

# **CULLEN FUNDS PLC**

**(An umbrella fund with segregated liability between sub-funds constituted as an investment company with variable capital under the laws of Ireland and authorised by Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended))**

**North American High Dividend Value Equity Fund  
Global Enhanced Equity Income Fund  
Global High Dividend Value Equity Fund  
US Enhanced Equity Income Fund  
Emerging Markets High Dividend Fund  
Cullen Altaira Ethical Global High Dividend Fund**

**(Each a portfolio of Cullen Funds plc)**

## **PROSPECTUS**

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**INVESTMENT MANAGER**

**Cullen Capital Management LLC**

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**DATED 3 July 2017**

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## **IMPORTANT INFORMATION**

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**Capitalised words and expressions are defined in the body of this Prospectus and/or under “DEFINITIONS” below.**

### **THIS PROSPECTUS**

This Prospectus describes Cullen Funds plc (the “Company”), an umbrella investment company with segregated liability between sub-funds and variable capital incorporated in Ireland as a public limited company. The Company is constituted as an umbrella fund insofar as the share capital of the Company will be divided into different portfolios of assets which will comprise separate funds. In accordance with the requirements of the Central Bank, Shares may be divided into different Classes to accommodate different subscription and/or redemption charges and/or charges and/or dividend and/or fee arrangements. Separate pools of assets will not be maintained for each Class.

The portfolio of assets maintained and comprising a separate sub-fund will be invested in accordance with the investment objectives and policies applicable to such Fund. The directors of the Company (“Directors”) have established six Funds:

North American High Dividend Value Equity Fund  
Global Enhanced Equity Income Fund  
Global High Dividend Value Equity Fund  
US Enhanced Equity Income Fund  
Emerging Markets High Dividend Fund  
Cullen Altaira Ethical Global High Dividend Fund

The investment objective and policies of each of the Funds and relevant investment considerations are specified in this Prospectus.

This Prospectus may be translated into other languages and such translations shall contain only the same information as this Prospectus. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

### **DIRECTORS’ RESPONSIBILITY**

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

### **INVESTOR RESPONSIBILITY**

Prospective investors should review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal requirements within their own countries for the purchase, holding, redemption or disposal of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding or disposal of Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, repurchasing, redeeming or disposing of Shares. Prospective investors should seek the advice of their legal, tax and financial advisers if they have any doubts regarding the contents of this Prospectus.

### **CENTRAL BANK AUTHORISATION - UCITS**

**The Company is authorised and regulated by the Central Bank as an “Undertaking for Collective Investment in Transferable Securities” (“UCITS”) under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as**

amended) and will comply with the Central Bank's UCITS Regulations. Authorisation by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. Authorisation of the Company by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus.

## **DISTRIBUTION AND SELLING RESTRICTIONS**

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus in any such jurisdiction may treat this Prospectus as constituting an invitation to them to subscribe for Shares unless in the relevant jurisdiction such an invitation could lawfully be made to them without compliance with any registration or other legal requirements.

The Company qualifies as a UCITS and may apply for recognition by other EU Member States or elsewhere.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act") or the securities laws of any of the States of the United States. Except with respect to permitted U.S. Persons (as defined herein), the Shares may not be offered, sold or delivered directly or indirectly in the United States of America, its territories or possessions or in any State or the District of Columbia (the "United States") or to or for the account or benefit of any U.S. Person (as defined herein). In reliance on the private placement exemption from the registration requirements of the 1933 Act provided by Section 4(2) of the 1933 Act and Regulation D thereunder, the Company may arrange or permit the private sale of Shares to a limited number (being not more than 100) of "accredited investors" (as defined in Rule 501(a) of Regulation D under the 1933 Act) in the United States under restrictions and other circumstances designed to preclude a distribution that would otherwise require registration of the Shares under the 1933 Act. Any resales or transfers of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the Company. Applicants for Shares will be required to certify whether they are a "U.S. Person".

The Company will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), since it will limit to not more than 100 the number of beneficial owners of its securities that are U.S. Persons. The Directors will not knowingly permit the number of Shareholders who are U.S. Persons to exceed 100. To ensure this limit is maintained the Directors may require the mandatory repurchase of Shares beneficially owned by U.S. Persons.

The Company is a recognised scheme in the UK for the purposes of Section 264 of the UK Financial Services and Markets Act 2000, as amended or re-enacted from time to time ("FSMA"). This Prospectus has been approved for the purposes of Section 21 of the FSMA by the Company which as operator of a scheme recognised under Section 264 of the FSMA is an authorised person in the UK under the FSMA. Accordingly, the Company may be marketed to the general public in the UK. Certain rules made under FSMA for the protection of private customers will not apply to investments in the Company (for example those conferring rights to cancel or withdraw from certain investments). Compensation under the Financial Services Compensation Scheme will generally not be available in connection with investments in the Company.

Shares in the Company confer rights against the Company in accordance with the Articles of the Company. Voting rights are attached to Shares in the Company and may be exercised at the relevant Shareholder meeting or by unanimous written resolution of the Shareholders. No persons other than Shareholders or their proxies have the right to vote at Shareholder meetings.

### **UK Facilities Agent**

Spring Capital Partners Limited has been appointed UK Facilities Agent to the Fund having its offices at 20, Ironmonger Lane, London EC2V 8EP.

## Documents

The following documents may be inspected and obtained (free of charge for 1-4) from the address of the UK Facilities Agent:

1. the instrument constituting the scheme;
2. any instrument amending the instrument constituting the scheme;
3. the latest prospectus;
4. the key investor information documents; and
5. the latest annual and half-yearly accounts.

## Price and Redemption

Information in English about prices of units in the scheme can be obtained from the UK Facilities Agent at the above address or on the following web site: <http://www.springcapitalpartners.com>

An investor may arrange for redemption of units in the scheme and obtain payment for such redemption at the address of the UK Facilities Agent. Full details of the redemption process are included in the Prospectus.

The scheme is a non certificated scheme.

## Complaints

Any complaint with regard to the operation of the scheme should be submitted to Spring Capital Partners Limited at the address noted above.

## RELIANCE ON THIS PROSPECTUS

Shares in the Company are offered only on the basis of the information contained in this Prospectus and, if appropriate, the latest audited annual accounts and any subsequent unaudited half-yearly report of the Company. Any further information or representations given or made by any dealer, broker or other person should be disregarded and not relied upon. No person has been authorised to give any information or to make any representation in connection with the offering of Shares in the Company other than those contained in this Prospectus and in any subsequent half-yearly or annual report for the Company and, if given or made, such information or representations must not be relied on as having been authorised by the Directors, the Investment Manager, the Administrator or the Depositary. Statements in this Prospectus are based on the law and practice currently in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall create any implication or constitute any representation that the affairs of the Company have not changed since the date hereof.

## INVESTMENT RISKS

**Investment in the Company carries with it a degree of risk. The value of Shares and the income from them may go down as well as up, and investors may not get back the amount invested. If Subscription Fees are imposed, the difference between the cost of purchase of Shares and their redemption price may mean that an investment should be viewed as medium to long term.** Investment risk factors for an investor to consider are set out under "SPECIAL CONSIDERATIONS AND RISK FACTORS" below.

## Distributions from Capital

The Company will distribute to Shareholders the full amount of the value of dividends received by the Company from its investments without exclusion for applicable foreign withholding taxes. This can result in such distributions being charged to capital to the extent they exceed net income gained by a respective Share Class. Such action could have the effect of eroding capital and thus the potential for future capital growth even potentially depleting all capital. Distributions paid out of capital may also

have different tax implications to distributions paid out of net income and it is therefore recommended that investors seek advice in this regard. Distributions from capital likely will diminish the value of future returns and can be understood as a type of capital reimbursement.

## **SHANGHAI-HONG KONG STOCK CONNECT AND SHENZHEN STOCK CONNECT**

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by the Hong Kong Exchanges and Clearing Limited (“**HKEx**”), the Shanghai Stock Exchange (“**SSE**”) and the China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”). The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by the HKEx, the Shenzhen Stock Exchange (“**SZSE**”) and ChinaClear. The aim of the Stock Connects is to achieve mutual stock market access between the People’s Republic of China (“**PRC**”) and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the relevant Funds), through their Hong Kong brokers, sub-custodians and a securities trading service company established by the Stock Exchange of Hong Kong (“**SEHK**”), may be able to trade eligible China A Shares listed on the SSE (“**SSE Securities**”) by routing orders to SSE. Under the Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK.

The Shanghai-Hong Kong Stock Connect commenced trading on 17 November 2014 under a joint announcement issued by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the China Securities Regulatory Commission (“**CSRC**”) on 10 November 2014.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the relevant Funds), through their Hong Kong brokers, sub-custodians and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SZSE (“**SZSE securities**”) by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK.

The Shenzhen-Hong Kong Stock Connect commenced trading on 5 December 2016 under a joint announcement issued by the SFC and the CSRC on 25 November 2016.

### *Eligible Securities in the Shanghai-Hong Kong Stock Connect*

Under the Shanghai-Hong Kong Stock Connect, the relevant Funds, through the Hong Kong brokers, may trade SSE Securities. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H shares listed on SEHK, except the following:

- (i) SSE-listed shares which are not traded in RMB; and
- (ii) SSE-listed shares which are included in the “risk alert board” or under a delisting arrangement.

It is expected that the list of eligible securities will be subject to review and may change.

### *Eligible Securities in the Shenzhen-Hong Kong Stock Connect*

Under the Shenzhen-Hong Kong Stock Connect, the relevant Funds, through the Hong Kong brokers, may trade SZSE securities. These include any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of RMB6 billion or above and all the SZSE-listed China A Shares which have corresponding H shares listed on SEHK, except the following:

- (i) SZSE-listed shares which are not traded in RMB; and

- (ii) SZSE-listed shares which are included in the “risk alert board” or under a delisting arrangement.

At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors (and the relevant Funds will qualify as such) as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review and may change.

Hong Kong and overseas investors will trade and settle SSE Securities and SZSE Securities (together “**Stock Connect Securities**”) in RMB only. Hence, a Fund will need to use RMB to trade and settle Stock Connect Securities.

The CSRC stipulates that, when holding China A Shares through the Stock Connects, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- Single foreign investor's shareholding by any Hong Kong or overseas investor in a China A Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in a China A Share must not exceed 30% of the total issued shares.

Should the shareholding of a single investor in a China A Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE/SZSE and the SEHK will issue warnings or restrict the buy orders for the related China A Shares if the percentage of total shareholding is approaching the upper limit.

Further information about the Stock Connects is available online at the website: <http://www.hkex.com.hk/chinaconnect>

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## SUMMARY

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The following summary is qualified in its entirety by the more detailed information included elsewhere in this Prospectus.

### THE FUNDS

The Funds of the Company are:

**North American High Dividend Value Equity Fund**  
**Global Enhanced Equity Income Fund**  
**Global High Dividend Value Equity Fund**  
**US Enhanced Equity Income Fund**  
**Emerging Markets High Dividend Fund**  
**Cullen Altaira Ethical Global High Dividend Fund**

A full description of the investment objectives and policies of each Fund is contained under "INVESTMENT OBJECTIVES AND POLICIES" below.

### PURCHASE, REDEMPTION AND EXCHANGE OF SHARES

Purchase orders and redemption requests for Shares may be made on any Dealing Day. In addition, requests may be made on any Dealing Day for exchange of Shares of any Class of any Fund for Shares of the same Class of any other Fund.

### INVESTMENT MANAGEMENT AND ADMINISTRATION

The Directors have appointed Cullen Capital Management LLC as investment manager to each Fund. The Investment Manager has responsibility for investing and managing the assets of the Funds according to their investment objectives.

The Directors have appointed RBC Investor Services Ireland Limited to prepare and maintain the books and records of the Company and each Fund and to provide related administration and accounting services. The Directors have appointed RBC Investor Services Bank S.A., Dublin Branch as depositary of the Company with responsibility for the safe-keeping of the assets of each Fund as well as oversight and cash monitoring duties. The Depositary may employ a global sub-custodian or various sub-custodians outside Ireland.

### FEES AND EXPENSES

The assets of each of the Funds are subject to fees and expenses including investment management, depositary and administration fees as well as organisational expenses. Subject to any applicable voluntary operating expense cap, these fees will be reflected in the Net Asset Value of each Fund. See "FEES AND EXPENSES".

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## **INVESTMENT OBJECTIVES AND POLICIES**

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The Company has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The investment objective and policies for the Funds are set out below. The investment objective and policies for later Funds will be formulated by the Directors at the time of creation of such Funds.

The investment objective of a Fund will not be altered at any time without the approval of an ordinary resolution of the Shareholders. In the event of a change of investment objectives and/or a material change in investment policy, a reasonable notification period will be provided by the Directors to enable Shareholders to redeem their Shares prior to implementation of these changes.

### **INVESTMENT OBJECTIVES AND POLICIES**

The Funds will purchase transferable securities listed or traded on Recognised Markets in accordance with the investment restrictions described under "INVESTMENT RESTRICTIONS" below and subject to the market limits specified in the Articles. The Funds have the investment objectives and policies set out below.

Where a Fund receives a security listed on an exchange which the Investment Manager determines would otherwise not be in compliance with the Fund's investment policy from time to time due to a corporate action, the Investment Manager will adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Shareholders.

The Funds may utilise certain financial derivative instruments for the purposes of share class hedging, described under "Share Class Hedging" below, while the US Enhanced Equity Income Fund and Global Enhanced Equity Income Fund may write covered call options for hedging purposes and/or in order to generate additional income.

### **NORTH AMERICAN HIGH DIVIDEND VALUE EQUITY FUND**

#### ***Profile of a Typical Investor***

Investment in the Fund's Distributing Class Shares may be suitable for investors seeking to maximise current income consistent with the preservation of principal and liquidity while investment in the Fund's Accumulating Class Shares may be suitable for investors seeking a long-term appreciation of capital and who are prepared to accept a moderate degree of volatility.

#### ***Investment Objective***

The investment objective of the North American High Dividend Value Equity Fund is to seek long-term capital appreciation and current income.

#### ***Investment Policies***

The investment policy of the Fund is to purchase dividend paying securities of companies which the Investment Manager deems eligible medium and large companies. Companies are considered medium or large primarily based on market capitalisation. Generally, companies will be considered medium companies where they have a capitalisation of between US\$3 billion and US\$7 billion. Companies will generally be considered large companies where they have a market capitalisation of over US\$7 billion. The Fund intends to purchase a broad and diverse group of shares of medium and large companies traded principally on exchanges in the United States.

The Fund intends to invest in securities which have a dividend yield greater than the securities comprising the S&P 500 Stock Index (the "Benchmark Stock Index"). For the avoidance of doubt, the Fund does not intend to track the performance of the Benchmark Stock Index nor is it intended that the investments of the Fund be limited to components of the Benchmark Stock Index. It is also not

intended for the Fund to invest in funds or other securities that are intended to track the Benchmark Stock Index.

Under normal circumstances, the Fund will invest most of its assets in high dividend paying securities of medium and large companies incorporated in the U.S.. In addition to investment in assets in securities of medium and large companies incorporated in the U.S., the Fund may invest up to 30% of its Net Asset Value in American Depository Receipts (“ADRs”), which trade on exchanges in the U.S., although it is anticipated that ADRs will generally constitute approximately 15-25% of the Fund’s Net Asset Value.

Generally the Fund will invest similar amounts of its Net Asset Value in each individual security in the portfolio at its initial time of purchase. It is currently intended that the securities that make up the portfolio will be broadly diversified, with no more than 5% of the Net Asset Value of the Fund being invested in any one security calculated either at the time of its initial purchase, or in the event that the same security is purchased subsequently, by reference to the Fund’s total investment in that security at the then calculated Net Asset Value. Securities that make up the portfolio will generally be diversified across 15-25 industries, with no more than 15% of the Net Asset Value of the Fund being invested in securities in any one industry, calculated either at the time of the initial purchase of the securities, or in the event that the same securities are purchased subsequently, by reference to the Fund’s total investment in that industry at the then calculated Net Asset Value.

The Investment Manager will generally select securities for the Fund based on the following criteria:

- a below average price/earnings ratio as compared with the average price/earnings ratio of the equity securities in the Fund’s Benchmark Stock Index;
- a dividend yield greater than the average dividend yield of the equity securities in the Fund’s Benchmark Stock Index; and
- strong dividend growth potential based upon historical dividend growth and company fundamentals.

The Investment Manager may sell any securities in the portfolio at any time when they no longer become attractive investments based on their growth potential, dividend yield or price.

The Fund does not have any exposure to total return swaps or repurchase agreements. The Fund’s exposure to securities lending transactions is as set out below (as a percentage of Net Asset Value):

	<b>Expected</b>	<b>Maximum</b>
Securities Lending	0-25%	50%

**GLOBAL ENHANCED EQUITY INCOME FUND**

***Profile of a Typical Investor***

Investment in the Fund’s Distributing Class Shares may be suitable for investors seeking to maximise current income consistent with the preservation of principal and liquidity while investment in the Fund’s Accumulating Class Shares may be suitable for investors seeking a long-term appreciation of capital and who are prepared to accept a moderate degree of volatility.

***Investment Objective***

The investment objective of the Global Enhanced Equity Income Fund is to seek long-term capital appreciation and current income.

***Investment Policies***

The investment policy of the Fund is to purchase dividend paying securities of companies which the Investment Manager deems eligible medium and large companies. Companies are considered medium or large primarily based on market capitalisation. Generally, companies will be considered medium companies where they have a capitalisation of between US\$3 billion and US\$7 billion. Companies will generally be considered large companies where they have a market capitalisation of over US\$7 billion. Generally, the Fund intends to purchase a broad and diverse group of shares of medium and large companies traded principally on worldwide exchanges, in countries such as Australia, Brazil, Canada, China, Egypt, Finland, France, Germany, Hong Kong, Indonesia, Italy, Japan, Korea, Malaysia, Netherlands, Singapore, South Africa, Spain, Switzerland, Taiwan, the United Kingdom and the United States. In addition, the Fund may invest in such equity securities listed or traded on Recognised Markets in Russia. Any such investment in Russia shall typically be in the region of 0% to 20% of the Net Asset Value of the Fund and shall not exceed 20% of the Net Asset Value of the Fund at the time of their original purchase. The Fund may also invest up to 30% of its Net Asset Value in ADRs (of medium and large companies) traded on exchanges in the U.S. although it is anticipated that ADR's will generally constitute approximately 15-25% of the Fund's Net Asset Value.

Where the Fund invests in securities, it is intended that those securities will have a dividend yield greater than the securities comprising the MSCI World Index (the "Benchmark Stock Index"). For the avoidance of doubt, the Fund does not intend to track the performance of the Benchmark Stock Index nor is it intended that the investments of the Fund be limited to components of the Benchmark Stock Index. It is also not intended for the Fund to invest in funds or other securities that are intended to track the Benchmark Stock Index.

Under normal circumstances, the Fund will invest most of its assets in high dividend paying securities of medium and large companies. The Fund will primarily invest in securities of companies in developed countries globally, but may also invest in securities of companies located in emerging market countries globally. **As the Fund may invest without limit in emerging markets, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Generally the Fund will invest similar amounts of its Net Asset Value in each individual security in the portfolio at its initial time of purchase. Generally the securities that make up the portfolio will be broadly diversified, with no more than 5% of the Net Asset Value of the Fund being invested in any one security calculated either at the time of its initial purchase, or in the event that the same security is purchased subsequently, by reference to the Fund's total investment in that security at the then calculated Net Asset Value. Securities that make up the portfolio will generally be diversified across 15-25 industries, with no more than 20% of the Net Asset Value of the Fund being invested in securities in any one industry, calculated either at the time of the initial purchase of the securities, or in the event that the same securities are purchased subsequently, by reference to the Fund's total investment in that industry at the then calculated Net Asset Value.

Other than the United States, no more than 30% of the Fund's net assets will be invested in any one country calculated either at the time of the initial purchase of the relevant securities, or in the event that further such securities are purchased subsequently, by reference to the Fund's total investment in those securities at the then calculated Net Asset Value.

The Investment Manager will generally select securities for the Fund based on the following criteria:

- a below average price/earnings ratio as compared with the average price/earnings ratio of the equity securities in the Fund's Benchmark Stock Index;
- a dividend yield greater than the average dividend yield of the equity securities in the Fund's Benchmark Stock Index; and
- strong dividend growth potential based upon historical dividend growth and company fundamentals.

The Investment Manager will also selectively write covered call options for hedging purposes and/or in order to generate additional income for the Fund. Writing a covered call involves the Fund selling a call option for an equity security that is currently held in its portfolio. The purchaser of a call option has the

right to buy, and the writer (in this case the Fund) of a call option has the obligation to sell, an underlying security at a specified exercise price during a specified option period. The advantage of writing covered calls is that the Fund receives a premium for writing the call, which is additional income. However, if the security rises in value and the call is exercised, the Fund may not participate fully in the market appreciation of the security. Generally, the Investment Manager does not expect the writing of covered call options to exceed 50% of the Fund's Net Asset Value. In monitoring these limits, the market value of the call options' underlying securities will be measured as a percentage of the Fund's Net Asset Value.

The Investment Manager may sell any securities in the portfolio at any time when they no longer become attractive investments based on their growth potential, dividend yield or price.

The Fund's global exposure is the incremental exposure and leverage generated by it through the use of financial derivative instruments such as its writing of covered call options. The global exposure of the Fund is calculated using the commitment approach, whereby positions in financial derivative instruments are calculated, based in the case of covered call options (using the conversion methodologies set out in the risk management process for the Company) on the market value of the underlying equity security. As the Fund is using the commitment approach to calculate its global exposure, it must ensure that such global exposure does not exceed its total Net Asset Value. Although the Fund does not expect to be leveraged through its writing of covered call options, it will be deemed leveraged where it has a global exposure of greater than zero and as provided above, the calculation of such global exposure also includes incremental exposure generated through the use of financial derivative instruments including the writing of covered call options. In that context, the Fund will not be leveraged in excess of 100% of Net Asset Value.

The Fund does not have any exposure to total return swaps or repurchase agreements. The Fund's exposure to securities lending transactions is as set out below (as a percentage of Net Asset Value):

	Expected	Maximum
Securities Lending	0-25%	50%

**GLOBAL HIGH DIVIDEND VALUE EQUITY FUND**

***Profile of a Typical Investor***

Investment in the Fund's Distributing Class Shares may be suitable for investors seeking to maximise current income consistent with the preservation of principal and liquidity while investment in the Fund's Accumulating Class Shares may be suitable for investors seeking a long-term appreciation of capital and who are prepared to accept a moderate degree of volatility.

***Investment Objective***

The investment objective of the Global High Dividend Value Equity Fund is to seek long-term capital appreciation and current income.

***Investment Policies***

The investment policy of the Fund is to purchase dividend paying securities of companies which the Investment Manager deems eligible medium and large companies. Companies are considered medium or large primarily based on market capitalisation. Generally, companies will be considered medium companies where they have a capitalisation of between US\$3 billion and US\$7 billion. Companies will generally be considered large companies where they have a market capitalisation of over US\$7 billion. Generally, the Fund intends to purchase a broad and diverse group of shares of medium and large companies traded principally on worldwide exchanges, in countries such as Australia, Brazil, Canada, China, Egypt, Finland, France, Germany, Hong Kong, Indonesia, Italy, Japan, Korea, Malaysia, Netherlands, Singapore, South Africa, Spain, Switzerland, Taiwan, the United Kingdom and the United States. The Fund may also invest in such equity securities listed or traded on

Recognised Markets in Russia. Any such investment in Russia shall typically be in the region of 0% to 20% of the Net Asset Value of the Fund and shall not exceed 20% of the Net Asset Value of the Fund at the time of their original purchase. These limits can be changed in the sole discretion of the Directors, subject to advance notification to the Shareholders in the Fund.

Where the Fund invests in securities, it is intended that those securities will have a dividend yield greater than the securities comprising the MSCI World Index (the "Benchmark Stock Index"). For the avoidance of doubt, the Fund does not intend to track the performance of the Benchmark Stock Index nor is it intended that the investments of the Fund be limited to components of the Benchmark Stock Index. It is also not intended for the Fund to invest in funds or other securities that are intended to track the Benchmark Stock Index.

Under normal circumstances, the Fund will invest most of its assets in high dividend paying securities of medium and large companies. The Fund will primarily invest in securities of companies in developed countries globally, but may also invest in securities of companies located in emerging market countries globally. **As the Fund may invest without limit in emerging markets, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Generally, the Fund will invest similar amounts of its Net Asset Value in each individual security in the portfolio at its initial time of purchase. Generally the securities that make up the portfolio will be broadly diversified, with no more than 5% of the Net Asset Value of the Fund being invested in any one security calculated either at the time of its initial purchase, or in the event that the same security is purchased subsequently, by reference to the Fund's total investment in that security at the then calculated Net Asset Value. Securities that make up the portfolio will generally be diversified across 15-25 industries, with no more than 20% of the Net Asset Value of the Fund being invested in securities in any one industry, calculated either at the time of the initial purchase of the securities, or in the event that the same securities are purchased subsequently, by reference to the Fund's total investment in that industry at the then calculated Net Asset Value.

Other than the United States, no more than 30% of the Fund's net assets will be invested in any one country calculated either at the time of the initial purchase of the relevant securities, or in the event that further such securities are purchased subsequently, by reference to the Fund's total investment in those securities at the then calculated Net Asset Value.

The Investment Manager will generally select securities for the Fund based on the following criteria:

- a below average price/earnings ratio as compared with the average price/earnings ratio of the equity securities in the Fund's Benchmark Stock Index;
- a dividend yield greater than the average dividend yield of the equity securities in the Fund's Benchmark Stock Index; and
- strong dividend growth potential based upon historical dividend growth and company fundamentals.

The Investment Manager may sell any securities in the portfolio at any time when they no longer become attractive investments based on their growth potential, dividend yield or price.

The Fund does not have any exposure to total return swaps or repurchase agreements. The Fund's exposure to securities lending transactions is as set out below (as a percentage of Net Asset Value):

	Expected	Maximum
Securities Lending	0-25%	50%

**US ENHANCED EQUITY INCOME FUND**

### ***Profile of a Typical Investor***

Investment in the Fund's Distributing Class Shares may be suitable for investors seeking to maximise current income consistent with the preservation of principal and liquidity while investment in the Fund's Accumulating Class Shares may be suitable for investors seeking a long-term appreciation of capital and who are prepared to accept a moderate degree of volatility.

### ***Investment Objective***

The investment objective of the US Enhanced Equity Income Fund is to seek long-term capital appreciation and current income.

### ***Investment Policies***

The investment policy of the Fund is to purchase dividend paying securities of companies which the Investment Manager deems eligible medium and large companies. Companies are considered medium or large primarily based on market capitalisation. Generally, companies will be considered medium companies where they have a capitalisation of between US\$3 billion and US\$7 billion. Companies will generally be considered large companies where they have a market capitalisation of over US\$7 billion. The Fund intends to purchase a broad and diverse group of securities of medium and large companies involved in varied industries and traded principally on exchanges in the United States. The Fund also intends the aforementioned securities to have a dividend yield greater than the securities comprising the S&P 500 Stock Index (the "Benchmark Stock Index"). For the avoidance of doubt, the Fund does not intend to track the performance of the Benchmark Stock Index nor is it intended that the investments of the Fund be limited to components of the Benchmark Stock Index. It is also not intended for the Fund to invest in funds or other securities that are intended to track the Benchmark Stock Index.

The Investment Manager will generally select such securities for the Fund based on the following criteria:

- a below average price/earnings ratio as compared with the average price/earnings ratio of the equity securities in the Fund's Benchmark Stock Index;
- a dividend yield greater than the average dividend yield of the equity securities in the Fund's Benchmark Stock Index; and
- strong dividend growth potential based upon historical dividend growth and company fundamentals.

While the Fund will invest most of its assets in dividend paying securities of medium and large companies incorporated in the U.S., the Fund may also invest up to 30% of its Net Asset Value in ADRs (of medium and large companies) traded on exchanges in the U.S.. It is anticipated that ADR's will generally constitute approximately 15-25% of the Fund's Net Asset Value.

The Investment Manager will also selectively write covered call options for hedging purposes and/or in order to generate additional income for the Fund. Writing a covered call involves the Fund selling a call option for an equity security that is currently held in its portfolio. The purchaser of a call option has the right to buy, and the writer (in this case the Fund) of a call option has the obligation to sell, an underlying security at a specified exercise price during a specified option period. The advantage of writing covered calls is that the Fund receives a premium for writing the call, which is additional income. However, if the security rises in value and the call is exercised, the Fund may not participate fully in the market appreciation of the security. Generally, the Investment Manager does not expect the writing of covered call options to exceed 50% of the Fund's Net Asset Value. In monitoring these limits, the market value of the call options' underlying securities will be measured as a percentage of the Fund's Net Asset Value.

Generally the Fund will invest similar amounts of its Net Asset Value in each individual security in the portfolio at its initial time of purchase. It is currently intended that the securities that make up the portfolio will be broadly diversified, with no more than 5% of the Net Asset Value of the Fund being

invested in any one security calculated either at the time of its initial purchase, or in the event that the same security is purchased subsequently, by reference to the Fund's total investment in that security at the then calculated Net Asset Value. Securities that make up the portfolio will generally be diversified across 15-25 varied industries, with no more than 15% of the Net Asset Value of the Fund being invested in securities in any one industry, calculated either at the time of the initial purchase of the securities, or in the event that the same securities are purchased subsequently, by reference to the Fund's total investment in that industry at the then calculated Net Asset Value.

The Investment Manager may sell any securities in the portfolio at any time when they no longer become attractive investments based on their growth potential, dividend yield or price.

The Fund's global exposure is the incremental exposure and leverage generated by it through the use of financial derivative instruments such as its writing of covered call options. The global exposure of the Fund is calculated using the commitment approach, whereby positions in financial derivative instruments are calculated, based in the case of covered call options (using the conversion methodologies set out in the risk management process for the Company) on the market value of the underlying equity security. As the Fund is using the commitment approach to calculate its global exposure, it must ensure that such global exposure does not exceed its total Net Asset Value. Although the Fund does not expect to be leveraged through its writing of covered call options, it will be deemed leveraged where it has a global exposure of greater than zero and as provided above, the calculation of such global exposure also includes incremental exposure generated through the use of financial derivative instruments including the writing of covered call options. In that context, the Fund will not be leveraged in excess of 100% of Net Asset Value.

The Fund does not have any exposure to total return swaps or repurchase agreements. The Fund's exposure to securities lending transactions is as set out below (as a percentage of Net Asset Value):

	Expected	Maximum
Securities Lending	0-25%	50%

**EMERGING MARKETS HIGH DIVIDEND FUND**

***Profile of a Typical Investor***

Investment in the Fund's Distributing Class Shares may be suitable for investors seeking to maximise current income consistent with the preservation of principal and liquidity while investment in the Fund's Accumulating Class Shares may be suitable for investors seeking a long-term appreciation of capital and who are prepared to accept a moderate degree of volatility.

***Investment Objective***

The investment objective of the Emerging Markets High Dividend Fund is to seek long-term capital appreciation and current income.

***Investment Policies***

The investment policy of the Fund is to purchase dividend paying equity securities of companies across all capitalizations organized in or with a strong association to emerging market countries globally including Russia and China (and subject to the limits provided further below).

Under normal circumstances, the Fund will invest at least 80% of its assets in high dividend paying securities of companies across all capitalizations that are organized in, maintain at least 50% of their assets in, or derive at least 50% of their revenues from, emerging market countries. These dividend paying securities will generally have a dividend yield greater than the average dividend yield of the equity securities comprising the MSCI Emerging Markets Index (the "Benchmark Stock Index"). For the avoidance of doubt, the Fund does not intend to track the performance of the Benchmark Stock Index nor is it intended that the investments of the Fund be limited to components of the Benchmark

Stock Index. It is also not intended for the Fund to invest in funds or other securities that are intended to track the Benchmark Stock Index.

The Investment Manager will generally select such securities (which may be denominated in currencies of emerging countries) for the Fund on Recognised Markets globally based on not only the criteria contained in this section generally but also specifically the following:

- a below average price/earnings ratio as compared with the average price/earnings ratio of the equity securities in the Fund's Benchmark Stock Index;
- a dividend yield greater than the average dividend yield of the equity securities in the Fund's Benchmark Stock Index; and
- strong dividend growth potential based upon historical dividend growth and company fundamentals.

The Fund may also invest in American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs") and Global Depositary Receipts ("GDRs") representing emerging markets securities and in real estate investment trusts.

Generally, the Fund will invest similar amounts of its Net Asset Value in each individual security in the portfolio at its initial time of purchase. Generally the securities that make up the portfolio will be broadly diversified, with no more than 5% of the Net Asset Value of the Fund being invested in any one security calculated either at the time of its initial purchase, or in the event that the same security is purchased subsequently, by reference to the Fund's total investment in that security at the then calculated Net Asset Value. The Fund also intends to diversify its investments across different countries including but not limited to Brazil, China, Colombia, Czech Republic, Greece, Hong Kong, India, Indonesia, Israel, Korea, Malaysia, Mexico, Philippines, Poland, Russia, Singapore, South Africa, Sri Lanka, Taiwan, Thailand and Turkey but the percentage of the Fund's assets invested in particular countries or regions will change from time to time based on the Investment Manager's judgment of where long-term capital appreciation and current income is best achieved at that time. However, no more than 30% of the Net Asset Value of the Fund will be invested in securities of any one country (be that securities of companies organized in that specific country or organized elsewhere but maintaining at least 50% of their assets in, or deriving at least 50% of their revenues from, that country), calculated either at the time of initial purchase, or in the event that securities of the same country are purchased subsequently, by reference to the Fund's total investment in securities of that country at the then calculated Net Asset Value. The Investment Manager may sell any securities in the portfolio at any time when they no longer become attractive investments based on their growth potential, dividend yield or price. Investment in equity securities actually listed or traded in Russia will be limited to those on the RTS Stock Exchange or MICEX.

The Fund may invest up to 10% of its net assets in aggregate in other collective investment undertakings.

The Fund does not have any exposure to total return swaps or repurchase agreements. The Fund's exposure to securities lending transactions is as set out below (as a percentage of Net Asset Value):

	Expected	Maximum
Securities Lending	0-25%	50%

**As the Fund may invest without limit in emerging markets, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**CULLEN ALTAIRA ETHICAL GLOBAL HIGH DIVIDEND FUND**

***Profile of a Typical Investor***

The Fund is aimed at investors wishing to participate in global stock markets through investment in Shariah compliant equities. Investment in the Fund's Distributing Class Shares may be suitable for investors seeking to maximize current income consistent with the preservation of principal and liquidity while investment in the Fund's Accumulating Class Shares may be suitable for investors seeking long-term appreciation of capital and who are prepared to accept a moderate degree of volatility. Investors should be aware that this is a long-term investment. The investment horizon should be at least five years.

### ***Investment Objective***

The investment objective of the Cullen Altaira Ethical Global High Dividend Fund is to seek long-term capital appreciation and current income through investment in Shariah compliant global equities exhibiting relatively low valuations and above average dividend yields.

### ***Investment Policies***

The Fund seeks to provide investors with a way to participate in the upside potential of these global equities while at the same time generating current income and benefiting from greater than average downside protection as a result of the Fund's offsetting dividend yield support in down markets.

The Investment Manager has appointed Altaira Capital Partners LLP ("**Altaira**") as non-discretionary investment adviser to the Fund with responsibility for assigning an external panel or board qualified to issue "fatwas" (Islamic religious rulings) and therefore certify the Fund's Shariah compliance (the "**Shariah Board**"). Altaira is a London based Financial Conduct Authority (FCA) licensed Investment Advisory including veteran investment professionals with expertise in Shariah fund management and portfolio construction. Altaira's fees will be paid by the Investment Manager out of its own Management Fee.

The Fund's policy is to invest primarily in listed equities of companies with market capitalizations generally in excess of US\$3 billion and without limitation with respect to markets, sectors or regions. These companies are then further analyzed to identify equities with long term earnings growth prospects higher than the market or sector average and that also offer above average dividend yields and strong dividend growth potential. The Fund will however, aside from in uncommon circumstances further described below, only invest in such equities included in the Standard and Poor's Global Broad Market Index Shariah ("**S&P Global BMI Shariah**"). In that regard, the Standard and Poor's Global Broad Market Index which consists of over 10,000 companies is reviewed for Shariah compliance on a monthly basis. The compliant companies form the S&P Global BMI Shariah which includes constituents from developed and emerging markets with float-adjusted market capitalization of at least US\$100 million and annual value traded of at least US\$50 million. The S&P Global BMI Shariah is rebalanced monthly. Notwithstanding this, the Fund does not intend to track the performance of the S&P Global BMI Shariah.

Invested stocks generally offer a dividend yield which is higher than 3% per annum and a price/earnings ratio which is generally lower than the average price/earnings ratio of the S&P Global BMI Shariah. The combination of relatively low price/earnings ratios, relatively high dividend yield and dividend growth potential help mitigate some inherent portfolio risks even in volatile market environments.

The screening of the Shariah supervisory board of the S&P Global BMI Shariah eliminates, inter alia, companies involved to a material extent in the following activities: Production and distribution of alcohol, cloning, gambling, production and distribution of weapons and/or pornography. As such, this screening parallels objective screening done by many "socially responsible" screeners.

The screening of the Shariah supervisory board of the S&P Global BMI Shariah also eliminates companies from the Fund's investible universe that do not meet certain Shariah financial criteria relating to issues such as financial leverage and cash positions, for example:

- debt / market value of equity (36 month average) < 33 %;
- accounts receivables / market value of equity (36 month average) < 49 %; and

- (cash plus interest bearing securities) / market value of equity (36 month average) < 33%.

This has the additional value of assuring that the companies in the investible universe are financially sound.

Where an equity held by the Fund is removed from the S&P Global BMI Shariah, the Investment Manager will have a period of three months from the date thereof (so as to protect the invested company from instability) to either sell the position or, if it wishes at its discretion to retain same, to (i) request that the Shariah Board review the equity in question for Shariah compliance nonetheless and issue a formal letter of Shariah compliance in respect thereof or (ii) make a case to the Shariah Board that due to extraordinary financial circumstances it should issue a fatwa in relation to the equity in question allowing the Fund to continue to hold the equity for a further specified period.

From time to time the Investment Manager may also, having gone through the equity selection criteria above and identified an equity it would like to invest in on behalf of the Fund but which is not included in the S&P Global BMI Shariah, request that the Shariah Board review the equity in question for Shariah compliance nonetheless and issue a formal letter of Shariah compliance in respect thereof permitting the Fund to invest in the identified equity.

Subject to relevant investment restrictions, the Fund intends to invest at least 60% of its assets in equities as described herein at all times but depending on market fluctuations and redemptions could also therefore end up holding up to 40% of its assets as cash on deposit with predominantly the Depositary and also potentially other appropriate credit institutions.

Shariah principles will apply with respect to the investment of the Fund in all equities and to its cash balance.

The Fund does not have any exposure to total return swaps or repurchase agreements. The Fund's exposure to securities lending transactions is as set out below (as a percentage of Net Asset Value):

	<b>Expected</b>	<b>Maximum</b>
Securities Lending	0-25%	50%

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## INVESTMENT RESTRICTIONS

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The assets of each Fund must be invested in accordance with the restrictions on investments set out in the UCITS Regulations and such additional investment restrictions, if any, as may be adopted from time to time by the Directors in respect of any Fund such as those described in the Investment Objectives and Policies of each Fund above. The principal investment restrictions applying to each Fund under the UCITS Regulations are described as follows:

- (i) Subject to paragraph (ii) below, a Fund may invest:
  - (a) up to 100% in transferable securities and money market instruments as prescribed in the Central Bank UCITS Regulations which are listed, traded or dealt in on a Recognised Market.
  - (b) up to 10% of its net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year. This restriction will not apply in relation to investment by a Fund in certain U.S. securities known as Rule 144A securities provided that:
    - 1. the securities are issued with an undertaking to register with the U.S. Securities and Exchanges Commission within one year of issue; and
    - 2. the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
  - (c) in money market instruments, other than those dealt on a Recognised Market.
  - (d) in units of UCITS.
  - (e) in units of alternative investment funds as set out in the Central Bank's guidance entitled "UCITS Acceptable Investment in other Investment Funds".
  - (f) in deposits with credit institutions as prescribed in the Central Bank UCITS Regulations.
  - (g) in financial derivative instruments as prescribed in the Central Bank UCITS Regulations.
- (ii) A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph (i) above.
- (iii) A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on or for trading on or dealing in any Recognised Market.
- (iv)
  - (a) A 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%.
  - (b) Subject to the prior approval of the Central Bank, the limit of 10% (in (a)) 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.

- (c) The limit of 10% (in (a)) 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.

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

- (v)
  - (a) A Fund may not invest more than 20% of net assets in deposits made with the same credit institution.
  - (b) Deposits with any one credit institution, other than 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 1988, held as ancillary liquidity, must not exceed 10% of net assets.
  - (c) This limit may be raised to 20% in the case of deposits made with the Depositary.
- (vi)
  - (a) The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.
  - (b) 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 1988.
- (vii) A combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
  - (a) investments in transferable securities or money market instruments;
  - (b) deposits; and/or
  - (c) counterparty risk exposures arising from OTC derivatives transactions;
- (viii) The limits referred to in (iv), (v), (vi) and (vii) above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- (ix) Group companies are regarded as a single issuer for the purposes of (iv), (v), (vi) and (vii).
- (x) A Fund may invest up to 100% of net assets in different investment grade transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international body of which one or more EU Member States are members may be drawn from the following list:

EU Member States

Australia  
Canada  
Japan  
New Zealand  
Norway  
Switzerland  
United States of America  
Euratom  
European Investment Bank  
European Bank for Reconstruction and Development  
International Finance Corporation  
International Monetary Fund

The Asian Development Bank  
International Bank for Reconstruction and Development (The World Bank)  
The Inter American Development Bank

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

- (xi) A Fund shall not invest more than 10% of its net assets in aggregate in other collective investment undertakings. The collective investment undertakings in which a Fund can invest are prohibited from investing more than 10% of net assets in other open-ended collective investment schemes.

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

Where a commission (including a rebated commission) is received by the Investment Manager or the Investment Sub-Advisors by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the relevant Fund.

- (xii) A Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

- (xiii) A Fund may acquire no more than:

- (a) 10% of the non-voting shares of any single issuing body;
- (b) 10% of the debt securities of any single issuing body;
- (c) 25% of the units of any single collective investment undertaking;
- (d) 10% of the money market instruments of any single issuing body.

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

- (xiv) (xii) and (xiii) shall not be applicable to:

- (a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (b) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (c) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (d) shares held by a 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 non-member state, where under the legislation of that non-member state such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that non-member 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 (i) to (ix), and (xi) to (xiii), and provided that where these limits are exceeded, (xvi) and (xvii) are observed;

- (e) shares held by 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 repurchase of units at unit-holders' request exclusively on their behalf.
- (xv) 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.
- (xvi) If the limits laid down in (iv) to (xi) 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.
- (xvii) A Fund may not carry out uncovered sales of:
  - (a) transferable securities;
  - (b) money market instruments;
  - (c) units of collective investment undertakings; or
  - (d) financial derivative instruments.

Without limitation, the Directors may adopt additional investment restrictions with respect to any Fund to facilitate the distribution of Shares in the relevant Fund to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares in the Funds are currently offered, provided that the assets of each Fund will at all times be invested in accordance with the restrictions on investments set out in the UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to any Fund, a reasonable notification period will be provided by the Company to enable Shareholders in the relevant Fund to redeem their Shares prior to implementation of these changes and the Prospectus will be updated accordingly.

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## **SPECIAL CONSIDERATIONS AND RISK FACTORS**

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Investment in the Funds carries with it a degree of risk including, but not limited to, the risks referred to below. The investment risks described below are not purported to be exhaustive and potential investors should review this Prospectus in its entirety, and consult with their professional advisers, before purchasing Shares. The levels and bases of, and reliefs from, taxation to which both the Company and Shareholders may be subject, may change. Potential investors' attention is drawn to the section headed "TAXATION". Different risk considerations may apply to each Fund, and there can be no assurance that any Fund will achieve its investment objective. The Net Asset Value of a Fund, and the income therefrom, may go down as well as up and investors may not get back the amount invested or any return on their investment.

### **MARKET RISK**

The investments of a Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation or preservation will occur.

### **INTERNATIONAL INVESTING**

Investing in securities issued by companies and governments in different countries, especially those in emerging market countries, involves considerations and possible risks not associated with investing in issuers of one country. The values of investments denominated in currencies other than the Base Currency of a Fund are affected by changes in currency exchange rates. Investing in multiple jurisdictions involves consideration of different exchange control regulations, legal risks, tax law, including withholding taxes, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations. Currency exchange rates may fluctuate significantly over short periods of time causing a Fund's net asset value to fluctuate as well. Costs are incurred in connection with conversions between various currencies. In addition, brokerage commissions, custody fees and other costs of investing are higher in certain countries, and less developed markets may be less liquid, more volatile and less subject to governmental supervision than elsewhere. Investments in some issuers could be affected by factors such as expropriation, confiscatory taxation, lack of uniform accounting and auditing standards and potential difficulties in enforcing contractual obligations. Securities transactions in some countries are subject to settlement delays or risk of loss.

### **EMERGING MARKET COUNTRIES**

Numerous emerging market countries have recently experienced serious and potentially continuing, economic and political problems. Stock markets in many emerging countries are relatively small and risky. Investors are often limited in their investment and divestment activities. Additional restrictions may be imposed under emergency conditions. Emerging market securities may decline or fluctuate because of economic and political actions of emerging market governments and less regulated or liquid securities markets. Investors holding the securities are also exposed to emerging market currency risk (the possibility that that emerging market currency will fluctuate against the Base Currency of the relevant Fund). The legal infrastructure and accounting, auditing and reporting standards in emerging market countries in which a Fund may invest may not provide the same degree of information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

Investment in securities listed on Russian exchanges is subject to heightened risks. Political and economic instability may occur and is likely to have a greater impact on the securities markets and the economy in Russia. Foreign investment is affected by repatriation and currency convertibility. Adverse government policies and taxation laws may also have an impact on the Fund's investments. The legal and regulatory environment is sometimes uncertain and the standards of corporate governance, accounting, auditing and reporting standards may not provide the same degree of investor information and protection as would apply in more developed markets. Furthermore, the

settlement, clearing, registration and custody procedures may be underdeveloped which increases the risk of error, fraud or default.

Investors' attention is also drawn to the risks referred to as "Settlement Risks" and "Political and/or Regulatory Risks" in the sections set out below.

## **CREDIT RISK**

A Fund will have a credit risk on the issuer of debt securities in which it invests which will vary depending on the issuer's ability to make principal and interest payments on the obligation. Not all of the securities in which a Fund may invest that are issued by sovereign governments, or political subdivisions, agencies or instrumentalities thereof, will have the explicit full faith and credit support of the relevant Government. Any failure by any such Government to meet the obligations of any such political subdivisions, agencies or instrumentalities which default will have adverse consequences for a Fund and will adversely affect the Net Asset Value per Share in a Fund.

A Fund will also have a credit risk on the parties with which it trades including, for example, counterparties to repurchase agreements or securities lending contracts. In the event of the insolvency, bankruptcy or default of the seller under a repurchase agreement, a Fund may experience both delays in liquidating the underlying securities and losses, including possible decline in the value of securities, during the period while it seeks to enforce its rights thereto, possible sub-normal levels of income, lack of access to income during the period and expenses in enforcing its rights.

S&P and Moody's ratings and ratings of other recognised rating agencies are relative and subjective and are not absolute standards of quality. Although these ratings are initial criteria for selection of investments in debt securities, the Investment Manager makes its own evaluation of these securities. Among the factors that are considered are the long-term ability of the issuers to pay principal and interest and general economic trends.

## **PROVISIONAL ALLOTMENTS**

As the Company may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares the Company may suffer losses as a result of the non-payment of such subscription monies.

## **WHEN-ISSUED AND DELAYED-DELIVERY SECURITIES**

Each Fund may purchase securities on a when-issued or delayed-delivery basis for the purposes of efficient portfolio management. Purchase of securities on such basis may expose a Fund to risk because the securities may experience fluctuations in value prior to their actual delivery. Income is not accrued for a Fund with respect to a when-issued or delayed-delivery security prior to its stated delivery date. Purchasing securities on a when-issued or delayed-delivery basis can involve the additional risk that the yield available in the market when the delivery takes place may be higher than that obtained in the transaction itself. There is also a risk that the securities may not be delivered and that the Fund may incur a loss.

## **FOREIGN EXCHANGE RISK**

Where a Fund engages in foreign exchange transactions which alter the currency exposure characteristics of its investments the performance of such Fund may be strongly influenced by movements in exchange rates as currency positions held by the Fund may not correspond with the securities positions held.

The Net Asset Value per Share of a Fund will be computed in its Base Currency whereas the investments held for the account of a Fund may be acquired in other currencies. A Fund's Net Asset Value may change significantly when the currencies other than the Base Currency in which some of the Fund's investments are denominated strengthen or weaken against the Base Currency. Currency exchange rates generally are determined by supply and demand in the foreign exchange markets and the perceived relative merits of investments in different countries. Currency exchange rates can also

be affected unpredictably by intervention by Government or central banks or by currency controls or political developments.

## **FOREIGN TAXES**

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

## **FATCA**

The United States Hiring Incentives to Restore Employment Act (the “**HIRE Act**”) was signed into U.S. law in March 2010 creating a new withholding regime referred to as the Foreign Account Tax Compliance Act (“**FATCA**”).

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

In addition to the above, certain other jurisdictions outside of the United States have indicated that they may introduce similar legislation to FATCA which could have a comparable effect on the Company.

Shareholders should consult their own tax advisers regarding the possible implications of these rules on their investments in a Fund.

## **AUTOMATIC REPORTING TO SHAREHOLDER INFORMATION TO OTHER TAX AUTHORITIES**

The automatic exchange of information regime known as the “*Common Reporting Standard*” proposed by the Organisation for Economic Co-operation and Development applies in Ireland. Under these measures, the Company is required to report information to the Irish Revenue Commissioners relating to Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. As a result, Shareholders may be required to provide such information to the Company. Such information will be collected for compliance reasons only and will not be disclosed to unauthorised persons. Regulations implementing the OECD Common Reporting Standard came into effect in Ireland on 31 December 2015.

## **SHARE CURRENCY DESIGNATION RISK**

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

The Investment Manager will try to mitigate this risk for Hedged Classes by using foreign exchange hedging transactions to hedge the foreign currency exposure of the Hedged Classes to the Base Currency of a Fund.

Investors should be aware that this strategy may substantially limit Shareholders of the relevant Hedged Class from benefiting if the Class Currency falls against the Base Currency of the Fund and/or

the currency/currencies in which the assets of the Fund are denominated. In such circumstances, Shareholders of the Hedged Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/loss on and the costs of the relevant financial instruments used in hedging activities.

Although hedging strategies may not necessarily be used in relation to each Class, the financial instruments used to implement such strategies shall be assets/liabilities of a Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments used in hedging activities will accrue solely to the relevant Hedged Class. Any currency exposure of a Hedged Class may not be combined with or offset with that of any other Class. Such hedging strategies may require the use of some of a Fund's assets to support specific transactions and this may cause the performance of the Fund to be adversely affected.

Where the designation "Hedged" does not appear in the name of a Non-Base Currency Class, it is not a Hedged Class and the Investment Manager will not seek to mitigate the risk of adverse exchange rate fluctuations between the Base Currency of the Fund and the currency in which the relevant Class of Shares is designated.

There may be circumstances in which the Investment Manager may determine not to conduct any foreign exchange hedging in whole or in part for a certain period of time, including without limitation, where the Investment Manager determines, in its sole discretion, that foreign exchange hedging is not practicable or possible or may materially affect a Fund or any direct or indirect investors therein, including the holders of Base Currency denominated Shares and/or unhedged Non-Base Currency Class Shares. As a result, foreign currency exposure may go fully or partially unhedged for that period of time. Shareholders may not receive notice of certain periods for which foreign currency exposure is unhedged. There can be no assurance that the Investment Manager will be able to hedge, or be successful in hedging, the currency exposure, in whole or in part, of Shares of any Hedged Class. In addition, the Company is not expected to utilize foreign exchange hedging during the period when a Fund's assets are being liquidated or a Fund is being terminated, although it may do so in the Investment Manager's sole discretion.

## **PORTFOLIO TURNOVER**

When circumstances warrant, securities may be sold without regard to the length of time held. A Fund may engage in active shorter-term investing to benefit from yield disparities among different issues of securities, to seek shorter-term profits during periods of fluctuating interest rates or for other reasons. Active investing increases a Fund's rate of turnover, which may increase brokerage commissions paid and certain other transaction expenses.

## **NO INVESTMENT GUARANTEE EQUIVALENT TO DEPOSIT PROTECTION**

An investment in the Company is not in the nature of a deposit in a bank account and is not protected by any Government, Government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

## **MEDIUM COMPANIES**

The investment risk associated with medium companies may be higher than that normally associated with larger, more established companies due to the greater business risks associated with smaller size, the relative inexperience of the company, limited product lines, distribution channels and financial and managerial resources. Further, there is typically less publicly available information concerning smaller companies than for larger, more established ones. The securities of medium sized companies are often traded only over-the-counter and may not be traded in the volumes typical of trading on a national securities exchange. As a result, in order to sell this type of holding, a Fund may need to discount the securities from recent prices or dispose of the securities over a long period of time. The prices of this type of security may be more volatile than those of larger companies which are often traded on a national securities exchange.

## **SETTLEMENT RISKS**

A Fund may be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default. Shareholders should also note that settlement mechanisms in emerging market countries are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for a Fund in respect of investments in emerging market countries. Shareholders should also note that the securities of companies domiciled in emerging market countries are less liquid and more volatile than those domiciled in more developed stock markets and this may result in fluctuations in the price of the Shares.

## **POLITICAL AND/OR REGULATORY RISKS**

The value of the assets of a Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

## **EQUITIES**

Funds investing in equities tend to be more volatile than Funds investing in bonds but can also offer greater potential for growth. The value of the underlying investments in the Funds may fluctuate quite dramatically in response to activities and results of individual companies, as well as in connection with general and economic conditions.

## **VALUE STOCKS**

Securities are considered value stocks primarily because the Investment Manager concludes that a company's shares are undervalued by other market participants. In assessing value, the Investment Manager may consider additional factors such as price to earnings or price to book ratios. Value stocks may have a market value as a result of poor business prospects or financial weakness and may include companies with higher-than-average vulnerability to financial distress or even bankruptcy. The prices of this type of security may also be more volatile than those of shares in general.

## **LIQUIDITY RISK**

In addition to the covered call options used by the US Enhanced Equity Income Fund and Global Enhanced Equity Income Fund, the Company will limit the use of financial derivative instruments to actively traded, liquid exchange-traded forward currency contracts and currency options where liquidity is estimated to be sufficient for hedging purposes. The volumes and prices of standardised exchange traded index futures are transparent and they are quoted on public trading data and information systems such as Bloomberg.

A Fund may invest no more than 10% of net assets in transferable securities which are not admitted to official listing on a stock market or another regulated market place. While these assets would be transferable, a Fund may nevertheless encounter difficulties in disposing of unlisted securities at fair prices, especially in adverse market conditions. Therefore, it is not the intention of the Investment Manager, currently, to invest in such unlisted securities.

## **OPTIONS OR COVERED CALL WRITING**

The market price of a call option will, in most instances, move in conjunction with the price of the underlying equity security. However, if the security rises in value and the call is exercised, the US Enhanced Equity Income Fund and/or Global Enhanced Equity Income Fund may not participate fully in the market appreciation of the security, which may negatively affect your investment return.

## **CREDITWORTHINESS RISK**

The creditworthiness (the ability and willingness to pay) of the issuer whose securities or money market instruments are held by a Fund may subsequently decline. As a rule, this leads to a decline in prices that exceeds general market fluctuations.

## **COUNTRY/REGIONAL RISK**

Risk diversification is also reduced if a Fund's investments focus on specific countries or regions. Consequently, a Fund is particularly affected by developments in individual or interdependent countries and regions and/or by companies domiciled and/or operating in such areas.

## **REPURCHASE, REVERSE REPURCHASE AND STOCK LENDING TRANSACTIONS**

A Fund may enter into repurchase, reverse repurchase and stock agreements subject to the conditions and limits set out in the Central Bank UCITS Regulations. If the other party to an agreement should default, the Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities or collateral as the case may be held by the Fund in connection with the refuted repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase or return the securities as agreed, the Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.

## **INVESTING IN THE PRC AND THE GREATER CHINA REGION**

One or more Funds may make investments that are tied economically to issuers from the PRC, or other issuers in areas associated with the greater China region, such as Hong Kong, Macau or Taiwan. Certain Funds may also invest in issuers which may be listed or traded on recognised or over-the-counter markets located both inside and outside of the greater China region, such as the United Kingdom, Singapore, Japan or the United States.

Investments in PRC companies involve certain risks and special considerations not typically associated with Anglo sphere markets (i.e. Australia, Canada, New Zealand, the United Kingdom and the United States), such as greater government control over the economy, political and legal uncertainty, controls imposed by the PRC authorities on foreign exchange and movements in exchange rates (which may impact on the operations and financial results of PRC companies), confiscatory taxation, the risk that the PRC government may decide not to continue to support economic reform programs, the risk of nationalisation or expropriation of assets, lack of uniform auditing and accounting standards, less publicly available financial and other information, potential difficulties in enforcing contractual obligations and limitations on the ability to distribute dividends due to currency exchange issues, which may result in risk of loss of favourable tax treatment.

The SSE/SZSE may have lower trading volumes when compared to exchanges in developed markets and the market capitalisations of many listed companies are small compared to those on exchanges in developed markets. The listed equity securities of many companies in the PRC, such as China A Shares, are accordingly less liquid and may experience greater volatility than in more developed, OECD countries.

Government supervision and regulation of the PRC securities market and of quoted companies is also less developed than in many OECD countries. The PRC stock market has in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect the capital growth and performance of such investments and the Net Asset Value of Funds that make such investments, the ability to redeem Shares in the relevant Fund and the price at which such Shares may be redeemed. The evidence of title of exchange-traded securities in the PRC consists only of electronic book entries in the depository and/or registry associated with the exchange. These arrangements of the depositories and registries are new and not fully tested in regard to their efficiency, accuracy and security.

These risks may be more pronounced for the China A Share market than for PRC securities markets generally because the China A Share market is subject to greater governmental restrictions and control. Moreover, information available about PRC companies may not be as complete, accurate or timely as information about listed Anglo sphere companies.

A Fund may also elect to gain exposure to certain issuers in the greater China region by utilising existing or future "access" products or programs. To the extent that a Fund participates in Stock Connects or any similar access program that is novel, new or under development, the Fund may be subject to new, uncertain or untested rules and regulations promulgated by the relevant regulatory

authorities. Moreover, current regulations governing a Fund's investment in PRC companies may be subject to change. There can be no assurance that Stock Connects or any other investment program will not be abolished. Any Fund investing in securities issued by issuers from the PRC or the greater China region may be adversely affected as a result of such changes. Details of such "access" products and programs will be disclosed in an updated version of this Prospectus.

## **RISKS ASSOCIATED WITH THE STOCK CONNECTS**

Any Fund which invests through Stock Connects will be subject to the following additional risks:

### ***Quota Limitations***

Trading on the Stock Connects is subject to rules and regulations issued from time to time. Trading under the Stock Connects will be subject to a daily quota ("**Daily Quota**"). The Northbound Shanghai Trading Link and the Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect and the Northbound Shenzhen Trading Link and the Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect, will be subject to a separate Daily Quota respectively. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connects each day. The Northbound Daily Quota is currently set at RMB13 billion for each constituent of the Stock Connects.

The Daily Quota does not specifically relate to the relevant Funds and can only be utilised on a first-come-first-served basis. Once the remaining balance of the Northbound Daily Quota drops to zero or is exceeded during the opening call auction session, new buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Fund's ability to invest in Stock Connect Securities through the Stock Connects on a timely basis, and the relevant Fund may not be able to effectively pursue its investment strategy.

SEHK will monitor the Daily Quota and publish the remaining balance of the Northbound Daily Quota regularly on the HKEx's website.

### ***Suspension Risk***

It is contemplated that both the SEHK and the SSE/SZSE reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Trading suspensions may be applied from time to time to the securities of individual issuers for reasons specific to that issuer, or may be applied broadly by exchanges or governmental authorities in response to market events. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in Northbound trading through the Stock Connects is effected, a Fund's ability to access the PRC market will in turn be adversely affected which may impact a Fund's ability to implement its investment strategy effectively.

### ***Differences in Trading Day***

The Stock Connects will only operate on days when the Shanghai or Shenzhen and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors (such as a Fund) cannot carry out any China A Shares trading. Funds may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connects are not trading as a result.

### ***Operational Risk***

The Stocks Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in the programs subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the programs could be disrupted. A relevant Fund's ability to access the PRC market (and hence to pursue its investment strategy) may be adversely affected.

### ***Restrictions on Selling Imposed by Front-end Monitoring***

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on Stock Connect Securities sell orders of its exchange participants (i.e. the stock brokers) to ensure there is no over-selling.

If a Fund intends to sell certain Stock Connect Securities it holds, it must ensure the availability of those securities is confirmed by its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those securities on the trading day. Because of this requirement, the relevant Fund may not be able to dispose of its holdings of Stock Connect Securities in a timely manner.

### ***Disclosure of Interests and Short Swing Profit Rule***

Under the PRC disclosure of interests requirements, the Company may be deemed to be acting in concert with other investors (for example, funds managed within the Investment Manager's group) and may be subject to the risk that the Company's holdings may have to be reported in aggregate with the holdings of such other funds should the aggregate holding trigger the reporting threshold under the PRC law, currently being 5% of the total shares in issue of the relevant PRC listed company.

In addition, subject to the interpretation of PRC courts and PRC regulators, the operation of the PRC short swing profit rule may be applicable to the relevant Fund's investments with the result that where the holdings of the relevant Fund (possibly in aggregate with the holdings of other investors deemed as concert parties of the Company) exceed 5% of the total shares in issue of a PRC listed company, the relevant Fund may not reduce its holdings in such company for a period of six months following its last purchase of shares of such company.

### ***Restrictions on Turnaround (Day) Trading***

Turnaround (day) trading is not permitted on the China A Shares market. Investors cannot purchase and sell the same securities via the Stock Connects in the same trading day. This may restrict the Fund's ability to invest in China A Shares through the Stock Connects and to enter into or exit trades on a timely basis which may impact its ability to implement its investment strategy effectively.

### ***Regulatory Risk***

The current regulations relating to the Stock Connects are untested and there is no certainty as to how they will be applied. Using the Stock Connects as a means of investment will result in trades being subject to additional restrictions to those usually traded directly on exchange, which may result in investments being subject to greater or more frequent rises and falls in value and the investments may be harder to liquidate. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The relevant Funds may be adversely affected as a result of such changes.

### ***Recalling of Eligible Stocks***

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but will be restricted from being bought. This may affect the investment portfolio or strategies of a Fund.

### ***Clearing and Settlement Risk***

Hong Kong Securities Clearing Company Limited (“**HKSCC**”), a wholly-owned subsidiary of HKEx, and ChinaClear have established clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC’s liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, Funds may suffer delay in the recovery process or may not be able to fully recover their losses from ChinaClear.

### ***Participation in Corporate Actions and Shareholders’ Meetings***

HKSCC will keep participants in CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK) informed of corporate actions of Stock Connect Securities. Hong Kong and overseas investors (including Funds) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of Stock Connect Securities may be as short as one business day only. Therefore, Funds may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including a Fund) are holding Stock Connect Securities traded via the Stock Connects through their brokers or custodians. According to existing PRC practice, multiple proxies are not available. Therefore, a Fund may not be able to appoint proxies to attend or participate in shareholders’ meetings in respect of the Stock Connect Securities.

### ***No Protection by Investor Compensation Fund***

Investment in Stock Connect Securities via the Stock Connects is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. A Fund may incur losses in the event of default by such broker(s).

Investments by a Fund through Northbound trading under the Stock Connects will not be covered by Hong Kong’s Investor Compensation Fund. Hong Kong’s Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in Northbound trading via the Stock Connects do not involve products listed or traded on the SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund.

Furthermore, since a Fund will be carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, they are not protected by the China Securities Investor Protection Fund in the PRC. Therefore Funds are exposed to the risks of default of broker(s) engaged in trading in Stock Connect Securities through the programs.

### ***Regulatory Risk***

The Stock Connects are novel in nature and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connects.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the

Stock Connects will not be abolished. Funds which invest in the PRC markets through the Stock Connects may be adversely affected as a result of such changes. The value of a Fund's assets may be affected by uncertainties such as changes in government policies, taxation, currency repatriation restrictions, permitted foreign ownership levels and other developments in the law or regulations of the PRC.

### ***Taxation Risk***

Pursuant to the notice about the tax policies related to the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81 hereinafter referred to as "**Notice No. 81**") and the notice about the tax policies related to the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127 hereinafter referred to as "**Notice No. 127**") promulgated by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the CSRC on 14 November 2014 and 5 November 2016 respectively, corporate income tax is temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the relevant Funds) on the trading of China A Shares through the Stock Connects. For both Stock Connects, during the business tax to value-added tax transformation pilot programme, value-added tax shall be exempt on the income earned by Hong Kong and overseas investors (including the relevant Funds) from the trading of Stock Connect Securities.

Based on Notice No. 81 and Notice No. 127, no provision for gross realised or unrealised capital gains derived from trading of China A Shares via the Stock Connects is made by the Company on behalf of the relevant Funds.

The duration of the period of temporary exemption has not been stated and is subject to termination by the PRC tax authorities with or without notice and worst case, retrospectively. In addition, the PRC tax authorities may implement other tax rules with retrospective effect which may adversely affect the relevant Funds. If the temporary exemption is withdrawn a foreign investor would be subject to PRC taxation in respect of gains on China A Shares and the resultant tax liability would be payable by the relevant Funds, and thus borne by its investors. However, this liability may be mitigated under the terms of an applicable tax treaty, and if so, any such benefits will be passed to investors.

### ***Taxation in the PRC***

Tax regulations in the PRC are subject to change, possibly with retroactive effect. Changes in PRC tax regulations could have a significant adverse effect on a Fund and its investments, including reducing returns, reducing the value of a Fund's investments and possibly impairing capital invested by a Fund.

The CSRC have clarified that:

- (a) an exemption from business tax and income tax on capital gains applies to trading on the Stock Connects (this is stated to be a temporary exemption, but no expiry date is provided);
- (b) normal Chinese stamp duty is payable; and
- (c) a 10% dividend withholding tax will be applied.

Investors should seek their own tax advice on their position with regard to their investment in any Fund.

There is no guarantee that the temporary tax exemption with respect to the Stock Connects described above will continue to apply, will not be repealed and re-imposed retrospectively, or that no new tax regulations or practice in the PRC specifically relating to the Stock Connects will not be promulgated in the future. Such uncertainties may operate to the advantage or disadvantage of Shareholders and may result in an increase or decrease in Net Asset Value of relevant Funds.

### **CONCENTRATION RISK**

If a Fund focuses on specific markets or investments, the risk cannot be spread across various markets from the outset as would be the case without such a concentration. Consequently, a Fund is

particularly affected by developments in these investments as well as in individual or related markets and/or in companies involved in these investments.

## **COUNTRY AND TRANSFER RISK**

Economic or political instability in countries where a Fund has invested, may lead to monies due to the Fund not, or only partially, being paid despite the solvency of the issuer of the relevant security. In this context, significant factors may include currency or transfer restrictions or other changes in legislation.

## **UMBRELLA CASH COLLECTION ACCOUNT**

Subscription monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Collection Account (see the "How to Buy Shares" section for further detail in this regard) in the name of the Company and will be an asset of the relevant Fund. Investors will be unsecured creditors of such Fund with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the NAV of the Fund or any other shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full.

Payment by the Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, from the relevant redemption date. Redeeming Shareholders and Shareholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the Fund, and will not benefit from any appreciation in the NAV of the Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Umbrella Cash Collection Account. In the event of an insolvency of the Fund or the Company during this period, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of another sub-fund of the Company, recovery of any amounts to which a Fund is entitled, but which may have transferred to such other sub-fund as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent sub-fund may have insufficient funds to repay amounts due to the relevant Fund. Accordingly, there is no guarantee that such Fund or the Company will recover such amounts. Furthermore, there is no guarantee that in such circumstances such Fund or the Company would have sufficient funds to repay any unsecured creditors.

## **POTENTIAL IMPLICATIONS OF BREXIT**

On 23 June 2016 the United Kingdom held a referendum and voted to leave the European Union. This has led to volatility in the financial markets of the United Kingdom and more broadly across Europe and may also lead to weakening in consumer, corporate and financial confidence in such markets. The longer term economic, legal, political and social framework to be put in place between the United Kingdom and the European Union are unclear at this stage and are likely to lead to ongoing political and economic uncertainty and periods of exacerbated volatility in both the United Kingdom and in wider European markets for some time. In particular, the decision made in the British referendum may lead to a call for similar referendums in other European jurisdictions which may cause increased economic volatility in the European and global markets. This mid to long term uncertainty may have an adverse effect on the global economy generally and on the ability of the Funds and their investments to execute their respective strategies and to receive attractive returns.

Leaving the European Union may also result in significant changes to law and regulation in the United Kingdom. It is not currently possible to assess the effect of these changes on the Company or the position of the Shareholders. Investors should be aware that these and other similar

consequences following from the referendum result may adversely affect the value of the Shares and the Company's performance.

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## **BORROWING POLICY**

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Under the Articles, the Directors are empowered to exercise all of the borrowing powers of the Company, subject to any limitations under the UCITS Regulations, and to charge the assets of the Company as security for any such borrowings.

Under the UCITS Regulations, a Fund may borrow up to 10% of its assets provided this borrowing is on a temporary basis. A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties.

A Fund may acquire foreign currency by means of a back-to-back loan agreement. Where a Fund has foreign currency borrowings which exceed the value of a back-to-back deposit, the Company shall ensure that excess is treated as borrowing for the purposes of the UCITS Regulations.

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## INVESTING IN SHARES

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The Directors have authority to effect the issue of Shares in any Class in respect of a Fund and in accordance with the requirements of the Central Bank to create new Classes of Shares on such terms as they may from time to time determine in relation to any Fund. Issues of Shares will be made with effect from a Dealing Day.

The Net Asset Value per Share will be calculated separately for each Class.

### HOW TO BUY SHARES

The following Classes of Shares of the Global High Dividend Value Equity Fund:

- Sterling Hedged Accumulating Institutional Share Class I2
- Sterling Hedged Accumulating Retail Share Class A2
- Euro Hedged Accumulating Retail Share Class A2
- Euro Hedged Distributing Retail Share Class A1
- Sterling Accumulating Institutional Share Class I2
- Sterling Distributing Institutional Share Class I1; and

the following Classes of Shares of the US Enhanced Equity Income Fund:

- Sterling Hedged Accumulating Institutional Share Class I2
- Sterling Hedged Accumulating Retail Share Class A2
- Sterling Hedged Distributing Retail Share Class A1
- Euro Hedged Distributing Institutional Share Class I1
- Sterling Accumulating Institutional Share Class I2; and

the following Classes of Shares of the Emerging Markets High Dividend Fund:

- Sterling Hedged Distributing Institutional Share Class I1
- Sterling Hedged Accumulating Retail Share Class A2
- Sterling Hedged Distributing Retail Share Class A1
- Euro Hedged Accumulating Institutional Share Class I2
- Euro Hedged Distributing Institutional Share Class I1
- Euro Hedged Accumulating Retail Share Class A2
- Euro Hedged Distributing Retail Share Class A1
- Sterling Accumulating Seeder Share Class Q; and

the following Classes of Shares of the Cullen Altaira Ethical Global High Dividend Fund:

- USD Distributing Institutional Share Class I1
- USD Accumulating Retail Share Class A2
- USD Distributing Retail Share Class A1; and

each Class of Share of the Global Enhanced Equity Income Fund will be available for subscription at the initial offer price of US\$10.00 per USD Institutional Class Share (plus applicable Subscription Fees), US\$10.00 per USD Retail Class Share (plus applicable Subscription Fees), US\$10.00 per USD Level Load Class Share (plus applicable Subscription Fees), EUR10.00 per Euro Institutional Class Share (plus applicable Subscription Fees), EUR10.00 per Euro Retail Class Share (plus applicable Subscription Fees), STG£10.00 per Sterling Institutional Class Share (plus applicable Subscription Fees) and STG£10.00 per Sterling Retail Class Share (plus applicable Subscription Fees) and STG£10.00 per Sterling Seeder Class. Shares in all Classes of the North American High Dividend Value Equity Fund and the remaining Classes of the Global High Dividend Value Equity Fund, US Enhanced Equity Income Fund, Emerging Markets High Dividend Fund and Cullen Altaira Ethical Global High Dividend Fund will be issued at their Net Asset Value per Share on each Dealing Day.

The initial offer period for all Shares of the Global Enhanced Equity Income Fund shall run until 1.00pm (Irish time) on 2 October 2017 or such other date as the Directors may determine and notify to the Central Bank.

The initial offer period for the above mentioned unlaunched Classes of Shares of the Global High Dividend Value Equity Fund, US Enhanced Equity Income Fund, Emerging Markets High Dividend Fund and Cullen Altaira Ethical Global High Dividend Fund shall continue to run until 1.00pm (Irish time) on 2 October 2017 or such other date as the Directors may determine and notify to the Central Bank.

Thereafter Shares of each Class in the Funds will be issued at their Net Asset Value per Share on each Dealing Day. Shares in all other Classes of the Funds are available for subscription at their Net Asset Value per Share on each Dealing Day.

Subscription is subject to receipt by the Company of the application form and proceeds in the manner described below. The Investment Manager may from time to time waive or reduce these amounts in its sole discretion in respect of any particular Shareholder or in general.

<b>Fund</b>	<b>Class</b>	<b>Currency Denomination</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Subsequent Subscription</b>
<b>North American High Dividend Value Equity Fund</b>	USD Accumulating Institutional Share Class I2	U.S. Dollars	\$1,000,000	\$100,000
	USD Distributing Institutional Share Class I1	U.S. Dollars	\$1,000,000	\$100,000
	USD Accumulating Retail Share Class A2	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	USD Distributing Retail Share Class A1	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	Sterling Hedged	Sterling	£1,000,000	£100,000

	Accumulating Institutional Share Class I2			
	Sterling Hedged Distributing Institutional Share Class I1	Sterling	£1,000,000	£100,000
	Sterling Hedged Accumulating Retail Share Class A2	Sterling	£1,000	There will be no minimum subsequent subscription
	Sterling Hedged Distributing Retail Share Class A1	Sterling	£1,000	There will be no minimum subsequent subscription
	Euro Hedged Accumulating Institutional Share Class I2	Euro	€1,000,000	€100,000
	Euro Hedged Distributing Institutional Share Class I1	Euro	€1,000,000	€100,000
	Euro Hedged Accumulating Retail Share Class A2	Euro	€1,000	There will be no minimum subsequent subscription
	Euro Hedged Distributing Retail Share Class A1	Euro	€1,000	There will be no minimum subsequent subscription
	USD Distributing Level Load Share Class N1	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	USD Accumulating Level Load Share Class N2	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	Sterling Accumulating Institutional Share Class I2	Sterling	£1,000,000	£100,000
	Sterling Distributing Institutional Share Class I1	Sterling	£1,000,000	£100,000
<b>US Equity</b>	<b>Enhanced Income</b> USD Accumulating	U.S. Dollars	\$1,000,000	\$100,000

<b>Fund</b>	Institutional Share Class I2			
	USD Distributing Institutional Share Class I1	U.S. Dollars	\$1,000,000	\$100,000
	USD Accumulating Retail Share Class A2	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	USD Distributing Retail Share Class A1	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	Sterling Hedged Accumulating Institutional Share Class I2	Sterling	£1,000,000	£100,000
	Sterling Hedged Distributing Institutional Share Class I1	Sterling	£1,000,000	£100,000
	Sterling Hedged Accumulating Retail Share Class A2	Sterling	£1,000	There will be no minimum subsequent subscription
	Sterling Hedged Distributing Retail Share Class A1	Sterling	£1,000	There will be no minimum subsequent subscription
	Euro Hedged Accumulating Institutional Share Class I2	Euro	€1,000,000	€100,000
	Euro Hedged Distributing Institutional Share Class I1	Euro	€1,000,000	€100,000
	Euro Hedged Accumulating Retail Share Class A2	Euro	€1,000	There will be no minimum subsequent subscription
	Euro Hedged Distributing Retail Share Class A1	Euro	€1,000	There will be no minimum subsequent subscription
	USD Distributing Level Load Share Class	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription

		N1			
		USD Accumulating Level Load Share Class N2	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
		Sterling Accumulating Institutional Share Class I2	Sterling	£1,000,000	£100,000
		Sterling Distributing Institutional Share Class I1	Sterling	£1,000,000	£100,000
<b>Global Dividend Equity Fund</b>	<b>High Value</b>	USD Accumulating Institutional Share Class I2	U.S. Dollars	\$1,000,000	\$100,000
		USD Distributing Institutional Share Class I1	U.S. Dollars	\$1,000,000	\$100,000
		USD Accumulating Retail Share Class A2	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
		USD Distributing Retail Share Class A1	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
		Sterling Hedged Accumulating Institutional Share Class I2	Sterling	£1,000,000	£100,000
		Sterling Hedged Distributing Institutional Share Class I1	Sterling	£1,000,000	£100,000
		Sterling Hedged Accumulating Retail Share Class A2	Sterling	£1,000	There will be no minimum subsequent subscription
		Sterling Hedged Distributing Retail Share Class A1	Sterling	£1,000	There will be no minimum subsequent subscription
		Euro Hedged Accumulating Institutional Share Class	Euro	€1,000,000	€100,000

	I2			
	Euro Hedged Distributing Institutional Share Class I1	Euro	€1,000,000	€100,000
	Euro Hedged Accumulating Retail Share Class A2	Euro	€1,000	There will be no minimum subsequent subscription
	Euro Hedged Distributing Retail Share Class A1	Euro	€1,000	There will be no minimum subsequent subscription
	USD Distributing Level Load Share Class N1	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	USD Accumulating Level Load Share Class N2	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	Sterling Accumulating Institutional Share Class I2	Sterling	£1,000,000	£100,000
	Sterling Distributing Institutional Share Class I1	Sterling	£1,000,000	£100,000
<b>Emerging Markets High Dividend Fund</b>	USD Accumulating Institutional Share Class I2	U.S. Dollars	\$1,000,000	\$100,000
	USD Distributing Institutional Share Class I1	U.S. Dollars	\$1,000,000	\$100,000
	USD Accumulating Retail Share Class A2	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	USD Distributing Retail Share Class A1	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	Sterling Hedged Accumulating Institutional Share Class I2	Sterling	£1,000,000	£100,000
	Sterling Hedged	Sterling	£1,000,000	£100,000

	Distributing Institutional Share Class I1			
	Sterling Hedged Accumulating Retail Share Class A2	Sterling	£1,000	There will be no minimum subsequent subscription
	Sterling Hedged Distributing Retail Share Class A1	Sterling	£1,000	There will be no minimum subsequent subscription
	Euro Hedged Accumulating Institutional Share Class I2	Euro	€1,000,000	€100,000
	Euro Hedged Distributing Institutional Share Class I1	Euro	€1,000,000	€100,000
	Euro Hedged Accumulating Retail Share Class A2	Euro	€1,000	There will be no minimum subsequent subscription
	Euro Hedged Distributing Retail Share Class A1	Euro	€1,000	There will be no minimum subsequent subscription
	USD Distributing Level Load Share Class N1	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	USD Accumulating Level Load Share Class N2	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	Sterling Accumulating Institutional Share Class I2	Sterling	£1,000,000	£100,000
	Sterling Distributing Institutional Share Class I1	Sterling	£1,000,000	£100,000
	Sterling Accumulating Seeder Share Class Q	Sterling	£5,000,000	£100,000
	Sterling Distributing Seeder Share Class R	Sterling	£5,000,000	£100,000

<b>Cullen Ethical High Fund</b>	<b>Altaira Global Dividend</b>	USD Accumulating Institutional Share Class I2	U.S. Dollars	\$1,000,000	\$100,000
		USD Distributing Institutional Share Class I1	U.S. Dollars	\$1,000,000	\$100,000
		USD Accumulating Retail Share Class A2	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
		USD Distributing Retail Share Class A1	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
<b>Global Equity Fund</b>	<b>Enhanced Income</b>	USD Accumulating Institutional Share Class I2	U.S. Dollars	\$1,000,000	\$100,000
		USD Distributing Institutional Share Class I1	U.S. Dollars	\$1,000,000	\$100,000
		USD Accumulating Retail Share Class A2	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
		USD Distributing Retail Share Class A1	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
		Sterling Hedged Accumulating Institutional Share Class I2	Sterling	£1,000,000	£100,000
		Sterling Hedged Distributing Institutional Share Class I1	Sterling	£1,000,000	£100,000
		Sterling Hedged Accumulating Retail Share Class A2	Sterling	£1,000	There will be no minimum subsequent subscription
		Sterling Hedged Distributing Retail Share Class A1	Sterling	£1,000	There will be no minimum subsequent subscription
		Euro Hedged Accumulating	Euro	€1,000,000	€100,000

	Institutional Share Class I2			
	Euro Hedged Distributing Institutional Share Class I1	Euro	€1,000,000	€100,000
	Euro Hedged Accumulating Retail Share Class A2	Euro	€1,000	There will be no minimum subsequent subscription
	Euro Hedged Distributing Retail Share Class A1	Euro	€1,000	There will be no minimum subsequent subscription
	USD Distributing Level Load Share Class N1	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	USD Accumulating Level Load Share Class N2	U.S. Dollars	\$1,000	There will be no minimum subsequent subscription
	Sterling Accumulating Institutional Share Class I2	Sterling	£1,000,000	£100,000
	Sterling Distributing Institutional Share Class I1	Sterling	£1,000,000	£100,000

Institutional Class Shares are available to certain accounts for which qualifying institutions act in a fiduciary, agency or custodial capacity provided they meet the stated respective minimums denoted above, except that no initial minimum will be imposed on (i) Employee Benefit Plans that hold their Institutional Class Shares through plan-level or omnibus accounts; or (ii) investment advisers investing for accounts for which they receive asset-based fees where the investment adviser or its authorized institution purchases Institutional Class Shares through an omnibus account. For this purpose, "Institutional Investors" shall include "wrap" account sponsors (provided they have an agreement covering the arrangement with the Distributor), corporations, qualified non-profit organizations, charitable trusts, foundations and endowments, state, county, city or any instrumentality, department, authority or agency thereof, and banks, trust companies or other depository institutions investing for their own account or on behalf of their clients. A registered investment adviser may aggregate all client accounts investing in any Fund to meet the Institutional Share Class investment minimums. The Company reserves the right to waive minimums on Institutional Class Shares.

In order to receive Shares at their Net Asset Value per Share as of any particular Dealing Day, applications must be sent to the Company by post, fax (c/o the Administrator at the address / fax number specified below) or electronic means agreed with the Administrator, no later than 1.00 pm (Irish time) on the Dealing Day on which the Shares are to be issued (the "Dealing Deadline"). The Company may, in exceptional circumstances, accept a share application received after the Dealing Deadline, provided it is before the Valuation Point. Subscription proceeds for all of the Funds must be paid by wire transfer to the account specified below, or by transfer of assets in accordance with the provisions described below, to be received by the Administrator before the end of the third Business Day following the relevant Dealing Deadline or such other time as any Director may from time to time

permit. Any interest accruing on subscription monies received by the Company will accrue for the benefit of the relevant Fund. If the Company receives payment for the Shares in a currency other than the Base Currency the Company may convert or arrange for the conversion of monies received into the Base Currency and shall be entitled to deduct therefrom all expenses incurred in the conversion.

In the event that subscription monies are not received by the Administrator by end of the third Business Day following the relevant Dealing Deadline, the subscription may be rejected and the investor shall indemnify the Company for any loss suffered by the Company as a result of the investor's failure to transmit the subscription monies in a timely fashion. The Company reserves the right to cancel the provisional allotment of the relevant Shares in those circumstances. However the Directors reserve the right, in their sole discretion, to accept such subscription and provisionally allot Shares in relation thereto.

In the event that subscription monies are received after the Dealing Deadline, the Company may temporarily borrow an amount equal to the subscription monies and invest such monies in accordance with the investment objectives and policies of the relevant Fund. Once the subscription monies are received the Company will use such subscription monies to repay the relevant borrowings and reserves the right to charge that investor interest on such outstanding subscription monies at normal commercial rates.

The Directors may from time to time, and in their sole discretion, determine that the Company shall, on behalf of one or more Funds, apply an equalisation formula in respect to any Distributing Class Shares to avoid a material distortion of the amount available for distributions due to either substantial subscriptions or redemptions. In such circumstances the subscription price of the Distributing Class Shares in the relevant Fund will be deemed to include an equalisation amount which represents a portion of the accrued income of the relevant class up to the point of subscription, and the first distribution in respect of Distributing Class Shares in the relevant Fund will include a payment of capital usually equal to the amount of such equalisation payment.

Cullen Funds plc  
Attention: Shareholder Services Department  
c/o RBC Investor Services Ireland Limited  
4<sup>th</sup> Floor, One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland  
Tel: +353 1 4406555  
Fax: +353 1 6130401

**Account Details:**

EUR	Intermediary Bank:	Bank of America London
	Swift:	BOFAGB22
	Beneficiary Bank:	RBC Investor Services Bank SA Luxembourg
	Swift:	FETALULL
	Final Beneficiary:	Cullen Funds Plc Collection Account
	Currency:	EUR
	IBAN	LU553414320019449300
	Reference:	Investor name and transaction no. (see contract note)
US\$	Intermediary Bank:	Bank of America New York
	Swift:	BOFAUS3N
	Beneficiary Bank:	RBC Investor Services Bank SA Luxembourg
	Swift:	FETALULL
	Final Beneficiary:	Cullen Funds plc Collection Account
	Currency:	US\$

	IBAN	LU683410320019441700
	Reference:	Investor name and transaction no. (see contract note)
STG£	Intermediary Bank:	Bank of America London
	Swift:	BOFAGB22
	Beneficiary Bank:	RBC Investor Services Bank SA Luxembourg
	Swift:	FETALULL
	Final Beneficiary:	Cullen Funds plc Collection Account
	Currency:	STG£
	IBAN	LU283411320019441400
	Reference:	Investor name and transaction no. (see contract note)

All other applications for Shares which are received by the Administrator after the Dealing Deadline will be processed on the next Dealing Day, unless previously withdrawn. If the Company accepts the share application after the Dealing Deadline the Company shall be entitled to charge any interest, losses or other costs incurred as a result of failing to settle an order within the time frames set out in the Prospectus.

The Company may (but is not required to) issue Shares in exchange for assets in accordance with the investment objective, policies and restrictions of a Fund. No Shares may be issued in exchange for such assets unless (i) the Directors are satisfied that the terms of any such exchange shall not be such as are likely to result in any material prejudice to Shareholders; (ii) the number of Shares issued will not be more than the number which would have been issued for settlement in cash having valued the assets to be exchanged in accordance with the valuation provisions set out in the Articles and summarised herein; (iii) any duties and charges arising in connection with the vesting of such assets in the Depositary for the account of the relevant Fund are paid by the person to whom the Shares in that Fund are to be issued or, at the discretion of the Directors, by that Fund; (iv) the Depositary is satisfied that the terms of any such exchange shall not be such as are likely to result in any material prejudice to the Shareholders of the Fund; and (v) no shares shall be issued until the assets have been vested in the Depositary or arrangements have been made to vest the assets with the Depositary.

The Directors, in consultation with the Investment Manager, may, in their absolute discretion, refuse to accept an application and subscription monies.

Investors who do not already hold Shares in the Funds must forward a signed application form by post or fax (followed promptly by the original by post) to the Company c/o the Administrator prior to 1.00 pm (Irish time) on the relevant Dealing Day. Initial applications cannot be made by electronic means. Subsequent applications however may be made by post, fax or electronic means agreed with the Administrator and in the case of fax or electronic means, there is no requirement to submit original documentation. Any amendment to the details set out in the subscription application form shall not be effected unless notified in writing, by an authorised signatory of the Shareholder, to the Administrator and such amendment will not be effected unless and until the Administrator is in receipt of the original document.

All requests for redemption must be signed by the record owner(s) exactly as the Shares are registered. In addition, in some cases the Administrator may require the furnishing of additional documents, for instance where the Shares are registered in the name of a corporation, partnership or fiduciary.

**All Shares issued will be in registered form** and written confirmation of ownership will be sent to Shareholders within 2 days of registration. Share certificates will not be issued. The number of Shares issued will be rounded to the nearest one thousandth of a unit and any surplus money will be credited to the relevant Fund.

Measures aimed towards the prevention of money laundering may require a detailed verification of the applicant's identity. Depending on the circumstances of each application, a detailed verification might not be required where (a) the applicant makes the 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. These exceptions will only apply if the financial institution or intermediary referred to above are within a country recognised by Ireland as having equivalent anti-money laundering regulations and are made in the sole discretion of the Company's money laundering reporting officer.

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

Each applicant for Shares will be required to provide such representations, warranties or documentation as may be required by the Directors, the Investment Manager and/or the Administrator to ensure that these requirements are met prior to the issue of Shares. Redemption and dividend payments will not be issued to non-verified accounts.

Shares will generally not be issued or transferred to any U.S. Person, except that the Board of Directors may authorise the purchase by, or transfer of shares to, a Permitted U.S. Person provided that: (i) such purchase or transfer does not result in a violation of the 1933 Act or the securities laws of any of the States of the U.S. (ii) such purchase or transfer will not require the Company to register under the Investment Company Act; and (iii) such purchase or transfer will not result in any adverse tax consequences to the Company or the Shareholders. Each applicant for Shares who is a U.S. Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue of Shares.

#### **Umbrella Cash Collection Account**

The Company has established a collection account at umbrella level in the name of the Company (the "Umbrella Cash Collection Account"), and has not established such accounts at Fund level. All subscriptions into and redemptions and distributions due from the Funds will be paid into the Umbrella Cash Collection Account.

Monies in the Umbrella Cash Collection Account, including early subscription monies received in respect of a Fund, will not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 ("IMR") for Fund Service Providers (as defined in IMR).

Pending issue of the Shares and / or payment of subscription proceeds to an account in the name of the relevant Fund, and pending payment of redemption proceeds, dividends or distributions, monies in the Umbrella Cash Collection Account are assets of the relevant Funds to which they are attributable, and the relevant investor will be an unsecured creditor of the relevant Fund in respect of amounts paid by or due to it.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from, a Fund will be channelled and managed through the Umbrella Cash Collection Account. Subscriptions amounts paid into the Umbrella Cash Collection Account will be paid into the account in the name of the relevant Fund. Redemptions and distributions, including blocked redemptions or distributions, will be held in the Umbrella Cash Collection Account until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming Shareholder.

The Umbrella Cash Collection Account has been opened with RBC Investor Services Bank S.A. in the name of the Company. The Depositary will be responsible for safe-keeping and oversight of the monies in the Umbrella Cash Collection Account, and for ensuring that relevant amounts in the Umbrella Cash Collection Account are attributable to the appropriate Funds. Monies in the Umbrella Cash Collection Account will be taken into account in assessing compliance with investment restrictions by the relevant Fund to which they are attributable but will not be included in the calculation of that Fund's Net Asset Value.

The Company and the Depositary have agreed an operating procedure in respect of the Umbrella Cash Collection Account, which identifies the participating sub-funds of the Company, the procedures

and protocols to be followed in order to transfer monies from the Umbrella Cash Collection Account, the daily reconciliation processes, and the procedures to be followed where there are shortfalls in respect of a Fund due to late payment of subscriptions.

Where subscription monies are received in the Umbrella Cash Collection Account without sufficient documentation to identify the relevant Fund, such monies shall be returned to the relevant investor within the timescales and as specified in the operating procedure in respect of the Umbrella Cash Collection Account. Failure to provide the necessary complete and accurate documentation is at the investor's risk.

## **SHARE CLASS HEDGING**

The Investment Manager may hedge the foreign currency exposure of a Class not denominated in the Base Currency of a Fund (a "Non-Base Currency Class") in order that investors in that Class receive a return in the currency in which that Class is denominated (the "Class Currency") which is not materially affected by changes between the value of the Class Currency and the Base Currency of the relevant Fund, although there is no guarantee that the Investment Manager will be successful in this regard (each a "Hedged Class"). In this context, foreign exchange hedging will not be used for speculative purposes. The designation "Hedged" will appear in the name of all Hedged Classes.

Absent any hedging, changes in the exchange rate between the Base Currency and the Class Currency may lead to a difference between the value of the Shares of any Non-Base Currency Class as expressed in its Class Currency and Classes of Shares denominated in the Base Currency. The Investment Manager will try to mitigate this risk in relation to Hedged Classes by using hedging techniques and instruments, including currency options and forward currency exchange contracts. Investors in Shares of a Hedged Class should be aware that this strategy may substantially limit them from benefiting if the Class Currency falls against the Base Currency. In the event that the designation "Hedged" does not appear in the name of a Non-Base Currency Class, it is not a Hedged Class and, unlike Hedged Classes and/or Classes in the Fund denominated in the Base Currency, is at risk of being negatively affected by changes between the value of its Class Currency and the Base Currency.

As the foreign exchange hedging will be utilised solely for the benefit of any individual Hedged Class, its cost and related liabilities and/or benefits will be for the account of the holders of that Hedged Class of Shares only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share of the Shares of each Hedged Class. Hedging transactions will be clearly attributable to a specific Hedged Class and the currency exposures of Classes denominated in different currencies may not be combined or offset. The currency exposures of the assets of the Company shall not be allocated to separate Classes. While not the intention, over-hedged or under-hedged positions may arise due to factors outside the control of the Fund. In no case will the hedging of the currency exposure be permitted to exceed 105% of the Net Asset Value of the Hedged Class and neither shall it be below 95% of the Net Asset Value of the Hedged Class. The Investment Manager will monitor hedging with the aim of ensuring that hedged positions do not exceed the -95% / +105% thresholds.

In the case of a Hedged Class, a currency conversion will take place on subscriptions, redemptions, exchanges and distributions at the rate of exchange available to the Company and the cost of conversion will be deducted from the relevant Hedged Class.

Investors should refer to the paragraph under the heading "Share Currency Designation Risk" in the "Special Considerations and Risk Factors" section, for a description of the risks associated with hedging the foreign currency exposure of any Hedged Class.

## **HOW TO REDEEM SHARES**

Shareholders may redeem their Shares by post, fax or electronic means agreed with the Administrator however redemption orders by fax or electronic means can only be processed where payment is made to the account of record. Shareholders may request the Company to redeem their Shares on and with effect from any Dealing Day at the relevant Net Asset Value per Share (subject to such adjustments, if any, as may be specified) on such Dealing Day.

Save where expressly provided below, redemption requests must be received by the Company by post, fax (c/o the Administrator at the address / fax number specified in "How to Buy Shares" above) or electronic means agreed with the Administrator not later than 1.00 pm (Irish time) on the relevant Dealing Day. Requests received after 1.00 pm (Irish time) on the relevant Dealing Day shall be processed on the next Dealing Day unless previously withdrawn. The Company may, in exceptional circumstances, accept redemption request received after the Dealing Deadline, provided it is before the Valuation Point

If outstanding redemption requests from Shareholders of any Fund for any Dealing Day exceed in the aggregate more than 10% of all the outstanding Shares of that Fund, the Directors shall be entitled at their discretion to refuse to redeem such excess Shares. If the Directors refuse to redeem Shares for these reasons, the requests for redemption on such date shall be reduced rateably and the Company shall not be obliged to redeem the remainder of the Shares to which each request relates until the Dealing Day next following the date of such refusal to redeem. At the expiry of any such period, the Company shall complete the redemption of the remaining Shares in respect of which redemption requests were received prior to the relevant Dealing Day pro rata with any subsequent requests and shall treat the redemption requests as if they were received on a subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

The Directors may compulsorily redeem all of the outstanding Shares in any Fund at the then prevailing Net Asset Value per Share, if:

- (a) the termination of funds provisions below apply;
- (b) the Net Asset Value of the relevant Fund falls below EUR 100,000,000 or its foreign currency equivalent on any Dealing Day; or
- (c) the Depositary has served notice of its intention to retire under the terms of the Depositary Agreement (and has not revoked such notice) and no new depositary has been appointed by the Company with the approval of the Central Bank within six months and two weeks of the date of service of such notice.

Redemption proceeds will be paid within three Business Days of the Dealing Day on which redemptions are effected by electronic transfer to the account designated by the Shareholder on their application form and in the Shareholder's name on the redemption request form.

Redemption Proceeds may, with the consent of the Shareholder concerned, be paid by in specie transfer to the Shareholder in question of assets of the Company. Where a Shareholder requests the redemption of Shares equal to 5% or more of the Net Asset Value of a Fund on any Dealing Day, the Company may do so at its absolute discretion. The assets to be transferred shall be selected at the discretion of the Directors on such basis as they shall deem equitable and not materially prejudicial to the interests of the remaining Shareholders. The asset allocation shall be subject to the approval of the Depositary and such assets shall be taken at their value used in determining the redemption price of the Shares being so repurchased. If requested by the Shareholder, the Company must sell the assets on behalf of the Shareholder at the Shareholder's expense and give the Shareholder cash.

If outstanding redemption requests from all holders of Shares in a Fund on any Dealing Day total an aggregate of more than 10% of the Net Asset Value of that Fund on such Dealing Day, the Company shall be entitled at its discretion to refuse to redeem such number of Shares in issue in respect of that Fund on that Dealing Day in respect of which redemption requests have been received as the Directors shall determine in their absolute discretion. If the Company refuses to redeem Shares for this reason, the requests for redemption on such date shall be reduced rateably and the Shares to which each request relates which are not redeemed shall be redeemed on each subsequent Dealing Day in such manner as the Directors consider appropriate taking into account the interests of the Shareholders as a whole, including the redeeming Shareholders, provided that the Company shall not be obliged to redeem more than 10% of the Net Asset Value of a Fund outstanding on any Dealing Day, until all the Shares to which the original request related have been redeemed.

The Directors may from time to time, and in their sole discretion, determine that the Company shall, on behalf of one or more Funds, apply an equalisation formula in respect to any Distributing Class Shares

to avoid a material distortion of the amount available for distributions due to either substantial subscriptions or redemptions. In such circumstances the redemption price of each Distributing Class Share will also include an equalisation payment in respect of the accrued income of the relevant Fund up to the Dealing Day on which the relevant Distributing Class Shares are redeemed.

The appropriate subscription documentation, including all required anti-money laundering documentation, must have been originally received and the appropriate redemption documentation must be received for the Company to effect a redemption order. Failure to provide such documentation may delay the payment of redemption proceeds.

Holders of Shares in the Company are required to notify the Company immediately when, at any time following their initial subscription for Shares in the Company, they become U.S. Persons or Irish Residents or cease to be Exempt Investors, or the Declaration made by or on their behalf is no longer valid. Shareholders are also required to notify the Company immediately in the event that they hold Shares for the account or benefit of U.S. Persons or Irish Residents or Irish Residents who cease to be Exempt Investors and in respect of which the Declaration made on their behalf is no longer valid or where they hold Shares in the Company in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for the Company or its Shareholders.

Where the Directors become aware that a Shareholder in the Company (a) is a U.S. Person or is holding Shares for the account of a U.S. Person, so that the number of U.S. Persons known to the Directors to be beneficial owners of Shares for the purposes of the Investment Company Act exceeds 100 or such other number as the Directors may determine from time to time; or (b) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for the Company or its Shareholders, the Directors may (i) direct such Shareholder to dispose of the relevant Shares to a person who is qualified or entitled to own or hold such Shares; or (ii) redeem the relevant Shares at the Net Asset Value of the Shares as at the Dealing Day immediately following the date of notification of such mandatory redemption to the relevant Shareholder.

Under the Articles, any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer his Shares or who fails to make the appropriate notification to the Company shall indemnify and hold harmless each of the Directors, the Company, the Investment Manager, the Depositary, the Administrator, and the other Shareholders (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

The Company will be required to withhold Irish tax on redemption monies, at the applicable rate, unless it has received from the Shareholder a Declaration in the prescribed form, confirming that the Shareholder is not an Irish Resident in respect of whom it is necessary to deduct tax (see the section "Taxation" below).

## **HOW TO EXCHANGE OR TRANSFER SHARES**

Shareholders may exchange Shares in a Fund for Shares of the same Class in another Fund on any Dealing Day. An exchange request will be treated as an order to redeem the Shares held prior to the exchange and a purchase order for new Shares with the redemption proceeds. The original Shares will be redeemed at their Net Asset Value per Share and the new Shares will be issued at the Net Asset Value per Share of the corresponding Class of the applicable Fund. Exchange requests for Shares must be made through the Administrator in accordance with such detailed instructions regarding exchange procedures as are furnished by the Administrator.

Exchanges generally are made when a Shareholder determines to reallocate his investments among the Funds due to changes in market conditions and/or his financial objectives and circumstances. Excessive exchange transactions can be detrimental to a Fund's performance. The Directors, in consultation with the Investment Manager, may determine that a pattern of frequent exchanges is excessive and contrary to the best interests of the Fund. In this event, additional purchases and/or

exchanges of Shares by the relevant Shareholder may be restricted. A Shareholder may also be required to (a) redeem Shares in the relevant Fund, or (b) remain invested in the relevant Fund or exchange into any other Fund, which position the relevant Shareholder would expect to maintain for a significant period of time.

Shares may be exchanged by post, fax or electronic means agreed with the Administrator. The Directors may restrict an exchange if the minimum initial subscription amount for a Fund will not be met.

No exchange fee will be charged by the Fund or the Investment Manager.

Transfers of Shares must be effected by transfer in writing in the form approved by the Directors from time to time. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Directors (or the Administrator on their behalf) may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the Company, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed a purchase order to the satisfaction of the Directors.

Transfers of Shares are subject to the prior approval of the Directors. The Directors may not decline to register a transfer of Shares, except, (i) if in the opinion of the Directors the transfer would be unlawful or result or be likely to result in any adverse regulatory, tax or fiscal consequences or administrative disadvantage to the Company or the Shareholders; (ii) in the absence of satisfactory evidence of the transferee's identity; or (iii) where the Company is required to redeem or cancel such number of Shares as are required to meet the appropriate tax of the Shareholder on such transfer. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors may require in relation to the above matters. In the event that the Company does not receive a Declaration in respect of a transferee, the Company will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase, cancellation or other payment in respect of the Shares as described in the section headed "Taxation" below.

Measures aimed towards the prevention of money laundering may require a detailed verification of the proposed transferee's identity. Depending on the circumstances of each transfer, a detailed verification might not be required where (a) the transferee makes the payment from an account held in the transferee's name at a recognised financial institution; or (b) the transfer request is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised by Ireland as having equivalent anti-money laundering regulations and are made in the sole discretion of the Company's money laundering reporting officer.

The Company will be required to account for Irish tax on the value of the Shares transferred at the applicable rate unless it has received from the Shareholder a Declaration in the prescribed form, confirming that the Shareholder is not an Irish Resident in respect of whom it is necessary to deduct tax. The Company reserves the right to redeem such numbers of Shares held by a transferor as may be necessary to discharge the tax liability arising.

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## DIVIDEND POLICY

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The Directors may declare dividends in respect of any Shares out of net income (including dividend and interest income) and the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company and/or such amount as the Directors shall determine in their discretion out of the capital of the Company.

At the discretion of the Directors, dividends in respect of Shares in any Fund may be paid in a currency other than the currency of denomination of the relevant Class at the exchange rate applicable on the relevant distribution date. Any dividend unclaimed after a period of 6 years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund. The Directors reserve the right to declare dividends if the Directors determine that such a dividend declaration would be in the best interest of the Shareholders of a Fund.

Currently the Directors anticipate that there will be no dividend distributions in respect of each of the Accumulating Class Shares of each Fund. Accordingly, income and capital gains arising in respect of the Accumulating Class Shares will be re-invested in the relevant Fund and reflected in the Net Asset Value per share of the relevant Fund.

Currently the Directors anticipate making dividend distributions in respect of each of the Distributing Classes of the Funds. Accordingly, any income arising in respect of any of the Distributing Classes of the Funds will be distributed to investors in the relevant Fund in accordance with their respective shareholdings. Dividends of each of the Distributing Classes of each Fund will be calculated by the Directors for the periods ending 31 March, 30 June, 30 September and 31 December (in relation to these Classes of Shares, the "Record Date") and declared as a dividend to eligible Shareholders on the relevant Fund's register of Shareholders on the Record Date.

Upon the declaration of any dividends to the holders of relevant Shares, the Net Asset Value of the relevant Shares of the Fund will be reduced by the amount of such dividends, which will occur on the first Dealing Day following the relevant Record Date.

The Directors may from time to time, and in their sole discretion, determine that the Company shall, on behalf of one or more Funds, apply an equalisation formula in respect to any Distributing Class Shares to avoid a material distortion of the amount available for distributions due to either substantial subscriptions or redemptions. In such circumstances:-

- (a) the subscription price of the Distributing Class Shares in the relevant Fund will be deemed to include an equalisation amount which represents a portion of the accrued income of the relevant class up to the point of subscription, and the first distribution in respect of Distributing Class Shares in the relevant Fund will include a payment of capital usually equal to the amount of such equalisation payment;
- (b) the redemption price of each Distributing Class Share will also include an equalisation payment in respect of the accrued income of the relevant Fund up to the Dealing Day on which the relevant Distributing Class Shares are redeemed.

Dividend distributions in respect of these Distributing Classes of Shares of the Funds will be paid to Shareholders by wire transfer to the account outlined in the original application form within ten Business Days of the date of declaration of such dividends by the Directors, unless written instructions are received from the Shareholder requesting re-investment in further Shares in the relevant Class of the relevant Fund.

The dividend distribution policy in respect of any future Funds of the Company together with details of methods of payment of dividends and frequency of payments will be specified in an updated version of this Prospectus reflecting the creation of the new Fund.

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**FEES AND EXPENSES**

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**INVESTMENT MANAGEMENT FEES**

The Investment Manager will be entitled to receive investment management fees in respect of each of the Funds payable out of the assets of the Funds ("Management Fees") accruing daily and payable monthly in arrears at an annual percentage rate, as set out below.

**North American High Dividend Value Equity Fund:**

Institutional Class Shares	0.75%
Retail Class Shares	1.50%
Level Load Class Shares	2.00%

**Global Enhanced Equity Income Fund:**

Institutional Class Shares	0.75%
Retail Class Shares	1.50%
Level Load Class Shares	2.00%

**US Enhanced Equity Income Fund**

Institutional Class Shares	0.75%
Retail Class Shares	1.50%
Level Load Class Shares	2.00%

**Global High Dividend Value Equity Fund:**

Institutional Class Shares	0.75%
Retail Class Shares	1.50%
Level Load Class Shares	2.00%

**Emerging Markets High Dividend Fund:**

Seeder Class Shares	0.45%
Institutional Class Shares	0.75%
Retail Class Shares	1.50%
Level Load Class Shares	2.00%

**Cullen Altira Ethical Global High Dividend Fund:**

Institutional Class Shares	1.00%
Retail Class Shares	1.50%

The Investment Manager shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Company including expenses incurred by it in the performance of its duties.

In addition to the above-mentioned Management Fees, the Investment Manager will - except in relation to the Cullen Altaira Ethical Global High Dividend Fund - cap other fund operating expenses through the payment of any excess fees and expenses incurred by the Funds over the amount of the cap on the fees and expenses referred to below (the "Voluntary Cap"). As noted, the Voluntary Cap will not apply in relation to the Cullen Altaira Ethical Global High Dividend Fund which will be subject to its operating fees and expenses as they arise. The Voluntary Cap, where applicable, includes all other operating expenses such as Fund Accounting, Administration, Transfer Agent Fees, Depositary Fees, Trustee Fees, and Directors' Fees but does not include currency conversion costs associated with specific Share Classes or foreign exchange hedging transactions utilised solely for the benefit of a Hedged Class. The Voluntary Cap limits the other operating expenses of each Fund's respective Classes to no more than 0.50% of daily net assets. The continuation of the Voluntary Cap will be an annual determination made by June 30 of each year and in the event that the Voluntary Cap is not renewed, Shareholders will be notified in writing of the change and the Prospectus will be updated accordingly.

### **FUND ACCOUNTING, ADMINISTRATION, AND TRANSFER AGENT FEES**

Subject to the Voluntary Cap (except in relation to the Cullen Altaira Ethical Global High Dividend Fund to which the Voluntary Cap is not applicable), the Administrator, in relation to the provision of its services as fund accountant, Administrator and transfer agent, shall be entitled to a fee payable out of the assets of each Fund accruing daily and payable monthly in arrears at the end of each calendar month at a rate of up to 0.08% of the Net Asset Value of each Fund, subject to a minimum annual fee for each Fund, exclusive of out-of-pocket expenses, of \$80,000 (which is based on two Share Classes per Fund, with additional Share Classes incurring a fee of \$3,500 each). The Administrator shall also be entitled to receive a fee of \$8,000 per Fund per annum for the preparation of financial statements.

Subject to the Voluntary Cap (except in relation to the Cullen Altaira Ethical Global High Dividend Fund to which the Voluntary Cap is not applicable), the Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Funds out of the assets of the Funds in respect of which such charges and expenses were incurred.

### **DEPOSITARY FEES**

Subject to the Voluntary Cap (except in relation to the Cullen Altaira Ethical Global High Dividend Fund to which the Voluntary Cap is not applicable), each Fund pays safekeeping fees based on the Net Asset Value of each Fund that vary, from 0.0071% to 1.46%, depending on the country in which the security is traded and held, subject to a minimum annual fee, exclusive of transaction charges and out-of-pocket expenses, of \$50,000 per annum in total for all of the Funds. The Funds shall also bear the cost of all sub-custodian fees and transaction charges incurred by the Depositary, or any sub-custodian, which shall not exceed normal commercial rates. The Depositary shall also be entitled to reimbursement of properly vouched out-of-pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Funds out of the assets of the Fund in respect of which such charges and expenses were incurred.

### **TRUSTEE FEES**

Subject to the Voluntary Cap (except in relation to the Cullen Altaira Ethical Global High Dividend Fund to which the Voluntary Cap is not applicable), the Depositary, as trustee, shall be entitled to a fee payable out of the assets of each Fund accruing daily and payable monthly in arrears at the end of each calendar month at an annual rate of up to 0.0255% of the Net Asset Value of each Fund, subject to a minimum annual fee for each Fund, exclusive of out-of-pocket expenses, of \$11,200 as well as an additional annual cash flow monitoring and reconciliation fee of \$5,800 for each Fund accruing daily and payable monthly in arrears at the end of each calendar month.

### **SHARE CLASSES – CURRENCY CONVERSION**

In the case of a Hedged Class, a currency conversion will take place on subscriptions, redemptions, exchanges and distributions at prevailing exchange rates. The Company reserves the right to mitigate the effect of significant non-Base Currency subscriptions, redemptions, exchanges and distributions on the Class Net Asset Value by requiring the applicant or relevant Shareholder, rather than the Company, to pay a charge to cover any expenses or losses on currency conversion on relevant subscriptions, redemptions, exchanges and distributions – in effect the applicant or relevant Shareholder being required to bear the costs of foreign exchange into or out of the Fund.

## **DISTRIBUTOR FEES**

Under the provisions of the Distribution Agreement, the Distributor will receive a fee in respect of its duties as distributor of that Fund or class of Shares. Such fee will be paid out of the Management Fee. The Distributor will not however receive a fee in respect of the Seeder Class Shares of the Emerging Markets High Dividend Fund.

## **DIRECTORS' FEES**

Subject to the Voluntary Cap (except in relation to the Cullen Altaira Ethical Global High Dividend Fund to which the Voluntary Cap is not applicable), the aggregate amount of a Director's remuneration in any one year in respect of the Funds shall not exceed EUR 50,000. This figure will not be increased without the Shareholders being notified. The Directors and any alternate Directors shall also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or Shareholders or any other meetings with regulatory authorities or professional advisers or otherwise in connection with the business of the Company. The Directors who are employees of the Investment Manager have decided to waive their entitlement to any such remuneration for the life of the Company.

## **ESTABLISHMENT AND OTHER OPERATING EXPENSES**

Except for the Cullen Altaira Ethical Global High Dividend Fund, the establishment expenses of the Funds will be borne by the Investment Manager and not by the Shareholders of the Funds (and these amounts will not be included in the Funds' statement of operations). The establishment expenses of the Cullen Altaira Ethical Global High Dividend Fund will be approximately EUR 10,000 and will be amortized over the first 60 months of the Fund's operation or such other period as the Directors may determine.

Subject to the Voluntary Cap (except in relation to the Cullen Altaira Ethical Global High Dividend Fund to which the Voluntary Cap is not applicable), costs and expenses incurred in the operation of a Fund will be borne out of the assets of the relevant Fund, including without limitation, registration fees and other expenses relating to regulatory, supervisory or fiscal authorities in various jurisdictions, management, investment management, administrative and custodial services; client service fees; writing, typesetting and printing of the Prospectus, sales literature and other documents for investors; taxes and commissions; issuing, purchasing, repurchasing and redeeming Shares; transfer agents, dividend dispersing agents, Shareholder servicing agents and registrars; printing, mailing, auditing, accounting and legal expenses; reports to Shareholders and governmental agencies; meetings of Shareholders and proxy solicitations therefore (if any); insurance premiums; association and membership dues; and such non-recurring and extraordinary items as may arise.

Fees and costs relating to its Shariah compliance, including audit, of up to 0.60% of Net Asset Value will be borne out of the assets of the Cullen Altaira Ethical Global High Dividend Fund and paid to the Shariah Board.

Expenses will be allocated to the Fund or Funds to which, in the opinion of the Directors, they relate. If an expense is not readily attributable to any particular Fund, the Directors shall have discretion to determine the basis on which the expense shall be allocated between the Funds. In such cases the expense will normally be allocated to all Funds pro rata to the value of the Net Asset Value of the relevant Fund.

The Investment Manager may, at its discretion, contribute directly towards the expenses attributable to the establishment and/or operation of any particular Fund and/or the marketing, distribution and/or

sale of Shares and may from time to time at its sole discretion waive any or all of the Management Fees in respect of any particular payment period.

## **SUBSCRIPTION FEES**

For each subscription of Shares in the Funds, the subscribing Shareholders may be charged a fee as a percentage of the subscription price as of the relevant Dealing Day ("Subscription Fee"). Such Subscription Fees are payable by the investor to the Fund and/or sales agent. Where a Subscription Fee is charged, the maximum amount of the fee will be 5% of the subscription price of the relevant Shares.

## **REMUNERATION POLICY**

The Company's remuneration policy is in line with the business strategy, objectives, values and interests of the Company and its Shareholders and includes measures to avoid conflicts of interest.

The Directors, who are responsible for managing the business affairs of the Company, do not receive any variable remuneration in respect of these services and indeed only those Directors not employed by Schafer Cullen Capital Management receive even fixed remuneration which is not performance related and is set at a level determined by the Directors as a whole.

The Company has also determined, on advice of counsel, that it is not a self-managed investment company which is significant in terms of its size, internal organisation or by the nature, scope and complexity of its activities and has not therefore established a remuneration committee.

As the Company has delegated certain investment and risk management activities to the Investment Manager, it is intended that once final guidance is available from the relevant EU institutions and authorities regarding the application of the remuneration requirements to delegates, the Company will liaise with the Investment Manager in relation to same as and if necessary.

The Company's full remuneration policy, including, but not limited to, more details on the above is available at [www.cullenfunds.eu](http://www.cullenfunds.eu) and a paper copy of same will be made available free of charge upon request.

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## DETERMINATION OF NET ASSET VALUE

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The Net Asset Value per Share in any Fund shall be calculated by the Administrator in the Base Currency of that Fund to the nearest two decimal places as at each Valuation Point in accordance with the valuation provisions set out in the Articles and summarised below. The Net Asset Value of a Fund shall be calculated by ascertaining the value of the assets of the relevant Fund and deducting from such amount the liabilities of the Fund, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Fund.

The Net Asset Value per Share of a Class in a Fund shall be determined by calculating the amount of the Net Asset Value attributable to each Class. The amount of the Net Asset Value attributable to a Class shall be determined by establishing the number of Shares in issue in the Class on the relevant Dealing Day and, by allocating relevant fees and Class expenses to the Class and making appropriate adjustments to take account of distributions, if any, paid out of the Fund and apportioning the Net Asset Value of the Fund accordingly. The Net Asset Value per Share of a Class shall be calculated by dividing the Net Asset Value of the Class by the number of Shares in issue in that Class. Class expenses or fees or charges not attributable to a particular Class may be allocated amongst the Classes based on their respective Net Asset Value or any other reasonable basis approved by the Directors following consultation with the Depositary and having taken into account the nature of the fees and charges. Where Classes of Shares are issued which are priced in a currency other than the Base Currency, the Net Asset Value per Share of each such Class will be converted into the designated Class Currency using the latest available exchange rate at the relevant Valuation Point with any related currency conversion costs being borne by that Class.

Where foreign exchange hedging transactions are utilised solely for the benefit of a Hedged Class, their cost and related liabilities and/or benefits will be for the account of the holders of the relevant Hedged Class Shares only and, accordingly, are not subject to the Voluntary Cap described in "Fees and Expenses" section in this Prospectus. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share of the relevant Hedged Class Shares.

The Net Asset Value per Share as calculated on any Dealing Day with respect to each Fund will be provided for publication on [www.cullenfunds.eu](http://www.cullenfunds.eu) after each Dealing Day. These prices will be kept up to date.

In calculating the value of the assets of each Fund:

- (i) each investment which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued by reference to the last traded price on the relevant Recognised Market at the relevant Valuation Point. If the investment is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be that which the Directors or the Administrator as their delegate determine provides the fairest criterion of value for the investment. If prices for an investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time or are unrepresentative in the opinion of the Directors or the Investment Manager as their delegate, such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by a competent professional person, body, firm or corporation (appointed for such purpose by the Directors in consultation with the Investment Manager and approved for the purpose by the Depositary) or by such other means as the Directors (in consultation with the Investment Manager and the Administrator and approved by the Depositary) consider in the circumstances to be the probable realisation value of the investment estimated with care and in good faith. None of the Directors, the Investment Manager, or the Administrator shall be under any liability if a price reasonably believed by them to be the last traded price for the time being, may be found not to be such.

- (ii) the value of any investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market shall be valued at such value as shall be estimated with care and in good faith as the probable realisation value of the investment by a competent professional person, firm or corporation (appointed for such purpose by the Directors and approved for the purpose by the Depositary) or by such other means as the Directors (in consultation with the Investment Manager, the Administrator and approved by the Depositary) considers in the circumstances to be the probable realisation value of the investment estimated with care and in good faith. Neither the Directors, the relevant Investment Manager, the Administrator nor the Depositary shall be under any liability if a price reasonably believed by them to be the latest available dealing price or, as the case may be, middle market quotation for the time being, may be found not to be such.
- (iii) units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available redemption price of such units or shares as published by the relevant collective investment scheme, after deduction of any redemption charges.
- (iv) cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Directors (in consultation with the Investment Manager and the Depositary) any adjustment should be made to reflect the fair value thereof.
- (v) derivative instruments which are traded on a Recognised Market shall be valued at the settlement price of such instruments as at the Valuation Point as determined by the relevant Recognised Market, provided that where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Directors in consultation with the Administrator. The value of forward foreign exchange contracts which are dealt in on a Recognised Market shall be calculated by reference to the price appearing to the Directors to be the price at which a new forward contract of the same size, currency and maturity as determined by the relevant Recognised Market could be effected as at the Valuation Point, provided that if such market price is not available for any reason, such value shall be calculated in such manner as the Directors shall, in consultation with the Administrator, determine to be the price at which a new forward contract of the same size, currency and maturity could be effected.
- (vi) derivative instruments not traded on a Recognised Market shall be valued at least daily at the latest valuation obtained from the counterparty provided that the valuation is approved and verified weekly by the Directors (who shall be approved for such purpose by the Depositary and independent of the counterparty) or by a competent professional person appointed by the Directors and approved by the Depositary for such purpose and who is independent of the counterparty.
- (vii) certificates of deposit and other liquid transferable securities having a maturity of three months or less may be valued on an amortised basis in accordance with the Central Bank's requirements.
- (viii) treasury bills and bills of exchange shall be valued with reference to bid prices ruling in the relevant markets for such instruments of like maturity, amount and credit risk at the relevant Valuation Point.

Notwithstanding the above provisions, the Directors may, with the prior consent of the Depositary and in consultation with the Investment Manager, adjust the valuation of any particular listed asset or permit some other method of valuation approved by the Depositary to be used in respect of any particular asset if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they deem relevant, they consider that such adjustment is required to reflect more fairly the value thereof.

Values of assets allocated to a Fund expressed in a currency other than the Base Currency of that Fund will be converted by the Administrator into the Base Currency at the latest available exchange rate at the Valuation Point.

## TEMPORARY SUSPENSION OF DEALINGS

The Directors may at any time, with the approval of the Depositary, temporarily suspend the issue, valuation, sale, purchase, redemption, repurchase and exchange of Shares during:

- (i) any period when any Recognised Market on which a substantial portion of the investments for the time being comprised in the relevant Fund are quoted, listed or dealt in is closed otherwise than for public holidays, or during which dealings in any such Recognised Market are restricted or suspended;
- (ii) any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Company, the disposal or valuation of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interest of Shareholders;
- (iii) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the relevant Fund or during any period when for any other reason the value of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be promptly or accurately ascertained; or
- (iv) any period when the Company is unable to repatriate funds for the purposes of making redemption or purchase payments or during which the realisation of investments for the time being comprised in the relevant Fund, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange.
- (v) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the relevant Fund or the remaining shareholders in such Fund.

Notice of any such suspension may be published on Bloomberg ([www.bloomberg.com](http://www.bloomberg.com)) if, in the opinion of the Directors, it is likely to exceed fourteen days. It shall be notified without delay to the Central Bank and as soon as practicable thereafter to any Shareholders affected by such suspension. Shareholders who have requested issue, purchase or redemption of Shares in any Fund will have their request dealt with on the first Dealing Day after the suspension has been lifted unless such requests have been withdrawn prior to the lifting of the suspension. Where possible, reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

## TERMINATION OF FUNDS

The Company may terminate any Fund, and redeem all of the Shares of such Fund, if:

- (i) the Shareholders of the Fund pass a special resolution to approve the redemption of all the Shares in the Fund; or
- (ii) after the first anniversary of the approval of the Fund by the Central Bank, the Net Asset Value of the relevant Fund falls below EUR 100,000,000; or
- (iii) the Depositary has served notice of its intention to retire under the terms of the Depositary Agreement (and has not revoked such notice) and no new depositary has been appointed by the Company with the approval of the Central Bank within 6 months and two weeks of the date of service of such notice.

Dividends, interest and capital gains (if any) which the Company receives with respect to its investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that 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 a repayment to the Company, the Net Asset Value will not be re-

stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

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## TAXATION

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### IRELAND

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

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

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

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

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

#### **Taxation of non-Irish shareholders**

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

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

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

#### **Taxation of exempt Irish shareholders**

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

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

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).

2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA)
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
15. Qualifying companies (within the meaning of section 110 TCA).
16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

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

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

### **Taxation of other Irish shareholders**

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

#### *Distributions by the Company*

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

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

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

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

#### *Redemptions of shares*

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

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

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

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

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

#### *'Eighth Anniversary' Events*

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

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

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

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

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

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

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

#### *Share exchanges*

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

#### **Stamp duty**

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

#### **Gift and Inheritance tax**

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

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

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

#### **FATCA**

Ireland has an intergovernmental agreement with the United States of America (the "IGA") in relation to FATCA, of a type commonly known as a 'model 1' agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The Company intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. The Company has registered with the U.S. Internal Revenue Service as a 'reporting financial institution' for FATCA purposes and reports information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified U.S. persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified U.S. persons. Any information reported by the Company to the Irish Revenue Commissioners will be communicated to

the U.S. Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

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

## **OECD Common Reporting Standard**

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

The OECD Common Reporting Standard replaces the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime).

## **Meaning of Terms**

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

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

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

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

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

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

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

1. spends 183 days or more in Ireland in that calendar year; or

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

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

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

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2015 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2018.

#### *Meaning of 'intermediary'*

An 'intermediary' means a person who:

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

## **UNITED STATES**

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE U.S. TAX CONSEQUENCES TO PROSPECTIVE U.S. TAX-EXEMPT SHAREHOLDERS. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS PROFESSIONAL TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE COMPANY. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN THE COMPANY BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES.

#### Tax-Exempt U.S. Persons

The term "Permitted U.S. Person" means a U.S. person within the meaning of the United States Internal Revenue Code 1986, as amended ("IRC") that is subject to the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or is otherwise exempt from payment of U.S. Federal income tax (such persons hereinafter referred to as "Tax-Exempt U.S. Persons") or an entity substantially all of the ownership interests in which are held by Tax-Exempt U.S. Persons. Generally, a Tax-Exempt U.S. Person is exempt from Federal income tax on certain categories of income, such as dividends, interest, capital gains and similar income realized from securities investment or trading activity. This type of income is exempt even if it is realized from securities trading activity which constitutes a trade or business. This general exemption from tax does not apply to the "unrelated business taxable income" ("UBTI") of a Tax-Exempt U.S. Person. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the Tax-Exempt U.S. Person's exempt purpose or function. UBTI also includes (i) income derived by a Tax-Exempt U.S. Person from debt-financed property and (ii) gains derived by a Tax-Exempt U.S. Person from the disposition of debt-financed property.

In 1996, the U.S. Congress considered whether, under certain circumstances, income derived from the ownership of the shares of an offshore corporation should be treated as UBTI to the extent that it

would be so treated if earned directly by the shareholder. Subject to a narrow exception for certain insurance company income, Congress declined to amend the IRC to require such treatment. Accordingly, based on the principles of that legislation, a Tax-Exempt U.S. Person investing in a non-U.S. corporation such as the Company should not realise UBTI with respect to an unleveraged investment in Shares. Tax-Exempt U.S. Persons are urged to consult their own tax advisors concerning the U.S. tax consequences of an investment in the Company.

Any U.S. person within the meaning of the IRC owning 10% or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares of a non-U.S. corporation such as the Company will likely be required to file an information return with the U.S. Internal Revenue Service containing certain disclosures concerning the filing shareholder, other U.S. shareholders and the corporation. The Company has not committed to provide all of the information about the Company or its shareholders needed to complete the return. In addition, a U.S. person within the meaning of the IRC that transfers cash to a non-U.S. corporation will likely be required to report the transfer to the Service if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10% of the total voting power or total value of such corporation or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds \$100,000. Shareholders who are Permitted U.S. Persons are urged to consult their own tax advisors concerning this and any other reporting requirements.

## **UNITED KINGDOM**

The statements on United Kingdom taxation below are intended to be a general guide to the anticipated tax treatment in the United Kingdom of the Company and its Shareholders. The statements relate to Shareholders holding shares as an investment (as opposed to as a dealer, or as part of a UK trade, profession or vocation) and are based on the law and practice in force at the date of this Prospectus. Further, it does not cover United Kingdom Shareholders which are tax exempt or subject to special taxation regimes or investors who have, or are deemed to have, acquired their shares by reason of their employment. As is the case with any investment, there can be no guarantee that the tax position prevailing at the time an investment in the Company is made will continue indefinitely.

### **The Company**

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

Further comfort in this regard can be obtained from the provisions of s363A Taxation (International and Other Provisions) Act 2010 which provide that, where a corporate fund is authorised as a UCITS in an EU Member State other than the UK, then the corporate fund should not be resident for UK income tax, corporation tax or capital gains tax purposes even if it would be so viewed under general UK tax principles.

Since the Company is not incorporated in the United Kingdom and the register of Shareholders will be kept outside the United Kingdom, no liability to United Kingdom stamp duty reserve tax should arise by reason of the transfer, subscription for, or redemption of Shares. Liability to United Kingdom stamp duty will not arise provided that any instrument in writing, transferring Shares in the Company, or shares acquired by the Company, is executed and retained at all times outside the United Kingdom. However, the Company may be liable to transfer taxes in the United Kingdom on acquisitions and disposals of investments. In the United Kingdom, stamp duty or Stamp Duty Reserve Tax at a rate of 0.5% will be payable by the Company on the acquisition of shares in companies that are either incorporated in the United Kingdom or that maintain a share register there.

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

## The Shareholders

Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of income made by the Company, whether or not such distributions are reinvested. In addition, United Kingdom Shareholders holding Shares at the end of each 'reporting period' (as defined for United Kingdom tax purposes) will potentially be subject to United Kingdom income tax or corporation tax on their share of a Class's 'reported income', (which is the reportable income of the Share Class less dividends paid out of that period's reportable income). The terms 'reported income', 'reporting period' and their implications are discussed in more detail below. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below.

Individual Shareholders resident in the United Kingdom may benefit from a non-refundable tax credit in respect of dividends received from a Fund or reported income deemed to be received from corporate offshore funds. However, where the Share Class invests at any point in an accounting period 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.

Dividend distributions from an offshore fund made to companies resident in the United Kingdom are likely to fall within one of a number of exemptions from United Kingdom corporation tax. In addition, distributions to non-United Kingdom companies carrying on a trade in the United Kingdom through a permanent establishment in the United Kingdom should also fall within the exemption from United Kingdom corporation tax on dividends to the extent that the shares held by that company are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for these purposes.

The Offshore Funds (Tax) Regulations 2009 provide that if an investor resident in the United Kingdom for taxation purposes holds an interest in an offshore fund and that offshore fund is a 'non-reporting fund', any gain accruing to that investor upon the sale or other disposal of that interest will be charged to United Kingdom tax as income and not as a capital gain. Alternatively, where an investor resident in the United Kingdom holds an interest in an offshore fund that has been a 'reporting fund' for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to United Kingdom income tax or corporation tax on income (even where such profits are exempt from United Kingdom corporation tax).

Where an offshore fund has been a non-reporting fund for part of the time during which the United Kingdom shareholder held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the shareholder to ensure that the gain made during the time when the offshore fund was a reporting fund is taxed as a capital gain. In these circumstances, from the date the offshore fund changes status such elections have specified time limits in which they can be made.

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

In broad terms, a 'reporting fund' is an offshore fund that meets certain upfront and annual reporting requirements to HM Revenue & Customs and its shareholders. The Directors currently intend to manage the affairs of the Company and the Funds so that these upfront and annual duties are met and continue to be met on an ongoing basis however no assurance can be given that the Directors will continue to do so indefinitely or for every Class or that every Class will qualify. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for United Kingdom tax purposes) on a per-share basis to all relevant shareholders (as defined for these purposes). United Kingdom 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 United Kingdom Shareholders six months after the end of the accounting period.

There are various additional UK tax provisions that may impact the UK taxation of an interest in the Company by certain investors. These provisions are not dealt with in this section and investors are advised to consult their own tax advisors based on their particular circumstances.

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## THE COMPANY

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### THE DIRECTORS AND SECRETARY

The Directors are responsible for managing the business affairs of the Company. The Directors have delegated the management of the assets and investments of each Fund to the Investment Manager. The Directors have delegated the day-to-day administration of the Company's affairs, shareholder registration and transfer agency duties, including the calculation of the Net Asset Value and the Net Asset Value per Share, to the Administrator.

The Directors are listed below with their principal occupations. The Directors are all non-executive Directors with the exception of James Cullen. The Company has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the Company. The Articles do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The address of the Directors is the registered office of the Company.

**James Cullen** is the Chief Executive Officer, Portfolio Manager and founder of Cullen Capital Management, which he founded in 2000, and Schafer Cullen Capital Management, a registered investment advisor specializing in value investing, which he co-founded in 1983. Mr. Cullen was a Vice President of Donaldson Lufkin & Jenrette from 1978-1982 and prior thereto co-managed the New York Research Group for Rauscher Pierce. Mr. Cullen holds a B.A. in Finance and Economics from Seton Hall University. After graduating from Seton Hall in 1961, Mr. Cullen served for four years as an officer on the aircraft carrier USS Essex. Following military service, Mr. Cullen started his business career with Merrill Lynch and later worked with institutional research boutique Spencer Trask & Company before joining Rauscher Pierce.

**Brooks Cullen** is the Vice Chairman at Cullen Capital Management, where he has been employed since its inception in 2000 and has been an employee of Schafer Cullen since 1996. Prior to joining Schafer Cullen, he was at Merrill Lynch in the retail brokerage division. Mr. Cullen received his MBA from Fordham University in 1996 and received his B.A. in Economics from Boston University in 1990.

**Jeff Battaglia** is the Chief Operating Officer at Cullen Capital Management and Schafer Cullen, where he has been employed since 2007. Prior to joining the Firms, he worked at KPMG from 2001-2007 most recently as a Manager in the firm's Transaction Services practice. Mr. Battaglia earned both his Masters of Accounting (2001) and his B.B.A. (2000) from the University of Georgia.

**Kevin Molony** has broad and extensive experience in investment management, institutional stockbroking and management services having worked with leading international firms over his career. He currently provides independent directorship services to several international investment managers. Kevin was Managing Director of Walkers Corporate Services (Dublin) Limited until that business was acquired in June 2012. From 1999 to 2009, he was a Director of Citigroup Global Markets where he was instrumental in establishing and building their Irish institutional broking business. His specific area of expertise at Citigroup was US and Latin American equities. Before joining Citigroup, he was an institutional stockbroker with Deutsche Bank. Kevin began his career as a UK equity fund manager with Phillips & Drew Fund Managers, who were the leading institutional investment manager in London at the time. He later joined AIB Investment Managers as a Senior Portfolio Manager specialising in US equity funds. Kevin received a BA in Economics from University College Dublin and a Professional Diploma in Corporate Governance from Smurfit Business School, Dublin.

**Wyndham Williams** is an experienced senior banking executive with widespread international and domestic expertise in corporate banking, general management and hedge fund management. A fellow of the Institute of Bankers in Ireland, he has been involved in the Banking and Financial Services Industry for more than thirty years. In 1973 he opened the first US office of AIB Bank in New York. In 1977 he was appointed senior lending executive in charge of AIB's International Corporate Banking Division where he was in charge of developing AIB's Corporate Strategy to multi-national companies establishing in Ireland. In 1991, he was appointed regional manager of AIB

Dublin Metropolitan Region and in 1995 as Managing Director of AIB Home Mortgages and director of AIB Commercial Services Limited. Since 1998 he has acted as non-executive director of several international hedge fund management companies established in the International Financial Services Centre in Dublin. Mr. Williams holds a B.A. (Hons) and M. M.Sc. (Mgt.) from Trinity College, Dublin.

The Company Secretary is Matsack Trust Limited which is a company secretarial service owned by the partners of Matheson, Irish legal counsel to the Company.

Save for Subscriber Shares, neither the Directors, nor any connected person the existence of which is known to or could with reasonable diligence be ascertained by the relevant Director, whether or not through another party, have any interest in the Shares of the Company, nor have they been granted any options in respect of Shares of the Company.

## **THE INVESTMENT MANAGER AND DISTRIBUTOR**

The Investment Manager serves as investment manager and promoter to the Company and each of the Funds. As such, the Investment Manager is responsible for the management of these assets. The Investment Manager provides the Funds with a trading department and selects brokers and dealers to effect securities transactions. The Investment Manager advises various mutual funds in the United States. The Investment Manager is located at 645 Fifth Avenue; Suite 1201, New York, NY; USA.

The Amended and Restated Investment Management Agreement dated 3 July 2017 between the Company and the Investment Manager (the "Investment Management Agreement") provides that neither the Investment Manager nor any of its directors, officers, employees or agents shall be liable for any costs or liabilities arising from any error of judgement, investment decision or mistake of law by the Investment Manager (including any of its directors, officers, employees or agents) or for any loss or damage arising directly or indirectly out of any act or omission done or suffered by the Investment Manager (including any of its directors, officers, employees or agents) in the performance of its duties under the Investment Management Agreement unless such costs, liabilities, loss or damage arose out of or in connection with the gross negligence, wilful default, bad faith or fraud of or by the Investment Manager or any of its directors, officers, employees and agents in the performance of its duties under the Investment Management Agreement.

The Company is obliged under the Investment Management Agreement to indemnify the Investment Manager and hold harmless the Investment Manager (and each of its directors, officers, employees and agents) from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal fees and expenses) directly or indirectly suffered or incurred by the Investment Manager and its directors, officers, employees and agents, arising from or in connection with the performance of its duties and/or the exercise of its powers under the Investment Management Agreement and/or any error of judgement, investment decision or mistake of law by the relevant Investment Manager (and each of its directors, officers, employees and agents) in the performance of its duties under the Investment Management Agreement in the absence of any such gross negligence, wilful default, bad faith or fraud.

Under the Investment Management Agreement, the Investment Manager may, subject to the prior approval of the Company and in accordance with the requirements of the Central Bank, appoint one or more sub-investment managers from time to time to perform and/or exercise all or any of its functions, powers, discretions, duties and obligations under the Investment Management Agreement.

The Investment Management Agreement shall continue in full force and effect unless terminated by either party upon sixty days prior written notice or at any time if the other party: (i) commits any material breach of the Agreement or commits persistent breaches of the Agreement which is or are either incapable of remedy or have not been remedied within thirty days of the non-defaulting party serving notice requiring the remedying of the default; (ii) becomes incapable of performing its duties or obligations under the Agreement; (iii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iv) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of

reconstruction or amalgamation upon terms previously approved in writing by the other parties); or (vii) is the subject of a court order for its winding up or liquidation.

The Distribution Agreement dated 4 October 2010 between the Company and the Distributor (the "Distribution Agreement") provides that the appointment of the Distributor shall continue and remain in force unless and until terminated upon any party (a) going into liquidation, or (b) committing a material breach of the agreement or (c) following the appointment of a receiver/examiner, or (d) by any party giving to the other 90 days' notice in writing. The Company shall indemnify and keep indemnified and hold harmless the Distributor and each of its directors and officers from and against all actions, proceedings, claims, demands, liabilities, losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or directly suffered or incurred by the Distributor arising out of or in connection with the performance by the Distributor of its duties other than due to the negligence, wilful default, bad faith or fraud of or by the Distributor in the performance of its duties. The Distributor may appoint sub-distributors or sales agents for the promotion, distribution, placing, sale, redemption or exchange of Shares in the Funds. The Distributor shall not be liable for the acts and omissions of any sub-distributors provided it has performed adequate due diligence when appointing, and in the on-going monitoring of, such sub-distributors. The Distributor is entitled to payment of fees for its services and reimbursement of expenses, as more fully described in the section headed "Fees and Expenses". The fees of any sub-distributor will be borne by the Distributor from its own fees.

## THE DEPOSITARY

The Depositary is RBC Investor Services Bank S.A., which is a company incorporated with limited liability in Luxembourg, operating through its Dublin Branch. The Depositary is a wholly-owned subsidiary of the Royal Bank of Canada Group and its head office is 14, Porte de France L 4360 Esch sur Alzette Luxembourg, Luxembourg. The Depositary has been approved by the Central Bank to act as depositary for the Company.

The Depositary Agreement between the Company and the Depositary dated 22 December 2016 (the "Depositary Agreement") contains provisions governing the responsibilities of the Depositary, of which the primary responsibility is the safe-keeping of all the assets of the Company as well as oversight and cash monitoring duties. Under its oversight duties, the Depositary is required to:

- (i) check that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the UCITS Regulations and the Articles;
- (ii) ensure that the value of Shares is calculated in accordance with the UCITS Regulations and the Articles;
- (iii) carry out the instructions of the Company unless they conflict with the UCITS Regulations or the Articles,
- (iv) ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;
- (v) ensure that the Company's net income calculation is applied in accordance with the UCITS Regulations and the Articles and to check the completeness and accuracy of dividends payments;
- (vi) ensure compliance with the investments restrictions of the Company;
- (vii) ensure that appropriate measures are taken where the Auditors have expressed reserves on the annual financial statements and
- (viii) enquire into the conduct of the Company in each annual accounting period and report thereon to the Shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- (i) identifying and analysing potential situations of conflicts of interest;
- (ii) recording, managing and monitoring the conflict of interest situations either in:
  - (a) relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
  - (b) implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders, or (ii) by refusing to carry out the activity giving rise to the conflict of interest.

The Depositary is authorized to delegate its safekeeping duties to delegates and sub-custodians and to open accounts with such sub-custodians but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. A list of these sub-custodians is available in Appendix IV and on the website of the Depositary where it may be updated from time to time. In addition, a complete list of all sub-custodians may be obtained, free of charge and upon request, from the Depositary.

The Depositary Agreement may be terminated by either of the parties on giving 90 days prior written notice to the other party. The Depositary Agreement may be terminated immediately if at any time: (i) a new depositary is appointed; (ii) for a period of more than 3 months a party is in material breach of any of its obligations under the Agreement and, if such breach is capable of remedy, it has failed to remedy such breach within 30 days of receipt of written notice from the notifying party requiring it to do so; (iii) the Company shall cease to be authorised under the applicable law; (iv) the Depositary shall cease to be authorised to perform its duties and obligations; (v) the Depositary becomes aware that an entity's (to which safekeeping has been delegated in a specific jurisdiction) segregation of assets is insufficient to protect the Company's assets from claims of creditors in the event of the insolvency of the entity but the Depositary has not been in a position to transfer the assets to an alternative entity identified in its contingency plan and the parties have not been in a position to find a viable solution within 10 days following the notification of such failure to transfer by the Depositary; (vi) the Company fails to take actions satisfactory to the Depositary to reduce risks of which it has been notified by the Depositary in accordance with the Depositary's obligations under the applicable law; (vii) a force majeure event subsists of the obligations owing by a party under the Agreement, and suitable alternative arrangements have not been agreed by the affected party with the other party; (viii) the parties have completed the escalation process as described in the Agreement but have failed to resolve any dispute or ensure the remedy of an escalation process trigger; or (ix) the Company invests or maintains investments in prohibited jurisdictions.

The Depositary has a right under the Depositary Agreement to retire at any time on 90 days' notice to the Company although it may not actually do so until the appointment of a new depositary with the prior approval of the Central Bank. If however no new depositary has been appointed by the Company within six months of the date of service of notice by it of its intention to retire, the Depositary may then serve notice on the Shareholders informing them that all outstanding Shares shall be redeemed and the Company wound up if no depositary is appointed within a period ending not earlier than two weeks from the date of such notice to Shareholders.

The Depositary may be removed by the Company at any time upon 90 days' notice to the Depositary.

## **THE ADMINISTRATOR**

The Administrator is a company incorporated with limited liability in Ireland and is authorised by the Central Bank under the Investment Intermediaries Act 1995. The Administrator is a wholly-owned subsidiary of the Royal Bank of Canada Group. The Administrator is engaged in the business of, inter alia, providing fund administration services to collective investment undertakings. The Administrator has responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value and preparation of the accounts of the Company, subject to the overall supervision of the Directors.

The Administration Agreement between the Company and the Administrator dated 4 October 2010 (the "Administration Agreement"), shall continue in effect for an initial period of 1 year from the date hereof, and after the conclusion of such 1 year period may be terminated at any time by either party without the payment of any penalty upon not less than 90 days written notice to the other party provided that (i) any party may at any time immediately terminate the Administration Agreement in the event of an appointment of an examiner, liquidator or receiver to any other party or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction, (ii) the Company may at any time immediately terminate the Administration Agreement in the event that the Administrator is otherwise no longer permitted to perform its obligations pursuant to the applicable law, (iii) the Administrator may terminate this Administration Agreement in the event that the Company is no longer authorised by the Central Bank pursuant to the UCITS Regulations and (iv) either party may at any time terminate this Administration Agreement if the other party shall engage in any material breach of its obligations under this Administration Agreement and shall fail within 30 days of receipt of notice served by the non-defaulting party requiring it so to do to cease such breach.

In the absence of negligence, wilful misfeasance, fraud, bad faith or reckless disregard of the Administrator, the Administrator will not be liable for indirect, special or consequential damages.

#### **PAYING AGENTS AND LOCAL REPRESENTATIVES**

The Directors, the Investment Manager, the Distributor or their duly authorised delegates may appoint such paying agents and local representatives as may be required to facilitate the authorisation, regulation or registration of the Company, any Fund and / or the marketing of any of its Shares in any jurisdictions. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to or from the Administrator (eg, a paying agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator for the account of the Company and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. The fees and expenses payable to such paying agents and local representatives will be at normal commercial rates and paid out of the assets of the relevant Fund(s).

## **THE COMPANY**

The Company is an investment company with segregated liability between sub-funds and variable capital incorporated in Ireland on 13 May 2010 under registration number 484380 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The object of the Company, as set out in Clause 2 of its Memorandum and Articles of Association, is the collective investment in transferable securities and/or in other liquid financial assets referred to in the UCITS Regulations of capital raised from the public operating on the principle of risk spreading. All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles of Association of Company, copies of which are available as described in the "GENERAL – Documents for Inspection" section of this Prospectus.

The Company has been structured as an umbrella fund in that the Directors may from time to time, in accordance with the requirements of the Central Bank, issue different Shares representing separate portfolios of assets. As of the date of this Prospectus, the Directors are not aware of any such existing or contingent liability.

While the provisions of the Investment Funds, Companies and Miscellaneous Provisions Act, 2005 provides 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 be exposed to the liabilities of other Funds of the Company.

Under the Articles, the Directors are required to establish a separate Fund, with separate records, for each portfolio of assets in the following manner:

- (a) the Company will keep separate books and records of account for each Fund. The proceeds from the issue of Shares will be applied to the Fund established for those Shares, and the assets and liabilities and income and expenditure attributable thereto will be applied to such Fund;
- (b) any asset derived from another asset comprised in a Fund, will be applied to the same Fund as the asset from which it was derived and any increase or diminution in value of such an asset will be applied to the relevant Fund;
- (c) in the case of any asset which the Directors do not consider as readily attributable to a particular Fund or Funds, the Directors have the discretion to determine, with the consent of the Depositary, the basis upon which any such asset will be allocated between Funds and the Directors may at any time and from time to time vary such basis;
- (d) any liability will be allocated to the Fund or Funds to which in the opinion of the Directors it relates or if such liability is not readily attributable to any particular Fund the Directors will have discretion to determine, with the consent of the Depositary, the basis upon which any liability will be allocated between Funds and the Directors may at any time and from time to time vary such basis; and
- (e) where the assets of the Company (if any) attributable to the Subscriber Shares give rise to any net profit, the Directors may allocate assets representing such net profits to such Fund or Funds as they may deem appropriate.

Shares may be divided into different Classes to accommodate different subscription and/or redemption charges and/or charges and/or dividend and/or fee arrangements.

As of the date of this document the Company has no loan capital including term loans outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

## **THE SHARE CAPITAL**

The authorised share capital of the Company is 500,000,000,002 Shares of no par value divided into 2 Subscriber Shares of no par value and 500,000,000,000 Shares of no par value.

Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. Shares entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different Classes) in the profits and assets of the Company on the terms and conditions set out in the Prospectus. Subject to any special rights or restrictions for the time being attached to any Class with the prior approval of the Central Bank, each Shareholder shall be entitled to such number of votes as shall be produced by dividing the aggregate net asset value of that Shareholder's shareholding by one. The Subscriber Shareholders shall have one vote for each Subscriber Share held. The "relevant record date" for these purposes shall be a date being not more than thirty days prior to the date of the relevant general meeting or written resolution as determined by the Directors. There are no pre-emption rights attaching to Shares.

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

## **VOTING RIGHTS**

Each Shareholder shall be entitled to such number of votes as shall be produced by dividing the aggregate net asset value of that Shareholder's shareholding (expressed or converted into U.S. Dollars and calculated as of the relevant record date) by one. The "relevant record date" for these purposes shall be a date being not more than thirty days prior to the date of the relevant general meeting or written resolution as determined by the Directors. In relation to a resolution which in the opinion of the Directors gives or may give rise to a conflict of interest between the Shareholders of any Fund or Class, such resolution shall be deemed to have been duly passed only if, in lieu of being passed through a single meeting of the Shareholders of such Fund or Class, such resolution shall have been passed at a separate meeting of the Shareholders of each such Fund or Class. All votes shall be cast by a poll of Shareholders present in person or by proxy at the relevant Shareholder meeting or by unanimous written resolution of the Shareholders.

## **VARIATION OF SHAREHOLDERS RIGHTS**

Under the Articles, whether or not the Company is being wound up, the rights attached to each Fund or Class may be varied with the consent in writing of the holders of three-fourths of the issued Shares of that Fund or Class or with the sanction of a special resolution passed at a separate general meeting of the holders of Shares of that Fund or Class. The rights attaching to any Fund or Class of Shares shall not be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares. The provisions of the Articles relating to general meetings shall apply to every such separate general meeting except that the necessary quorum at such a meeting shall be two persons present in person or by proxy holding Shares of the Fund or Class in question or, at an adjourned meeting, one person holding Shares of the Fund or Class in question or his proxy.

## **CONFLICTS OF INTEREST**

The Depositary, the Investment Manager and the Administrator and their delegates, sub-delegates or affiliates may from time to time act as manager, registrar, administrator, transfer agent, trustee, depositary, investment manager or advisor or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Company or any Fund. Therefore, it is possible that in the due course of their business, any of them may have potential conflicts of interests with the Company or any Fund. Each will at all times have regard in such event to its obligations under the Articles and/or any agreements to which it is party or by which it is bound in relation to the Company or any Fund and, in particular, but without limitation to

its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise, and they will each respectively endeavour to ensure that such conflicts are resolved fairly and, in particular, the Investment Manager has agreed to act in a manner which it in good faith considers fair and equitable in allocating investment opportunities to the Company or the Funds as appropriate.

The Articles provide that the Administrator may accept the estimate of a competent person when determining the probable realisation value of unlisted securities or of securities listed or traded on a Recognised Market where the market price is unrepresentative or unavailable. The Administrator may accept an estimate provided by the Investment Manager for these purposes and investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated probable realisation value of the security, the higher the fees payable to the Investment Manager.

There is no prohibition on dealing in the assets of the Company by entities related to the Depositary, the Investment Manager and the Administrator. However, any such transactions must be conducted at arm's length and in the best interest of Shareholders. In that regard, at least one of the following conditions must be met: (a) a certified valuation of the transaction by a person approved by the Depositary (or, in the case of a transaction involving the Depositary, the Directors) as independent and competent is obtained; (b) execution of the transaction is on best terms reasonably obtainable on organised investment exchanges in accordance with the rules of the exchange; or (c) where (a) and (b) are not practical, the transaction is executed on terms which the Depositary is satisfied (or, in the case of a transaction involving the Depositary, on terms which the Directors are satisfied) conform to the requirements of being conducted at arm's length and in the best interest of Shareholders. The Depositary (or, in the case of a transaction involving the Depositary, the Directors), must document how it complied with (a), (b) or (c). In the event of a transaction as contemplated in (c) above, the Depositary (or, in the case of a transaction involving the Depositary, the Directors) must document their rationale for being satisfied that the transaction conforms with the requirements that it be conducted at arm's length and in the best interest of Shareholders.

In placing orders with brokers and dealers to make purchases and sales for the Funds, the Investment Manager will seek to obtain Best Execution for the Funds. In determining what constitutes Best Execution, the Investment Manager may consider factors it deems relevant, including, but not limited to, the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer and the reasonableness of the commission, if any, for the specific transaction, on a continuing basis. The Investment Manager may consider the brokerage and research services, (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934 of the United States, as amended) provided to the Investment Manager or its affiliates. Information and research services furnished by brokers or dealers through which or with which a Fund effects securities transactions may be used by the Investment Manager in advising other funds or accounts and, conversely, information and research services furnished to the Investment manager by brokers or dealers in connection with other funds or accounts that it advises may be used in advising a Fund. The Investment Manager may cause the Funds to pay a brokerage commission that is higher than may be charged by another member of an exchange, broker, or dealer, if it determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such member, broker, or dealer, viewed in terms of either that particular transaction or its overall responsibilities with respect to the Fund and/or other accounts over which the Investment Manager or its affiliates exercise investment discretion. The benefits provided under any soft commission arrangements must assist in the provision of investment services to the Company or a Fund. Any soft commission arrangements will be disclosed in the periodic reports of the relevant Fund.

A director of the Company or the Investment Manager may be a party to, or otherwise interested in, any transaction or arrangement in which the Company is interested. At the date of this Prospectus other than as disclosed under "The Company – The Directors and Secretary" above, no director of the Company has any interest, beneficial or non-beneficial, in the Company or any material interest in any agreement or arrangement relating to the Company. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

## MEETINGS

All general meetings of the Company shall be held in Ireland and at least one general meeting of the Company shall be held in each year as the Company's annual general meeting. At least twenty one days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given to Shareholders. The notice shall specify the place, day and hour of the meeting and the terms of the resolutions to be proposed. A proxy may attend on behalf of any Shareholder. The voting rights attached to the Shares are set out under the "Voting Rights" section of this Prospectus.

## REPORTS AND ACCOUNTS

The Directors shall cause to be prepared an annual report and audited annual accounts, prepared in accordance with accounting principles generally accepted in the United States of America, for the Company and each Fund for the period ending June 30 in each year. These will be forwarded to Shareholders within four months of the end of the relevant accounting period end and at least twenty-one days before the annual general meeting. In addition, the Company shall prepare a half-yearly report for the period ending December 31 in each year which shall include unaudited half-yearly accounts for the Company and each Fund. The unaudited half-yearly report will be sent to Shareholders within two months of the end of the relevant accounting period.

## WINDING UP

The Articles contain provisions to the following effect:

- (a) If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (b) The assets available for distribution among the members shall then be applied in the following priority:
  - (i) First, in the payment to the holders of Shares of each Fund of a sum in the currency in which that Fund is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the aggregate Net Asset Value per Share of the Shares of such Fund held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made.
  - (ii) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds.
  - (iii) Thirdly, in the payment to the holders of each Fund of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares held.
  - (iv) Fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the number of Shares held.
- (c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Irish High Court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Acts of Ireland, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as 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 the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts

for the benefit of members 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 member shall be compelled to accept any assets in respect of which there is liability. Where distributions in specie are effected on winding up, an individual shareholder may request that the assets be sold and receive the cash proceeds instead.

## **MATERIAL CONTRACTS**

The following contracts, which are summarised in the “The Company” and “Fees and Expenses” section of this Prospectus, have been entered into and are, or may be, material:

- (a) Amended and Restated Investment Management Agreement dated 3 July 2017 between the Company and the Investment Manager pursuant to which the Investment Manager has been appointed to provide investment management services to the Company;
- (b) Administration Agreement dated 4 October 2010 between the Company and the Administrator, pursuant to which the Administrator was appointed to provide administration, accounting and Shareholder registration and transfer agency services to the Company;
- (c) Depository Agreement dated 22 December 2016 between the Company and the Depository pursuant to which the Depository has been appointed responsible for the safekeeping of the assets of the Company as well as oversight and cash flow monitoring duties; and
- (d) Distribution Agreement dated 4 October 2010 between the Company and the Distributor pursuant to which the Distributor has been appointed as distributor of Shares of the Company.

## **ELECTRONIC COMMUNICATION**

The Directors have arranged for electronic communication by the Company or any other person on behalf of the Company as the case may be of:

- notices of annual or extraordinary general meetings;
- the annual reports and audited accounts;
- unaudited half-yearly accounts;
- confirmations; and
- the Net Asset Value.

If the Shareholder elects for electronic communication, all communication of notices, accounts, confirmations and Net Asset Value by the Company or any other person on behalf of the Company will be by way of electronic communication.

Shareholders electing to receive electronic communications will be required to provide the Company with their e-mail address. Hard copies of these documents continue to be available.

## **DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Administrator during normal business hours on any Business Day:

- (a) the Net Asset Value per Share;
- (b) the material contracts referred to above;
- (c) the Memorandum and Articles of Association of the Company;

- (d) the Key Investor Information Documents; and
- (e) the UCITS Regulations.

Copies of the Memorandum and Articles of Association and of any yearly and half-yearly reports may be obtained from the Administrator free of charge or may be inspected at the registered office of the Administrator during normal business hours on any Business Day.

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## DEFINITIONS

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**In this Prospectus the following words and phrases have the meanings set forth below:**

“Administrator”	means RBC Investor Services Ireland Limited or such other company in Ireland as may from time to time be appointed as administrator of the Company with the prior approval of the Central Bank;
“Articles”	means the articles of association of the Company as same may be amended from time to time with the prior approval of the Central Bank;
“Auditors”	means KPMG or such other firm of chartered accountants as may from time to time be appointed as auditors to the Company;
“Base Currency”	means in relation to each Fund such currency as the Directors may determine from time to time and notify to Shareholders of that Fund. In the case of the North American High Dividend Value Equity Fund, the Global Enhanced Equity Income Fund, the Global High Dividend Value Equity Fund, the US Enhanced Equity Income Fund, the Emerging Markets High Dividend Fund and the Cullen Altaira Ethical Global High Dividend Fund the base currency is U.S. Dollars;
“Best Execution”	means the best price available in the market, exclusive of any charges but taking account of any other exceptional circumstances such as counterparty risk, order size or client instructions;
“Business Day”	means those days when banks in Dublin and New York are open for normal banking business or such other days as may be determined by the Directors;
“Central Bank”	means the Central Bank of Ireland or any successor entity thereto;
“Central Bank UCITS Regulations”	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 as may be amended from time to time;
“Class”	means a class of Shares in a Fund having the details more particularly set out in the Prospectus and any supplement to this Prospectus;
“Dealing Day”	means such Business Day or Business Days as the directors may from time to time determine in relation to any Fund provided that there shall always be at least one such day per fortnight and Shareholders will be notified in advance. In the case of the Funds each Business Day will be a Dealing Day unless the directors otherwise determine provided there shall be at least one such day per fortnight and Shareholders will be notified in advance;
“Declaration”	means a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA (as may be amended from time to time);
“Depositary”	means RBC Investor Services Bank S.A., Dublin Branch or such other company in Ireland as may from time to time be appointed as

depository of the Company with the prior approval of the Central Bank

“Distributor”	means Cullen Capital Management LLC;
“ESMA”	means the European Securities and Markets Authority;
“EU Member State”	means a Member State of the European Union from time to time;
“EUR”	means the lawful currency of those Member States of the European Union from time to time participating in European economic and monetary union as contemplated by the Treaty of Rome;
“Euro Classes”	means the Euro Hedged Accumulating Institutional Share Class I2, Euro Hedged Distributing Institutional Share Class I1, Euro Hedged Accumulating Retail Share Class A2 and Euro Hedged Distributing Retail Share Class A1 in each Fund;
“Fund”	means such portfolio or portfolios of assets as the Directors may from time to time establish with the prior approval of the Depository and the Central Bank constituting in each case a separate fund represented by separate Shares with segregated liability and invested in accordance with the investment objective and policies applicable to such Fund and described in this Prospectus and any supplement to this Prospectus;
“Hedged Class”	means a Class which is designated in a currency other than the Base Currency and in respect of which the Investment Manager intends to engage in hedging transactions as more particularly set out under the section of this Prospectus entitled “ <i>Share Class Hedging</i> ”;
“Intermediary”	means a person who carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons or holds shares in an investment undertaking on behalf of other persons;
“Investment Manager”	means Cullen Capital Management LLC;
“Irish Resident”	means any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the “Taxation” section below for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners;
“Irish Revenue Commissioners”	means the Irish authority responsible for taxation;
“Memorandum and Articles of Association”	means the memorandum and articles of association of the Company as same may be amended from time to time with the prior approval of the Central Bank;
“Net Asset Value”	means the Net Asset Value of a Fund calculated as described or referred to herein;
“Net Asset Value per Share”	means, in relation to any Fund or Class, the Net Asset Value divided by the number of Shares in the relevant Fund or Class in issue or deemed to be in issue in respect of that Fund at the relevant

Valuation Point subject to such adjustments, if any, as may be required in relation to any Shares or Class in the relevant Fund;

“Permitted U.S. Person”	means a U.S. Person within the meaning of the U.S. Internal Revenue Code of 1986, as amended, that is subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, or is otherwise exempt from payment of U.S. Federal Income Tax or an entity substantially all of the ownership interests in which are held by tax-exempt U.S. Persons;
“OECD”	means the Organisation for Economic Co-Operation and Development, the members of which comprise the EU member states, Australia, Canada, Iceland, Japan, Korea, Mexico, New Zealand, Norway, Switzerland, Turkey, the United States of America and including any country or countries which become members of the OECD from time to time;
“Prospectus”	means this document, any supplement designed to be read and construed together with and to form part of this document and the Company’s most recent annual report and accounts (if issued) or, if more recent, its interim report and accounts;
“Recognised Market”	means those markets listed in Appendix I hereto;
“Share” or “Shares”	means a share or shares in the capital of the Company;
“Shareholder”	means a person registered as a holder of Shares;
“STG£” or “Sterling”	means the lawful currency of the United Kingdom;
“Sterling Classes”	means the Sterling Hedged Accumulating Institutional Share Class I2, Sterling Hedged Distributing Institutional Share Class I1, Sterling Hedged Accumulating Retail Share Class A2, Sterling Hedged Distributing Retail Share Class A1, Sterling Accumulating Institutional Share Class I2 and Sterling Distributing Institutional Share Class I1 in each Fund and the Sterling Accumulating Seeder Share Class Q and the Sterling Distributing Seeder Share Class R in the Emerging Markets High Dividend Fund;
“Stock Connects”	<p>The securities trading and clearing programs known as:</p> <p>Shanghai-Hong Kong Stock Connect and developed by the Hong Kong Exchanges and Clearing Limited, the Shanghai Stock Exchange and the China Securities Depository and Clearing Corporation Limited; and</p> <p>Shenzhen-Hong Kong Stock Connect and developed by the Hong Kong Exchanges and Clearing Limited, the Shenzhen Stock Exchange and the China Securities Depository and Clearing Corporation Limited.</p>
“U.S.” or “United States”	means the United States of America, its territories and possessions including the States and the District of Columbia;
“US\$” or “U.S. Dollars”	means the lawful currency of the United States;
“U.S. Dollar Classes”	means the U.S. Dollar Accumulating Institutional Share Class I2, U.S. Dollar Distributing Institutional Share Class I1, U.S. Dollar Accumulating Retail Share Class A2, U.S. Dollar Distributing Retail Share Class A1, U.S. Dollar Distributing Level Load Share Class N1

and U.S. Dollar Accumulating Level Load Share Class N2 in each Fund;

“U.S. Person”

means a person described in one or more of the following paragraphs:

1. With respect to any person, any individual or entity that would be a U.S. Person under Regulation S of the U.S. Securities Act of 1933, as amended. See Appendix III for the Definition of U.S. under Regulation S.
2. With respect to individuals, any U.S. citizen or “resident alien” within the meaning of U.S. income tax laws as in effect from time to time. Currently, the term “resident alien” is defined under U.S. income tax laws to generally include any individual who (i) holds an Alien Registration Card (a “green card”) issued by the U.S. Immigration and Naturalization Service or (ii) meets a “substantial presence” test. The “substantial presence” test is generally met with respect to any current calendar year if (i) the individual was present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the U.S. during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days.
3. With respect to persons other than individuals, (i) a corporation or partnership created or organized in the United States or under the law of the United States or any state, (ii) a trust where (a) a U.S. court is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. persons have the authority to control all substantial decisions of the trust and (iii) an estate which is subject to U.S. tax on its worldwide income from all sources.

“UCITS”

means an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;

“UCITS Regulations”

means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and all applicable Central Bank regulations made or conditions imposed or derogations granted thereunder;

“Valuation Point”

means 10.00 pm (Irish time) on the relevant Dealing Day or such other time or times as the Directors may from time to time determine in relation to any particular Fund and notify in advance to Shareholders.

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**DIRECTORY**

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**CULLEN FUNDS PLC**  
**70 Sir John Rogerson's Quay**  
**Dublin 2**  
**Ireland**

**Directors:**

James Cullen  
Brooks Cullen  
Jeff Battaglia  
Kevin Molony  
Wyndham Williams

**Depositary:**

RBC Investor Services Bank S.A., Dublin  
Branch  
4<sup>th</sup> Floor, One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

**Investment Manager and Distributor:**

Cullen Capital Management LLC  
645 Fifth Avenue; Suite 1201  
New York  
USA

**Administrator:**

RBC Investor Services Ireland Limited  
4<sup>th</sup> Floor, One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

**Legal Advisers:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Secretary:**

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

**Auditors**

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

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**APPENDIX I**  
**RECOGNISED MARKETS**

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The following exchanges and markets constitute Recognised Markets for the purposes of this Prospectus:

**DEVELOPED MARKETS**

- (i) Any stock exchange in any EU Member State or in any of the following member countries of the OECD:

Australia, Canada, Hong Kong, Japan, New Zealand, Norway, Switzerland and the United States of America.

- (ii) Any of the following stock exchanges:

- Argentina
  - Buenos Aires Stock Exchange
  - Cordoba Stock Exchange
  - La Plata Stock Exchange
  - Mendoza Stock Exchange
  - Rosario Stock Exchange
- Brazil
  - Bahia-Sergipe-Alagoas Stock Exchange
  - Extremo Sul Stock Exchange, Porto Allegre
  - Minas Esperito Santo Brasilia Stock Exchange
  - Parana Stock Exchange, Curitiba
  - Pernambuco e Paraiba Stock Exchange
  - Regional Stock Exchange, Fortaleza
  - Rio de Janeiro Stock Exchange
  - Santos Stock Exchange
  - Sao Paulo Stock Exchange
- China
  - Shanghai Stock Exchange
  - Shenzhen Stock Exchange
- India
  - The National Stock Exchange of India
  - Bombay Stock Exchange
  - Madras Stock Exchange
  - Delhi Stock Exchange
  - Ahmedabad Stock Exchange
  - Bangalore Stock Exchange
  - Cochin Stock Exchange
  - Gauhati Stock Exchange
  - Magadh Stock Exchange
  - Pune Stock Exchange
  - Hyderabad Stock Exchange
  - Ludhiana Stock Exchange
  - Uttar Pradesh Stock Exchange
  - Calcutta Stock Exchange
- Indonesia
  - Jakarta Stock Exchange
  - Surabaya Stock Exchange
- Israel
  - Tel Aviv Stock Exchange
- Malaysia
  - Kuala Lumpur Stock Exchange
- Mexico
  - Mexico Stock Exchange
- Philippines
  - Philippines Stock Exchange
- Qatar
  - Qatar Stock Exchange
- Singapore
  - Singapore Stock Exchange
- South Africa
  - Johannesburg Stock Exchange
- South Korea
  - Korea Stock Exchange
- Taiwan
  - Taiwan Stock Exchange Corporation, Taipei
- Thailand
  - Stock Exchange of Thailand, Bangkok
- Turkey
  - Istanbul Stock Exchange
- UAE
  - Abu Dhabi Securities Exchange

## Dubai Financial Market

(iii)

The following markets:

- the market organised by the International Capital Market Association;
- the market conducted by “listed money market institutions” as described in the Financial Services Authority publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion”: “The Grey Paper”;
- (a) NASDAQ in the United States and (b) the market in U.S. government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; and (c) the over-the counter market in the United States conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the U.S. Comptroller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- AIM the alternative investment market in the United Kingdom regulated and operated by the London Stock Exchange;
- the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable instruments); and
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

### EMERGING MARKETS

- |                   |  |
|-------------------|--|
| - Bangladesh      | Dhaka Stock Exchange                                 |
| - Botswana        | Botswana Stock Exchange                              |
| - Bulgaria        | The Stock Exchange of Bulgaria – Sofia               |
| - Chile           | Santiago Stock Exchange<br>Valparaiso Stock Exchange |
| - Colombia        | Bogota Stock Exchange<br>Medellin Stock Exchange     |
| - Croatia         | Zagreb Stock Exchange                                |
| - Czech Republic  | Prague Stock Exchange                                |
| - Egypt           | Cairo Stock Exchange<br>Alexandria Stock Exchange    |
| - Estonia         | Tallinn Stock Exchange                               |
| - Jordan          | Amman Stock Exchange                                 |
| - Latvia          | Riga Stock Exchange                                  |
| - Lithuania       | National Stock Exchange of Lithuania                 |
| - Mauritius       | Stock Exchange of Mauritius                          |
| - Morocco         | Casablanca Stock Exchange                            |
| - Pakistan        | Karachi Stock Exchange<br>Lahore Stock Exchange      |
| - Peru            | Lima Stock Exchange                                  |
| - Romania         | Bucharest Stock Exchange                             |
| - Russia          | Level 1 and Level 2 RTS Stock Exchange; MICEX        |
| - Slovak Republic | Bratislava Stock Exchange                            |
| - Slovenia        | Ljubljana Stock Exchange                             |
| - Sri Lanka       | Colombo Stock Exchange                               |
| - Venezuela       | Caracas Stock Exchange                               |

- Zimbabwe Maracaibo Stock Exchange  
Zimbabwe Stock Exchange

## **DERIVATIVES MARKETS**

- derivative markets approved in a member state of the European Economic Area

These exchanges and markets are listed above in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

With the exception of permitted investments in unlisted securities or in open ended collective investment schemes the Company will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, recognised and open to the public) and which is listed in the Prospectus.

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**APPENDIX II**  
**EFFICIENT PORTFOLIO MANAGEMENT**

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The Investment Manager employs a risk management process in respect of the Company which enables it to accurately measure, monitor and manage the various risks associated with derivative instruments. A statement of this risk management process has been submitted to the Central Bank. The Company will only utilise those derivatives that are listed in the risk management process cleared by the Central Bank.

The Company may employ investment techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management of the assets of any Fund (“**Portfolio Investment Techniques**”). These Portfolio Investment Techniques may include hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the Central Bank under the UCITS Regulations, as described below. In particular, the US Enhanced Equity Income Fund and Global Enhanced Equity Income Fund may enter into covered call options for hedging purposes and/or in order to generate additional income. Furthermore, all Funds may engage in securities lending activities.

To the extent that a Fund uses Portfolio Investment Techniques for efficient portfolio management, the Company shall comply with the conditions and limits laid down from time to time by the Central Bank under the UCITS Regulations and Central Bank UCITS Regulations and set out below. Portfolio Investment Techniques entered into for efficient portfolio management purposes shall fulfil the following criteria:

- (i) they will be economically appropriate in that they will be realised in a cost effective way;
- (ii) they will be entered into for one or more of the following specified aims:
  - (a) the reduction of risk;
  - (b) the reduction of cost; or
  - (c) the generation of additional capital or income for a Fund with a level of risk that is consistent with the risk profile of the Fund and the risk diversification rules set out in the Central Bank UCITS Regulations;
- (iii) their risks will be adequately captured by the risk management process of the Company; and
- (iv) they will not result in a change to a Fund’s declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

While the use of Portfolio Investment Techniques will be in line with the best interests of the Company, individual techniques may result in increased counterparty risk and potential conflicts of interest. Details of the proposed Portfolio Investment Techniques and policies adopted by the Company in relation to their use by the Funds are set out below. Details of the relevant risks are set out in the Special Considerations and Risk Factors section of this Prospectus.

All of the revenues arising from Portfolio Investment Techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. To the extent that the Company engages in securities lending in respect of a Fund it may appoint a securities lending agent which may receive a fee in relation to its securities lending activities. Any such securities lending agent shall be unrelated to the Investment Manager, however, such securities lending agent may be an affiliate of the Depositary.

The Company will ensure, at all times, that the terms of the Portfolio Investment Techniques, including any investment of cash collateral, will not impact on its ability to meet with its redemption obligations.

The annual report of the Company will contain details of (i) the counterparty exposure obtained through Portfolio Investment Techniques, (ii) counterparties to the Portfolio Investment Techniques, (iii) the type and amount of collateral received by the Funds to reduce counterparty exposure and (iv)

revenues arising from Portfolio Investment Techniques for the reporting period, together with direct and indirect costs and fees incurred. Any collateral obtained in respect of the portfolio investment techniques must comply with the criteria listed below in the “*Use of Repurchase / Reverse Repurchase Agreements and Securities Lending Arrangements*” section.

## **HEDGING CURRENCY RISK**

Except as may be permitted by the Central Bank under the UCITS Regulations and specified in this Prospectus, the Company may not leverage or gear a Fund through the use of derivative instruments, that is, the total exposure of a Fund, including but not limited to its exposure from the use of any derivative instruments, shall not exceed the total net assets of the Fund. Financial derivative instruments used for efficient portfolio management shall comply with the UCITS Regulations.

A Fund may invest in securities denominated in a currency other than the base currency of the Fund and may purchase currencies to meet settlement requirements. In addition, subject to the restrictions imposed by the UCITS Regulations, a Fund may enter into various currency transactions, i.e. forward foreign currency contracts, currency swaps, foreign currency or currency index futures contracts and put and call options on such contracts or on currencies, to protect against uncertainty in future exchange rates. Forward foreign currency contracts are agreements to exchange one currency for another at a future date. The future date, the amount of currency to be exchanged and the price at which it will take place are fixed for the term of the contract once negotiated.

Currency transactions undertaken by a Fund to alter the currency exposure characteristics of Transferable Securities held by that Fund through the purchase or sale of currencies other than the currency of denomination of that Fund or the relevant Transferable Securities shall not be speculative in nature i.e. they will not constitute an investment in their own right. To the extent that such currency transactions alter the currency characteristics of Transferable Securities of a Fund, they must be fully covered by the cash flows of the Transferable Securities held by that Fund, including any income therefrom.

The performance of a Fund may be strongly influenced by movements in currency rates because currency positions held by the Fund may not correspond with the securities positions held.

A Fund may “cross-hedge” one foreign currency exposure by selling a related foreign currency into the base currency of the Fund. Also, in emerging or developing markets, local currencies are often expressed as a basket of major market currencies such as the U.S. Dollar, Euro or Japanese Yen; a Fund may hedge the exposure to currencies other than its base currency in the basket by selling a weighted average of those currencies forward into the base currency.

See the “**Share Class Hedging**” section of this Prospectus for more information on currency hedging at a Share class level.

## **USE OF REPURCHASE / REVERSE REPURCHASE AGREEMENTS AND SECURITIES LENDING ARRANGEMENTS**

The Funds may enter into repurchase agreements under which it acquires securities from a seller (for example, a bank or securities dealer) who agrees, at the time of sale, to repurchase the securities at a mutually agreed-upon date (usually not more than seven days from the date of purchase) and price, thereby determining the yield to the relevant Fund during the term of the repurchase agreement. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchased security. The Company may enter into reverse repurchase agreements (“**repo contracts**”) under which it sells a security and agrees to repurchase it at a mutually agreed upon date and price. An investment by a Fund in repurchase agreements and repo contracts shall be subject to the conditions and limits set out in the Central Bank UCITS Regulations and Central Banks’ guidance entitled “UCITS Financial Derivative Instruments and Efficient Portfolio Management”.

Subject to the Central Bank UCITS Regulations, a Fund may enter into repurchase agreements and repo contracts only in accordance with normal market practice. Repo contracts and securities lending transactions do not constitute borrowing or lending for the purposes of the UCITS Regulations 103 and

111. A Fund may lend its securities to brokers, dealers and other financial institutions in accordance with normal market practice.

## PERMITTED COUNTERPARTIES

A Fund may only enter into OTC derivatives, repurchase/reverse repurchase agreements and securities lending arrangements with counterparties in accordance with the requirements of the Central Bank UCITS Regulations where a credit assessment has been undertaken. In that regard a Fund may enter into an OTC derivative contract with (i) a 'relevant institution' (as described in the "Permitted Types of Collateral" section below); (ii) an investment firm authorized in accordance with MiFID; or (iii) a group company of an entity issued with a bank holding company license from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve. However, where the counterparty at (ii) or (iii) above, or the counterparty to a repurchase agreement or securities lending arrangement is (a) subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment process and (b) where that counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

## MANAGEMENT OF COLLATERAL

Under the UCITS Regulations, the Company may enter into Portfolio Investment Techniques provided only in accordance with normal market practice and provided that collateral obtained under the Portfolio Investment Techniques, at all times, meets with the following criteria:

- (i) **Liquidity:** collateral (other than cash) should be transferable securities or money market instruments (of any maturity) which should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a robust price that is close to its pre-sale valuation. Collateral should comply with the provisions of Regulation 74 of the UCITS Regulations;
- (ii) **Valuation:** collateral must be capable of being valued on a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place. Collateral may be marked to market daily by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to variation margin requirements;
- (iii) **Issuer credit quality:** collateral must be of high quality. Where the issuer was subject to a credit rating by an agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment process. Where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to above this shall result in a new credit assessment being conducted of the issuer without delay;
- (iv) **Correlation:** collateral must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (v) **Diversification:** collateral must be sufficiently diversified in terms of country, markets and issuers. Non-cash collateral will be considered to be sufficiently diversified if the Fund receives from a counterparty a basket of collateral with a maximum exposure to any one issuer of 20% of the Fund's net asset value. When the Fund is exposed to a variety of different counterparties, the various baskets of collateral are aggregated to ensure exposure to a single issuer does not exceed 20% of net asset value.

Notwithstanding the above, a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong, as disclosed in paragraph (x) in the "Investment Restrictions" section. Such a Fund will receive securities from at least six different issues and securities from any single issue will not account for more than 30% of the Fund's Net Asset Value.

All assets received in respect of a Fund in the context of Portfolio Investment Techniques will be considered as collateral for the purposes of the UCITS Regulations and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Company.

Where there is a title transfer, the collateral received will be held by the Depositary, or its agent. For other types of collateral arrangement the collateral may be held by a third party depositary which is subject to prudential supervision and which is unrelated to the provider of the collateral.

Collateral received shall be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty. Accordingly collateral will be immediately available to the Company without recourse to the counterparty in the event of default by that entity.

#### **PERMITTED TYPES OF COLLATERAL**

In accordance with the above criteria, it is proposed that a Fund will accept the following types of collateral in respect of Portfolio Investment Techniques:

- (i) cash;
- (ii) government or other public securities;
- (iii) certificates of deposit issued by relevant institutions (for the purpose of this Appendix II, 'relevant institutions' means a credit institution authorised (a) in the EEA (b) in a signatory state (other than a Member State of the EEA) to the Basle Capital Convergence Agreement of July 1988 or (c) in Jersey, Guernsey, the Isle of Man, Australia or New Zealand);
- (iv) bonds/commercial paper issued by relevant institutions or by non-bank issuers where the issue or the issuer are rated A1 or equivalent;
- (v) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by relevant institutions;
- (vi) equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand;

#### **REINVESTMENT OF COLLATERAL**

Cash received as collateral may only be invested in the following:

- (i) deposits with relevant institutions
- (ii) high quality government bonds;
- (iii) used for the purpose of reverse repurchase agreements provided that 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; or
- (iv) short term money market funds.

Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with, or invested in securities issued by the counterparty or a related entity.

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

Without prejudice to the requirements set out above with respect to non-cash and cash collateral, a Fund may be permitted to undertake repo transactions pursuant to which additional leverage is generated through the re-investment of collateral. In this case the repo transaction will be taken into consideration for the determination of global exposure as required under the Central Bank UCITS

Regulations. Any global exposure generated must be added to the global exposure created through the use of derivatives and the total of these must not be greater than 100% of the Fund's Net Asset Value. Where collateral is re-invested in financial assets that provide a return in excess of the risk-free return the Fund must include, in the calculation of global exposure: (i) the amount received if cash collateral is held; (ii) the market value of the instrument concerned if non-cash collateral is held.

Repo contracts do not constitute borrowing or lending for the purposes of the UCITS Regulations 103 and 111 respectively.

### **STRESS TESTING POLICY**

In the event that a Fund receives collateral for at least 30% of its net assets, it will implement a stress testing policy to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.

### **HAIRCUT POLICY**

The Company has implemented a haircut policy in respect of each class of assets received as collateral. A haircut is a discount applied to the value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Company that any collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

### **OTHER PROVISIONS IN RELATION TO REPO CONTRACTS AND STOCK LENDING**

The Company will have the right to terminate a stock lending arrangement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within five business days or other period as normal market practice dictates. Stock lending arrangements will typically include provisions to protect the counterparty, or any agent through which securities are lent, against any losses incurred by them that are caused by any default by the Company. A Fund will limit its use of stock lending so that no more than 50% of its net assets are subject to stock lending arrangements.

In the case that a Fund enters into a reverse repurchase agreement, it will have the right to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued or a mark-to-market basis at any time. Where the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the purposes of the calculation of the net asset value of the relevant Fund.

In the case that a Fund enters into a repurchase agreement, the Fund will have the right to recall any securities subject to the agreement or to terminate the repurchase agreement at any time.

Fixed term repo contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the relevant Fund.

Any interest or dividends paid on securities which are the subject of such stock lending arrangements shall accrue to the benefit of the relevant Fund.

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**APPENDIX III**  
**REGULATION S DEFINITION OF U.S. PERSON**

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- (1) Pursuant to Regulation S of the 1933 Act, "U.S. Person" means:
- (i) any natural person resident in the United States;
  - (ii) any partnership or corporation organized or incorporated under the laws of the United States;
  - (iii) any trust of which any trustee is a U.S. person;
  - (iv) any agency or branch of a foreign entity located in the United States;
  - (v) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
  - (vi) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; or
  - (vii) any partnership or corporation if:
    - (a) organized or incorporated under the laws of any non-U.S. jurisdiction; and
    - (b) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned by accredited investors (as defined in Rule 501(a) under the Act) who are not natural persons, estates or trusts.
- (2) Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States shall not be deemed a "U.S. Person".
- (3) Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administration is a U.S. Person shall not be deemed a U.S. Person if:
- (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (ii) the estate is governed by non-U.S. law.
- (4) Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. Person.
- (5) Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a U.S. Person.
- (6) Notwithstanding (1) above, any agency or branch of a U.S. Person located outside the United States shall not be deemed a "U.S. Person" if:
- (i) the agency or branch operates for valid business reasons; and

- (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- (7) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "U.S. Persons".

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**APPENDIX IV**  
**THE DEPOSITARY'S SUB-DEPOSITARIES**

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HSBC Bank Australia Limited

UniCredit Bank Austria AG

HSBC Bank Middle East Limited

Standard Chartered Bank

BNP Paribas Belgium

HSBC Securities Services

Standard Chartered Bank Botswana Ltd

BNP Paribas Brazil

UniCredit Bulbank AD

Royal Bank of Canada

Banco de Chile (Citibank N.A.)

Shanghai HSBC Bank (China) Company Limited

Shenzhen HSBC Bank (China) Company Limited

HSBC Bank (China) Company Limited

Cititrust Colombia S.A.

HSBC Bank plc

UniCredit Bank Czech Republic a.s.

Danske Bank A/S

Citibank N.A.

Swedbank

Clearstream Banking S.A.

Nordea Bank Finland Plc

Deutsche Bank A.G.

Standard Chartered Bank Ghana Ltd.

HSBC Bank Plc Greece  
Standard Chartered Bank (Hong Kong) Limited  
UniCredit Bank Hungary Zrt.  
The Hongkong and Shanghai Banking Corporation Limited  
Citibank Ireland  
Citibank N.A. Tel Aviv Branch  
BNP Paribas Securities Services  
Citibank, N.A. Tokyo Branch  
JSC Citibank Kazakhstan  
Standard Chartered Bank Kenya  
Clearstream  
Standard Chartered Bank Malaysia Berhad  
Citibanamex  
Société Générale Marocaine de Banques  
Standard Bank Namibia Ltd  
Citibank Nigeria Limited  
DNB Bank ASA  
Citibank del Peru S.A.  
Bank Polska Kasa Opieki S.A.  
BRD – Groupe Societe Generale  
Societe Generale, Rosbank  
HSBC Saudi Arabia  
DBS Bank Ltd  
UniCredit Bank Slovakia a.s.  
Société Générale  
Bancoval Securities Services S.A.  
Skandinaviska Enskilda Banken AB (publ)

Credit Suisse AG

HSBC Bank (Taiwan) Limited

Standard Chartered Bank (Thai) Pcl

Societe Generale Securities Service UIB Tunisia

Citibank A.S.

Citibank

The Bank of New York Mellon

Standard Chartered Bank Zambia PLC

PJSC Citibank

Banco Itaú Uruguay S.A.

HSBC Bank (Vietnam) Ltd