares as specified in the relevant Supplement.
Subscription Form	means the subscription form to be completed in respect of each purchase of Shares.
Supplement	means the Supplements to this Prospectus (each a " Supplement ") and any Supplement issued by the Company in relation to the creation of new Funds and/or share Classes.
Swaps	means an agreement between the Fund and the Approved Counterparty to exchange one stream of cash flows against another stream pursuant to a master agreement in accordance with the requirements of the International Swaps and Derivatives Association, and such Swaps may be unfunded, total return or outperformance in nature. Unless expressly provided for in the relevant supplement, Funds and/or share Classes may not enter into funded Swaps.
TARGET	means the Trans-European Automated Real-time Gross settlement Express Transfer system.
Target Performance	means the Reference Index or Reference Asset whose performance a Fund is seeking to match as described in the relevant Supplement.
TCA	means the Taxes Consolidation Act, 1997, as amended, from time to time.
Transaction Fees	means the fees defined as such under the section headed " Fees and Expenses ".
Transferable Securities	means transferable securities permitted by the Regulations and as further described in the relevant Supplement.
Transfer Taxes	means all stamp, transfer and other duties and taxes for which the Company may be liable in relation to a Fund for receiving the requisite securities on a subscription for Shares of delivering the requisite securities on redemption of one or more Shares.
UCITS	means an undertaking for collective investment in transferable securities which is authorised under the Regulations or authorised by a competent authority in another member state of the European Union in accordance with Directive 2009/65/EC of the European Parliament and of the Council, as amended, supplemented, consolidated or otherwise modified from time to time.
United Kingdom or UK	means the United Kingdom of Great Britain and Northern Ireland.
United States or U.S. or US	means the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).

United States Person or U.S. Person

means a person that is: (a) a US person (as defined in Regulation S promulgated under the United States Securities Act of 1933, as amended from time to time); and (b) a Non-United States person (as defined in the Commodity Futures Trading Commission Rule 4.7(a)(1)(iv).

Valuation Point

means the point in time by reference to which the Net Asset Value of a Fund is calculated as is specified in the Supplements for the relevant Fund.

Voting Shares

means the Shares of a particular Class that carry the right to vote at general meetings of the Company and the relevant Fund.

Website

means the website for each Fund as set out in the relevant Supplement, on which the Net Asset Value per Share and the capitalisation of the relevant Fund in its Base Currency will be published and on which this Prospectus, the Supplements, the key investor information document, including any relevant translation thereof, the Articles, the latest financial reports and any other information in respect of the Company or any of the Funds, including various shareholder communications may be published.

In this Prospectus references to "**Euro**" and "**€**" are references to the lawful currency of Ireland, references to "**Sterling**" or "**£**" are to the lawful currency of the United Kingdom and references to "**US\$**" or "**US Dollars**" are to the currency of the United States. All references to the foregoing currencies shall include any successor currency.

4 COMPANY INFORMATION

DIVIDEND POLICY

The dividend arrangements relating to each Fund will be decided by the Directors at the time of the creation of the relevant Fund and details are set out where applicable in the relevant Supplement.

Under the Articles, the Directors are entitled to declare such dividends on any Class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the relevant Fund, being (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses and/or (ii) realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund and/or the capital of the relevant Fund. Where the dividends will be paid out of the capital of the relevant Fund, this will be disclosed in the relevant Supplement.

The Company will be obliged and entitled to deduct an amount in respect of Irish tax from any dividend payable to any investor who is, or is deemed to be, or is acting on behalf of, an Irish Taxable Person and to pay such amount to the Revenue Commissioners in Ireland.

Dividends not claimed within six years from their due date will lapse and revert to the relevant Fund. Dividends payable in cash to Shareholders will be paid by electronic transfer at the expense of the payee and will be paid within 4 months of the date the Directors declared the dividend.

REPORTS AND ACCOUNTS

The Company's year end is 30th November of each year. The annual report and audited accounts of the Company will be sent to Shareholders and the Central Bank within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. The Company will also send a semi-annual report and unaudited accounts to Shareholders and the Central Bank within two months after the end of each semi-annual period which will be 31st May in each year.

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

TRANSFER OF SHARES

Shares in each Fund will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor provided always that the transferee completes an Application Form to the satisfaction of the Administrator and furnishes the Administrator with any documents required by it. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders. Shares may also be transferred in accordance with the rules of a clearing system as the Articles permit the transfer of Shares in Dematerialised Form.

Shares may not be transferred to a United States Person except in accordance with the provisions contained herein and in the Subscription Application and Agreement to be completed by United States persons subscribing for Shares. Registration of any transfer may be refused by the Directors if following the transfer either the transferor or the transferee would hold Shares having a value less than the Minimum Holding for the relevant Fund (if any) specified in the relevant Supplement hereto.

United States Persons are subject to additional restrictions on transferability described in the Subscription Documents.

Persons dealing through a clearing system may be required to provide a representation that any transferee is not a Prohibited Person.

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

NOTIFICATION OF PRICES

The Net Asset Value per Share of each Class in each Fund will be available from the Administrator, and will be published daily on the Website with respect to the Net Asset Value of the previous day.

COMMUNICATIONS WITH SHAREHOLDERS

Communications with Shareholders may be effected by electronic mail or by any other means of communication provided that the Shareholder has consented to such method of communication. Copies of any documents sent to Shareholders will be available for inspection at the office of the Administrator. Communications with Shareholders will also be published on the Website. Investor should regularly visit the Website, or request that their stockbrokers or other financial agents or advisers do so on their behalf, to ensure that they obtain such information on a timely basis.

INCORPORATION AND SHARE CAPITAL

The Company was incorporated and registered in Ireland as an investment company with variable capital on 16 October 2008 with registered number 463397.

At the date hereof the authorised share capital of the Company is 2 subscriber shares ("subscriber shares") of €1 each and 1,000,000,000,000 shares of no par value initially designated as unclassified shares and available for issue as Shares.

There are no rights of pre-emption attaching to the Shares.

5 SUMMARY OF ARTICLES

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

The Articles contain provisions to the following effect:

Directors' Authority to Allot Shares The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company.

Variation of rights The rights attached to any Class may be varied or abrogated with the consent in writing of the Shareholders of three-fourths in number of the issued shares of that Class, or with the sanction of a special resolution passed at a separate general meeting of the Shareholders of the shares of the Class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up but such consent or sanction will not be required in the case of a variation, amendment or abrogation of the rights attached to any shares of any Class if, in the view of the Directors, such variation, amendment or abrogation does not materially prejudice the interests of the relevant shareholders or any of them. Any such variation, amendment or abrogation will be set out in a supplement to (or re-statement of) the relevant Supplement originally issued in connection with the relevant shares, a copy of which will be sent to the relevant Shareholders entered on the register on the date of issue of such document and will be binding on the relevant Shareholders. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued Shares of the

Class in question and the quorum at an adjourned meeting shall be one person holding Shares of the Class in question or his proxy.

Voting Rights The Company may issue Voting Shares and Non-Voting Shares. The Non-Voting Shares do not carry any rights to notice of, attend or vote at general meetings of the Company or any Fund. In respect of the Voting Shares, subject to any rights or restrictions for the time being attached to any Class or Classes of Voting Shares, on a show of hands every Shareholder who is present in person or by proxy shall have one vote and the Shareholder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll every Shareholder present in person or by proxy shall have one vote for every Voting Share of which he is the Shareholder and every Shareholder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. On a poll of all the Shareholders of Shares in a Fund, where there is more than one Class of Shares in existence in that Fund, the voting rights of such Shareholders may at the discretion of the Directors be adjusted in such manner, determined by the Directors, so as to reflect the most recently calculated price at which the Shares of each of the Classes in question may be repurchased by the Company. Shareholders who hold a fraction of a Voting Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Voting Share. In accordance with the requirements of the Central Bank, the decision to subscribe for any Class of Shares in respect of which the voting rights are restricted shall be made solely by the investor and any Shareholder of Non-Voting Shares shall have the right to switch their holding to Voting Shares without incurring any fee or charge on such exchange;

Change in Share Capital The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe. The Company may also by ordinary resolution, consolidate and divide all or any of its share capital into shares of larger amount, subdivide its shares, or any of them, into shares of smaller amount or value or cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled or redenominate the currency of any Class of Shares.

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

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

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

- (i) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary or associated companies;
- (ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, shareholder or otherwise howsoever.

The Company by ordinary resolution may suspend or relax the provisions described above to any extent or ratify any transaction not duly authorised by reason of a contravention thereof.

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

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

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

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

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

The Directors in their absolute discretion and without assigning any reason therefore may decline to register any transfer of a Share to (i) a Prohibited Person or; (ii) an individual under the age of 18 (or

such other age as the Directors may think fit) or of unsound mind; or (iii) any person unless the transferee of such Shares would, following such transfer, be the Shareholder of Shares equal to or greater than the Minimum Initial Subscription; or (iv) any person in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Holding; or (v) any person where in respect of such transfer any payment of taxation remains outstanding.

The Directors may decline to recognise any instrument of transfer unless it is accompanied by the certificate for the Shares to which it relates (if issued), is in respect of one class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint.

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

Dividends The Articles permit the Directors to declare such dividends on any Class of Shares as appears to the Directors to be justified by the profits of the relevant Fund. The Directors may, satisfy any dividend due to Shareholders of Shares in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled. A shareholder may require the Directors instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the shareholder of the net proceeds of same. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.

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

- (i) the proceeds from the allotment and issue of Shares of each Class in the Fund shall be applied to the Fund established for that purpose, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
- (ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
- (iii) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Custodian, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may from time to time, with the approval of the Custodian vary the basis in relation to assets previously allocated;
- (iv) no Shares will be issued on terms that entitle the Shareholder of any Fund to participate in the assets of the Company other than the assets (if any) of the Fund relating to such Shares. If the proceeds of the assets of the relevant Fund are not sufficient to fund the full repurchase proceeds payable to each Shareholder for the relevant Fund, the proceeds of the relevant Fund will, subject to the terms for the relevant Fund, be distributed equally among each Shareholder of the relevant Fund pro rata to the amount paid upon the Shares held by each Shareholder. If the realised net assets of any Fund are insufficient to pay any amounts due on the relevant Shares in full in accordance with the terms of the relevant Fund, the relevant Shareholders of

that Fund will have no further right of payment in respect of such Shares or any claim against the Company, any other Fund or any assets of the Company in respect of any shortfall;

- (v) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund; and
- (vi) in the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of section 256E(5) of the Companies Act, 1990 shall apply.

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

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

- (A) if at any time the Net Asset Value of the relevant Fund shall be less than the Minimum Fund Size as may be determined by the Directors in respect of that Fund and disclosed in the relevant Supplement; or
 - (B) if any Fund shall cease to be authorised or otherwise officially approved; or
 - (C) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund; or
 - (D) if there is a change in material aspects of the business, in the economic or political situation relating to a Fund which the Directors consider would have material adverse consequences on the Investments of the Fund; or
 - (E) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.
- (i) the Directors shall give notice of termination of a Fund to the Shareholders in the relevant Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine;
 - (ii) with effect on and from the date as at which any Fund is to terminate or in the case of (A) below such other date as the Directors may determine:-
 - (A) No Shares of the relevant Fund may be issued or sold by the Company;
 - (B) The Investment Manager shall, on the instructions of the Directors, realise all the assets then comprised in the relevant Fund (which realisation shall be carried out and completed in such manner and

within such period after the termination of the relevant Fund as the Directors think advisable);

- (C) The Custodian shall, on the instructions of the Directors from time to time, distribute to the Shareholders in proportion to their respective interests in the relevant Fund all net cash proceeds derived from the realisation of the relevant Fund and available for the purpose of such distribution, provided that the Custodian shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being in its hands the amount of which is insufficient to pay €1 or its equivalent amount in the relevant currency in respect of each Share of the relevant Fund and provided also that the Custodian shall be entitled to retain out of any monies in its hands as part of the relevant Fund full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Custodian or the Directors in connection with or arising out of the termination of the relevant Fund and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands; and
 - (D) Every such distribution referred to at (C) above shall be made in such manner as the Directors shall, in their sole and absolute discretion, determine but shall be made only against production of the certificates or warrants relating to the Shares of the relevant Fund if issued in respect of which the same is made and upon delivery to the Custodian of such form of request for payment as the Custodian shall in its absolute discretion require. All certificates shall in the case of an interim distribution be encased by the Custodian with a memorandum of payments made and in the case of the final distribution shall be surrendered to the Custodian. Any unclaimed proceeds or other cash held by the Custodian may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Custodian to deduct therefrom any expenses it may incur in making such payment;
- (iii) the Directors shall have the power to propose and implement a reconstruction and/or amalgamation of the Company or any Fund(s) on such terms and conditions as are approved by the Directors subject to the following conditions namely:
- (A) that the prior approval of the Central Bank has been obtained; and
 - (B) that the Shareholders in the relevant Fund or Funds have been circulated with particulars of the scheme of reconstruction and/or amalgamation in a form approved by the Directors and a special resolution of the Shareholders in the relevant Fund or Funds has been passed approving the said scheme.

The relevant scheme of reconstruction and/or amalgamation shall take effect upon such conditions being satisfied or upon such later date as the scheme may provide or as the Directors may determine whereupon the terms of such scheme shall be binding upon all the Shareholders and the Directors shall have the power to and shall do all such acts and things as may be necessary for the implementation thereof.

Winding up The Articles contain provisions to the following effect:

- (i) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Acts, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund.
- (ii) The assets available for distribution amongst the Shareholders shall be applied as follows: first the proportion of the assets in a Fund attributable to each Class of share shall be distributed to the Shareholders of Shares in the relevant Class in the proportion that the number of shares held by each Shareholder bears to the total number of shares relating to each such Class of Shares in issue as at the date of commencement to wind up, secondly, in the payment to the Shareholder(s) of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not attributable to any Class of Share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the Company attributable to each Class of Shares; and thirdly, any balance then remaining and not attributable to any of the Classes of Shares shall be apportioned pro-rata as between the Classes of shares based on the Net Asset Value attributable to each Class of Shares as at the date of commencement to wind up and the amount so apportioned to a Class shall be distributed to Shareholders pro-rata to the number of Shares in that Class of Shares held by them.
- (iii) A Fund may be wound up pursuant to section 256E of the Companies Act, 1990 and in such event the winding up provisions of the Articles shall apply mutatis mutandis in respect of that Fund.
- (iv) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant Shareholders and any other sanction required by the Companies Acts, divide among the Shareholders of Shares of any Class or Classes within a Fund in specie the whole or any part of the assets of the Company relating to that Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more Class or Classes of property, and may determine how such division shall be carried out as between all the Shareholders of the Company or the Shareholders of different Classes of Shares in a Fund. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may request the liquidator, instead of transferring the assets in specie to it, to dispose of them and to pay the net sales proceeds instead.

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

Change of Name In the event that Source Investment Management Limited ceases to be Manager of the Company, and a company within the Promoter's group is not appointed in its place as the Manager of the Company, then, prior to or immediately following such termination becoming effective, the Directors will arrange to convene an extraordinary general meeting to propose that the name of the Company be changed to a name which will not reflect any involvement on the part of Source Investment Management Limited (or any of its Affiliates) with the Company. At any such extraordinary general meeting called to change the name, those Shareholders who (being individuals)

are present in person or by proxy or (being corporations) are present by proxy or by a duly authorised representative and entitled to vote and who vote on a poll in favour of the resolution proposed to change the name of the Company shall collectively have such total number of votes as is one or more than the number of votes which are required to be cast on such a poll for the said special resolution to be carried. Such a change of name shall take place in accordance with the provisions of the Companies Acts and the requirements of the Central Bank.

6 INVESTMENT OBJECTIVE & POLICIES

The Articles provide that the investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of the Fund.

The investment objective of each Fund will be to seek to provide Shareholders with a Target Performance linked to the performance of a Reference Index or Reference Asset by purchasing a portfolio of transferable securities that may (but is not obliged to) comprise all or a representative sample of the constituent securities of that Reference Index or Reference Asset. Each Fund shall also use financial derivative instruments and transactions and/or OTC derivatives to achieve the Target Performance.

In such Funds, the return that the Shareholder will receive will be dependent on the performance of the transferable securities, financial derivative instruments including OTC derivatives and the performance of any techniques used to link the financial derivative instruments, transferable securities, and OTC derivatives to the Reference Index or Reference Asset and thus the return Shareholders receive may not wholly correspond to the performance of the Reference Index or Reference Asset, depending on the structure of the relevant Fund as set out in the relevant Supplement. There is no assurance that the investment objective of any Fund whose performance is linked to the Reference Index or Reference Asset will actually be achieved.

The Directors may decide, if they consider it to be in accordance with the Investment Restrictions and the Regulations and in the interest of the Company or any relevant Fund, to change or substitute the existing Reference Index or Reference Asset of a Fund with another Reference Index or Reference Asset.

The Directors may, for instance decide to substitute such a Reference Index or Reference Asset in the following circumstances:

- (a) the swap and other techniques or instruments described under "**Investment Restrictions**" which are necessary for the implementation of the relevant Fund's Investment Objective cease to be available in a manner which is regarded as acceptable by the Directors;
- (b) the accuracy and availability of data of a particular Reference Index or Reference Asset has deteriorated;
- (c) the components of the Reference Index or Reference Asset would cause the Fund (if it were to follow the Reference Index or Reference Asset closely) to be in breach of the limits set out under "**Investment Restrictions**" and/or materially affect the taxation or fiscal treatment of the Company or any of its Shareholders;
- (d) the particular Reference Index or Reference Asset ceases to exist or, in the determination of the Directors, there is a material change in the formula for, or the method of, calculating a component of the Reference Index or Reference Asset or there is a material modification of a component of the Reference Index or Reference Asset;

- (e) the counterparty of swap agreements or other derivative instruments notifies the Company that there is limited liquidity in a portion of the component securities of the Reference Index or Reference Asset or it becomes impractical to invest in the components of the Reference Index or Reference Asset;
- (f) the Index Provider increases its licence fees to a level which the Directors consider excessive; or
- (g) any successor Index Provider is not considered acceptable by the Directors.

The above list is indicative only and cannot be understood as being exhaustive or limiting the ability of the Directors to change the Reference Index or Reference Asset in any other circumstances as they consider appropriate. Any proposal by the Directors to change a Reference Index or Reference Asset is subject to the prior approval of the Shareholders of the relevant Fund by ordinary resolution. The Prospectus will be updated in case of substitution or change of the existing Reference Index or Reference Asset of a Fund for another Reference Index or Reference Asset in accordance with the requirements of the Central Bank.

For efficient portfolio management purposes, a Fund may also invest in structured notes which are listed or traded on a Market. Where a Fund is permitted to invest in structured notes, this will be set out in the Supplement for the relevant Fund. Investing in such notes would enable the Fund to gain an economic exposure to an equity security, a combination of equity securities or other component or components of the Reference Asset or Reference Index, whilst the Fund's primary credit risk would be to the issuer of the note. A Fund may, if disclosed in the Supplement for the relevant Fund, also invest in other collective investment undertakings (including undertakings linked by common management or control) and hold ancillary liquid assets, in each case subject to the Investment Restrictions set out below and in accordance with the requirements of the Central Bank.

Any change in the investment objective or any material change to the investment policies of a Fund may only be made with the approval of an ordinary resolution of the Shareholders of the Fund. Subject and without prejudice to the preceding sentence of this paragraph, in the event of a change of investment objective and/or policies of a Fund, a reasonable notification period must be given to each Shareholder of the Fund to enable a Shareholder to have its Shares repurchased prior to the implementation of such change.

Further details of the investment objective and policies for each Fund are set out in the relevant Supplement.

7 INVESTMENT RESTRICTIONS AND PERMITTED INVESTMENTS

The investment restrictions specific to each Fund will be formulated by the Directors at the time of the creation of the Fund and will appear in the Supplement for the relevant Fund.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shares of the Fund are placed and any such additional investment restrictions will appear in the Supplement for the relevant Fund.

In addition, the permitted investments and general investment restrictions applying to each Fund, in accordance with the Regulations and the Central Bank's UCITS Notices, are set out below beneath the heading "Investment Restrictions". For the avoidance of doubt, the additional Fund specific investment restrictions outlined in the Supplement for the relevant Fund may be more restrictive than the investment restrictions set out below.

Each of the Funds' investments will be limited to investments permitted by the Regulations. The limits on investments shall apply at the time of the purchase of the investments. If the limits referred to in

the Supplement or below (where relevant) are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company shall ensure that the Fund will adopt as a priority objective for its sales transactions the remedying of that situation taking due account of the interests of Shareholders.

PERMITTED INVESTMENTS

Investments of each Fund are confined to:

- (a) Transferable securities and money market instruments (in each case as defined in the Central Bank's UCITS Notices) which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, recognised and open to the public in a Member State or non-Member State (and which in each case is listed in Appendix I).
- (b) Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- (c) Money market instruments other than those dealt on a regulated market.
- (d) Units of UCITS.
- (e) Units of non-UCITS as set out in the Central Bank's guidance note 2/03.
- (f) Deposits with credit institutions as prescribed in the Central Bank's UCITS Notices.
- (g) Financial derivative instruments (FDI) as prescribed in the Central Bank's UCITS Notices.

INVESTMENT RESTRICTIONS

- (a) Each Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 5.1.
- (b) Each Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 5.1) within a year. This restriction will not apply in relation to investment by each Fund in certain US securities known as Rule 144A securities provided that:
 - (i) the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
 - (ii) the securities are not illiquid securities i.e. they may be realised by each Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- (c) Each Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- (d) Subject to the prior approval of the Central Bank, the limit of 10% in 5.2(c) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed

to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund.

- (e) The limit of 10% in 5.2(c) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

- (f) The transferable securities and money market instruments referred to in 5.2(d) and 5.2(e) shall not be taken into account for the purpose of applying the limit of 40% referred to in 5.2(c).

- (g) Each Fund may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than credit institutions authorised in the European Economic Area ("EEA") or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand, held as ancillary liquidity, must not exceed 10% of net assets.

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

- (h) The risk exposure of each Fund to a counterparty in an over the counter ("**OTC**") derivative transaction may not exceed 5% of net assets.

This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

- (i) Notwithstanding paragraphs 5.2(c), 5.2(g) and 5.2(h) above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- (i) investments in transferable securities or money market instruments;
- (ii) deposits, and/or
- (iii) risk exposures arising from OTC derivatives transactions.

- (j) The limits referred to in 5.2(c), 5.2(d), 5.2(e), 5.2(g), 5.2(h) and 5.2(i) above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

- (k) Group Companies are regarded as a single issuer for the purposes of 5.2(c), 5.2(d), 5.2(e), 5.2(g), 5.2(h) and 5.2(i). However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

- (l) Each Fund may invest up to 100% of net assets in transferable securities and money market instruments issued or guaranteed by any Member State, local authorities, non-member States or public international body of which one or more Member States are members or by Japan, Canada, New Zealand, Australia, Norway, United States of America, Switzerland or any other OECD member country (provided they are

investment grade). European Union, European Investment Bank, European Central Bank, European Coal and Steel Community, Euratom, Eurofima, Council of Europe, The Asian Development Bank, Inter-American Development Bank, European Bank for Reconstruction and Development, International Bank for Reconstruction and Development, (the "World Bank"), International Finance Corporation, International Monetary Fund, Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Government National Mortgage Association ("Ginnie Mae"), Federal Home Loan bank ("FHLB"), Federal Farm Credit Bank ("FFCB"), Tennessee Valley Authority ("TVA") and the Student Loan Marketing Association ("Sallie Mae").

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

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

- (a) A Fund may invest up to 10% of its net assets in collective investment schemes ("**CIS**") of the open ended type if the CIS are (i) CIS within the meaning of Regulation 3(2); and (ii) prohibited from investing more than 10% of net asset in other open-ended CIS.
- (b) Investments in Non-UCITS may not in aggregate exceed 30% of net assets.
- (c) When a Fund invests in the units of other CIS that are managed, directly or indirectly by the Fund's investment manager or by any other company with which the investment manager is linked by common management or control, or by a direct or indirect holding of more than 10% of the capital or votes, neither the investment manager nor that other company may charge subscription, conversion or redemption fees on account of that Fund's investment in the units of such other CIS. Moreover, only a reduced all in management fee of 0.25% may be charged in respect of such investment.
- (d) Where a commission (including a rebated commission) is received by a Fund's investment manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

GENERAL PROVISIONS

- (a) The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (b) Each Fund may acquire no more than:
 - (i) 10% of the non-voting shares of any single issuing body;
 - (ii) 10% of the debt securities of any single issuing body;
 - (iii) 25% of the units of any single CIS;
 - (iv) 10% of the money market instruments of any single issuing body.

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

- (c) 5.4(a) and 5.4(b) shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
 - (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
 - (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
 - (iv) shares held by each Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which each Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 5.2(c) to 5.2(k), 5.3(a), 5.3(b), 5.4(a), 5.4(b), 5.4(d), 5.4(e) and 5.4(f) and provided that where these limits are exceeded, 5.4(e) and 5.4(f) are observed;
 - (v) shares held by the Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at Shareholders' request exclusively on their behalf.
- (d) A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
 - (e) The Central Bank may allow recently authorised Funds to derogate from the provisions of 5.2(c) to 5.2(l), 5.3(a), 5.3(b), 5.6(a) and 5.6(b) for six months following the date of their authorisation, provided they observe the principle of risk spreading.
 - (f) If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
 - (g) A Fund may not carry out uncovered sales of:
 - (i) transferable securities;
 - (ii) money market instruments;
 - (iii) units of CIS; or
 - (iv) financial derivative instruments ("**FDIs**").
 - (h) A Fund may hold ancillary liquid assets.

FINANCIAL DERIVATIVE INSTRUMENTS

- (a) A Fund may invest in FDIs dealt in over the counter provided that:
 - (i) The counterparty is a credit institution authorised in the EEA or a credit institution authorised within a signatory state (other than an EEA Member

State) to the Basle Capital Convergence Agreement of July 1998 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia and New Zealand; or an investment firm, authorised in accordance with the Markets in Financial Derivative Instruments Directive, in an EEA Member State, or is any entity subject to regulation as a Consolidated Supervised Entity ("CSE") by the Securities and Exchange Commission.

- (ii) The counterparty has a minimum credit rating of A2/P2 or equivalent, or is deemed by the Company to have an implied rating of A2/P2. Alternatively, an unrated counterparty will be acceptable where each Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2/P2.
 - (iii) The Investment Manager must be satisfied that the counterparty will value the transactions within reasonable accuracy and on a reliable basis and will close out the transactions at any time at the request of the Investment Manager at fair value.
- (b) Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank's UCITS Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank's UCITS Notices.)
 - (c) Each Fund's global exposure measured in accordance with the "commitment approach" under the Central Bank's guidance note 3/03, relating to FDI must not exceed its total net asset value.
 - (d) A transaction in FDI which gives rise to a future commitment on behalf of each Fund must be covered as follows:
 - (i) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by the Fund;
 - (ii) in the case of FDI which automatically, or at the discretion of the Fund, are cash settled, each Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.
 - (e) The total amount of premium paid or received for options, initial margin paid for futures contracts and initial outlay paid to a counterparty in the case of an OTC derivative transaction, may not exceed 15% of the net assets of the Fund.

It is intended that each Fund should have the power to avail of any change in the law, regulations or guidelines which would permit investment in assets and securities on a wider basis.

The Company will not amend such investment restrictions except in accordance with the requirements of the Central Bank.

INDEX TRACKING FUNDS

- (a) Notwithstanding the provisions of paragraph 5.2(c), a Fund may, in accordance with the Articles, invest up to 20 per cent. of its net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate or

reference an index. The index must be recognised by the Central Bank in accordance with the Central Bank's UCITS Notices.

- (b) The limit in paragraph 5.6(a) may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
- (c) The reference in paragraph 5.6(a) to replication of the composition of a shares or debt securities index shall be understood as replication of the composition of the underlying assets of the index, including the use of derivatives or other techniques as referred to in Regulation 48A.

TRACKING ERROR

The Manager aims to keep the "Tracking Error" of each Fund (being the standard deviation of the difference in returns between the Fund and the Reference Index), below or equal to 0.1% under normal market conditions. However, exceptional circumstances may arise which cause a Fund's Tracking Error to exceed 0.1%. Additionally, in relation to certain Funds through the composition of that Fund's Reference Index, it may not be practicably possible, for example because of the Company's investment restrictions, to achieve such a Tracking Error. It is anticipated for most Funds, especially those where the Reference Index's component securities are listed on one or more highly liquid and efficient Recognised Markets, that the Tracking Error will be significantly lower than 0.1%. In relation to those certain Funds where such accuracy is not practicably possible, it is anticipated that the annual Tracking Error will be no more than 3%.

The annual and half-yearly reports will state the size of the Tracking Error at the end of the period under review. The annual report will provide an explanation of any divergence between the anticipated and realised Tracking Error for the relevant period.

Exposure to the Reference Index through synthetic replication may be affected by rebalancing costs, in particular where the Reference Index undergoes significant rebalancing or where constituents are not very liquid or have restrictions in terms of accessibility. Rebalancing costs are a factor of the rebalancing frequency of the underlying Reference Index, the constituents' weighting adjustments and/or the number of constituents being replaced on each rebalancing day, and the transaction costs incurred to implement such changes. High rebalancing costs will generally deteriorate the relative performance between the Fund and the Reference Index. The rebalancing frequency and any rebalancing costs are detailed for each Fund in the relevant supplement.

USE OF FINANCIAL DERIVATIVE INSTRUMENTS AND EFFICIENT PORTFOLIO MANAGEMENT

Subject to the Regulations and to the conditions within the limits laid down by the Central Bank, the Company, on behalf of a Fund may invest in FDIs dealt on a regulated market and/or over the counter derivatives ("OTCs") which will be used for investment purposes, hedging and/or efficient portfolio management purposes.

The FDIs in which a Fund may invest are spot and forward currency contracts, options on securities, indices and currencies, swaps, credit default swaps, futures and options on futures and when issued and forward commitment securities further details of which will be set out in the relevant Supplement.

The Company must employ through its service providers a risk management process which enables it to monitor, measure and manage at any time the risks attached to a Fund's FDI positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. It must employ a process for accurate and independent assessment of the value of OTC FDI. The Company must provide the Central Bank with details of its FDI activity and risk assessment methodology and, in accordance with particular requirements of the Central Bank shall specify, for that purpose, the permitted types of FDI, the underlying risks, the quantitative limits and how these will be monitored and enforced and the methods which are chosen in order to estimate the risks associated with transactions in any FDI

applicable to a Fund. A Fund may only employ FDIs that have been specified in the risk management process that the Company has submitted to the Central Bank. The Company will ensure that a Fund's global exposure to FDIs is measured using either the "commitment" or the "value-at-risk" approach in accordance with the Central Bank's Guidance Note 3/03 and does not exceed the total net asset value of its portfolio and that counterparty risk exposure to any OTC derivative transactions never exceeds the limits permitted under the Regulations.

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

A Fund may also employ techniques and instruments relating to transferable securities and/or other financial instruments in which it invests for efficient portfolio management purposes, a list of which are set out in the relevant Supplement. Use of such techniques and instruments should be in line with the best interests of the Shareholders and will generally be made for one or more of the following reasons:

- (a) the reduction of risk;
- (b) the reduction of cost; or
- (c) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund as described in this Prospectus and the relevant Supplement and the risk diversification rules set out in the Central Bank's UCITS Notices.

For example, such use may include using swaps to exchange the performance of the securities held by a Fund for the Target Performance.

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Fund or add supplementary risks not covered in this Prospectus. Please refer to the section of this Prospectus entitled "Risk Factors; EPM Risk" for more details. The risks arising from the use of such techniques and instruments shall be adequately captured in the Company's risk management process.

Such techniques and instruments may also include foreign exchange transactions which alter the currency characteristics of assets held by the relevant Fund.

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The Investment Manager may seek to mitigate this exchange rate risk by using FDI.

Repurchase/Reverse Repurchase Agreements and Securities Lending

Any Fund that seeks to engage in securities lending should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

Any Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

All the revenues arising from efficient portfolio management techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company from time to time shall be included in the Company's semi-annual and annual reports.

From time to time, a Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Custodian or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Custodian or other service provider in respect of the Company. Please refer to section "Potential Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Company's semi-annual and annual reports.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.

The Manager will, at least annually, review and/or confirm the arrangements for securities lending and repurchase/reverse repurchase agreements and associated fees invoiced to the relevant Fund, if any.

Collateral Policy

In the context of efficient portfolio management techniques for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of the Company. Any receipt or posting of collateral by the Company will be conducted in accordance with the requirements of the Central Bank and the terms of the Company's collateral policy outlined below.

Collateral – Received by the Fund

Collateral posted by the counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. A Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

The Manager will liaise with the Custodian in order to manage all aspects of the counterparty collateral process.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Manager's risk management process. If a Fund receives collateral for at least 30% of its assets it will put in place an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Company to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the following:

- (a) Design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (b) Empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (c) Reporting frequency and limit/loss tolerance threshold/s; and
- (d) Mitigation actions to reduce loss including haircut policy and gap risk protection.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, a Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice.

Non-Cash Collateral

Collateral received must, at all times, meet with the following criteria:

- (i) **Liquidity:** Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.
- (ii) **Valuation:** Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (iii) **Issuer credit quality:** Collateral received should be of high quality.
- (iv) **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
- (v) **Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
- (vi) **Immediately available:** Collateral received should be capable of being fully enforced by a Fund at any time without reference to or approval from the counterparty.
- (vii) **Safe-keeping:** Collateral received on a title transfer basis should be held by the Custodian or its agent. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (viii) **Haircuts:** The Company, on behalf of a Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The Company has determined that generally if issuer or issue credit quality of the

collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Company on an ongoing basis. However, the application of such a haircut will be determined on a case by case basis, depending on the exact details of the assessment of the collateral. The Company, in its discretion, may consider it appropriate in certain circumstances to resolve to accept certain collateral with more conservative, less conservative or no haircuts applied if it so determines, on an objectively justifiable basis. Any extenuating circumstances that warrant the acceptance of relevant collateral with haircut provisions other than the guideline levels must be outlined in writing. Documentation of the rationale behind this is imperative.

Non-cash collateral cannot be sold, pledged or re-invested.

Cash Collateral

Cash collateral may not be invested other than in the following:

- (i) deposits with relevant institutions;
- (ii) high-quality government bonds;
- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis.
- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral outlined above in (v) above under the heading "Non-Cash Collateral". Invested cash collateral may not be placed on deposit with the counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for a Fund. Please refer to the section of the Prospectus entitled "Risk Factors; Reinvestment of Cash Collateral Risk" for more details.

Collateral – Posted by the Fund

Collateral posted to a counterparty by or on behalf of a Fund must be taken into account when calculating counterparty risk exposure. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the Fund is able to legally enforce netting arrangements with the counterparty.

HEDGED CLASSES

The Company may (but is not obliged to) enter into certain currency-related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management.

Where a Class of Shares is to be hedged, this will be disclosed in the Supplement for the Fund in which such Class is issued. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. Where the Investment Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However, over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level which review will also incorporate a procedure to ensure that positions in excess of 100% of Net Asset Value will not be carried forward

from month to month. To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets, with the result that investors in that Class will not gain/ lose if the Class currency falls/ rises against the Base Currency.

In addition, a Class designated in a currency other than the Base Currency may be hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on, and the costs of, the relevant financial instruments will accrue solely to the relevant Class. However, investors should note that there is no segregation of liability between Share Classes.

The Company may also (but is not obliged to) enter into certain currency-related transactions in order to hedge the currency exposure of a Fund where the Fund invests in assets denominated in currencies other than the Base Currency.

BORROWING AND LENDING POWERS

The Company may borrow up to 10% of a Fund's net assets at any time for the account of any Fund and the Custodian may charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Any particular borrowing restrictions for a Fund will appear in the Supplement for the relevant Fund. Without prejudice to the powers of the Fund to invest in transferable securities, the Company may not lend cash to, or act as guarantor on behalf of, third parties. A Fund may acquire debt securities and securities which are not fully paid.

8 RISK FACTORS

GENERAL

The discussion below is of general nature and is intended to describe various risk factors which may be associated with an investment in the Shares of a Fund to which the attention of investors is drawn. See also the section of the relevant Supplement for a discussion of any additional risks particular to Shares of that Fund. However, these are not intended to be exhaustive and there may be other considerations that should be taken into account in relation to an investment. Investors should consult their own advisors before considering an investment in the Shares of a particular Fund. What factors will be of relevance to the Shares of a particular Fund will depend upon a number of interrelated matters including, but not limited to, the nature of the Shares, the Reference Index or Reference Asset (if applicable), the investments and assets of the Fund and the techniques used to link the investments and assets of the Fund to the Reference Index or Reference Asset (if applicable).

No investment should be made in the Shares of a particular Fund until careful consideration of all those factors has been made.

The investments of the Company in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of and income from Shares relating to each Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase. **Due to the Subscription Charge and/or Redemption Charge which may be payable on the Shares, an investment in Shares (where such charges are levied) should be viewed as medium to long term.** An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. In certain circumstances, Shareholders' rights to redeem Shares may be deferred or suspended.

Investors should note that in certain market conditions, securities held by the Funds may not be as liquid as they would be in normal circumstances. If a security cannot be sold in a timely manner, then it may be harder to obtain a reasonable price and there is a risk that the price at which the security is valued may not be realisable in the event of sale. The Funds may therefore be unable to readily sell such securities.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Shares.

Achievement of Investment Objective: There is no assurance that any Fund will achieve its investment objective. The following are some, but not necessarily all, of the factors which may result in the value of the Shares varying from the value of the Reference Index or Reference Asset: investments in assets other than the constituents of the Reference Index or Reference Asset may give rise to delays or additional costs and taxes or a divergence in the return compared to an investment in the constituents of the Reference Index or Reference Assets, investment or regulatory constraints may affect the Company but not the constituents of the Reference Index or Reference Asset; the fluctuation in value of Fund's assets; and the existence of a cash position held by a Fund.

Segregation of Liability: Under the provisions of the Companies Acts, the Directors shall maintain for each Fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Fund. The Shareholders shall only be entitled to the assets and profits of that Fund in which they participate. The Company shall be considered one single legal entity. With regard to third parties, in particular towards the Company's creditors, the Company shall be responsible for all liabilities incurred by a Fund exclusively based on the assets of this relevant Fund. Among the Shareholders, the liabilities of each Fund shall only be incurred to the respective Fund. While the provisions of the Companies Acts provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of any Fund of the Company may not be exposed to the liabilities of other Funds of the Company. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Fund of the Company.

Exchange Rates: An investment in the Shares may directly or indirectly involve exchange rate risk. Because the Net Asset Value of the Fund will be calculated in its Base Currency, the performance of any of its constituents denominated in another currency other than the Base Currency will also depend on the strength of such currency against the Base Currency. Equally, the currency denomination of any Fund asset in another currency than the Base Currency will involve exchange risk for the Fund. Furthermore, an investor will be subject to exchange risk where he invests in a Fund whose Base Currency is different to the day to day functional circumstances of the investor.

Legal and Regulatory: The Company must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the Investment Restrictions, which might require a change in the investment policy and objectives followed by a Fund. A Fund's assets may also be subject to change in laws or regulations and/or regulatory action which may affect their value. The Company and the Investment Manager may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures which have been or may be adopted in certain jurisdictions. Two examples in particular are (1) The European Union (Short Selling) Regulations 2012 (SI No. 340/2012) implementing the Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012, on short selling and certain aspects of credit default swaps (the "SSR") and (2) the recently enacted US piece of legislation, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act."). The SSR aims to address certain systemic risk concerns with naked or uncovered short selling by providing for, amongst other things, enhanced transparency relating to significant net short positions in specific financial instruments. Please refer to the section entitled "Short Selling Risk" in this prospectus for further information. The Dodd-Frank Act contains a range of measures designed to address systemic risk in the financial services sector and

will significantly increase US regulation of investment funds and managers of investment funds. These and other significant changes in global financial regulation may present the Company with significant challenges and could result in losses to the Company.

Lack of U.S. Regulation. The Funds are not and will not be registered under the 1940 Act in reliance on the exception from the definition of “investment company” provided by Section 3(c)(7) of the 1940 Act. Accordingly, the Funds are not subject to the provisions of the 1940 Act which, among other things, require that an investment company’s board of directors, including a majority of disinterested directors, approve certain of the company’s activities and contractual relationships, prohibit certain trading and investment activities, and prohibit the company from engaging in certain transactions with its affiliates.

The Investment Manager is not registered as an investment adviser under the U.S. Advisers Act or any similar state law.

Listing: There can be no certainty that a listing on any stock exchange applied for by the Company will be achieved and/or maintained or that the conditions of listing will not change. Further, trading in Shares on a Relevant Stock Exchange may be halted pursuant to that Relevant Stock Exchange’s rules due to market conditions and investors may not be able to sell their Shares until trading resumes.

Nominee Arrangements: Where an investor holds Shares via an Authorised Participant or other nominee or intermediary such Shareholder will typically not appear on the Register of the Company and may not therefore be able to exercise voting or other rights available to those persons appearing on the Register.

Political Factors, Emerging Market and Non-OECD Member State Assets: The performance of the Shares and/or the possibility to purchase, sell, or repurchase the Shares may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements. Such risks can be heightened in investments in, or relating to, emerging markets or non-OECD member states. In addition, local custody services remain underdeveloped in many non-OECD and emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances, a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets or non-OECD member states, may not provide the same degree of investor information or protection as would generally apply to major markets.

Fund Expenses: Returns on Shares will be net of all fees and expenses incurred in the establishment and ongoing running of the relevant Fund and may not be directly comparable to the yields which could be earned if any investment were instead made directly in the assets of the relevant Fund or the constituents of the Reference Index or directly in the Reference Asset.

Delivery Failure: In some securities markets, deliveries of securities and other Fund Assets and payments therefor may not be or are not customarily made simultaneously. Further due to the nature of the investment policy and structuring of transactions involving the Fund Assets the deliveries of securities and payments may not be made simultaneously. The Custodian or a sub-custodian may make or accept payment for or delivery of Fund Assets in such form and manner and shall not be contrary to the customs prevailing in the relevant market or among securities dealers or in accordance with the terms of the Custodian Agreement. The Company shall bear the risk that:-(i) the recipient of Fund Assets delivered by the Custodian or any sub-custodian may fail to make payment, for or return such Fund Assets or hold such Fund Assets or the proceeds of their sale in trust for the Custodian or the Company; and (ii) the recipient of payment for Fund Assets made by the Custodian or any sub-custodian including without limitation amounts paid as premium or margin on derivatives contracts may fail to deliver the Fund Assets (such failure to include, without limitation, delivery of forged or stolen Fund Assets) or to return such payment, or hold such payment in trust for the Custodian or the Company in each case whether such failure is total or partial or merely a failure to perform on a timely basis. Neither the Custodian nor any sub-custodian shall be liable to the Company for any loss resulting from any of the foregoing events or from the liquidation, insolvency or bankruptcy of such recipient.

Securities Lending Arrangements and Repurchase Transactions: The Company may engage in securities lending or repurchase/reverse repurchase agreements over a period of time with one or more counterparties (as further described in the section above headed "Repurchase/Reverse Repurchase Agreements and Securities Lending"). Collateral which meets the requirements of the Collateral Policy will be posted by the relevant counterparty. A default by the counterparty to such a securities lending arrangement or repurchase/reverse repurchase agreements, or a fall in the value of the collateral posted in connection with such transactions below that of the value of the securities lent or the cash leg of the repurchase/reverse repurchase agreements may result in a reduction in the value of the relevant Fund and the Fund may suffer loss as a result. The Company will use reasonable endeavours to ensure that any Collateral transferred to it in connection with such transactions will be segregated from the bankruptcy estate of the counterparty and not available to the creditors of the counterparty. Shareholders are advised, however, that third parties may seek to challenge such segregation which, if successful, would result in a total loss of both the collateral and the assets of the Fund that were lent or otherwise transferred. In the case of cash collateral, as a matter of applicable law, such cash Collateral might not be held in a segregated manner in favour of the Company, which may result in a total loss of cash Collateral upon insolvency of the relevant counterparty.

Reinvestment of Cash Collateral Risk: As a Fund may reinvest cash Collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund reinvesting cash Collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

Short Selling Risk: Although the Regulations prohibit the short selling of physical securities, UCITS are permitted to create synthetic short positions through the use of FDIs. A short sale means any sale of a security which the seller does not own at the time of entering into the agreement to sell including such a sale where at the time of entering into the agreement to sell the seller has borrowed or agreed to borrow the security for delivery at settlement. The seller sells the borrowed or agreed to be borrowed securities in anticipation of a decline in price of the relevant security. The benefit to the seller where the value of the security declines is the difference between the price at which the security is sold and the cost of repurchasing the borrowed security in order to return it to the person from whom it was borrowed. A synthetic short position allows a fund to achieve a similar economic outcome without short selling the physical securities.

Synthetic short selling may be achieved through the use of a variety of FDIs including contracts for differences, futures and options. Please refer to the section 'Use of Derivatives' for further details in relation to the risks attached to trading each of these FDIs.

Short Selling Regulations

Pursuant to the European Union (Short Selling) Regulations 2012 (SI No. 340/2012) implementing the Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012, on short selling and certain aspects of credit default swaps (the "SSR"), information on net short positions, in shares admitted to trading on a trading venue in the EU (except where the principal trading venue of that instrument is outside the EU) or sovereign debt issued by a Member State or the EU, is required to be notified to the relevant competent authority as prescribed in the SSR and the delegated regulations adopted by the European Commission to supplement the SSR. In brief, under the SSR, a short position may be generated either by the short selling of physical shares or sovereign debt or by entering into a transaction relating to a financial instrument, other than shares or sovereign debt, where the effect is to confer a financial advantage on the person entering in to the transaction in the event of a decrease in the price or value of the relevant share or sovereign debt instrument. The term 'financial instrument' is defined by reference to Section C of Annex I to Directive 2004/39/EC ("MiFID") and includes transferable securities, money market instruments, units in collective investment schemes and a broad range of derivatives referencing various underlying investments. Accordingly, the SSR notification requirements cover net short positions created by the use of FDIs such as options, futures, index-related instruments, contracts for differences and spread bets relating to shares or sovereign debt.

The SSR and the delegated regulations set out the deadlines by which notifications of net short positions must be made to the relevant competent authority and the thresholds at which a notification requirement is triggered. The thresholds, in the case of shares, are set by reference to the value of the short position relative to the issued share capital of the issuer and, in the case of sovereign debt, by reference to the total amount of outstanding issued sovereign debt. Depending on the value of the short position, notifications may constitute private notifications to the relevant competent authority or public disclosure where information on net short positions notified will be available to the public.

In order to comply with the SSR, where a Fund is engaging in synthetic shorting of shares or sovereign debt, the Company must be aware of the notification and disclosure obligations under the SSR. Failure to adhere to the notification and disclosure requirements under the SSR could result in losses to the Company.

Compliance with the SSR and the delegated regulations may represent a significant increase in the administrative burden on the Company in respect of Funds impacted by the SSR with inevitable adverse cost implications.

Use of Derivatives:

General: As a Fund whose Target Performance is linked to a Reference Index or Reference Asset will often be invested in securities which differ from the constituents of the Reference Index or Reference Asset, derivative techniques will be used to achieve the Target Performance. While the prudent use of such derivatives can be beneficial, derivatives also involve risks which, in certain cases, can be greater than the risks presented by investing directly in the constituents of the Reference Index or Reference Asset. If so provided in their investment policies, the Funds may engage in various strategies in view of reducing certain of their risks and for attempting to enhance return. These strategies may include the use of derivative instruments such as options, warrants, swaps and/or futures. Such strategies may be unsuccessful and incur losses for the Funds. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Fund. There may be transaction costs associated with the use of derivatives.

Control and Monitoring: Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the relevant Reference Index or Reference Asset but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

Liquidity Risk: Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid as is the case with many privately negotiated derivatives, it may not be possible to initiate a transaction or liquidate a position at an advantageous price, or at all.

Credit Risk and Counterparty Risk: The Company on behalf of a Fund may enter into transactions in over-the-counter markets, which will expose the Fund to the credit of its counterparties with whom they transact or place margins or Collateral in respect of such transactions and their ability to satisfy the terms of such contracts. For example, the Company on behalf of the Fund may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which exposes the Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change

in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to recover any losses incurred. Derivative contracts such as swaps entered into by the Company on behalf of a Fund on the advice of the Investment Manager involve credit risk that could result in a loss to the relevant Fund.

Although a Fund may enter into derivative transactions with one or more counterparty, there is no requirement for the Fund to execute transactions with more than one counterparty and consequently counterparty risk may be concentrated in a single counterparty or a small number of counterparties. Further, there is no agreement between counterparties and the Fund for any counterparty to substitute themselves for a counterparty which defaults under a derivative agreement or to make good any losses which a Fund may incur as a result of a counterparty default.

Absence of Regulation; Counterparty Risk In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges (as referred to in the Prospectus). OTC derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("**EMIR**") that aim to mitigate risks involved in investing in OTC derivatives and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

OTC derivatives are generally not regulated. OTC derivatives are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these derivatives will be the specific firm involved in the transaction rather than an exchange, and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC derivatives could result in substantial losses to the Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result. Counterparty exposure will be in accordance with the Fund's investment restrictions.

Legal Risk: The Company must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the Investment Restrictions, which might require a change in the investment policy and objectives followed by a Fund. The Fund Assets, the Reference Index or Reference Asset and the derivative techniques used to link the two may also be subject to changes in law or regulations and/or regulatory action which may affect their value.

Market Risk: This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to a Fund's interests.

Settlement Risk: Delays in settlement may result from disputes over the terms of the contract (whether or not *bona fide*) since such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in "exchange-based" markets.

Contracts for Differences: Futures and options contracts can also be referred to, as well as include, contracts for differences. These can be options and futures on any index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or option.

Transactions in contracts for differences may also have a contingent liability and an investor should be aware of the implications of this as set out below.

Contingent Liability Transactions: Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, contracts for differences or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

Other Risks: Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund. The value of any OTC derivatives shall be the value obtained from the counterparty or the Administrator and shall be valued daily. Such valuations will be approved or verified at least weekly by a party independent of the counterparty who shall either be the Administrator or sourced by the Administrator as appropriate and who has been approved for such purpose by the Custodian. Derivatives do not always perfectly or even highly correlate or replicate the value of the securities, rates or indices they are designed to replicate. Consequently, a Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following such Fund's investment objective.

EPM Risk: The Company on behalf of a Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or other financial instruments in which it invests for efficient portfolio management purposes. Many of the risks attendant in utilising derivatives, as disclosed in the section entitled "Use of Derivatives" above, will be equally relevant when employing such efficient portfolio management techniques. In addition, particular attention is drawn to the sub-sections entitled "Credit Risk and Counterparty Risk" and "Securities Lending Arrangements and Repurchase Transactions". Investors should also be aware that from time to time, a Fund may engage with repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Custodian or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Custodian or other service provider in respect of the Company. Please refer to section "Potential Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Company's semi-annual and annual reports.

SECONDARY MARKET TRADING RISK

Even though the Shares are to be listed on one or more Relevant Stock Exchanges, there can be no certainty that there will be liquidity in the Shares on any Relevant Stock Exchange or that the market price at which the Shares may be traded on a Relevant Stock Exchange will be the same as or approximately equal to the Net Asset Value per Share. As the Shares may be dealt in by means of subscription and redemption, the Directors consider that large discounts or premiums in the Net Asset Value of a Fund would not be sustainable. There can be no guarantee that once the Shares are listed on a Relevant Stock Exchange they will remain listed or that the conditions of listing will not change.

Trading in Shares on a Relevant Stock Exchange may be halted or suspended due to market conditions or for the reason that, in the Relevant Stock Exchange's view, trading in the Shares is inadvisable, or otherwise pursuant to the Relevant Stock Exchange's rules. If trading on a Relevant Stock Exchange is halted, investors in Shares may not be able to sell their Shares until trading resumes however such investors should be able to apply to the Company to redeem Shares in accordance with the provisions set out below.

FATCA RISK

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "Inter-Governmental Agreement"). Under the Inter-Governmental Agreement, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information on Shareholders. The Inter-Governmental Agreement provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by US persons, and the reciprocal exchange of information regarding US financial accounts held by Irish residents. The Company will be treated as an FFI and provided it complies with the requirements of the Inter-Governmental Agreement and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and should not be subject to withholding on payments which it makes.

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

All prospective investors / shareholders should consult with their own tax advisors regarding the possible implications of FATCA on an investment in the Company.

TAXATION

Investors in the Shares should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of the Fund, capital gains within the Fund, whether or not realised, income received or accrued or deemed received within the Fund etc., and this will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of tax residence or nationality of the Shareholder.

Investors should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Fund. Taxes might be calculated based on income received and/or deemed to be received and/or accrued in the Fund in relation to the assets of a Fund, whereas the performance of the Fund, and subsequently the return investors receive after redemption of the Shares, might partially or fully depend on the performance of the Reference Index or Reference Asset. This can have the effect that the investor has to pay taxes for income and/or a performance which he does not, or does not fully, receive.

Investors who are in any doubt as to their tax position should consult their own independent tax advisors. In addition, investors should be aware that tax regulations and their application or interpretation by the relevant taxation authorities' change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

United States Persons: U.S. Persons who are permitted to invest in one or more Funds should read the United States Supplement to this Memorandum for a discussion of certain tax and other considerations applicable to United States Persons before investing.

U.S. Income Tax Risks: U.S. Persons investing in a Fund will be subject to the rules governing investments in passive foreign investment companies. Please see the United States Supplement for a description of these rules.

CONSEQUENCES OF WINDING-UP PROCEEDINGS

If the Company fails for any reason to meet its obligations or liabilities, or is unable to pay its debts, a creditor may be entitled to make an application for the winding-up of the Company. The commencement of such proceedings may entitle creditors (including Approved Counterparties) to terminate contracts with the Company (including Fund's assets) and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the Company being dissolved at a time and its assets (including the assets of all Funds) being realised and applied to pay the fees and expenses of the appointed liquidator or other insolvency officer, then in satisfaction of debts preferred by law and then in payment of the Company's liabilities, before any surplus is distributed to the Shareholders of the Company. In the event of proceedings being commenced, the Company may not be able to pay the full amounts anticipated by the Supplement in respect of any Fund.

POTENTIAL CONFLICTS OF INTEREST

The Promoter, the Directors, the Manager, the Investment Manager, the Custodian, the Administrator, the Index Provider, any Approved Counterparty, any Shareholder, any Authorised Participant or market maker which has been appointed to offer prices for the Shares on any Relevant Stock Exchange on which the Classes to which the Shares belong are listed (for the purposes hereof, a Market Maker) and any of their respective subsidiaries, Affiliates, associates, agents or delegates (for the purposes hereof, Connected Persons and each a Connected Person) may:

- (a) contract or enter into any financial, banking or other transactions or arrangements with one another or with the Company including, without limitation, investment by the Company in securities or investment by any Connected Persons in any company or body any of whose investments form part of the assets of the Company or be interested in any such contracts or transactions;
- (b) invest in and deal with shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party; and
- (c) deal as agent or principal in the sale or purchase of securities and other investments to or from the Company through or with any Connected Person.

Any assets of the Fund in the form of cash or securities may be deposited with any Connected Person. Any assets of the Fund in the form of cash may be invested in certificates of deposit or banking investments issued by any Connected Person. Banking or similar transactions may also be undertaken with or through a Connected Person.

In addition, in many cases each Approved Counterparty may be required to provide valuations of financial derivative instruments entered into between the relevant Fund and the Approved Counterparty. These daily valuations will form the basis upon which the value of certain assets of a Fund is calculated. The Directors acknowledge that each Approved Counterparty or the relevant Affiliates may have a potential conflict of interest by virtue of acting as the Approved Counterparty and/or providing such valuations. However, the Directors believe that such conflicts can be adequately managed, and expect that each Approved Counterparty or one of its Affiliates will be suitable and competent to provide such valuations and will do so at no further cost to the relevant Fund than would be the case if the services of a third party were engaged to provide valuations. In addition the valuation provided by the Approved Counterparty will be verified by an entity independent of the Approved Counterparty.

Each Approved Counterparty or one of its Affiliates also acts as an Authorised Participant and may also act as the Index Provider, the Market Maker and/or the sub-custodian to the Company all in accordance with the relevant agreements which are in place. The Directors acknowledge that, by

virtue of the functions which each Approved Counterparty and/or its Affiliate will perform in connection with the Company, potential conflicts of interest are likely to arise. The Directors expect that each Approved Counterparty and its Affiliate will use its reasonable endeavours to seek to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and where such conflict cannot be resolved, to disclose it fully to potential investors. The Directors believe that each Approved Counterparty and/or its Affiliate are suitable and competent to perform such functions.

Investors should note that where an Authorised Participant subscribes for Shares in a Fund, the Authorised Participant in its role as Approved Counterparty shall be entitled to enter into FDIs with the Fund for an amount equivalent to the amount subscribed and will subsequently be entitled to fees and/or commissions in relation to this transaction. Such fees and commissions depend on the notional amount of the FDI between the Fund and the Authorised Participant in its role as Approved Counterparty, and in certain scenarios, the redemption of Shares in the Fund by the Authorised Participant does not reduce such notional amount by the amount redeemed, thereby maintaining the fees and commissions to which the Authorised Participant in its role as Approved Counterparty is entitled.

Further details of any risk factors which are applicable to a particular Fund are set out in the relevant Supplement. The risk factors set out in this Prospectus do not purport to be an exhaustive or complete explanation of all the risks. Investors should seek professional advice before investing.

DISRUPTION EVENTS

Upon the occurrence of a Disruption Event (and without limitation to the Directors personal powers as further described herein) an Approved Counterparty may make adjustments to determine the value of the relevant Swaps and the Net Asset Value may be affected by such adjustment; and/or the Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, repurchase and exchange of Shares in accordance with the provisions under the section **"Suspension of Calculation of Net Asset Value"**; and/or the Directors may, in certain circumstances as set out in the Prospectus, terminate the Fund.

Index Disruption and Adjustment Events

Certain disruption events with respect to a Reference Index or the ability of the Approved Counterparty to perform its obligations under the Swaps may have certain impact to the Swaps and consequently the performance of the Funds. These events include:

- (a) the Reference Index is renamed, rebranded or modified by the Index Provider on a permanent basis with a modified index using, in the determination of the Investment Manager, the same or a substantially similar formula and method of calculation as used in the calculation of the Reference Index, then such modified index will be deemed to be the Reference Index;
- (b) the Reference Index is permanently cancelled by the Index Provider;
- (c) the Index Provider fails to calculate and announce the Reference Index level;
- (d) the Index Provider makes a material change in the formula for or the method of calculating the Reference Index (other than a modification prescribed in that formula or method to maintain the calculation of the Reference Index level in the event of changes in the constituent commodities and weightings and other routine events);
- (e) any market disruption event with respect to the constituents of the Reference Index including any disruption affecting any exchange or market for futures or forwards relating to the constituents of the Reference Index or the closing price of such futures

or forwards have increased or decreased by an amount exceeding the maximum amount permitted by rules of the relevant exchange, all in accordance with the terms of the Swaps;

- (f) the licence to use and reference the Reference Index by the Company is terminated;
- (g) it becomes impossible or commercially unreasonable, in the determination of the Investment Manager, for the Approved Counterparty to continue to perform its obligations under the Swaps; or
- (h) where the costs associated with the Approved Counterparty hedging its liability and obligations under the Derivative Contracts increases or the ability of the Approved Counterparty to hedge its liability becomes impossible or commercially unreasonable.

In such circumstances save in the case of (vi) above, adjustments may be made to the terms of the Swaps after negotiation with the Approved Counterparty to account for any such event including adjustment to the Reference Index or the calculation of the Reference Index level (such adjustment may have an impact on the Net Asset Value of the relevant Fund). In the cases of (ii), (iii) and (iv) above, provided that the Investment Manager considers that it is commercially reasonable to do so, the relevant Fund may continue to operate by using such formula for and method of calculating the Reference Index level last in effect prior to the occurrence of any such event with such adjustments as the Investment Manager may deem necessary for the purpose of continuing the operation of the relevant Fund. In all cases, the Directors may at any time temporarily suspend the calculation of the Net Asset Value of the relevant Fund and the subscription, repurchase and exchange of Shares and payment of repurchase proceeds in accordance with the terms of this Prospectus and the Articles. However, if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to the market conditions (taking into account such disruption or adjustment events and the best interests of the Shareholders), the Fund may be terminated.

9 SHARE DEALING

APPLICATIONS FOR SHARES

Investors can subscribe for or redeem their Shares (i) for cash and/or (ii) at the discretion of the Directors in-kind on the relevant date. It is also possible for investors to buy or sell their Shares on the Secondary Market (as described below). The details on the specific cash and in-kind subscription and redemption procedures are set out below under the headings "**Cash Subscriptions and Redemptions**" and "**In-kind Subscriptions and Redemptions**". A Subscription Charge of up to 6% of the Initial Issue Price or the Net Asset Value per Share, as appropriate, may be charged by the Company for payment to the Manager on the issue of Shares, out of which the Manager may, for example, pay commission to any Authorised Participants and other financial intermediaries. The amount of the Subscription Charge, if any, will be set out in the relevant Supplement.

After the initial issue, Shares of all Classes will be issued at a price corresponding to the Net Asset Value per Share (plus any Subscription Charge) of the relevant Class. The Net Asset Value per Share of each Class in each Fund will be published in its respective Base Currency. Details of the Minimum Initial Subscriptions for each Fund and any charges are set out in the relevant Supplement.

General: Initial applications for Shares must be made in writing to the Company care of the Administrator using the Application Form. Application Forms may be obtained from the Company, an Authorised Participant or the Administrator. Subsequent applications may be made in writing using a Subscription Form obtainable from the Company, an Authorised Participant or the Administrator, by fax or by telephone provided that in the case of subsequent applications by telephone that the Shareholder has elected for this facility and all ongoing anti-money laundering and client identification checks are complete. The Directors have also decided that initial and subsequent subscription applications may be made by electronic or other means (provided that a duly completed Application

Form is received for initial subscription applications and such electronic or other means are in accordance with the requirements of the Central Bank).

Joint applicants must each sign the Application Form unless an acceptable power of attorney or other written authority is provided.

U.S. Persons: A U.S. Person eligible to purchase Shares must complete and sign the Subscription Documents for U.S. Persons and return them to the Administrator. Subsequent subscriptions may be made by submitting the one page Additional Subscription Request Form contained in the Subscription Documents.

The Directors may restrict or prevent the ownership of Shares by any person, firm or corporate body, if in the opinion of the Directors such holding may be detrimental to the Company, if it may result in a breach of any law or regulation, whether Irish or foreign, or if as a result thereof the Company may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred (such persons, firms or corporate bodies to be determined by the Directors being herein referred to as "**Prohibited Persons**"). In particular, the Directors have resolved to prevent the ownership of Shares by any United States Person other than pursuant to a transaction which does not violate US securities laws.

The Directors retain the right to offer only one Class of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Directors also reserve the right to adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular Class of Shares.

Activities which may adversely affect the interests of the Shareholders (for example, activities that disrupt the Company's investment strategies or impact expenses for the Company) are not permitted. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Shareholders, take action as appropriate to deter such activities.

As with other Irish companies limited by shares, the Company is required to maintain a register of Shareholders. The Directors have resolved that Shares in the Funds may be issued in dematerialised (or uncertificated) form and that the Funds may apply for admission for clearing and settlement through a clearing system. As the Company is an Irish company, the operation of a clearing system in respect of these Shares is governed by the Companies Act, 1990 (Uncertified Securities) Regulations, 1996.

REDEMPTION OF SHARES

Shareholders wishing to have all or some of their Shares redeemed by the Company may make an application for redemption in writing, by fax using a Redemption Form obtainable from the Company, an Authorised Participant or the Administrator, or by telephone, provided that (i) payment shall be made to the account on record (any changes to the account on record may only be made upon receipt of original written instructions) (ii) an original Application Form has been received and all anti-money laundering and client identification checks are complete and (iii) that the Shareholder has requested this facility, or as the Directors have also decided, by electronic or other means to the Administrator. Applications must include details of the name of the Fund, Class of Share, the number of Shares or the amount the Shareholder wishes to have redeemed, the Shareholder's details, the Shareholder's account number and any other information required by the Redemption Form. Failure to provide any of this information may result in delay of the application for redemption whilst verification (which may be requested in writing) is sought from the Shareholder.

Written confirmations may be required by the Company and must be duly signed by all registered Shareholders, unless in the case of joint registered Shareholders, each such Shareholder has sole signing authority.

The Company is entitled to limit the number of Shares of any Fund redeemed on any Dealing Day to Shares representing not more than 10% of the Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply pro rata, so that all Shareholders wishing to redeem their shareholding in that Fund on the relevant Dealing Day will realise the same proportion of their redemption request. Shares not redeemed but which would otherwise have been redeemed, will be carried forward for repurchase on the next Dealing Day and will be dealt with in priority (on a pro rata basis as detailed above) to redemption requests received subsequently. If requests for redemptions are so carried forward, the Administrator will inform the Shareholders affected.

The Articles contain special provisions with respect to a redemption request received from a Shareholder which would result in Shares representing more than 5% of the Net Asset Value of any Fund being redeemed by the Company on any Dealing Day. In such a case the Company, at the discretion of the Directors, may satisfy the redemption request in whole or in part by a distribution of investments of the relevant Fund in specie, provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. The assets to be transferred shall be selected at the discretion of the Investment Manager, subject to the approval of the Custodian, and taken at their value used in determining the repurchase price of the Shares being repurchased. Where a Shareholder requesting such repurchase receives notice of the Company's intention to elect to satisfy the repurchase request by such a distribution of assets, the Shareholder may require that the Company, instead of transferring those assets, arrange for their sale and the payment of the net proceeds of sale to that Shareholder.

CASH SUBSCRIPTIONS AND REDEMPTIONS

An investor may subscribe for or redeem Shares for cash on each Dealing Day (except during any period in which the calculation of the Net Asset Value is suspended) as described below.

- (a) Procedures for Subscriptions or Redemptions for Cash: Applications for cash subscriptions or redemptions will be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days, Dealing Deadlines and the relevant Minimum Initial Subscription and Minimum Redemption Amount relating to each Fund are specified in the relevant Supplement. Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Manager shall otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be deemed to have been received by the next Dealing Deadline. Applications for subscription will be irrevocable unless the Directors, or a delegatee, otherwise agree. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Custodian, agree to designate additional Dealing Days and Valuation Points in respect of those Dealing Days for the purchase of Shares relating to any Fund which will be open to all Shareholders. Shareholders will be notified in advance of any such additional Dealing Days.

Shareholders wishing to subscribe or redeem Shares for cash may do so by notifying the Company care of an Authorised Participant or the Administrator of (i) the Shareholder's wish to subscribe or redeem in cash; and (ii) details of the Shareholder's bank account in which the subscription amount or redemption proceeds, denominated either in the Base Currency of the Fund or the local currency (at a competitive exchange rate provided by the Administrator), are to be debited or credited, respectively. Delivery instructions are available from the Administrator or an Authorised Participant upon written request. Normally Shareholders wishing to make a cash redemption must also make arrangement for the transfer of their Shares into the Company's account at a clearing system. On a redemption, the Custodian will release cash at the instruction of the Administrator.

Cash subscriptions must be received by the relevant Settlement Date. The Company and the Manager reserve the right, in their sole discretion, to require the applicant to indemnify the Company against any losses, costs or expenses arising as a result of a Fund's failure to receive payment by the relevant Settlement Date.

- (b) **Payment Procedures for Redemptions for Cash:** Payment for Shares redeemed will be effected by the Settlement Date as specified in the Supplement for the relevant Fund (assuming the Shares have been transferred into the Company's account at a clearing system). Redemption proceeds in either the Base Currency of the Fund or other local currency (at a competitive rate provided by the Administrator) will be paid by electronic transfer to the appropriate bank account as notified by the redeeming Shareholder. The cost of any transfer of proceeds by electronic transfer will be deducted from such proceeds.

The redemption proceeds will be paid net of any Redemption Charge or CDSC and any electronic transfer costs. Shareholders are reminded that, because of market fluctuations, transaction fees and other factors, the redemption proceeds can be higher or lower than the initial subscription amount.

IN-KIND SUBSCRIPTION

At the discretion of the Directors, investors may subscribe, via an Authorised Participant, for Shares in-kind on each Dealing Day except during any period in which the calculation of the Net Asset Value is suspended. For the avoidance of doubt the Minimum Initial Subscription as set out in the Supplement for the relevant Fund shall apply in relative terms to in-kind subscriptions. "In-kind" means that, rather than receiving cash in respect of a subscription and delivering cash proceeds in respect of a redemption, the Fund will receive securities (or predominantly securities) acceptable to the Investment Manager.

Securities delivered in connection with in-kind subscription requests must be securities which the Fund may acquire pursuant to its investment objective and policies and will be reviewed and the value of such securities contributed verified by the Custodian. A report will be issued detailing the securities transferred, their respective market value on the day of the transfer and the number of Shares issued. Any costs resulting from such a subscription in-kind will be borne exclusively by the relevant investor. The value attributed to securities delivered in connection with in-kind subscription or redemption requests will be equivalent to that for cash subscriptions/redemptions, and no Shares shall be issued until all securities and cash payable to the Custodian (or a permitted collateral amount) are in the possession of, or properly credited to the account of, the Custodian.

- (a) **Applications for Subscription:** Applications for in-kind subscriptions will be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days and Dealing Deadlines relating to each Fund are specified in the relevant Supplement. Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Manager shall otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be deemed to have been received by the next Dealing Deadline. Applications for subscriptions will be irrevocable unless the Directors, or a delegatee, otherwise agree. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Custodian, agree to designate additional Dealing Days and Valuation Points in respect of those Dealing Days for the purchase of Shares relating to any Fund which will be open to all Shareholders. Shareholders will be notified in advance of any such additional Dealing Days.
- (b) **Settlement Period:** The standard settlement period for in-kind subscriptions is generally three Business Days following the Business Day on which the application for

subscription is accepted, but this may vary depending upon the standard settlement periods of the different stock exchanges on which the shares are traded and the nature of the securities but shall not (in the absence of appropriate collateral being posted) in any event exceed ten Business Days from the relevant Dealing Deadline. No Shares will be issued to the applicant until all the securities being subscribed in kind have been received by the Custodian and the In-Kind Transaction Fee and, if applicable, Transfer Taxes have been received by the Custodian.

- (c) **Failure to Deliver Securities:** In the event that an applicant fails to deliver to the Custodian one or more of the securities by the designated time, the Company may reject the application for subscription, or may require the applicant to pay to it a collateral sum at least equal to 115% of the closing value of such undelivered securities as at the Valuation Point for the relevant Dealing Day, marked to market until the date of delivery of such undelivered securities or the date on which the Company acquires such securities in the open market, plus any costs or expenses and, if applicable, Transfer Taxes associated with the purchase by the Company of those securities or may require a letter of credit acceptable to it for such purpose. On the payment of such amounts, the Shares will be issued. In the event that the actual cost to the Company of acquiring the securities (including costs or expenses and any Transfer Taxes) exceeds the aggregate of the value of such securities as at the Valuation Point for the relevant Dealing Day, the In-Kind Transaction Fee and, if applicable, the Transfer Taxes paid by the applicant, the applicant will be required to promptly reimburse the Company the difference on demand. The Company will have the right to sell or redeem all or part of the applicant's holding of Shares in the Fund (or any other Fund) in order to meet some or all of these charges.

PROCEDURES FOR REDEEMING SHARES IN-KIND

- (a) **Applications for Redemption:** At the discretion of the Directors, investors may redeem via an Authorised Participant, Shares in-kind. Applications for in-kind redemptions of Shares will be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days, Dealing Deadlines and the relevant Minimum Initial Subscription and Minimum Redemption Amount relating to each Fund are specified in the relevant Supplement. Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Manager shall otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be deemed to have been received by the next Dealing Deadline. Applications will be irrevocable unless the Directors, or a delegatee, otherwise agree. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Custodian, agree to designate additional Dealing Days and Valuation Points in respect of those Dealing Days for the purchase of Shares relating to any Fund which will be open to all Shareholders. Shareholders will be notified in advance of any such additional Dealing Days.

The redemption proceeds will be paid net of any Redemption Charge or CDSC and any electronic transfer costs. Shareholders are reminded that because of market fluctuations, transaction fees and other factors, the redemption proceeds can be higher or lower than the initial subscription amount.

No delivery instructions will be issued by the Administrator to the Custodian in relation to the securities or cash until the Administrator has accepted the application for redemption in relation to all Shares being redeemed (such day, the "Cancellation Day"). Delivery of securities will be on a free delivery settlement basis. The cost of any settlement, including but not limited to, by electronic transfer will be charged to and payable by the applicant for redemption.

- (b) **Settlement Period:** The standard settlement period for in-kind redemptions is three Business Days following the Business Day on which the application for redemption is accepted but may vary depending upon the standard settlement periods of the different stock exchanges on which the Shares are traded and the in-kind securities. Any cash to be paid in respect of an in-kind redemption will be for value on the same day as settlement of the securities.
- (c) **Partial Cash Settlement:** The Company may, in its absolute discretion, satisfy part of the application for in-kind redemption in cash, for example in cases in which it believes that a security held by a Fund is unavailable for delivery or where it believes that an insufficient amount of that security is held for delivery to the applicant for redemption in-kind.

Investors should note that they may be unable to redeem Shares via an Authorised Participant on days that any such Authorised Participant is not open for business.

FORM OF THE SHARES AND REGISTER

The Shares shall be issued in the form of Registered Shares. Registered Shares may be represented by a Global Share Certificate.

- (a) **Registered Shares:** The Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares. In respect of Registered Shares, fractions of Shares will be issued and rounded up to the nearest whole Share unless otherwise provided in the relevant Supplement. Any rounding may result in a benefit for the relevant Shareholder or Fund.

Registered Shares shall be issued without share certificates. The uncertified form enables the Company to effect redemption instructions without undue delay.

- (b) **Registered Shares represented by Global Share Certificates:** Such Global Share Certificates will be issued in the name of the Company and deposited with the Clearing Agents. Global Share Certificates will be transferable in accordance with applicable laws and any rules and procedures issued by any Clearing Agent concerned with such transfer. Such Registered Shares represented by a Global Share Certificate are freely transferable subject to and in accordance with the rules of the relevant Clearing Agent. Shareholders who are not participants in such systems will only be able to transfer such Registered Shares represented by a Global Share Certificate through a financial intermediary who is a participant in the settlement system of the relevant Clearing Agent.

GENERAL PROVISIONS

The Directors reserve the right to reject any application in whole or in part. Furthermore, the Directors reserve the right at any time, without notice, to discontinue the issue and sale of Shares of any Fund of the Company.

No Shares will be issued during any period when the calculation of the Net Asset Value per Share of the relevant Fund is suspended pursuant to the Articles and as discussed herein under "Suspension of Calculation of Net Asset Value".

Notice of any such suspension will be given to applicants for Shares and applications made or pending during such suspension may be withdrawn by notice in writing received by the Company prior to the end of such suspension. Applications which are not withdrawn will be considered on the first Dealing Day following the end of the suspension period.

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

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

The Administrator and each Authorised Participant reserve the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and subscription monies.

ERISA CONSIDERATIONS

Persons who are "Benefit Plan Investors", as defined in Section 3(42) of ERISA, will not be permitted to subscribe for Shares. United States Persons will be required to represent in the Subscription Documents that they are not Benefit Plan Investors, and to promptly inform the Manager and the Administrator if their status should change.

COMPULSORY REDEMPTION

The Company may compulsorily repurchase all of the Shares of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Fund Size (if any) specified in the relevant Supplement.

The Company reserves the right to repurchase any Shares which are or become owned, directly or indirectly, by any individual under the age of 18 (or such other age as the Directors think fit) or if the holding of the Shares by any person is in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the Company or the relevant Fund incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages which the Company or the relevant Fund might not otherwise have incurred, suffered or breached.

The Directors of each Fund will compulsorily redeem Shares held by a U.S. Person if such investor violates certain provisions in the Subscription Documents.

Where Irish Taxable Persons acquire and hold Shares, the Company shall, where necessary for the collection of Irish tax, repurchase and cancel Shares held by a person who is or is deemed to be an Irish Taxable Person or is acting on behalf of an Irish Taxable Person on the occurrence of a chargeable event for taxation purposes and to pay the proceeds thereof to the Irish Revenue Commissioners.

EXCHANGE OF SHARES

Where provided for in the relevant Supplement, Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any Class of one Fund (the "**Original Class**") for Shares of another Class in a separate Fund which is being offered at that time (the "**New Class**") provided that all the criteria for applying for Shares in the New Class have been met, by giving notice to the Administrator on behalf of the Company on or prior to the Dealing Deadline for the relevant Valuation Point. The Manager however may at its sole discretion agree to accept requests for exchange received after that time provided they are received prior to the relevant Valuation Point. The Manager may not be able to exercise this discretion in all circumstances, for example where requests for exchanges of Shares are made via dealing platforms or other electronic means. In such cases, requests for exchange received after the Dealing Deadline may be rejected. Shareholders making requests for exchanges via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

The general provisions and procedures relating to redemptions will apply equally to exchanges. All exchanges will be treated as a redemption of the Shares of the Original Class and application of the net proceeds to the purchase of Shares of the New Class, based upon the then current issue and Repurchase Prices of Shares in each Fund. The Articles allow for an exchange fee of up to 3% of the total Repurchase Price of the Shares of the Original Class redeemed to be charged, and the Directors, in their sole discretion, reserve the right to impose such fee within this limit as shall be set out in the Supplement in respect of each Fund. Fractions of shares shall not be issued.

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

$$S = \frac{[Rx(RPxER)] - F}{SP}$$

where:

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

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

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

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

Where an exchange of Shares is permitted, further details will be outlined in the relevant Supplement.

The Administrator will on request arrange for any necessary currency transaction required if there is an exchange of Shares of any Class of a Fund for Shares of the same Class in another Fund. Any such currency transaction may be effected with the Custodian or an Authorised Participant and will be at the applicant's cost. Currency exchange transactions may delay any dealing in Shares as the Administrator may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

10 SECONDARY MARKET

It is the intention of the Company that certain of its Funds, through the listing and/or admittance to trading of its Shares on one or more Relevant Stock Exchanges, will be ETFs. Upon such listings there is an expectation that members of the Relevant Stock Exchanges will act as market makers and provide offer and bid prices at which the Shares can be purchased or sold, respectively, by investors in accordance with the requirements of the Relevant Stock Exchange. The spread between such bid and offer prices is typically monitored by the Relevant Stock Exchanges. Certain Authorised Participants who subscribe for Shares may act as market makers; other Authorised Participants are expected to subscribe for Shares in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker/dealer business. Through such Authorised Participants being able to subscribe for or redeem Shares, a liquid and efficient secondary market may develop over time on one or more Relevant Stock Exchanges and/or other stock exchanges as they meet secondary market demand for such Shares. Through the operation of such a secondary market, persons who are not Authorised Participants will be able to buy Shares from or sell Shares to other secondary market investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares. Investors should be aware that on days other than Business Days or Dealing Days of a Fund when one or more markets are trading Shares but the underlying Market(s) on which the Reference Index or Reference Asset of the Fund are traded are closed, the spread between the quoted bid and offer prices in the Shares may widen and the difference between the market price of a Share and the last calculated Net Asset Value per Share may, after currency conversion, increase. The settlement of trades in Shares on Relevant Stock Exchanges will be through the facilities of one or more Recognised Clearing and Settlement Systems following applicable procedures which are available from the Relevant Stock Exchanges. Investors should also be aware that on such days the Reference Index or Reference Asset value would not necessarily be calculated and available for investors in making their investment decisions because prices of Reference Index or Reference Asset securities in the underlying Market(s) would not be available on such days. Nonetheless, one or more Relevant Stock Exchanges may provide a calculation of such Reference Index or Reference Asset based upon trading, if any, of such Reference Index or Reference Asset securities on marketplaces other than the underlying Market(s). Further details of the Relevant Stock Exchanges for each Fund are set out in the relevant Supplement.

INTRA-DAY PORTFOLIO VALUE

The Investment Manager may at its discretion make available, or may designate other persons to make available on its behalf, on each Business Day, an intra-day portfolio value or "iNAV" for one or more Funds. If the Investment Manager makes such information available on any Business Day, the iNAV will be calculated based upon information available during the trading day or any portion of the trading day, and will ordinarily be based upon the current value of the assets/exposures of the Fund in

effect on such Business Day, together with any cash amount in the Fund as at the previous Business Day. The Investment Manager will make available an iNAV if this is required by any Relevant Stock Exchange.

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

PORTFOLIO TRANSPARENCY

Information on the calculation methodology, including the exact details of each Fund's Reference Index is available on the Website indicated in the relevant supplement.

11 ISSUE AND REPURCHASE PRICES/CALCULATION OF NET ASSET VALUE/VALUATION OF ASSETS

The Initial Issue Price for Shares of each Fund shall be the amount(s) set out in the Supplement for the relevant Fund.

The price at which Shares of any Fund will be issued on a Dealing Day, after the initial issue, is calculated by ascertaining the Net Asset Value of the relevant Fund (i.e. the value of the assets of the Fund having deducted the liabilities of the Fund therefrom) as at the Valuation Point for that Fund for the relevant Dealing Day. The Net Asset Value per Share of the relevant Fund is calculated by dividing the Net Asset Value of the relevant Fund by the total number of Shares in issue in the Fund at the relevant Valuation Point and rounding the result to up to four decimal places. Where applicable, the Net Asset Value per Share of each Class in a Fund is calculated by determining that portion of the Net Asset Value of the Fund which is attributable to the relevant Class and by dividing this sum by the total number of Shares of the relevant Class in issue at the relevant Valuation Point and rounding the resulting amount to up to four decimal places. If a Fund has more than one Class of Share, additional fees may be charged against certain Classes, and details of such fees will be set forth in the Supplement for the relevant Fund. This may result in the Net Asset Value per Share of each Class being different. The Valuation Point for each Fund is set out in the Supplement for the relevant Fund.

The price at which Shares will be issued on a Dealing Day is, subject as hereinafter provided, the Net Asset Value per Share of the relevant Class which is calculated in the manner described above. The Company may, in calculating the issue price, include in the issue price in respect of each Fund, for its own account, a charge sufficient to cover stamp duties and taxation (if any) in respect of the issue of

Shares. The Company may also add a charge in respect of fiscal and purchase charges. Applicants may also be charged a Subscription Charge as specified in the relevant Supplement.

The price at which Shares will be redeemed on a Dealing Day is subject as hereinafter provided, the Net Asset Value per Share of the relevant Class which is calculated in the manner described above. The Company may, in calculating the Repurchase Price, deduct from the Net Asset Value per Share a charge in respect of fiscal and sales charges. Applicants may also be charged a Redemption Charge or a CDSC as specified in the Supplements hereof.

The Company may, in calculating the Repurchase Price, deduct such sum as the Directors consider fair and which is approved by the Custodian in respect of redemption requests which necessitate the need for borrowing, the breaking of deposits at a penalty or the realisation of investments at a discount.

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

In particular, the Articles provide that the value of any investments listed or dealt in on a Market shall be the closing price on the relevant Market at the relevant Valuation Point. Where any investment is listed or dealt in on more than one Market the Directors shall select the Market which constitutes the main Market for such investment or which they determine provides the fairest criteria in a value for the security.

The value of any investment which is not listed or dealt in on a Market or of any investment which is normally listed or dealt in on a Market but in respect of which the closing price is currently unavailable or the current price of which does not in the opinion of the Directors represent fair market value, shall be the probable realisation value thereof estimated with care and in good faith by the Directors or by a competent person appointed by the Directors and approved for such purpose by the Custodian. In determining the probable realisation value of any such investment, a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the Investment Manager, who in each case shall have been approved for such purposes by the Custodian, shall be sufficient.

Cash and other liquid assets will be valued at their face value plus interest accrued, where applicable.

The value of any prepaid expenses, cash dividends and interest declared or accrued and not yet received as at a Valuation Point shall be deemed to be the face value thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof as at any Valuation Point.

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

Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall be valued at the closing price, or if unavailable, the last known market price for such certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments.

Forward foreign exchange contracts shall be valued by reference to freely available market quotations as at the Valuation Point or if unavailable in accordance with the provisions for off-exchange derivative contracts below.

The value of any exchange traded futures contracts, share price index futures contracts, options and other quoted derivatives shall be based on the settlement price as determined by the Market in question as at the Valuation Point. Where the settlement price is not available the value of such

contract shall be its probable realisation value which must be estimated with care and in good faith by a competent person appointed by the Directors and approved for the purpose by the Custodian.

The Company may choose to value over-the-counter derivatives using either the counterparty valuation (on the basis of a means of valuation that provides reasonable accuracy on a reliable basis) or an alternative valuation, such as a valuation calculated by the Company or by an independent pricing vendor. Valuations must be made on a daily basis. Where the Company values over-the-counter derivatives using an alternative valuation the Company must follow international best practice and adhere to the principles specified by the Central Bank. The alternative valuation is that provided by a firm or corporation (which may include the Investment Manager) selected by the Directors and approved for the purpose by the Custodian or a valuation by any other means provided that the value is approved by the Custodian. The alternative valuation shall be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these shall be promptly investigated and explained. Where the Company values over-the-counter derivatives using the counterparty valuation such valuation will be approved or verified by a party independent of the counterparty who has been approved for such purpose by the Custodian (and who may be the Investment Manager). The independent verification must be carried out at least weekly.

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

If in any case a particular value is not ascertainable as provided above, the method of valuation of the relevant investment shall be such as the Directors, with the approval of the Custodian, shall decide.

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

Notwithstanding the generality of the foregoing, the Directors may with the approval of the Custodian adjust the value of any investment if taking into account currency, marketability and/or such other considerations as they may deem relevant, such as, applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they consider that such adjustment is required to reflect the fair value thereof.

SUSPENSION OF CALCULATION OF NET ASSET VALUE

The Company may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the subscription, redemption or exchange of Shares and the payment of repurchase proceeds of any Class during (i) any period when any of the principal Markets on which a substantial part of the direct or indirect investments of the relevant Fund are quoted is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot fairly be calculated; (iii) any breakdown in the means of communication normally employed in determining the price of any of the relevant Fund's investments and other assets or when for any other reason the current prices on any Market of any assets of the relevant Fund cannot be promptly and accurately ascertained; (iv) any period during which the Company is unable to repatriate funds required for the purpose of making payments due on redemption of Shares of any Class in the relevant Fund or during which the transfer of funds involved in the acquisition or realisation of

investments or payments due on redemption of Shares cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange; or (v) any period where in the opinion of the Directors such suspension is justified having regard to the interests of the Company and/or the relevant Fund; (vi) following the circulation to the relevant Shareholders of a notice of a general meeting at which a resolution proposing to wind-up the Company or terminate the relevant Fund is to be considered. The Company will, whenever possible, take all reasonable steps to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or redemptions of Shares of any Class or exchanges of Shares of one Fund to another will be notified of any such suspension in such manner as may be directed by the Directors and their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension shall be notified immediately, and in any event within the same Business Day, to the Central Bank, to the competent authorities in any jurisdiction where the Company (and its relevant Funds) are registered for sale and to the Relevant Stock Exchanges (if any) where the Shares of the relevant Fund are listed. Details of any such suspension will also be notified to all Shareholders and will be published in a newspaper circulating in an appropriate jurisdiction, or such other publications as the Directors may determine if, in the opinion of the Directors, it is likely to exceed 14 days.

LISTING ON A STOCK EXCHANGE

It is the intention of the Company certain of its Funds through having its Shares listed on one or more Relevant Stock Exchanges will qualify as an ETF. As part of those listings there is an obligation on one of more members of the Relevant Stock Exchange to act as market makers offering prices at which the Shares can be purchased or sold by investors. The spread between those purchase and sale prices may be monitored and regulated by the relevant stock exchange authority.

Unless otherwise stated in the Supplement for the relevant Fund, it is contemplated that application will be made to list the Shares of each Fund on Relevant Stock Exchanges.

The Company does not charge any transfer fee for purchases of Shares on the secondary market. Orders to buy Shares through the Relevant Stock Exchanges can be placed via a member firm or stockbroker. Such orders to buy Shares may incur costs over which the Company has no control.

The approval of any listing particulars pursuant to the listing requirements of the Relevant Stock Exchange does not constitute a warranty or representation by such Relevant Stock Exchange as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the Shares for investment or for any other purpose.

If the Directors decide to create additional Funds or Classes it may in its discretion apply for the Shares of such Funds to be listed on the Relevant Stock Exchange. For so long as the Shares of any Fund are listed on any Relevant Stock Exchange, the Fund shall endeavour to comply with the requirements of the Relevant Stock Exchange relating to those Shares. For the purposes of compliance with the national laws and regulations concerning the offering and/or listing of the Shares outside Ireland this document may have attached to it one or more documents setting out information relevant for the jurisdictions in which the Shares are offered for subscription.

Each Class of Shares of a Fund may be listed on one or more Relevant Stock Exchanges, further details of which will be set out in the relevant Supplement.

12 MANAGEMENT & ADMINISTRATION

DIRECTORS OF THE COMPANY

The Directors of the Company are described below:

Barry McGrath: Mr. McGrath, an Irish resident, is a solicitor and was a partner from May 2003 to June 2008 in a large Irish law firm and has been a partner since July 2008 in Maples and Calder which is one of Ireland's leading law firms. Mr. McGrath specialises in financial services and fund management law.

Mike Kirby: Mr. Kirby is the Managing Principal at KB Associates, a firm which provides a range of advisory and project management services to the offshore mutual funds industry. He has held senior positions at Bank of New York (previously RBS Trust Bank) (1995-2000) where he was responsible for the establishment and ongoing management of its Dublin operations and was also a Director of Royal Bank of Scotland's global custody operations in Jersey. Prior to this he was Vice President of product management & marketing global securities services with JP Morgan (previously Chase Manhattan Bank) (1993-1995) in London. Most recently (2000-2002) he was a Senior Vice President of MiFund Inc, a privately owned mutual funds supermarket incorporated in the USA, and Managing Director of MiFund Services Limited its wholly owned Irish subsidiary. Mr. Kirby holds a Bachelor of Commerce (Honours) Degree from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland. He is a founder member of the Irish Funds Industry Association.

Feargal Dempsey: Mr Dempsey is a consultant to ETFGI, an independent research and consulting firm providing services to the ETF industry. He has held senior positions at Barclays Global Investors/BlackRock including Head of Product Strategy iShares EMEA, Head of Product Structuring iShares EMEA and Head of Product Governance. Previously he has also served as Head of Legal to ETF Securities and as a senior lawyer in Pioneer Investments. Mr Dempsey holds a BA(Hons) and an LLB(Hons) from University College Galway and was admitted to the Roll of Solicitors in Ireland in 1996 and to the England and Wales Law Society in 2005. He has served on the legal and regulatory committee of the IFIA and the ETF Working Group at EFAMA.

Gary Buxton: Mr Buxton is the Chief Operating Officer of Source UK Services Limited, which is the promoter of the Company, and is responsible for the Investment Management group and Capital Markets. Before joining Source UK Services Limited, he was a Director of the Hedge Fund Development Group at Merrill Lynch (2006 – 2008). This role involved new product development, new fund creation and fund distribution with oversight of finance, legal, technology, HR and compliance. Prior to this he was in the Finance Division at Merrill Lynch (2003 - 2006) and CSFB, London (2001 – 2003) having started his career at Deloitte & Touche (1998 – 2001). Mr. Buxton has a Bachelor of Science in Economics and Politics from the University of Bristol and is a qualified Chartered Accountant (FCA).

No Director has: (i) any unspent convictions in relation to indictable offences; or (ii) been bankrupt or the subject of a voluntary arrangement, or has had a receiver appointed to any asset of such Director; or (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangement with its creditors generally or with any class of its creditors; or (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

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

The Company has delegated the day-to-day management and running of the Company in accordance with written policies approved by the Directors to the Manager and the Custodian. Consequently, all Directors of the Company are non-executive.

PROMOTER

The promoter of the Company is Source UK Services Limited (the “**Promoter**”). The Promoter also acts as promoter to Source CSOP Markets plc. The Promoter was incorporated on 17 July 2008 and is registered as a limited company in England and Wales. The Promoter is authorised and regulated by the FCA (Registration Number 488610). The Promoter is a subsidiary of Source Holdings Limited which is a Cayman incorporated, Irish tax resident holding Company.

MANAGER

The Company has appointed Source Investment Management Limited to act as manager to the Company and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the Company. The Manager is a private limited company incorporated in Ireland on 27 July 2008 and is ultimately owned by Source Holdings Limited, a Cayman entity. The authorised share capital of the Manager is €10,000,000 with contributed capital of €2,500,000. The Manager is authorised and regulated by the Central Bank. Barry McGrath, Mike Kirby and Feargal Dempsey are directors of the Manager and are also directors of the Company. Gary Buxton is the other director of the Manager. The secretary of the Manager is MFD Secretaries Limited.

Pursuant to an exemption under the U.S. Commodity Futures Trading Commission (“**CFTC**”) regulations, the Manager is not required to register as a Commodity Pool Operator (“**CPO**”). As a result, the Manager will not be required to deliver a disclosure document (containing certain CFTC prescribed disclosure) and a certified annual report to the Company’s investors. A claim of exemption has been filed effectuating this exemption.

The Manager’s eligibility for the CFTC registration exemption with respect to the Company is set forth in Rule 4.13(a)(3) of the CFTC’s regulations, and is based on the fact that: (i) the offer and sale of Shares in the Company are exempt from registration under the Securities Act of 1933, as amended, and are not being offered through a public offering in the United States; (ii) each participant in the Company is a “qualified purchaser, as that term is defined in section 2(a)(51) of the 1940 Act or is a non-U.S. Person; (iii) either (a) the aggregate net notional value of the Company’s commodity interest positions does not exceed 100% of the liquidation value of the Company’s portfolio or (b) the aggregate initial futures margin and options premium required to establish the Company’s commodity interest positions does not exceed 5% of the liquidation value of the Company’s portfolio; and (iv) Shares in the Company are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets.

INVESTMENT MANAGER

The Investment Manager, Assenagon Asset Management S.A. (“Assenagon”) is a public limited liability company (*société anonyme*), incorporated on 3 July 2007. The Investment Manager is authorised as a management company pursuant to chapter 15 of the Luxembourg Act of 17 December 2010 on undertakings for collective investment, as amended and as alternative investment fund manager within the meaning of the Act of 12 July 2013. The Investment Manager is not registered as an investment adviser with the SEC or any U.S. state regulatory authority and the investors in the Funds will not have the benefit of the protections of the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

Details of any sub-investment manager appointed by the Investment Manager will be provided to Shareholders on request and will be disclosed in the periodic reports issued by the Company.

CUSTODIAN

Northern Trust Fiduciary Services (Ireland) Limited has been appointed Custodian under the Custodian Agreement. The Custodian is a private limited liability company incorporated in Ireland on

5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Custodian is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors.

The Custodian may from time to time appoint and/or use one or more nominees, agents or sub-custodians to perform in whole or in part any of the duties or discretions of the Custodian. The Custodian's liability shall not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

ADMINISTRATOR

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. The principal business activity of the Administrator is the administration of collective investment schemes. The registered office of Northern Trust International Fund Administration Services (Ireland) Limited is Georges Court, 54-62 Townsend Street, Dublin 2, Ireland

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it.

AUTHORISED PARTICIPANTS

The Company has appointed several entities as Authorised Participants who are authorised to subscribe for and redeem Shares of a Fund on a cash or in-kind basis.

13 IRISH TAXATION

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

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

TAX ON INCOME AND CAPITAL GAINS

The Company

The Company will only be subject to tax on chargeable events in respect of Shareholders who are Irish Taxable Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes - see "**Definitions**" for further detail).

A chargeable event occurs on:

- (a) a payment of any kind to a Shareholder by the Company in respect of their Shares;

- (b) a transfer, cancellation, redemption or repurchase of Shares; and
- (c) the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary.

but does not include any transaction in relation to Shares held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles, certain transfers between spouses or civil partners and former spouses or civil partners, any exchange by a Shareholder effected by way of a bargain made at arm's length by the Company, of Shares in the Company for other Shares in the Company or cancellation of Shares in the Company arising from an exchange in relation to a scheme of amalgamation (as defined in sections 739H and and section 739HA).

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

- (i) the Company is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Resident, or
- (ii) the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Revenue Commissioners (the "Equivalent Measures Regime").

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

In the absence of the appropriate declaration being received by the Company that a Shareholder is not an Irish Taxable Person or if the Company has information that would reasonably suggest that a declaration is incorrect the Company would be obliged to pay tax on the occasion of a chargeable event. Tax at the rate of 41% will be deducted by the Company in respect of a chargeable event on any payment to a Shareholder, on a transfer of Shares or on the eight year rolling chargeable event. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

There is an anti-avoidance provision that increases the 41% rate of tax to 60% whereby an investment in a Fund constitutes a personal portfolio investment undertaking ("PPIU") if, under the terms of an investment in a Fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the Fund.

In the case of a shareholder who is a company the rate of tax on a chargeable event is 25%.

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

Shareholders

The Irish taxation treatment applying to Shareholders in the Company is set out below and is dependent on which of the following categories into which they fall:

(i) Shareholders whose Shares are held in a Recognised Clearing System

Where Shares are held in a Recognised Clearing System, the obligation falls on the Shareholder (rather than the Company) to self-account for any tax arising on a chargeable event. In the case of an individual, tax currently at the rate of 41% should be accounted for by the Shareholder in respect of any distribution or gain arising to the individual Shareholder on an encashment, redemption or transfer of Shares by a Shareholder. Where the investment constitutes a “PPIU”, tax at a rate of 60% should be accounted for by the Shareholder. These rates apply where the individual Shareholder has correctly included details of the income in a timely tax return.

Where the Shareholder is a company, any payment will be treated as income tax chargeable to tax under Case IV of Schedule D of the TCA.

The Shareholder will not have to self-account for tax on the occasion of a chargeable event if (a) the Shareholder is neither Irish Resident nor Irish Ordinarily Resident, or (b) the Shareholder is not an Irish Taxable Person.

It should be noted that a Relevant Declaration or approval in relation to appropriate equivalent measures is not required to be made where the Shares, the subject of the application for subscription or registration of transfer on a transfer of Shares, are held in a Recognised Clearing System. It is the current intention of the Directors that all of the Shares will be held in a Recognised Clearing System. If, in the future, the Directors permit Shares to be held in certificated form outside a Recognised Clearing System, prospective investors for Shares on subscription and proposed transferees of Shares will be required to complete a Relevant Declaration as a pre-requisite to being issued Shares in the Company or being registered as a transferee of the Shares (as the case may be). A Relevant Declaration will not be required to be completed in this regard where the Company has received approval from the Irish Revenue Commissioners where appropriate Equivalent Measures have been put in place.

(ii) Shareholders who are neither Irish Residents nor Irish Ordinary Residents and their Shares are not held in a Recognised Clearing System

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Irish Ordinary Resident, (b) the Shareholder has made a Relevant Declaration and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, or (c) where the Company has received approval from the Irish Revenue Commissioners that appropriate Equivalent Measures have been put in place to ensure that the Shareholders in the Company are neither Irish Resident nor Irish Ordinary Resident.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Irish Ordinary Resident, no tax will have to be deducted by the Company on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Irish Ordinary Residents and in respect of whom the appropriate declarations have been made or where the Equivalent Measures Regime applies will not be subject to tax on any distributions from the Company or in respect of any gain arising on repurchase, redemption or transfer of their Shares provided the Shares are not held through a branch or agency in Ireland and the Shares, if unlisted, do not derive the greater part of their value from Irish land or mineral rights. No tax will be deducted from

any payments made by the Company to those Shareholders who are not Irish Taxable Persons.

(iii) Shareholders who are Irish Resident or Irish Ordinary Resident and their Shares are not held in a Recognised Clearing System

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

Irish Resident corporate Shareholders who receive distributions or realise gains on encashment, redemption, cancellation or transfer of their shares from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the TCA from which tax at the standard rate, currently 25%, has been deducted. In general, such Shareholders will not be subject to further Irish tax on any other payments received in respect of their Shareholdings from which tax has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the Company. In general, non-corporate Shareholders who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments received. Where a currency gain is made by a Shareholder on the disposal of his/her Shares, such Shareholder may be liable to capital gains tax in the year of assessment in which the Shares are disposed of.

Any Shareholder who is Irish Resident or Irish Ordinary Resident and receives a distribution or receives a gain on an encashment, redemption, cancellation or transfer from which tax has not been deducted may be liable to income tax or corporation tax on the amount of such distribution or gain.

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

OTHER TAXES

Stamp Duty

No Irish stamp duty will be payable on the subscription, transfer or redemption of Shares on the basis that the Company qualifies as an investment undertaking within the meaning of section 739B TCA provided that no application or redemption for Shares or transfer of Shares is satisfied by an in specie transfer of any Irish situated property.

Capital Acquisitions Tax

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

- (a) at the date of the disposition the transferor of the Shares is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and

- (b) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and the valuation date.

EU Savings Tax Directive

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

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

Broadly speaking, for income distributions, it is only if the Company has invested more than 15% of its assets directly or indirectly in interest bearing securities and for capital distributions it is only if the Company has invested more than 25% of its assets directly or indirectly in interest bearing securities, that payments received from the Company would be subject to reporting obligations.

U.S. Reporting and Withholding Requirements

The foreign account tax compliance provisions ("FATCA") of the Hiring Incentives to Restore Employment Act ("HIRE Act") constitute an expansive information reporting regime enacted by the United States aimed at ensuring that U.S. persons with financial assets outside the U.S. are paying the correct amount of U.S. tax. The new rules are effectively designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the IRS. The FATCA reporting regime is enforced through a 30% withholding tax with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends ("Withholdable Payments"). The withholding rules apply to persons making Withholdable Payments after 30 June 2014 (although due to a phased introduction withholding tax will not apply to certain Withholdable Payments until after 31 December 2016) to foreign financial institutions ("FFIs"), including investment funds (such as the Company) and other non-U.S. entities that fail to comply with FATCA. In addition, FATCA imposes a 30% withholding tax on any passthru payments. A passthru payment is broadly defined as a Withholdable Payment or other payment to the extent attributable to a Withholdable Payment (the latter, "Foreign Passthru Payments"). The idea is to encourage FFIs to enter into an agreement (a "FFI Agreement") with the IRS if they hold investments that produce payments attributable to Withholdable Payments even if they do not hold assets that produce Withholdable Payments directly.

On 21 December 2012, the governments of Ireland and the United States signed an agreement to Improve International Tax Compliance and to Implement FATCA (the "**Inter-Governmental Agreement**").

This agreement will significantly increase the amount of tax information automatically exchanged between Ireland and the United States. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Company is subject to these rules.

The Inter-Governmental Agreement provides that Irish financial institutions will report to the Irish Revenue Commissioners in respect of US account-holders and, in exchange, U.S. financial institutions will be required to report to the U.S. Internal Revenue Service in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

It is expected that the Company will constitute a reporting financial institution for the purposes of the Inter-Governmental Agreement, however; generally it should not have to report any information to the Irish Revenue Commissioners on the basis that the shares are expected to be regarded as regularly traded on an established securities market and should therefore not constitute a financial account under the Inter-Governmental Agreement, to the extent that the shares are listed and regularly traded on such securities market. Reporting may be required in respect of any shares that are not regarded as regularly traded.

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

Each investor will agree in its Subscription Agreement to provide such information upon request from the Company. To the extent a Fund or the Company does suffer U.S. withholding tax on its investments as a result of FATCA, the Directors of the Manager may take any action in relation to an investor's investment in a Fund or the Company to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information gave rise to the withholding.

Each prospective investor should consult its own tax advisers regarding the requirements under FATCA or an inter-governmental agreement with respect to its own situation.

IRISH RESIDENCE AND ORDINARY RESIDENCE FOR TAX PURPOSES

Residence - Company

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

- (a) the company or a related company carries on a trade in the State, and either the company is ultimately controlled by persons resident in EU Member States or, in countries with which the Republic of Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a tax treaty country, provided that, in each case, the company is not centrally managed and controlled in a jurisdiction which does not apply a residency test based on central management and control; or
- (b) the company is regarded as not resident in the State under a double taxation treaty between the Republic of Ireland and another country.

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

Residence - Individual

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

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

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

Ordinary Residence - Individual

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

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

An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2011 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year ending 31 December 2014.

Intermediary

This means a person who:-

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

Other Jurisdictions

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

Publication of Information

The current Net Asset Value per Share of each Class of Shares is available daily after each Valuation Point, following its calculation from the Administrator and on the Website.

The Net Asset Value per Share for each Fund will be published in its respective Base Currency.

14 UK TAXATION

The statements on taxation below do not constitute legal or tax advice and are a general summary of the anticipated United Kingdom tax treatment of United Kingdom resident, ordinarily resident and domiciled investors holding Shares as an investment.

The summary is based on the taxation law in force and practice understood to be applicable in the United Kingdom on the date of this Prospectus, but prospective investors should be aware that the relevant fiscal rules and practice or their interpretation may change, possibly with retrospective effect.

The summary is not a guarantee to any investor of the tax results of investing in a Fund of the Company.

The bases and levels of, and any relief from, taxation can change. Prospective investors should inform themselves of, and where appropriate take advice on, the tax consequences applicable to the subscription, purchase, holding and redemption of Shares in the country of their citizenship, residence or domicile.

THE COMPANY

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

SHAREHOLDERS

Shareholders who are resident or ordinarily resident in the UK for taxation purposes should be aware that, under current rules, their Shares in each of the Funds will constitute interests in an "offshore fund" for the purposes of Part 8 of the Taxation (International and Other provisions etc) Act 2010. Each share class within a fund is treated as an offshore fund for the purposes of United Kingdom taxation. Where such a person holds such an interest, any gain arising to that person on the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income ("offshore income gains") and not as capital gain, unless the relevant fund share class has been certified by HMRC as a "reporting fund" for each of its accounting periods during which the person has held that interest.

In broad terms, under the Offshore Funds (Tax) Regulations 2009 ("the Offshore Regulations"), a "reporting fund" is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and its Shareholders. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-share basis to all relevant Shareholders. UK Shareholders which hold their interests at the end of the reporting period to which the reported income relates will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders six months following the end of the relevant holding period.

Once reporting fund status is obtained from HMRC for the relevant classes, it will remain in place permanently so long as the annual requirements are undertaken. Should investors require further information on the implications of the Funds obtaining such status, they should seek professional advice.

The Directors may seek certification of any of the Funds as a "reporting fund", as the effect of a fund being a "reporting fund" would be that any UK resident investors would be subject to UK income tax on the share of the Fund's income attributable to their interest in the Fund and capital gains tax will apply on disposal. When a Fund is not so certified, under current rules, any gain realised by UK resident or ordinarily resident investors on a sale, redemption or other disposal of their Shares (including a deemed disposal on death) will be taxed as income and not as capital gains. The precise consequences of such treatment will depend upon the individual tax position of each investor, but UK resident or ordinarily resident individual investors should be aware that, in particular, they may be subject to income tax and will not be able to take advantage of the capital gains tax annual exemption; and corporations may not be able to utilise indexation relief to reduce their liability to UK tax on any such gain. Such investors who are natural persons and resident but not domiciled in the UK and who elect to be taxed on a remittance basis will not however be subject to tax on such

unremitted gains. UK pension funds should also be unaffected by these rules, since their exemption from UK tax on capital gains should extend to gains treated as income under these provisions.

Under the rules for the taxation of corporate and government debt contained in the Finance Act 1996, if the holding of any Fund in "qualifying investments" at any time exceeds 60 per cent of the market value of all investments held by that Fund, a company resident in the United Kingdom for taxation purposes that holds Shares in that Fund will be subject to tax as income on all profits and gains arising from and fluctuations in the value (calculated at the end of each accounting period of the investor and at the date of disposal of the interest) of the Shares, or obtain tax relief on any equivalent decrease in value, as determined in accordance with a fair value accounting. "Qualifying Investments" are: (a) money placed at interest (other than cash awaiting investment); (b) securities (other than shares in a company); (c) shares in a building society; (d) qualifying holdings in a unit trust scheme, an offshore fund or an open-ended investment company (this can be interpreted as a holding in a unit trust, offshore fund or OEIC which would itself fail the non-qualifying investment test in respect of its holdings of investments listed in (a) to (c) above); (e) derivative contracts in respect of currency or any of the matters listed in (a) to (d) above; and (f) contracts for differences relating to interest rates, credit worthiness or currency. These rules will apply to a UK resident corporate investor if the 60 per cent limit is exceeded at any time during that investor's accounting period, even if it was not holding Shares in the Fund at that time. Given the current investment policy of the Company and the Funds, these rules are likely to be relevant to UK resident corporate investors. Special rules apply to investors that are insurance companies and investment trusts, authorised unit trusts and open ended investment companies in the United Kingdom.

Shareholders subject to UK income tax will pay tax at their full income tax marginal rate on such "interest distributions" if the Funds hold more than 60% of their assets in qualifying investments at any time during the relevant period. Otherwise, income distributions received will be taxed as dividends at the lower dividend marginal rates. From 22 April 2009, individual Shareholders resident in the UK under certain circumstances may benefit from a non-refundable tax credit in respect of dividends or reported income received from corporate offshore funds invested largely in equities. However, where the offshore fund invests more than 60% of its assets in interest-bearing (or economically similar) assets, distributions or reported income will be treated and taxed as interest in the hands of the individual, with no tax credit.

The attention of companies resident in the United Kingdom for taxation purposes is drawn to the "controlled foreign companies" provisions contained in Chapter IV of Part XVII of ICTA. These provisions affect UK resident companies which are deemed to be interested, either alone or together with certain associated persons, in at least 25 per cent of the "chargeable profits" of a non-resident company (such as the Company), which (i) is controlled by companies or other persons who are resident in the United Kingdom for taxation purposes, (ii) is subject to a "lower level" of taxation, and (iii) does not distribute substantially all of its income. Although it is anticipated that the Distributing Shares will distribute substantially all of the income of the Fund attributable to them, the Accumulation Shares will not, so this legislation may be relevant. The effect of these provisions could be to render such corporate Shareholder companies liable to United Kingdom corporation tax in respect of their share of the profits of the Company unless a number of available exemptions are met. Persons who may be treated as "associated" with each other for these purposes include two or more companies one of which controls the other(s) or all of which are under common control. The Fund's "chargeable profits" for this purpose do not include its capital gains.

The attention of individuals ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions of Chapter II of Part XIII of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of the undistributed income (if any) of the Company on an annual basis.

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

UK STAMP DUTY AND STAMP DUTY RESERVE TAX

The Shares in each of the Funds should not be regarded as "chargeable securities" for the purposes of UK stamp duty reserve tax, and, accordingly, no stamp duty reserve tax should be chargeable in respect of agreements for their transfer.

A charge to UK stamp tax duty could arise on an instrument of transfer in respect of the Shares (or a document evidencing a transfer) if it was executed in the UK or there is a matter or thing to be done in the UK. The term matter or thing is wide and may include paying or receiving cash in a UK bank account.

Where a charge to UK stamp duty arises, this will generally be at the rate of 0.5% of the consideration for the transfer, rounded up to the nearest £5, under current law. Notwithstanding this, provided there is a separate instrument of transfer (or document evidencing the transfer) not executed in the UK, there should be no mechanism for enforcing the stamp duty and, in practice therefore, it is unlikely any charge would need to be paid.

Stamp Duty or Stamp Duty Reserve Tax at a rate of 0.5% will be payable by the Funds on the acquisition of shares in companies that are either incorporated in the UK or that maintain a share register there.

15 FEES & EXPENSES

MANAGEMENT CHARGES AND EXPENSES

The Company may pay the fees and expenses of each Fund, which may include the fees and expenses of the Custodian, the Administrator, the Manager, the Promoter and the Investment Manager (each of these service providers may waive all or a portion of the fee it receives for any investor).

GENERAL CHARGES AND EXPENSES

- (a) Share dealing charges: Details of the In-kind Transaction Fee, Transfer Taxes, Subscription Charge, Redemption Charge, CDSC and any other charges including the Exchange Charge payable on the exchange of Shares (if any) are set out in respect of the Shares of each Fund in the Supplement for the relevant Fund.
- (b) Directors' remuneration: The Directors who are not directors, officers or employees of the Promoter will be entitled to remuneration from the Company for their services as Directors, provided however that the fees that each Director shall receive in respect of any twelve month accounting period shall not exceed €125,000, plus VAT if applicable. In the accounting period ending 30th November 2013, the aggregate remuneration of the Directors did not exceed EUR250,000, plus VAT. In addition, the Directors will also be entitled to be reimbursed for their reasonable and vouched out of pocket expenses incurred in discharging their duties as Directors. Directors' remuneration shall be paid by the Manager.

- (c) Management Fee: In accordance with and subject to the terms of the Management Agreement, the annual Management Fee will be a percentage of the net assets of each Fund or Class of Shares (as will be indicated in the Supplement) payable to the Manager. Management Fees are payable periodically at a rate which is within a range specified in the relevant Supplement of each Fund. The Management Fee will be calculated upon each Dealing Day. Fees payable to the Investment Manager, the Custodian and the Administrator will be payable by the Manager.
- (d) Extraordinary Expenses: The Company shall be liable for Extraordinary Expenses including, without limitation, expenses relating to litigation costs and any tax, levy, duty or similar charge imposed on the Company or its assets that would otherwise not qualify as ordinary expenses. Extraordinary Expenses are allocated across each Class of Shares.
- (e) Setting Up Costs: The cost of establishing the Company and the Funds (including fees in connection with the incorporation and registration of the Company, listing the Funds on the Relevant Stock Exchanges and registering the Funds for sale in other jurisdictions) will be paid by the Manager and/or the Promoter. The cost of establishing subsequent Funds will also be paid by the Manager unless otherwise provided in the Supplement for the relevant Fund.
- (f) Fixed Fees: Fixed Fees means the fees which may be payable by the Company for each Fund in respect of the ordinary fees, expenses and costs incurred by that Fund that include Other Administrative Expenses and Transaction Fees as further described below. Unless a Fixed Fee Arrangement is disclosed in the Supplement for the relevant Fund, such Fixed Fees relating to that Fund will be paid by the Manager out of its fees and not out of the assets of the relevant Fund.
- (g) Other Administrative Expenses: Other Administrative Expenses include but are not limited to; ongoing organisation and registration costs; licence fees payable to licence holders of an index; expenses for legal and auditing services; stamp duties, all taxes and VAT, company secretarial fees, any costs incurred in respect of meetings of Shareholders; marketing and distribution costs, investment transaction charges; costs incurred in respect of the distribution of income to Shareholders; the fees and expenses of any paying agent (which shall be at normal commercial rates), clearing agent or representative appointed in compliance with the requirements of another jurisdiction; the fees and expenses of any consultant appointed to provide services to the Company or the Manager; any amount payable under indemnity provisions contained in the Articles or any agreement with any appointee of the Company; cost of any proposed listings and maintaining such listings; all reasonable out-of-pocket expenses of the Board of Directors; foreign registration fees and fees relating to the maintenance of such registrations including translation costs and local legal costs and other expenses due to supervisory authorities in various jurisdictions and local representatives' remunerations in foreign jurisdictions; insurance; interest; the costs of printing and distributing this Prospectus and any costs incurred as a result of periodic updates of this Prospectus or the relevant Supplement, reports, accounts and any explanatory memoranda, any necessary translation fees, any fees in respect of circulating details of the Net Asset Value and such other information which is required to be published in the different jurisdictions, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) may also be paid out of the assets of the Company.
- (h) Transaction Fees: Transaction Fees are any fees and expenses incurred in buying and selling securities or other investments held by a Fund, e.g., brokerage costs and

commissions and correspondence fees for transferring securities or investments or other interests, unless otherwise specified in the relevant Supplement.

FIXED FEE ARRANGEMENT

The Company may in respect of each Fund (as shall be specified in the relevant Supplement) enter into an arrangement with the Manager, where the Manager will in exchange for a Fixed Fee Payment (as defined in the relevant Supplement), pay the Fixed Fees (which covers the Other Administrative Expenses and Transaction Fees highlighted above but does not for the avoidance of doubt cover the Management Fee or Extraordinary Expenses highlighted above). Where applicable, the Fixed Fee Payment is calculated on the average daily Net Asset Value per Fund or per Class of Shares or the Initial Issue Price (as will be indicated in the Supplement) and is payable periodically.

As the Fixed Fee is determined in advance on an annual basis by the Company and the Manager, investors should note that the amount paid to the Manager may at the end of the year be greater than if the Company would have directly paid these expenses. Conversely, the expenses the Company would have had to pay might be greater than the Fixed Fee and the effective amount paid by the Company to the Manager would be less. The Fixed Fee will be determined and is intended to represent the expected costs to be incurred, on an arm's length basis by the Company and the Manager and will be disclosed in the relevant Supplement.

SOFT COMMISSIONS

It is not currently intended that any soft commission arrangements will be made in respect of the Company. In the event that the Investment Manager or any of its subsidiaries, Affiliates, associates, agents or delegates do enter into soft commission arrangement(s) they shall ensure that (i) the broker or counterparty to the arrangement will agree to provide best execution to the Company; (ii) the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the relevant Fund and (iii) brokerage rates will not be in excess of customary institutional full service brokerage rates. Details of any such arrangements will be contained in the next following report of the Company. In the event that this is the unaudited semi-annual report, details shall also be included in the following annual report.

16 GENERAL

CONFLICTS OF INTEREST

Subject to the provisions of this section, each Connected Person may contract or enter into any financial, banking or other transaction with one another or with the Company. This includes, without limitation, investment by the Company in securities of any Connected Person or investment by any Connected Persons in any company or bodies any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions. In addition, any Connected Person may invest in and deal in Shares relating to any Fund or any property of the kind included in the property of any Fund for their respective individual accounts or for the account of someone else.

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

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments (including foreign exchange, FDI and stocklending transactions) to or from the relevant Fund. There will be no obligation on the part of any Connected Person to account to the relevant Fund or to Shareholders of that Fund for any benefits so arising, and any such benefits may

be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, are consistent with the best interests of the Shareholders of that Fund and:

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

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

As the fees of the Manager are based on the Net Asset Value of a Fund, if the Net Asset Value of the Fund increases so do the fees payable to the Manager and accordingly there is a conflict of interest for the Manager in cases where the Manager or its delegate is responsible for determining the valuation price of a Fund's investments.

The Directors may act as directors of other collective investment vehicles. Where any potential conflicts of interest arise between their duties to the Company and to third parties, the Directors will endeavour to ensure that any such conflicts will not unfairly prejudice the Company.

Katten Muchin Rosenman LLP is U.S. securities, commodities and tax counsel to the Promoter, as well as to the Company. Because Katten Muchin Rosenman LLP acts as counsel to the Promoter and the Company, certain conflicts of interest exist and may arise. The Company understands the nature of potential conflicts that exist or might develop between them and the Promoter. Based on that knowledge, the Company has agreed that should a conflict of interest develop between the Company and the Promoter, the Company will allow Katten Muchin Rosenman LLP to resign from its representation of the Company and will execute conflict waivers to permit Katten Muchin Rosenman LLP to represent the Promoter against the interests of the Company. Katten Muchin Rosenman LLP may also in the future render services to the Promoter with respect to activities relating to the Company as well as other unrelated activities. Katten Muchin Rosenman LLP is not representing any prospective investors in any Fund in connection with the offering and will not be representing any Shareholders of Shares. Prospective investors are advised to consult their own independent counsel with respect to the legal and tax implications of an investment in one or more Funds.

LITIGATION AND ARBITRATION

The Company is not involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

DIRECTORS' INTERESTS

- (a) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (b) At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and save as disclosed 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.
- (c) At the date of this Prospectus none of the Directors nor any Associated Person have any beneficial interest in the share capital of the Company or any options in respect of such capital.
- (d) Barry McGrath is a director of the Company, the Manager and a partner of the Irish legal advisors to the Company, Maples and Calder. Mike Kirby is a director of the Company, the Manager and the principal of KB Associates which provides services to the Manager. Feargal Dempsey is a director of the Company and the Manager. Gary Buxton is a director of the Company and an employee of the Promoter.

MATERIAL CONTRACTS

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

- (a) The **Management Agreement** dated 22 December 2008 between the Company and the Manager. The Management Agreement provides that the appointment of the Manager will continue unless and until terminated by either the Manager or the Company giving to the other party not less than 90 days' written notice although in certain circumstances the Management Agreement may be terminated forthwith by notice in writing by either the Manager or the Company to the other party. The Management Agreement contains certain indemnities payable out of the assets of the relevant Fund in favour of the Manager which are restricted to exclude matters resulting from the fraud, bad faith, wilful default or negligence of the Manager in the performance or non-performance of its obligations and duties.

The Management Agreement contains limited recourse provisions under which the recourse against the Company of the Manager in respect of any claims arising under or in relation to the Management Agreement is expressed to be limited to the Fund established in respect of the Shares to which such claims relate, and the Manager will have no recourse to any other assets of the Company. If following the realisation of the assets of the relevant Fund and the application of such realisation proceeds in payment of all claims of the Manager relating to the relevant Fund and all other liabilities (if any) of the Company ranking pari passu with or senior to such claims which have recourse to the relevant Fund (the "**Relevant Date**"), such claims are not paid in full, (a) the amount outstanding in respect of such claims will be automatically extinguished, (b) the Manager will have no further right of payment in respect thereof and (c) the Manager will not be able to petition for the winding-up of the Company or

the termination of any other Fund as a consequence of any such shortfall provided however that (a) and (b) above shall not apply to any assets of the Fund that may be subsequently held or recouped by the Fund between the Relevant Date and the date of termination of the Fund in accordance with the requirements of the Central Bank.

- (b) The **Investment Management Agreement** dated 22 December 2008 between the Manager and the Investment Manager. The Investment Management Agreement provides that the appointment of the Investment Manager will continue unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Investment Management Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters resulting from the fraud, bad faith, wilful default or negligence of the Investment Manager in the performance or non-performance of its obligations and duties.

The Investment Management Agreement contains limited recourse provisions under which the recourse against the Manager of the Investment Manager in respect of any claims arising under or in relation to the Investment Management Agreement is expressed to be limited to the assets of the Manager and any claims the Manager has in relation to the relevant Fund established in respect of the Shares to which such claims relate, and the Investment Manager will have no recourse to any other assets of the Company or any other Fund. If following the realisation of all of the assets of the Manager and any claims the Manager has in relation to the relevant Fund and the application of such realisation proceeds in payment of all claims of the Investment Manager relating to the relevant Fund (if any) and all other liabilities (if any) of the Company ranking pari passu with or senior to such claims which have recourse to the assets of the Manager (the "**Relevant Date**"), such claims are not paid in full, (a) the amount outstanding in respect of such claims will be automatically extinguished, (b) the Investment Manager will have no further right of payment in respect thereof and (c) the Investment Manager will not be able to petition for the winding-up of the Manager, the Company or the termination of any other Fund as a consequence of any such shortfall provided however that (a) and (b) above shall not apply to any assets of the Fund payable to the Manager that may be subsequently held or recouped by the Fund between the Relevant Date and the date of termination of the Fund in accordance with the requirements of the Central Bank.

- (c) The **Custodian Agreement** dated 22 December 2008 between the Company, the Manager and The Governor and Company of the Bank of Ireland as novated to the Custodian by way of a novation agreement dated 1 June 2011 between the Company, the Custodian and The Governor and Company of the Bank of Ireland. The Custodian Agreement provides that the appointment of the Custodian will continue unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Custodian Agreement may be terminated forthwith by notice in writing by either party to the other. The Company may not terminate the appointment of the Custodian and the Custodian may not retire from its appointment unless and until a successor custodian is appointment in accordance with the Memorandum & Articles of Association of the Company. Any successor custodian must be acceptable to the Company and must be an entity approved by the Central Bank.

If no successor is appointed at the end of the 90 day notice period or such other periods as may be agreed between the parties from the giving of such notice an extraordinary general meeting of the Company will be convened at which a resolution to wind up the Company will be proposed so that Shares will be repurchased and a liquidator appointed. Following such winding up, the Directors shall apply in writing to

the Central Bank for revocation of the Company's authorisation and the Custodian shall remain as the Custodian, notwithstanding the expiration of the notice period, until such time as the Central Bank has revoked the Company's authorisation.

The Custodian may from time to time appoint and/or use one or more nominees, agents or sub-custodians to perform in whole or in part any of the duties or discretions of the Custodian. The Custodian's liability shall not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

Pursuant to the Custodian Agreement the Company may invest in markets custodial and/or settlement systems are not fully developed. The assets which are traded in such markets and which have been entrusted to sub-custodians, in the circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Custodian will have no liability. The details of potential risks to investors in such markets will be set out in full in the Prospectus in accordance with the requirements of the Central Bank.

The Custodian Agreement contains certain indemnities payable out of the assets of the relevant Fund in favour of the Custodian which are restricted to exclude matters arising as a result of the Custodian's unjustifiable failure to perform its obligations, or the improper performance of them.

The Custodian Agreement contains limited recourse provisions under which the recourse against the Company or the Manager of the Custodian in respect of any claims arising under or in relation to the Custodian Agreement is expressed to be limited to the Fund established in respect of the Shares to which such claims relate, and the Custodian will have no recourse to any other assets of the Company or any other Fund. If following the realisation of the assets of the relevant Fund (if any) and the application of such realisation proceeds in payment of all claims of the Custodian relating to the relevant Fund (if any) and all other liabilities (if any) of the Company ranking pari passu with or senior to such claims which have recourse to the relevant Fund (the "Relevant Date"), such claims are not paid in full, (a) the amount outstanding in respect of such claims will be automatically extinguished, (b) the Custodian will have no further right of payment in respect thereof and (c) the Custodian will not be able to petition for the winding-up of the Company or the termination of any other Fund as a consequence of any such shortfall provided however that (a) and (b) above shall not apply to any assets of the Fund that may be subsequently held or recouped by the Fund.

- (d) The **Administration Agreement** dated 12 May 2014 between the Manager, the Company and the Administrator. The Administration Agreement provides that the appointment of the Administrator will continue unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Administration Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains certain indemnities payable by the Manager or out of the assets of the relevant Fund in favour of the Administrator which are restricted to exclude matters arising by reason of the negligence, fraud, or wilful default of the Administrator, its officers, employees, agents, subcontractors and representatives in the performance of its or their obligations.

The Administration Agreement contains limited recourse provisions under which the recourse against the Company or the Manager of the Administrator in respect of any claims arising under or in relation to the Administration Agreement is expressed to be limited to the assets of the Manager and the Fund established in respect of the Shares to which such claims relate, and the Administrator will have no recourse to any other

assets of the Company or any other Fund. If following the realisation of the assets of the relevant Fund and the application of such realisation proceeds in payment of all claims of the Administrator relating to the relevant Fund (if any) and all other liabilities (if any) of the Company ranking pari passu with or senior to such claims which have recourse to the relevant Fund (the "Relevant Date"), such claims are not paid in full, (a) the amount outstanding in respect of such claims will be automatically extinguished, (b) the Administrator will have no further right of payment in respect thereof and (c) the Administrator will not be able to petition for the winding-up of the Company or the termination of any other Fund as a consequence of any such shortfall provided however that (a) and (b) above shall not apply to any assets of the Fund that may be subsequently held or recouped by the Fund.

- (e) **Additional Contracts.** In addition to the above, the Company may enter into additional contracts relating to the provision of paying agent, facilities agent, correspondent bank or other similar services as may be required in connection with an offer of Shares into a particular jurisdiction from time to time. The provision of such services shall be on arm's length commercial terms for the Company for which fees shall be charged at normal commercial rates and expenses are to be reimbursed.

MISCELLANEOUS

As of the date of this Prospectus, the Company does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

Save as disclosed under the heading "Directors' Interests" above, no Director has any interest in the promotion of or in any property acquired or proposed to be acquired by the Company.

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

No commissions, discounts, brokerages or other special terms have been paid or granted by the Company, or are payable by the Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

The Manager may pay a portion of its fee to distributors, dealers or other entities that assist it in the performance of its duties or provide services, directly or indirectly, to the Funds or their Shareholders and may enter into private arrangements on a negotiated basis with a holder or prospective holder of Shares. The selection of holders or prospective holders of Shares with whom such private arrangements may be made and the terms on which the Manager or their respective affiliates, designees or placement agents may enter into such private arrangements are a matter for the relevant entity, except that as a condition of any such arrangements, the Company will not thereby incur any obligation or liability whatsoever.

DOCUMENTS FOR INSPECTION

Copies of the documents at (a), (f) - (i) below may be inspected free of charge during usual business hours on any week day (Saturday, Sunday and public holidays excepted) at the offices of the Company Secretary and the documents at (a) - (e) below at the offices of Source UK Services Limited, 110 Cannon Street, London, EC4N 6EU United Kingdom.

- (a) the Articles;

- (b) the Prospectus of the Company;
- (c) the Supplements of the Funds
- (d) the key investor information document;
- (e) the financial reports of the Company;
- (f) the material contracts referred to above;
- (g) the Regulations;
- (h) the UCITS series of notices issued by the Central Bank; and
- (i) a list of past and current directorships and partnerships held by each Director over the last five years.

Copies of the Articles and the periodic reports and accounts may be obtained from the Administrator free of charge.

Copies of the documents referred to at (a) - (e) above, will also be available on the Website, www.source.info.

The above documents may also be delivered to interested investors at their request.

Appendix I - Markets

The exchanges/markets are set out below in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

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

1. (a) any stock exchange which is:
 - (i) located in any Member State;
 - (ii) located in an EEA Member State;
 - (iii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States of America, Turkey; or
- (b) any stock exchange included in the following list:-

Argentina	-	Bolsa de Comercio de Buenos Aires, Cordoba, Mendoza, Rosario and de La Plata Stock Exchange;
Bahrain	-	Bahrain Stock Exchange
Brazil	-	BM&FBOVESPA
Chile	-	Santiago Stock Exchange;
China	-	Shanghai Stock Exchange and Shenzhen Stock Exchange;
Costa Rica	-	Bolsa Nacional de Valores ;
Egypt	-	Egyptian Exchange;
India	-	Bombay Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange and the National Stock Exchange of India;
Indonesia	-	Indonesia Stock Exchange;
Israel	-	Tel Aviv Stock Exchange;
Jordan	-	Amman Stock Exchange;
Korea	-	Korea Stock Exchange;
Kuwait	-	Kuwait Stock Exchange;
Malaysia	-	Bursa Malaysia;
Mexico	-	Bolsa Mexicana de Valores;
Peru	-	Bolsa de Valores de Lima ;
Philippines	-	Philippine Stock Exchange;
Quatar	-	Doha Securities Market;
Russia	-	Russian Trading System Stock Exchange (RTS), Moscow Interbank Currency Exchange (MICEX);

- Singapore - Singapore Exchange;
- South Africa - Johannesburg Stock Exchange;
- Taiwan - Taiwan Stock Exchange Corporation;
- Thailand - The Stock Exchange of Thailand;

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

- (i) The market organised by the International Capital Market Association;
- (ii) The (i) market conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) market in non-investment products which is subject to the guidance contained in the Non Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England;
- (iii) The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;
- (iv) The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the Financial Industry Regulatory Authority (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- (v) The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Industry Regulatory Organisation of Canada;
- (vi) The French market for Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments).

(d) any of the following electronic exchanges:

- (i) NASDAQ.

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

- (i) The Chicago Board of Trade;
- (ii) The Mercantile Exchange;
- (iii) The Chicago Board Options Exchange;
- (iv) EDX London;
- (v) New York Mercantile Exchange;
- (vi) New York Board of Trade;
- (vii) New Zealand Futures and Options Exchange;
- (viii) Hong Kong Futures Exchange;
- (ix) Singapore Commodity Exchange;
- (x) Tokyo International Financial Futures Exchange;

Source Markets plc

(an umbrella fund with segregated liability between sub-funds)

Addendum for Investors in the Federal Republic of Germany

dated 10 June 2015

This Information is for investors in Germany who are intending to invest in Source Markets plc (the "Company").

This Information forms part of and should be read in conjunction with the Prospectus of the Company dated 5 June 2015 (the Prospectus) and the Supplements in respect of the Funds dated as specified below

Funds	Supplement dated
Source Technology S&P US Select Sector UCITS ETF	5 June 2015
Source Health Care S&P US Select Sector UCITS ETF	5 June 2015
Source Materials S&P US Select Sector UCITS ETF	5 June 2015
Source Energy S&P US Select Sector UCITS ETF	5 June 2015
Source FTSE 100 UCITS ETF	5 June 2015
Source FTSE 250 UCITS ETF	5 June 2015
Source STOXX Europe 600 UCITS ETF	5 June 2015
Source EURO STOXX 50 UCITS ETF	5 June 2015
Source MSCI Europe UCITS ETF	5 June 2015
Source Consumer Discretionary S&P US Select Sector UCITS ETF	5 June 2015
Source STOXX Europe Small 200 UCITS ETF	5 June 2015
Source STOXX Europe Mid 200 UCITS ETF	5 June 2015
Source MSCI USA UCITS ETF	5 June 2015
Source MSCI Japan UCITS ETF	5 June 2015
Source S&P 500 VIX Futures UCITS ETF	5 June 2015
Source MSCI World UCITS ETF	5 June 2015
Source S&P 500 UCITS ETF	5 June 2015
Source RDX UCITS ETF	5 June 2015
Source MSCI Emerging Markets UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Banks UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Oil & Gas UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Basic Resources UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Technology UCITS ETF	5 June 2015

Source STOXX Europe 600 Optimised Insurance UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Utilities UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Automobiles & Parts UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Chemicals UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Construction & Materials UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Financial Services UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Food & Beverage UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Media UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Personal & Household Goods UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Retail UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Telecommunications UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Travel & Leisure UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Industrial Goods & Services UCITS ETF	5 June 2015
Source STOXX Europe 600 Optimised Health Care UCITS ETF	5 June 2015
Source Financials S&P US Select Sector UCITS ETF	5 June 2015
Source Russell 2000 UCITS ETF	5 June 2015
Source Industrials S&P US Select Sector UCITS ETF	5 June 2015
Source Utilities S&P US Select Sector UCITS ETF	5 June 2015
Source Consumer Staples S&P US Select Sector UCITS ETF	5 June 2015
Source J.P. Morgan Macro Hedge US TR UCITS ETF	5 June 2015
Source J.P. Morgan Macro Hedge Dual TR UCITS ETF	5 June 2015
Source MAN GLG Europe Plus UCITS ETF	5 June 2015
Source EURO STOXX Optimised Banks UCITS ETF	5 June 2015
Source Nomura Voltage Short-Term UCITS ETF	5 June 2015
Source Nomura Voltage Mid-Term UCITS ETF	5 June 2015
Source FTSE Emerging EMEA 40 UCITS ETF	5 June 2015
Source LGIM Commodity Composite UCITS ETF	5 June 2015
Source MSCI Europe Value UCITS ETF	5 June 2015
Source MSCI China UCITS ETF	5 June 2015
Source Morningstar US Energy Infrastructure MLP UCITS ETF	5 June 2015
Source MAN GLG Asia Plus UCITS ETF	5 June 2015
SOURCE MAN GLG Continental Europe Plus UCITS ETF	5 June 2015
Source Nomura Modelled PERI UCITS ETF	5 June 2015
Source Goldman Sachs Equity Factor Index World UCITS ETF (GS EFI World ETF)	5 June 2015
Source Russell Europe SMID 300 UCITS ETF	5 June 2015
Source Morgan Stanley Europe MEMO Plus UCITS ETF	5 June 2015

Source J.P. Morgan Macro Hedge Dual Vega Target 4% TR UCITS ETF	5 June 2015
Source JPX-Nikkei 400 UCITS ETF	5 June 2015
Source NASDAQ Biotech UCITS ETF	5 June 2015
Source R Equal-Risk European Equity UCITS ETF	5 June 2015
Source Goldman Sachs Equity Factor Index Europe UCITS ETF (GS EFI Europe ETF)	5 June 2015
Source Stoxx Japan Exporters UCITS ETF	5 June 2015
Source Stoxx Eurozone Exporters UCITS ETF	5 June 2015

Additional Information for Investors in the Federal Republic of Germany

1. Marcard, Stein & Co AG, Ballindamm 36, 20095 Hamburg, Germany, has been appointed as the Paying and Information Agent for the Federal Republic of Germany (the “German Paying and Information Agent”).
2. Exchange and redemption requests for Shares can be submitted to the German Paying and Information Agent. Upon the Shareholders’ request, redemption proceeds, distributions or other payments to the Shareholders, if any, may also be made in Euro via the German Paying and Information Agent.
3. The Prospectus including the latest Supplements in respect of the Funds identified above, the latest Key Investor Information Documents, the Memorandum and Articles of Association of the Company and the annual and semi-annual reports may be inspected at and are available free of charge from the German Paying and Information Agent either via regular mail or per e-mail. Furthermore, the following documents may be inspected at and are available free of charge from the German Paying and Information Agent:
 - the Management Agreement;
 - the Investment Management Agreement;
 - the Custodian Agreement;
 - the Administration Agreement;
 - Additional Contracts the Company may enter into relating to the provision of paying agent, facilities agent, correspondent bank or other similar services as may be required in connection with an offer of Shares into a particular jurisdiction from time to time;
 - the Regulations;
 - the UCITS series of notices issued by the Central Bank; and
 - a list of past and current directorships and partnerships held by each Director over the last five years.

Notifications to the Shareholders, if any, are available free of charge from the German Paying and Information Agent and are published on the section dedicated to German investors of the website www.source.info.

4. The Net Asset Value per Share of the sub-funds of the Company and the purchase and redemption prices are available at no cost from the German Paying and Information Agent on every bank business day in Hamburg. Moreover, issue and redemption prices, together with the interim profit and the aggregate amount of income deemed to have been received by the holder of foreign investment units after 31 December 1993, are published on the section dedicated to German investors of the website www.source.info.

5. In addition to a publication on the section dedicated to German investors of the website www.source.info, Shareholders will be informed via shareholder letter about the following changes:
 - the suspension of redemption of a Fund's shares;
 - the termination of the management of a Fund or the liquidation thereof,
 - changes being made to the Articles of Incorporation or the Prospectus (including the Supplements) which are not in compliance with the existing investment principles or changes which affect material investor rights or which relate to fees and cost refunds that may be withdrawn from a Fund;
 - the merger of a Fund; and,
 - where relevant, the conversion of a Fund into a feeder fund and a change of a master.

6. For questions on the tax impact of an investment in the Company please contact your tax advisor.