

Certain terms used in this Prospectus are defined on pages 3 to 6 of this document.

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

HERALD INVESTMENT FUND PUBLIC LIMITED COMPANY

(an investment company with variable capital incorporated with limited liability in Ireland with registered number 280256 and established as an umbrella fund with segregated liability between funds)

PROSPECTUS

for

THE HERALD WORLDWIDE TECHNOLOGY FUND

Dated 8 August 2017

Distribution of this document is not authorised unless it is accompanied by a copy of the latest annual report and, if published thereafter, the latest half-yearly report. Such reports and this Prospectus shall together form the prospectus for the issue of Shares in the Company.

Class A Shares of The Herald Worldwide Technology Fund were admitted to listing on the Irish Stock Exchange on the 3rd day of April 1998. Class B Shares of The Herald Worldwide Technology Fund were admitted to listing on the Irish Stock Exchange on the 10th day of June 2010.

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY AND THE FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR BROKER, INTERMEDIARY, BANK MANAGER, LEGAL ADVISER, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER.

Central Bank Authorisation

The Company has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Authorisation of the Company 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.

Listing on The Irish Stock Exchange

The Class A Shares and Class B Shares of The Herald Worldwide Technology Fund have been admitted to listing on The Irish Stock Exchange. Neither the admission of any securities to the Official List nor the approval of any listing particulars pursuant to the listing requirements of The Irish Stock Exchange shall constitute a warranty or representation by The Irish Stock Exchange as to the competence of the service providers or any other party connected with a listed fund, to the adequacy of information contained in the listing particulars or the suitability of a listed fund for investment or for any other purpose.

Investment Risks

There can be no assurance that the Fund will achieve its investment objective. It should be appreciated that the value of the Shares and any income from them is not guaranteed and may go down as well as up. An investment in the Fund involves investment risks, including possible loss of the amount invested. The capital return and income of the Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, the Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. Fluctuations in the rate of exchange between the currency in which the Shares are denominated and the currency of investment may also have the effect of causing the value of an investment in the Shares to diminish or increase. The right to repurchase Shares may be suspended in certain circumstances. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. In view of the fact that a commission of up to 3.5 per cent of the subscription monies may be payable on subscriptions for Class A Shares and a repurchase charge of up to 3 per cent will be payable on repurchases made within two years of subscriptions for Class A Shares, an investment in the Fund should be regarded as a medium to long term investment. Investors' attention is drawn to the specific risk factors set out on pages 11 to 13.

Selling Restrictions

General

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus in any such jurisdiction may treat this Prospectus as constituting an invitation to them to purchase or 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 requirement. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and subscribing, holding or disposing of such Shares and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, incorporation or domicile, including any requisite government or other consents and the observing of any other formalities.

Ireland

All applicants for Shares will be required to certify whether or not they are Irish Residents. If the Company does not receive a certificate confirming that an applicant is not Irish Resident or an otherwise exempt investor, the investor will be liable for such rates of tax as are set out in the section of this Prospectus entitled "Taxation".

The United Kingdom

The Company has given notice to the Financial Conduct Authority in the United Kingdom and is recognized under Section 264 of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA"). This Prospectus is communicated in the United Kingdom by Herald Investment Management Limited which is authorised and regulated by the Financial Conduct Authority. Potential investors are advised that the protection afforded by the United Kingdom regulatory system will not apply to an investment in the Shares and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The United States of America

The Company has not been registered under the 1940 Act. In addition, the Shares have not been registered under the 1933 Act. However, the Company may arrange the offer and sale of a portion of the Shares to a limited number of accredited investors and sophisticated institutional investors which are US Persons in transactions which are exempt from the registration requirements of the 1933 Act.

Marketing Rules

Shares are offered only on the basis of the information contained in the current Prospectus and the latest audited annual accounts and any subsequent half-yearly report. However, potential investors should note that the auditors do not accept or assume responsibility to any person other than the Company, the Company's shareholders as a body and any other person as may be agreed in writing by the auditors, for their audit work, their report or the opinions they have formed.

Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

This Prospectus may be translated into other languages provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the laws of Ireland.

This Prospectus should be read in its entirety before making an application for Shares.

HERALD INVESTMENT FUND PUBLIC LIMITED COMPANY

Board of Directors

Mr Fergus Sheridan, Chairman (*Irish*)
Mr. William Backhouse LVO (*British*)
Mr. David Boyle DL (*British*)
Mr. Paul Halley (*Irish*)

Registered Office of the Company

4th Floor,
76 Baggot Street Lower,
Dublin 2,
Ireland.

Company Secretary

SANNE,
4th Floor,
76 Baggot Street Lower,
Dublin 2,
Ireland.

Investment Manager

Herald Investment Management Limited,
10/11 Charterhouse Square,
London EC1 6EE,
England.

Depository

Northern Trust Fiduciary Services (Ireland)
Limited,
Georges Court,
54-62 Townsend Street,
Dublin 2,
Ireland.

Administrator and Registrar

Northern Trust International Fund
Administration Services (Ireland) Limited,
Georges Court,
54-62 Townsend Street,
Dublin 2,
Ireland.

Legal Advisers to the Company and the Investment Manager

In Ireland:

Arthur Cox,
Ten Earlsfort Terrace,
Dublin 2,
Ireland.

In England:

Macfarlanes,
20 Cursitor Street,
London EC4A 1LT,
England.

Auditors

PricewaterhouseCoopers,
Chartered Accountants,
One Spencer Dock,
North Wall Quay
Dublin 1,
Ireland.

Sponsoring Broker

Matheson,
70 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

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HERALD INVESTMENT FUND PUBLIC LIMITED COMPANY

SUMMARY

Structure

The Company is an umbrella fund with segregated liability established as an open-ended investment company with variable capital under the laws of Ireland as a public limited company pursuant to the Companies Acts and the UCITS Regulations and has been authorised by the Central Bank as a UCITS. The Articles of Association provide for separate funds, each representing interests in a defined portfolio of assets and liabilities which may be established from time to time with the prior approval of the Central Bank. The Subscriber Shares do not entitle the holders to participate in the assets of any fund. The Company currently has one fund, The Herald Worldwide Technology Fund. This Prospectus relates to The Herald Worldwide Technology Fund (the "Fund").

Investment Objective and Policies of The Herald Worldwide Technology Fund

The Fund seeks to achieve capital growth by investing in the securities of issuers in the technology, communications and multi-media sectors which the Investment Manager believes offer potential capital growth in excess of the average. The securities in which the Fund may invest will include ordinary shares or common stock, preference shares and convertible shares or loan stock. The Fund may also invest in debt securities including government, corporate and short-term securities. The securities in which the Fund invests will be traded on Regulated Markets.

Dividends

It is proposed that the Company will declare a dividend in respect of the Fund in April of each year. The amount of the dividend will be not less than 85 per cent of the Fund's net income. Dividends will be calculated in order to maintain so far as reasonably possible the Company's UK reporting fund status; therefore where necessary, dividends may be declared out of the Company's net realised and unrealised capital gains and income received. The objective of the Fund is to maximise capital growth and it is not expected that a significant level of dividends, if any, will be paid.

Subscriptions and Repurchases

Class A Shares:

The minimum initial investment per Shareholder shall be GBP10,000 unless otherwise determined by the Directors. Thereafter, subsequent investments in the Fund may be subject to a minimum of GBP5,000 or such other minimum as may be determined by the Directors. Commission of up to 3.5 per cent of the amount subscribed may be payable to the Investment Manager or any Sales Agent, if appointed. In addition, a repurchase charge of 3 per cent will be payable by each investor to the Investment Manager if the repurchase is made within one year of subscription for Shares, and a repurchase charge of 1 per cent will be payable by each investor if the repurchase is made within two years of subscription for Shares. There will be no repurchase charge on any Shares held by a Shareholder for more than two years.

Class B Shares:

The minimum initial investment per Shareholder shall be GBP1,000 unless otherwise determined by the Directors. Thereafter, there is no subsequent investments amount.

Fees and Expenses

Investors' attention is drawn to the details of the fees and expenses charged to the Fund set out on pages 14 to 16.

Taxation

Investors' attention is drawn to the section headed "Taxation" on pages 30 to 40.

Dealing Days

Subscriptions for Shares and repurchases of Shares may be made on a Dealing Day, except where the determination of the Net Asset Value of the Company or of any fund has been temporarily suspended in the circumstances outlined on pages 25 to 26.

Investor Restrictions

The Shares may not be purchased or held by US Persons unless pursuant to an exemption under applicable US law which will not prejudice the tax status of the Company and may not be offered or sold in any jurisdiction in which such offer or sale is not lawful or in which the person making such offer or sale is not qualified to do so or to anyone to whom it is unlawful to make such an offer or sale.

Investment Risks

An investment in the Fund involves investment risks, including possible loss of the amount invested. Moreover, there can be no assurance that the Fund will achieve its investment objective. A more detailed description of certain investment risks relevant to investors in the Company is set out under "Investment Objective and Policies" and "Risk Factors".

DEFINITIONS

In this Prospectus the following words and phrases shall have the meanings indicated below:-

- “1933 Act” means the US Securities Act of 1933, as amended;
- “1940 Act” means the US Investment Company Act of 1940, as amended;
- “Administration Agreement” means the agreement dated 30 June 2006 as novated by novation agreement dated 14 December 2012, between the Company and the Administrator, and any subsequent amendments or novations thereto, pursuant to which the latter was appointed administrator of the Company;
- “Administrator” means Northern Trust International Fund Administration Services (Ireland) Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank;
- “Articles of Association” means the articles of association of the Company;
- “Base Currency” means, in the case of the Fund, GBP;
- “Business Day” means a day on which retail banks in Dublin and London are open for normal banking business;
- “Central Bank” means the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Company;
- “Central Bank Regulations” the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015, (as amended, consolidated or substituted from time to time) and any regulations or guidelines issued by the Central Bank pursuant thereto for the time being in force;
- “CHAPS” Clearing House Automated Payment System;
- “Class” means any class of shares from time to time created by the Company. Classes referred to in this Prospectus include Class A and Class B Shares;
- “Companies Acts” means the Companies Acts 2014, all enactments which are to be read as one with, or construed or read together as one with, the Companies Acts and every statutory modification and re-enactment thereof for the time being in force;
- “Company” means Herald Investment Fund public limited company, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Acts and the UCITS Regulations;
- “Depositary” means Northern Trust Fiduciary Services (Ireland) Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank;
- “Dealing Day” means such Business Day or Business Days as the Directors from time to time

may determine, provided that, unless otherwise determined by the Directors and notified in advance to Shareholders, every Business Day shall be a Dealing Day and provided further that there shall be at least two Dealing Days each month;

“Delegated Regulation”	means the Commission Delegated Regulation of 17 December 2015 supplementing Directive 2009/65/EU of the European Parliament and of the Council of 23 July 2014 with regard to obligations of depositaries, once it has entered into force and is directly effective in Ireland;
“Depositary Agreement”	means the depositary agreement (as amended from time to time) dated 10 October 2016 as amended by side letter dated 8 August 2017 between the Company and the Depositary;
“Directors”	means the directors of the Company for the time being and any duly constituted committee thereof;
“ESMA”	means the European Securities and Markets Authority;
“EU”	means the European Union;
“Euro” or “€”	means the euro;
“Fund”	means The Herald Worldwide Technology Fund;
“fund”	means any sub-fund from time to time established by the Company with the prior approval of the Central Bank including the Fund, where appropriate;
“GBP”	means pounds sterling, the lawful currency of the UK;
“Initial Offer Period”	means the period determined by the Directors during which Shares in a Fund or a particular Share Class of a Fund are first offered for subscription or on such other date or dates as the Directors may determine, having notified the Central Bank;
“Investment Manager”	means Herald Investment Management Limited;
“Investment Management Agreement”	means the agreement dated the 23rd day of March, 1998, as amended by an addendum dated 29 June 2006, between the Company and the Investment Manager;
“Investor Money Regulations”	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers;
“Irish Resident”	means, unless otherwise determined by the Directors, any person who is Ordinarily Resident in Ireland or Resident in Ireland, as defined in the “Taxation” section of the Prospectus;
“KIID Regulations”	means Commission Regulation n° 583/2010 of 1 July 2010 implementing the EU Directive as regards key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website and the CESR/ESMA guidelines issued in relation to same;

“Minimum Initial Investment”	means the minimum initial investment amount set out in the “Subscription Procedures” section of the Prospectus;
“Net Asset Value”	means the net asset value of the Company, or of a fund, or of a Class of Shares of a fund, as appropriate, calculated as described herein;
“Net Asset Value per Share”	means in respect of any Share the Net Asset Value attributable to the Shares issued in respect of a fund divided by the number of Shares in issue in respect of that fund;
“OECD”	means the Organisation for Economic Co-Operation and Development;
“Regulated Market”	means a stock exchange or regulated market which is set out in Schedule II;
“Relevant Declaration”	shall mean the declaration relevant to the shareholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Ordinarily Resident in Ireland (or Intermediaries acting for such investors) is set out in the Company’s application form.
“Rule 144A Securities”	means transferable securities which are issued pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (having either (i) an undertaking to register with the SEC within one year of issue; (ii) an undertaking to register with the SEC more than 365 days after their issue; (iii) an expired undertaking to register with the SEC; or (iv) no undertaking to register with the SEC) and are not illiquid, meaning that they may be realised by the Company within 7 days at the price, or approximately at the price, at which they are valued by the Company;
“Sales Agent”	means any dealer from time to time appointed by the Investment Manager to act as a dealer in relation to the Fund;
“Share” or “Shares”	means a share or shares in the Company representing interests in a fund;
“Shareholder”	means a holder of Shares;
“Subscriber Shares”	means the initial share capital of 30,000 Shares of no par value subscribed for €38,091; “Supplemental Prospectus” means any supplemental prospectus issued by the Company in connection with a fund from time to time;
“The Irish Stock Exchange”	means The Irish Stock Exchange Limited established pursuant to the Stock Exchange Act, 1995 and the Companies (Stock Exchange) Regulations, 1995 of Ireland;
“UCITS”	means an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations;
“UCITS Directive”	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (and any amendment for the time being in force), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended and all applicable regulations made or conditions imposed or derogations granted thereunder by the Central Bank;

“UCITS Regulations”	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended and any further amendments or replacement thereto and any applicable notices or regulations issued by the Central Bank pursuant thereto and for the time being enforced;
“UCITS Rules”	means the UCITS Regulations, Central Bank Regulations and any guidance, regulations and conditions issued by the Central Bank from time to time pursuant to the UCITS Regulations, Central Bank Regulations and/or the Central Bank Act regarding the regulation of undertakings for collective investment in transferable securities, as such may be amended, supplemented or replaced from time to time;
“Umbrella Cash Account”	means any single umbrella cash account in the name of the Company;
“UK” or “United Kingdom”	means the United Kingdom of Great Britain and Northern Ireland;
“US”	means the United States of America, its territories, possessions and all other areas subject to its jurisdiction;
“US\$” or “US Dollar”	means US Dollars, the lawful currency of the US; and
“US Person”	means, <ul style="list-style-type: none"> 1. Any natural person resident in the United States; 2. Any partnership or corporation organized or incorporated under the laws of the United States; 3. Any estate of which any executor or administrator is a US Person; 4. Any trust of which any trustee is a US Person; 5. Any agency or branch of a foreign entity located in the United States; 6. Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; 7. Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and 8. Any partnership or corporation if: <ul style="list-style-type: none"> a. Organized or incorporated under the laws of any foreign jurisdictions; and b. Formed by a US Person principally for the purpose of investing in securities not registered under the US Securities Act of 1933 (the “1933 Act”), unless it is organised or incorporated, and owned by, accredited investors (as defined in the 1933 Act) who are not natural persons, estates or trusts.

INTRODUCTION

The Company is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Acts and the UCITS Regulations. It was incorporated on the 12th February, 1998 under registration number 280256. Its sole object, as set out in clause 2 of the Company's memorandum of association, is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and which operates on the basis of risk spreading.

The Company is organised in the form of an umbrella fund with segregated liability. The Articles of Association provide that the Company may offer separate classes of Shares, each representing interests in a fund comprising a distinct portfolio of investments. The Company has obtained the approval of the Central Bank for the establishment of The Herald Worldwide Technology Fund. The Fund offers Class A and Class B Shares denominated in GBP. The different Classes of Shares differ principally in terms of the sales charges, fees and rates of expenses to which they are subject. More information on fees and expenses attributable for each Class of Shares is set forth in the Fees and Expenses section on pages 14 to 16 of this Prospectus. With the prior notification of the Central Bank, the Company from time to time may create an additional fund or funds, the investment policies and objectives for which shall be outlined in a Supplemental Prospectus or a separate prospectus, together with details of the initial offer period, the initial subscription price for each Share and such other relevant information in relation to the additional fund or funds as the Directors may deem appropriate, or the Central Bank may require, to be included. Each Supplemental Prospectus shall form part of, and should be read in conjunction with, this Prospectus. The Company shall notify the Central Bank in advance of the creation of any additional Class.

The Class A Shares of the Fund have been offered since 23rd March 1998. The Class B Shares of the Fund have been offered since 10th June 2010.

INVESTMENT OBJECTIVE AND POLICIES OF THE HERALD WORLDWIDE TECHNOLOGY FUND

The Fund seeks to achieve capital growth by investing principally in securities of issuers in the technology, communications and multi-media sectors which in the view of the Investment Manager offer potential growth in excess of the average. Due to the low dividend yield expected to be received from the Fund's investments it is not expected that a significant level of dividends, if any, will be paid but in any event at least 85 per cent of the net income of the Fund will be distributed each year.

The technology, communications and multi-media sectors encompass companies whose principal activities relate to the preparation, production, processing, distribution or transmission of information, ideas or entertainment, whether in the form of data, text, sound or image. They also include companies engaged in the supply of hardware, software or services to users and providers of information. It is not intended to invest in pharmaceuticals or biotechnology stocks. The traditional businesses in the sectors include broadcasting, publishing, telecommunications, information technology, advertising and printing. Technological advances and related consumer and business demand have led to a significant expansion of the sectors in recent years, with the traditional businesses adapting to new capabilities and new businesses being created to capitalise on technological innovations and improvements. The effect of this process is to blur the distinction between previously disparate businesses, products and markets.

The Fund offers investors a diversified exposure to a sector which is stimulated by rapidly evolving technology and is geared to an increase in consumer and corporate capital expenditure.

The Fund offers investors the opportunity to obtain a diversified exposure to a range of companies in sectors which can have volatile company specific returns. It is also a sector of rapid change where regulatory

developments and technological innovation make focussed management an increasing necessity. At least 75 per cent of the Fund's Net Asset Value will be invested in securities listed or issued in the US and the EU. Where debt or other securities in which the Fund may invest are rated the Fund will invest only in such securities which are investment grade or better as rated by a rating agency such as Standard & Poor's or Moody's.

Profile of a typical investor: The Fund is suitable for medium to long-term investors seeking capital growth through investment in securities of issuers in the technology, communications and multi-media sectors. As at the date of this Prospectus, using the standard indicator of risk and volatility used by all UCITS funds under the KIID Regulations the Fund has a risk category of 5. (The highest risk category is 7 and the lowest category 1.) The risk category is based on the 5 year historical volatility of the price of Shares in the Fund at the date of this prospectus, which depends on the underlying volatility of the investments the Fund makes. Historical data may not be a reliable indication for the future risk profile of the Fund. The risk category shown is not guaranteed and may shift over time. The current risk category for each share class calculated in accordance with the KIID Regulations will be set out in the relevant share class key investor information document which is available on the Investment Manager's website, www.heralduk.com.

SECURITIES IN WHICH THE HERALD WORLDWIDE TECHNOLOGY FUND MAY INVEST

Ordinary and Preference Shares

The Fund will invest in ordinary shares or common stock but may also purchase preferred shares or stock. Preferred shares or stock may pay dividends at a specific rate and generally have preference over common stock in the payment of dividends or in a liquidation of assets but rank after debt securities. Unlike interest payments on debt securities, dividends on preferred shares or stock are generally payable at the discretion of the board of directors of the issuer. The market prices of preferred stock are subject to changes in interest rates and are more sensitive to changes in the issuer's creditworthiness than are the prices of debt securities.

Debt Securities

The Fund may invest in corporate debt securities which may pay fixed or variable rates of interest, or interest at a rate contingent upon some other factor such as the price of some commodity. These securities may be convertible into preferred or common equity, or may be bought as a part of a unit containing common stock. In selecting corporate debt securities for the Fund, the Investment Manager reviews and monitors the creditworthiness of each issuer and issue. The Investment Manager also analyses interest rate trends and specific developments which it believes may affect individual issuers.

The Fund may also invest in government debt securities and short-term securities. These investments may be made both for temporary defensive purposes and, consistent with its investment objective, during periods when, or under circumstances where, the Investment Manager believes that the return on certain debt securities may equal or exceed the return on certain equity securities.

Convertible Securities

The Fund may invest in convertible securities which are bonds, debentures, notes, preferred stock or other securities which may be converted into or exchanged for a prescribed amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest paid or accrued on debt or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities ordinarily provide a stream of income which generates higher yields than those of common stocks of the same or similar issuers but lower than the yield on non-convertible debt. Convertible securities are usually subordinate or are comparable to non-convertible securities but rank senior to common stock or shares in a company's capital structure.

The value of a convertible security is a function of (1) its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege and (2) its worth, at market value, if converted into the underlying common stock. Convertible securities are typically issued by smaller capitalised companies the stock prices of which may be volatile. The price of a convertible security often reflects such variations in the price of the underlying common stock in a way that non-convertible debt does not. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument.

Depository Receipts

The Fund may also invest in American Depository Receipts ("ADRs") which are securities issued by banks evidencing their ownership of specific foreign securities and are traded on a Regulated Market in the US. ADRs may be sponsored or unsponsored; issuers of securities underlying unsponsored ADRs are not contractually obliged to disclose material information in the US. Accordingly, there may be less information available about such issuers than there is with respect to domestic companies and issuers of securities underlying sponsored ADRs. Although ADRs are denominated in US dollars, the underlying security often is not; thus, the value of the ADR may be subject to exchange controls and variations in the exchange rate. The Fund may also invest in Global Depository Receipts ("GDRs") which are receipts often denominated in US dollars, issued by either a US or non-US bank evidencing its ownership of the underlying foreign securities and which are traded on a Regulated Market in the US.

Investment Companies

The Fund may invest in the securities of closed-ended investment companies which are traded on a Regulated Market. Such investments may involve the payment of substantial premiums above the net asset value of such issuers' portfolio securities and the total return on such investments will be reduced by the operating expenses and fees of such companies, including advisory fees. The Fund will invest in such funds when, in the Investment Manager's judgment, the potential benefits of such investment justify the payment of any applicable premium or sales charge. The Fund may also invest up to 10 per cent of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Regulations in any EU member state.

A fund may invest in another fund of the Company provided that the fund may not invest in another fund of the Company which itself holds shares in other funds of the Company. Where the fund invests in another fund of the Company, an annual management and investment management fee may not be charged in respect of that portion of assets invested in the other fund of the Company.

REGULATED MARKETS

The Fund will generally invest in securities traded on a Regulated Market. The Regulated Markets in which the Fund may trade are listed in Schedule II hereto. At least 75 per cent of the Fund's Net Asset Value will be invested in securities listed or issued in the US or EU.

ADHERENCE TO INVESTMENT OBJECTIVE AND POLICIES

Any change in investment objective and material change in investment policies of the Fund will be subject to Shareholders' approval and any change will require the prior approval of the Central Bank.

DIVIDENDS

It is proposed that the Company will declare and pay a dividend in respect of each fund in April of each year in an amount of not less than 85 per cent of the fund's net income. Dividends will be calculated in order to maintain so far as reasonably possible the Company's UK reporting fund status; therefore, dividends, where necessary, may be declared out of the Company's net realised and unrealised capital gains and income received. All

dividends made will be in accordance with the requirements of The Irish Stock Exchange and will be paid by CHAPS or electronic transfer to the bank account details outlined on the relevant Shareholder's account opening form.

Any failure to supply the Company or the Administrator with any documentation requested by them for anti-money laundering purposes, as described below, may result in a delay in the payment of dividends. In such circumstances, any sums payable by way of dividend to the Shareholder shall remain an asset of the Fund until such time as the Administrator has verified the Shareholder's identity to its satisfaction, following which such dividend will be paid.

INVESTMENT RESTRICTIONS

Each of the funds' investments will be limited to investments permitted by the UCITS Regulations which are described in more detail in Schedule III. If the limits on investments contained in Schedule III (excluding the limits on borrowings) are exceeded for reasons beyond the control of the Company, the Company shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of Shareholders. Each fund is also subject to the relevant investment policies as stated in the Prospectus and, in the case of a conflict between such policies and the UCITS Regulations, the more restrictive limitation shall apply.

If the UCITS Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations and Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the relevant fund.

As long as the Shares are listed on The Irish Stock Exchange each fund shall comply with The Irish Stock Exchange's investment restrictions, including a prohibition on the taking of legal or management control of any underlying issuer. Any change in the above investment restrictions shall be subject to the prior approval of the Central Bank.

Ancillary Liquid Assets

A fund may hold ancillary liquid assets in accordance with the limitations set out above and in Schedule III.

Borrowings

A fund may not borrow money, grant loans or act as guarantor on behalf of third parties, except as follows:-

- (i) foreign currency may be acquired by means of a back-to-back loan. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103(1) of the UCITS Regulations, except to the extent that such foreign currency exceeds the value of a "back to back" deposit, provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding; and
- (ii) borrowings not exceeding 10 per cent of the total Net Asset Value of the fund may be made on a temporary basis and the assets of the fund may be charged or pledged as security for such borrowings.

Investment Techniques and Instruments

The Funds may engage in leverage to the extent permitted by Schedule I. The Fund must ensure that its global exposure (as prescribed in the Central Bank Notices) relating to financial derivative instrument ("FDI") does not exceed its total Net Asset Value. The Fund may not therefore be leveraged in excess of 100 per cent of its Net Asset Value. The Fund employs the "commitment approach" to measuring global exposure.

Additional Restrictions on Convertible Securities

The Investment Manager may invest in convertible securities which may be considered to embed a FDI. The FDI embedded in these convertible securities will be subject to the conditions and within the limits from time to time set forth in Schedule I. Details of the risks associated with the FDI embedded in these convertible securities are set out in the section entitled "Risk Factors". The Company shall supply to a Shareholder on request supplementary information in relation to the quantitative risk management limits applied by it, the risk management methods used by it and any recent developments in the risks and yield characteristics for the main categories of investment.

A list of the Regulated Markets on which the convertible securities with embedded FDI's may be quoted or traded is set out in Schedule II. A description of the current conditions and limits laid down by the Central Bank in relation to FDI's is set out in Schedule I.

RISK FACTORS

Investors' attention is drawn to the following risk factors. This does not purport to be an exhaustive list of the risk factors relating to investment in the Fund and investors' attention is drawn to the description of the instruments set out in the section entitled "Investment Objective and Policies of The Herald Worldwide Technology Fund".

Investment Risk

There can be no assurance that the Fund will achieve its investment objective. The value of Shares and the income therefrom may rise or fall, as the capital value of the securities in which the Fund invests may fluctuate. The investment income of the Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Fund's investment income may be expected to fluctuate in response to changes in such expenses or income. Investments in equity securities involve risks including issuer, industry, market and general economic related risks. In particular investments in technology companies may carry a high degree of risk due to the size, limited product offerings, lack of marketing strength and experience and restricted financial resources of such companies. The limited marketability of many technology company shares tends to produce extreme short-term price volatility. Consequently, the investment is suitable only for investors who are in a position to take such risks and to adopt a medium to long-term approach to their investment strategy. In addition, as a commission of up to 3.5 per cent of the subscription monies may be chargeable on the issue for Class A Shares, and a repurchase charge of up to 3 per cent will be chargeable on any repurchase made within two years of subscription for Class A Shares, the difference at any one time between the issue and repurchase price of Shares means that an investment should be viewed as a medium to long term investment.

Currency Risk

The Net Asset Value per Share will be denominated in GBP, whereas the Fund's investments may be acquired directly or indirectly in a wide range of currencies. The Fund may, in exceptional circumstances, minimise the exposure to currency fluctuation risks by the use of hedging and other techniques and instruments.

Regulatory Risks and Accounting Standards

Disclosure and regulatory standards are less stringent in certain securities markets than they are in certain developed OECD countries and there may be less publicly available information on the issuers than is published by or about issuers in certain developed OECD countries. Consequently some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed OECD countries. In particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed OECD countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

Political Risks

The performance of the Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in legal, regulatory and tax requirements.

Eurozone Risks

A number of countries in Europe have experienced severe economic and financial difficulties. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing obligations; financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit; and financial markets in Europe and elsewhere have experienced extreme volatility and declines in asset values and liquidity. These difficulties may continue, worsen or spread within and outside Europe. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not work, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and others of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the Euro and/or withdraw from the EU including the UK as a result of its referendum on EU membership. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far reaching. Whether or not a Fund invests in securities of issuers located in Europe or with significant exposure to European issuers or countries, these events could negatively affect the value and liquidity of some of the Fund's investments.

Credit and Settlement Risk

Each fund will be exposed to credit risk on parties with whom it trades and will also bear the risk of settlement default. The Investment Manager may instruct the Depositary to settle transactions on a delivery free of payment basis where the Investment Manager believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to a fund if a transaction fails to settle and the Depositary will not be liable to the Fund or to any Shareholder for such a loss.

Risks of Debt Securities

The prices of debt securities fluctuate in response to perceptions of the issuer's creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. The longer the time to maturity the greater are such variations. When economic conditions appear to be deteriorating, debt securities may decline in value due to heightened concerns over credit quality regardless of prevailing interest rates. If the creditworthiness of the issuer declines significantly, the debt security may become worthless if the issuer is unable to repay the debt and/or interest thereon. In addition, debt securities may be exposed to liquidity risk, particularly if they are not frequently traded.

Umbrella Structure of the Company and Cross Liability Risk

The Company is an umbrella fund with segregated liability between funds and under Irish law the Company generally will not be liable as a whole to third parties and there generally will not be the potential for cross liability between the funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the funds would necessarily be upheld.

Risks associated with Convertible Securities which embed Financial Derivative Instruments

Convertible securities are bonds, debentures, notes, preferred stock or other securities which may be converted into or exchanged for a prescribed amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest paid or accrued on debt, or the dividend paid on preferred stock, until the convertible security matures or is redeemed, converted or exchanged. Convertible securities are usually subordinate to, or are of comparable seniority to non-convertible debt securities but rank senior to common equity or shares in a company's capital structure.

The price of a convertible security often reflects and may correlate with variations in the price of the underlying listed common equity in a way that non-convertible debt does not and is therefore typically more sensitive to market price fluctuations. Convertible securities are potentially exposed to the risks of not only non-convertible debt securities but also equities. These risks include investment risk, the risks of debt securities, credit and settlement risk and currency risk (for instruments not issued in GBP) as detailed above. A convertible security may also be subject to the risk of forcible redemption at the option of the issuer at a price established in the convertible security's governing instrument.

The convertible securities' ability to convert or exchange into common stock is the primary reason these securities are assumed to embed a derivative. The maximum cash loss from the convertible will be limited to the capital invested.

Performance Fee

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

Investment in collective investment schemes

The Fund may invest in other collective investment schemes. As a shareholder of another collective investment scheme, the Fund will bear, along with other shareholders, its portion of the costs and expenses of the other collective investment schemes, including management and/or other fees. These fees will be in addition to the management fees and other expenses which the Fund bears directly in connection with its own operations.

Taxation Risk

Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by the Company and affect the Company's ability to provide the investor returns. Potential investors and Shareholders should note that the statements on taxation which are set out herein are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdictions as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely. The attention of potential investors is drawn to the tax risk associated with investing in the Company. Please see "Taxation" beginning on page 30 for a general summary of the main Irish tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of Shares in the Company.

Cyber Security and Identity Theft

Information and technology systems relied upon by the Company, a Fund, the Investment Manager, a Fund's service providers (including, but not limited to, the auditors, Depositary, Administrator and Registrar) and/or the issuers of securities in which a Fund invests may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the parties noted above have implemented measures to

manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, significant investment may be required to fix or replace them. In addition, there are inherent limitations in such measures, including the possibility that certain risks have not been identified. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of a Fund, the Investment Adviser, a Sub-Investment Adviser, a service provider and/or the issuer of a security in which a Fund invests and may result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could also harm a Fund's, the Investment Manager's, a service provider's and/or an issuer's reputation, subject such entity and its affiliates to legal claims and otherwise affect their business and financial performance. When such issues are present with regard to an issuer of a security in which the Fund invests, the Fund's investment in such securities may lose value.

Risks Associated with Umbrella Cash Accounts

The Umbrella Cash Account will operate in respect of the Company rather than a relevant Fund and the segregation of Investor Monies from the liabilities of Funds other than the relevant Fund to which the Investor Monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Company.

In the event of an insolvency of the Fund, there is no guarantee that the Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to Investor Monies) in full.

Monies attributable to other Funds within the Company will also be held in the Umbrella Cash Accounts. In the event of the insolvency of a Fund (an "Insolvent Fund"), the recovery of any amounts to which another Fund (the "Beneficiary Fund") is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to applicable law and the operational procedures for the Umbrella Cash Account. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Beneficiary Fund.

In the event that an investor fails to provide the subscription monies within the timeframe stipulated in the Prospectus the investor may be required to indemnify the Fund against the liabilities that may be incurred by it. The Company may cancel any Shares that have been issued to the investor and charge the investor interest and other expenses incurred by the relevant Fund. In the event that the Company is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Shareholders, may be liable.

It is not expected that any interest will be paid on the amounts held in the Umbrella Cash Account. Any interest earned on the monies in the Umbrella Cash Account will be for the benefit of the relevant Fund and will be allocated to the Fund on a periodic basis for the benefit of the Shareholders at the time of the allocation.

FEES AND EXPENSES

Each fund shall pay all of its expenses and its due proportion of any expenses allocated to it. These expenses may include the costs of (i) establishing and maintaining the Company, the relevant fund, trust or collective investment scheme approved by the Central Bank and registering the Company, the relevant fund and the Shares with any governmental or regulatory authority or with any regulated market, including The Irish Stock Exchange, (ii) management, administration, custodial and related services, (iii) preparation, printing and posting of prospectuses, sales literature and reports to Shareholders, the Central Bank and governmental agencies, (iv) taxes, (v) commissions and brokerage fees, (vi) auditing, tax, legal and compliance fees, (vii) insurance premiums (viii) all marketing expenses which may be incurred in the promotion of the funds; and (ix) other operating expenses (including, for bank account maintenance and the processing of payments and receipts to and from such bank account, The Northern Trust International Banking Corporation will receive a monthly fee of GBP100 and GBP10 for each Shareholder payment or receipt and GBP5 for each fund movement).

The Articles of Association provide that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors, but so that the aggregate amount of Directors' remuneration in any one year shall not exceed GBP50,000.

In addition, the Fund will pay the following expenses:-

Investment Management and Performance Fee

The Investment Manager will receive an investment management fee (expressed as a percentage of the Fund's Net Asset Value attributable to the relevant Class) of 0.75 per cent. for Class A Shares and 1 per cent. for Class B Shares. The investment management fee will be paid monthly in arrears and shall accrue on each Dealing Day. Other classes may be established within the Fund which may be subject to different fee structures.

In addition to the investment management fee, the Investment Manager will be paid a performance fee annually in respect of each accounting period of the Fund, at the rate of 10 per cent per annum of the amount, if any, by which the Net Asset Value of the Class A Shares, excluding performance fees, as at the end of an accounting period, exceeds the Target Net Asset Value, as defined below. The performance fee will be calculated and accrue on each Dealing Day and will be paid annually. There will be no performance fee payable on the Class B Shares.

Investors will note that no performance fee is accrued/paid until the Net Asset Value per Share exceeds the previous highest Closing Net Asset Value per Share on which the performance fee was paid (or the initial offer price if higher).

The procedure for calculating the performance fee for the Class A Shares is as follows:

The Opening Net Asset Value ("ONAV") of the Class A Shares shall be calculated as follows:

- a) If the Net Asset Value per Share as at the end of the previous accounting period (last Business Day of each calendar year) was higher than the Net Asset Value per Share as at the end of each accounting period previous to that (including the initial offer price per share), the Opening Net Asset Value per Share for the current accounting period shall be the Net Asset Value per Share as at the end of the previous accounting period.
- b) If the Net Asset Value per Share as at the end of the previous accounting period was not higher than the Net Asset Value per Share as at the end of each accounting period previous to that (including the initial offer price per Share), the Opening Net Asset Value for the relevant accounting period shall be the highest Net Asset Value per Share as at the end of any previous accounting period (including the initial offer price per Share).

The Opening Net Asset Value shall be determined by multiplying the Opening Net Asset Value per Share (calculated per (a) or (b) above) by the number of Class A shares in issue at the end of each accounting period (last Business Day of each calendar year):

$$\text{ONAV} = \text{previous highest year end Net Asset Value per Share or initial offer price per Share if higher)} \\ \times \\ \text{(number of shares in issue at the start of the relevant accounting period)}$$

Once the Opening Net Asset Value has been determined, the Target Net Asset Value of the Class A Shares shall then be calculated as follows:

- a) The Target Net Asset Value shall be calculated as 110 per cent of the Opening Net Asset Value adjusted to take account of new subscriptions, repurchases and distributions ("Adjustments"). These Adjustments will be based on the settlement date of the subscriptions, repurchases and distributions.

$$\text{TNAV} = (\text{ONAV} + \text{Adjustments}) \times 1.1$$

The Closing Net Asset Value of the Class A Shares is defined as:

- a) The Closing Net Asset Value shall be the Net Asset Value at the end of the current period (last Business Day of each calendar year) before performance fee accruals.

Once the Opening Net Asset Value, Target Net Asset Value and Closing Net Asset Value of each Share Class for the period have been determined the performance fee will be calculated. Only if the Closing Net Asset Value ("CNAV") is greater than the Target Net Asset Value ("TNAV") will a performance fee be payable. The performance fee will be 10 per cent of the difference between the Closing Net Asset Value of the Share Class and the Target Net Asset Value of the Share Class. The calculation of the performance fee shall be verified by the Investment Manager and the Depositary.

$$\text{Performance fee} = (\text{CNAV} - \text{TNAV}) \times 0.1$$

The Investment Manager shall be entitled to be reimbursed by the Company for all reasonable out of pocket expenses properly incurred.

The Investment Manager may voluntarily undertake to reduce or waive its investment management fee or to make other arrangements to reduce the expenses of a Fund to the extent that such expenses exceed such lower expense limitation as the Investment Manager may, by notice to the Shareholder, voluntarily declare to be effective.

Administration Fee

For Fund valuation and accounting, the Administrator will receive a fee (plus value added tax, if any, thereon) of 0.12 per cent per annum on the first GBP25 million of the Net Asset Value of the Fund, 0.10 per cent per annum on the next GBP25 million and 0.08 per cent per annum on that portion of the Net Asset Value of the Fund which exceeds GBP50 million, subject to a minimum annual fee of GBP130,000 per Fund with a single Share Class plus GBP3,000 per additional Share Class. For the preparation of the annual and semi-annual accounts the Administrator will receive a fee of GBP5,000 per Fund per annum. For transfer agency, the Fund shall pay the Administrator an annual fee of GBP10,000, GBP20 per Shareholder account annually and a Shareholder transaction fee of GBP10 per transaction. The Administrator's fees shall be paid monthly in arrears and shall accrue on each Dealing Day based on the Net Asset Value of the Fund on each Dealing Day. The Administrator shall be paid GBP3,600 for out-of-pocket expenses incurred.

For the Class A Shares performance fee calculation, the Company shall pay the Administrator a fee of 0.0025 per cent per annum of the Net Asset Value of the Class A Shares, which is accrued daily and paid monthly in arrears.

Depositary Fee

The Depositary will be entitled to receive a trustee fee out of the assets of each Fund, accrued daily and payable monthly in arrears of 0.0175 per cent per annum on the first GBP150 million of the Net Asset Value of the Fund and 0.015 per cent on the portion which exceeds GBP150 million, subject to a minimum annual fee of GBP40,000. In addition, the Depositary will be paid out of the assets of each Fund safekeeping fees of up to 0.05 per cent per annum of the Net Asset Value of the Fund, accrued daily and payable monthly in arrears, and shall be reimbursed all transactional fees (of up to GBP32 per transaction) and sub-custodial fees and expenses which will be charged at normal commercial rates, and will be reimbursed any reasonable out of pocket expenses.

Commission and Repurchase Charge – Class A Shares

Investors in the Class A Shares may be required to pay to the Investment Manager, on subscription, a commission of up to 3.5 per cent of the amount subscribed. In addition, an investor in Class A Shares will be required to pay a repurchase charge to the Investment Manager of 3 per cent if the repurchase is made within one year of subscription for the Shares and of 1 per cent if the repurchase is made within two years of subscription for the Shares.

ADMINISTRATION OF THE COMPANY

Determination of Net Asset Value

The Administrator shall determine the Net Asset Value per Share for each Class of Shares of each fund on each Dealing Day in accordance with the Articles and by reference to the latest available prices quoted as of the close of business on the relevant market on the Business Day preceding the Dealing Day. The Net Asset Value per Share in each fund shall be calculated by dividing the assets of the fund, less its liabilities, by the number of Shares in issue in respect of that fund adjusted to the nearest whole unit of the Base Currency. Any liabilities of the Company which are not attributable to any fund shall be allocated pro rata amongst all of the funds. Where a fund is made up of more than one class of shares, the Net Asset Value of each class shall be determined by calculating the amount of the Net Asset Value of that fund attributable to each class. The amount of the Net Asset Value of a fund attributable to a class shall be determined by establishing the number of shares in issue in the class as at the close of business on the Dealing Day immediately preceding the Dealing Day on which the Net Asset Value of the class is being determined or in the case of the first Dealing Day as at the close of the Initial Offer Period and by allocating relevant class expenses to the class and making appropriate adjustments to take account of distributions paid out of the relevant fund, if applicable, and apportioning the Net Asset Value of the relevant fund accordingly. The Net Asset Value per Share of a class shall be calculated by dividing the Net Asset Value of the relevant fund attributable to the class by the number of Shares in issue in that class as at the close of business on the Dealing Day immediately preceding the Dealing Day on which the Net Asset Value per Share is being calculated or in the case of the first Dealing Day as of the close of the Initial Offer Period.

- (a) assets listed or traded on a Regulated Market or over-the-counter markets (other than those referred to at (e) and (f) below) for which market quotations are readily available shall be valued at the last quoted trade price as at the close of business on the principal exchange or market for such investment on the Business Day preceding the relevant Dealing Day provided that the value of the investment listed on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange or on an over-the-counter market may be valued taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary shall ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the investment.

If for specific assets the latest available prices do not, in the opinion of the Directors, reflect their fair value, or if the price is unrepresentative or unavailable, the value shall be estimated with care and in good faith by the Investment Manager or other competent person appointed by the Directors or its duly appointed delegate and approved for that purpose by the Depositary on the basis of the probable realisation value for such assets as at the close of business on the Business Day preceding the relevant Dealing Day;

- (b) if the assets are listed or traded on several Regulated Markets, the last quoted trade price on the Regulated Market which, in the opinion of the Directors constitutes the main market for such assets, will be used;
- (c) in the event that any of the investments on the relevant Dealing Day is not listed or traded on any Regulated Market, such security shall be valued at the probable realisation value determined with care and in good faith by the Investment Manager or other competent person appointed by the Directors or its duly appointed delegate and approved by the Depositary for such purpose. Due to the nature of such

unquoted securities and the difficulty in obtaining a valuation from other sources, such competent professional may be related to the Investment Manager;

- (d) cash and other liquid assets will be valued at their face value with interest accrued, where applicable, to the close of business on the Business Day preceding the relevant Dealing Day;
- (e) units or shares in collective investment schemes will be valued at the latest available net asset value per share published by the collective investment scheme or, if listed or traded on a Regulated Market, at the latest quoted trade price;
- (f) exchange traded derivative instruments will be valued at the close of business on the Business Day preceding the relevant Dealing Day at the settlement price for such instruments on such market, if the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by the Investment Manager or other competent person appointed by the Directors and approved for that purpose by the Depositary. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract and to close out the transaction at the request of the Company at fair value. The Company may choose to value over the counter derivatives using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Company or by an independent pricing vendor. The Company must value over the counter derivatives on a daily basis. Where the Company values over the counter derivatives using an alternative valuation the Company must follow international best practice and will adhere to the principles on the valuation of over the counter instruments established by bodies such as International Organisation of Securities Commissions and Alternative Investment Management Association. The alternative valuation is that provided by a competent person appointed by the Directors and approved for the purpose by the Depositary or a valuation by any other means provided that the value is approved by the Depositary. The alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Company values over the counter derivatives using the counterparty valuation, the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty. The independent verification must be carried out at least weekly. Forward foreign exchange contracts shall be valued by reference to the freely available market quotations; and
- (g) any value expressed otherwise than in GBP (whether of an investment or cash) and any non-GBP borrowing shall be converted into GBP at the rate (whether official or otherwise) which the Administrator deems appropriate in the circumstances.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out in paragraphs (a) to (g) above, or if such valuation is not representative of a security fair market value, the Directors are entitled to use other generally recognised valuation principles in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary.

In determining the value of the assets there shall be added to the assets any interest or dividends accrued but not received and any amounts available for distribution but in respect of which no distribution has been made.

Subscription Price

On each Dealing Day the subscription price shall be the Net Asset Value per Share for the relevant Class of Share. In addition, in the case of the Class A Shares an initial charge of up to 3.5 per cent of the Net Asset Value per Share with the resultant figure rounded to the nearest whole unit of the Base Currency may be payable to the Investment Manager.

Subscription Procedures

At the date of this Prospectus, the minimum initial and subsequent investments per Shareholder in the Fund are:-

	Minimum Investment	Initial	Minimum Investment	Subsequent
Class A Shares	GBP 10,000		GBP 5,000	
Class B Shares	GBP 1,000		N/A	

The Directors reserve the right to vary or waive the minimum initial investment or the minimum subsequent investment in the future.

Applications for Shares must be received by the Company care of the Administrator by 5.00 p.m. (Dublin time) on the Business Day preceding any Dealing Day by forwarding a properly completed application form (available from the Administrator) to the Administrator by post or facsimile (with the original to follow by post). Applications received by the Administrator on the Business Day preceding a Dealing Day will, if accepted, be dealt with at the Net Asset Value per Share calculated on that Dealing Day. Any application received by the Administrator after 5.00 p.m. (Dublin time) on the Business Day preceding a Dealing Day may be held over until the next succeeding Dealing Day. Applicants should transmit cleared funds representing the subscription monies by a telegraphic transfer to the Company's bank account, details of which are set out in the application form. Cleared funds must be received before 2.30 p.m. (Dublin time) four Business Days after the relevant Dealing Day for allotments of Shares to be made with effect from that Dealing Day. If cleared funds are not received prior to 2.30 p.m. (Dublin time) four Business Days after the relevant Dealing Day, the Company reserves the right to reverse any allotment of Shares. In such circumstances, the Company shall compulsorily redeem any Shares issued and the investor shall be liable for any loss suffered by the Company in the event that the redemption proceeds are less than the amount originally subscribed for.

The Company may temporarily borrow an amount equal to the subscription, subject to the Fund's borrowing limits, and invest the amount borrowed in accordance with the investment objective and policies of the Fund. Once the required subscription monies have been received, the Company will use this to repay the borrowings. In the event of any delay in the settlement of the investor's subscription monies, the Company reserves the right to charge that Shareholder for any interest or other costs incurred by the Company as a result of this borrowing. If the Shareholder fails to reimburse the Company for those charges, the Company will have the right to sell all or part of the investor's holdings of Shares in the Fund in order to meet those charges and/or to pursue that Shareholder for such charges.

Subsequent applications must be made using the Company's dealing form received by fax or post. Subject to and in accordance with the requirements of the Central Bank the Company may agree to accept subsequent applications in electronic form (in such format or method as shall be agreed in writing in advance with the Administrator). Shareholders will be notified of this option accordingly.

Before subscribing for Shares an investor will be required to complete a declaration as to the investor's tax residency or status in the form prescribed by the Revenue Commissioners of Ireland. Investors must provide such declarations as are reasonably required by the Company, including, without limitation, declarations as to matters of Irish and US taxation. In this regard, investors should take into account the considerations set out in the section entitled "Taxation".

The Directors reserve the right to reject in whole or in part any application for Shares without giving any reason for such rejection, in which event the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk. The Fund or any Class of Share in the Fund may be closed for applications either temporarily or

permanently at the discretion of the Directors. The Company and the Administrator also reserve the right to request further details or evidence of identity from an applicant for, or transferee of, Shares. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within fourteen days of the date of such application.

Each Shareholder must notify the Administrator in writing of any change in the information contained in the original application form in respect of the Shareholder's initial application for Shares and furnish the Administrator or Sales Agent with such additional documents relating to such change as each may request.

Measures aimed at the prevention of money laundering and terrorist financing may require the Administrator, on behalf of the Company, to establish the identity of and verify all investors in the Company (including, where applicable, any beneficial owners of Shares) in accordance with the requirements of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, as amended from time to time.

The Administrator will notify applicants if proof of identity is required. By way of example, an individual may be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), bye-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.

Shares will not be issued until such time as the Administrator has received and is satisfied with all the information and documentation required to verify the identity of the applicant. This may result in Shares being provisionally allocated to an applicant initially and being registered in the applicant's name subsequent to the Dealing Day on which an applicant initially wished to have Shares issued to him.

It is further acknowledged that the Administrator shall be held harmless by the applicant against any loss arising as a result of a failure to process the subscription if such information as has been requested by the Administrator has not been provided by the applicant.

The Company may issue fractional shares rounded to the second decimal place. Fractional shares shall not carry any voting rights.

The Articles of Association provide that the Company may issue Shares at their Net Asset Value in exchange for securities which a fund may acquire in accordance with its investment objectives and may hold or sell, dispose of or otherwise convert such securities into cash. No Shares shall be issued until ownership of the securities has been transferred to the Company for the account of the relevant fund and has vested in the Depository to the Depository's satisfaction. The value of the securities shall be determined by the Administrator on the relevant Dealing Day.

Contract Notes and Confirmations

Following settlement an ownership confirmation will be sent to the relevant Shareholder confirming the number of Shares issued to that Shareholder. Although authorised to do so under the Articles of Association, the Company does not propose to issue share certificates or bearer certificates.

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all issues, conversion and transfers of Shares will be recorded. All Shares issued will be registered and the share register will be evidence of ownership. Shares may be issued in a single name or in up to four joint names. The share register shall be open for inspection at the registered office of the Company in accordance with the law.

On acceptance of their initial application, applicants will be allocated a shareholder number and this, together with the Shareholder's personal details, will be proof that the applicant is a Shareholder in the Fund. This shareholder number should be used for all future dealings by the Shareholder.

Any changes to the Shareholder's personal details or loss of shareholder number must be notified immediately to the Administrator in writing.

Common Reporting Standard

The Common Reporting Standard ("CRS") is a single global standard on Automatic Exchange of Information ("AEOI") which was approved by the Council of the OECD in July 2014. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions. Under the CRS, participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non-resident customers. Shareholders should note that the Company will be required to disclose the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number, tax identification number(s) of each person who is considered to be an account holder for CRS and information relating to each Shareholder's investment (including but not limited to the value of and any payments in respect of the Shares) to the Revenue Commissioners who may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, the Company may require additional information from Shareholders. Please also see "Automatic Exchange of Information" disclosure under the "Taxation" section for additional information in relation to these requirements.

Data Protection

Prospective investors should note that by completing the application form they are providing personal information, which may constitute personal data within the meaning of the Irish Data Protection Act 1988 and 2003 (the "Data Protection Acts"). These data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Company, its delegates and agents. By signing the application form, prospective investors acknowledge that they are providing their consent to the Company, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- to manage and administer the investor's holding in the Company and any related accounts on an ongoing basis;
- for any other specific purposes where the investor has given specific consent;
- to carry out statistical analysis and market research;
- to comply with legal, regulatory and taxation obligations applicable to the investor and the Company;
- for disclosure or transfer, whether in Ireland or countries outside Ireland, including without limitation the United States, which may not have the same data protection laws as Ireland, to third parties including financial advisers, regulatory bodies, taxation authorities, auditors, technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above; or
- for other legitimate business interests of the Company.

In particular, in order to comply with the Common Reporting Standard (as implemented in Ireland by Section 891E, Section 891F and Section 891G of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections), your personal data (including financial information) may be shared with the Irish tax authorities, the Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including foreign tax authorities located outside the EEA).

Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard.

Pursuant to the Data Protection Acts, investors have a right of access to their personal data kept by the Company and the right to amend and rectify any inaccuracies in their personal data held by the Company by making a request to the Company in writing.

The Company is a Data Controller within the meaning of the Data Protection Acts and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Acts.

By signing the application form, prospective investors consent to: (i) the recording of telephone calls made to, and received from, them by the Company, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes; and (ii) the transfer of personal data by the Administrator and Depositary to their affiliates outside of the European Economic Area in connection with their provision of fund administration and custody services to the Company.

Repurchase Procedures

Shares shall be repurchased at the applicable Net Asset Value per Share obtaining on the Dealing Day on which the repurchase is effected. In addition in the case of the Class A Shares a repurchase charge of 3 per cent of the repurchase monies will be payable in respect of the repurchases made within one year of subscription for the Shares and of 1 per cent in respect of repurchases made within two years of subscription for the Shares and the resultant figure will be rounded down to the nearest whole unit of the Base Currency. In the case of any repurchase of Shares which have been acquired by the Shareholder by means of a transfer from a previous Shareholder, for the purposes of the foregoing charges the Shares will be deemed to have been issued to the transferee on the date of transfer.

Repurchase orders must be submitted to the Company care of the Administrator by 5.00 pm. (Dublin time) on the Business Day immediately preceding the relevant Dealing Day in order to be effective on that Dealing Day. Orders may be placed by fax or in writing. Subject to and in accordance with the requirements of the Central Bank the Company may agree to accept subsequent applications in electronic form (in such format or method as shall be agreed in writing in advance with the Administrator). Shareholders will be notified of this option accordingly.

Repurchase requests will only be accepted for payment where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No repurchase payment will be made from a Shareholder's holding until the original application form in respect of the Shareholder's initial application for Shares and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the Shareholder and the anti-money laundering procedures have been completed

Shareholders may repurchase all or part of their shareholding, provided that if the request would reduce a shareholding below the applicable minima as referred to below, such request may be treated as a request to repurchase the entire shareholding unless the Company otherwise determines.

The Company, with the sanction of an ordinary resolution of the Shareholders, may transfer assets of the Company to a Shareholder in satisfaction of the repurchase monies payable on the repurchase of shares, provided that, in the case of any repurchase request in respect of Shares representing 5 per cent or less of the share capital of the Company or of a fund or with the consent of the Shareholder making such repurchase request, assets may be transferred without the sanction of an ordinary resolution provided that such distribution is not prejudicial to the interests of the remaining Shareholders. At the request of the Shareholder making such repurchase request such assets may be sold by the Company and the proceeds of sale shall be transmitted to the Shareholder.

If the Company receives requests for the repurchase of shares in respect of ten per cent. or more of the outstanding shares on any Dealing Day in any fund, the Directors may elect to restrict the total number of shares repurchased to ten per cent. of the outstanding shares in such fund, in which case all the relevant requests will be scaled down pro rata to the number of shares requested to be repurchased. The Company shall treat the deferred repurchase requests as if they were received for each subsequent Dealing Day (in relation to which the Company has the same power of deferral at the then prevailing limit) until all the Shares to which the original request related have been repurchased. In such cases, the Company may reduce requests pro rata on the next and following Dealing Days so as to give effect to the above limitation.

The Company will be required to deduct tax on redemption monies at the applicable rates unless it has received from the Shareholder a Relevant Declaration confirming that the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland and in respect of whom it is necessary to deduct tax.

Mandatory Repurchase of Shares and Forfeiture of Dividend

If a repurchase causes a Shareholder's holding in the Fund to fall below the Minimum Initial Investment the Company may repurchase the whole of that Shareholder's holding. Before doing so, the Company shall notify the Shareholder in writing and allow the Shareholder thirty days to purchase additional Shares to meet the minimum requirement. The Company reserves the right to vary this mandatory repurchase amount.

Shareholders are required to notify the Administrator immediately in the event that they become Irish Residents or US Persons. Shareholders who become US Persons will be required to dispose of their Shares to non-US Persons on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares. The Company reserves the right to repurchase or require the transfer of any Shares which are or become owned, directly or indirectly, by a US Person or other person if the holding of the Shares by such other person is unlawful or, in the opinion of the Directors, the holding might result in the Company or the Shareholders incurring any liability to taxation or suffering pecuniary or material administrative disadvantage which the Company or the Shareholders might not otherwise suffer or incur.

The Articles of Association provide that any unclaimed dividends shall be forfeited automatically after six years or on the winding-up of the Company (if earlier) and on forfeiture will form part of the assets of the relevant fund.

Transfer of Shares

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the share register in respect thereof.

Class A Shares transferred by an investor within two years of the date on which such Shares are issued will be subject to a charge, payable by the transferor, in the same manner as if those Shares were repurchased. Thus Class A Shares transferred within one year of issue shall be subject to a 3 per cent charge and Class A Shares transferred within two years of issue shall be subject to a 1 per cent charge. The transferee shall be subject to a charge if it disposes of the Class A Shares within two years of acquisition and the charge shall be calculated on the same basis as if the transferee had acquired the Class A Shares by subscription. The Directors may decline to register any transfer of Class A Shares if any of the foregoing charges remain unpaid following such transfer.

The Directors may decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee would hold less than the minimum holding or would otherwise infringe the restrictions on holding Shares outlined above. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Administrator or at such other place as the

Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferee will be required to complete an application form which includes a declaration that the proposed transferee is not a US Person and will be required to certify whether the proposed transferee is Irish Resident or Ordinarily Resident in Ireland.

The Company will be required to account for tax on the value of the Shares transferred at the applicable rate unless it has received from the transferor a Relevant Declaration confirming that the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland and in respect of whom it is necessary to deduct tax. The Company reserves the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising. The Company reserves the right to refuse to register a transfer of Shares until it receives a Relevant Declaration.

Conversion of Shares

When additional funds are established, a Shareholder may, with the consent of the Directors, convert Shares of one fund into Shares of another fund on giving notice to the Administrator in such form as the Administrator may require provided that the shareholding satisfies the minimum investment criteria. **There will be no switching fee for the conversion of Shares in the Fund into Shares of another fund.**

Conversion will take place in accordance with the following formula:-

$$NS = \frac{AxBxC}{E}$$

where:-

- NS = the number of Shares which will be issued in the new fund;
- A = the number of the Shares to be converted;
- B = the repurchase price of the Shares to be converted;
- C = the currency conversion factor, if any, as determined by the Directors; and
- E = the issue price of Shares in the new fund on the relevant Dealing Day.

If NS is not an integral number of Shares the Directors reserve the right to issue fractional Shares in the new fund or to return the surplus arising to the Shareholder seeking to convert the Shares.

Umbrella Cash Accounts

Cash accounts arrangements will be put in place in respect of the Company and the Funds as a consequence of the introduction of new requirements relating to the subscription and/or redemption collection accounts pursuant to the Investor Money Regulations. The following is a description of how such cash accounts arrangements are expected to operate. These cash accounts are not subject to the protections of the Investor Money Regulations and instead will be subject to the guidance issued by the Central Bank from time to time in relation to umbrella cash accounts.

Subscription monies received from, and redemption monies due to, investors in the Funds and dividend monies due to Shareholders (together, "Investor Monies") will be held in a single Umbrella Cash Account in respect of a particular currency. The assets in the Umbrella Cash Account will be assets of the Company.

Subscription monies received by a Fund in advance of the issue of Shares will be held in the Umbrella Cash Account and will be treated as an asset of the relevant Fund. The subscribing investors will be unsecured creditors of the relevant Fund with respect to their subscription monies until the Shares are issued to them on the relevant Dealing Day. The subscribing investors will be exposed to the credit risk of the institution at which the Umbrella Cash Account has been opened. Such investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights in respect of the subscription monies (including dividend entitlements) until such time as the Shares are issued on the relevant Dealing Day.

Redeeming investors will cease to be Shareholders of the redeemed Shares from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant investors, be held in the Umbrella Cash Account. Redeeming investors and investors entitled to dividend payments held in the Umbrella Cash Account will be unsecured creditors of the relevant Fund with respect to those monies. Where the redemption and dividend payments cannot be transferred to the relevant investors, for example, where the investors have failed to supply such information as is required to allow the Company to comply with its obligations under applicable anti-money laundering and counter terrorist legislation, the redemption and dividend payments will be retained in the Umbrella Cash Account and investors should address the outstanding issues promptly. Redeeming investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

For information on the risks associated with Umbrella Cash Accounts, see "Risks Associated with Umbrella Cash Accounts" in the section "Risk Factors in relation to the Funds" in this Prospectus.

Publication of the Price of the Shares

Except where the determination of the Net Asset Value has been suspended, in the circumstances described below, the Net Asset Value per Share shall be made available at the registered office of the Administrator on each Dealing Day and shall be available on the Business Day immediately succeeding each Dealing Day and shall be notified immediately to The Irish Stock Exchange. In addition, the Net Asset Value shall also be available in respect of each Dealing Day on the Investment Manager's website, www.heralduk.com on the Business Day immediately succeeding the relevant Dealing Day. Such information shall relate to the Net Asset Value per Share for the previous Dealing Day and is available for information only. It is not an invitation to subscribe for, repurchase or convert Shares at that Net Asset Value.

Settlement Procedures

Unless otherwise agreed with the Administrator, settlement for subscriptions is due in cleared funds before 2.30 p.m. (Dublin time) four Business Days after the relevant Dealing Day prior to the issue of the ownership confirmation. Payment shall usually be made in GBP by telegraphic transfer (quoting the subscription reference number, applicant's name and shareholder number, if available) to the bank account detailed in the application form.

Payment by cheque may be accepted with the prior approval of the Administrator.

Settlement for repurchases will normally be made by telegraphic transfer to the bank account of the Shareholder as specified in the share application form (at the Shareholder's risk) or as otherwise agreed in writing within three Business Days of receipt by the Administrator of correct repurchase documentation. The cost of such settlement by telegraphic transfer may be passed on to the Shareholder.

Temporary Suspension of Valuation of the Shares and of Sales and Repurchases

The Company may temporarily suspend the determination of the Net Asset Value and the sale or repurchase of Shares in any fund during:-

- (i) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the fund's investments, or when trading thereon is restricted or suspended;
- (ii) any period when any emergency exists as a result of which disposal by the Company of investments which constitute a substantial portion of the assets of the fund is not practicable or feasible;
- (iii) any period when for any reason the prices of any investments of the fund cannot be reasonably, promptly or accurately ascertained by the fund;
- (iv) any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments of the fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (v) any period when proceeds of the sale or repurchase of the Shares cannot be transmitted to or from the fund's account;
- (vi) any period when the Company is considering the merger in relation to the Company, a fund or share class where in the opinion of the Directors such suspension is justified having regard to the interests of the Shareholders;
- (vii) any other period where in the opinion of the Directors circumstances require such a suspension and it is justified having regard to the interests of the Shareholder.

Any such suspension shall be published by the Company in such manner as it may deem appropriate to the persons likely to be affected thereby if, in the opinion of the Company, such suspension is likely to continue for a period exceeding fourteen days and any such suspension shall be notified immediately to the Central Bank and The Irish Stock Exchange. Where practicable, the Company shall take all reasonable steps to bring such suspension to an end as soon as possible. The Company may elect to treat the first Business Day on which the conditions giving rise to the suspension have ceased as a substitute Dealing Day.

MANAGEMENT AND ADMINISTRATION

The Board of Directors

The board of Directors is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator, the Investment Manager and other parties, subject to supervision and direction by the Directors.

The Directors and their principal occupations are set forth below. The Company has delegated the day- to-day administration of the Company to the Administrator and, consequently, none of the Directors is an executive director. The address of the Directors is the registered office of the Company.

- **Mr. William Backhouse** (British) qualified as a Chartered Accountant in 1965. He joined the corporate finance department of Barings in 1970 and from 1984 until he retired in 1993, he was a director of Baring Asset Management. Since that time he has been an independent director or trustee of a number of companies, funds and charities.
- **Mr. David Boyle** (British) worked for Morgan Grenfell from 1965 to 1982 in a number of capacities including corporate finance and, from 1977, asset management. In 1982, he joined the asset management subsidiary of Rowe & Pitman and, following that firm's merger with Mercury Securities in 1986, became a director of Mercury Asset Management plc. Since his retirement in 1997 he has been a non-executive director of a number of companies and has served as trustee of a number of voluntary organisations.

- **Mr. Paul Halley** (Irish) is a business graduate of Trinity College Dublin and a Fellow of the Institute of Chartered Accountants Ireland. He acts as an independent non-executive director with board positions on a portfolio of authorised investment funds and non-financial service related entities. He has held senior management positions in the fields of compliance, fund services and trustee/depositary services with a range of blue chip financial service providers in Ireland. Previous to this, he worked with Bank of Ireland Asset Management, Dolmen Stockbrokers, BNY Mellon and IBRC Assurance Company.
- **Mr. Fergus Sheridan** (Chairman) (Irish) is a Fellow of the Chartered Institute of Management Accountants and of the Association of Corporate Treasurers (UK). Following a 20 year corporate career in risk management he departed Irish Life Assurance as Treasurer, in 1994, to establish Strategic Risk Management Ltd as a consultancy. He has also been an independent non executive director since 1995 and is now fully engaged in that capacity. He holds post graduate qualifications in corporate governance (University College Dublin) and Company Direction (Institute of Directors); is a founding director of the Corporate Governance Association of Ireland; and is currently Chairman of the Irish Fund Directors Association.
- The Articles of Association do not stipulate a retirement age for Directors and do not provide for the retirement and re-election of Directors each year. The Articles of Association provide that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. A Director may vote in respect of any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote in respect of any proposal concerning an offer of shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in part.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Manager.

The Company Secretary is SANNE.

The Investment Manager

The Investment Manager is Herald Investment Management Limited which was established by Katie Potts in December 1993. Herald Investment Management Limited is also responsible for promoting the Company. The Investment Manager is engaged in the business of providing investment management services to investment companies and collective investment schemes and is authorised and regulated by the Financial Conduct Authority of the UK. As at 30 June 2016, the Investment Manager had assets under management in excess of £700 million. The directors and officers of the Investment Manager are as follows:-

- **David Boyle** (non-executive director). David Boyle is a director of the Company.
- **Katie Potts** (managing director). Katie Potts read Engineering Science on a GKN Group Scholarship at Lady Margaret Hall, Oxford, and then worked for five years as an analyst and fund manager at Baring Investment Management Limited, before joining S.G. Warburg Securities' UK electronics research team in 1988. In addition, she had responsibility within S.G. Warburg's UK research department for commenting on accounting issues. In 1993 she left S.G. Warburg to establish the Investment Manager.

- **John Booth** (non-executive director). Also acts as a consultant to the Herald Venture Partnerships. Chairman of Maintel Holdings plc since 1996, John also chairs or acts as a non-executive director of several private companies. John's earlier career was spent in equity investment banking and broking where he held various senior positions including Head of Equities at Bankers Trust. He was co-founder and executive chairman until 2011 of the Link Group, acquired by ICAP plc in 2008. He is a Fellow of Merton College, Oxford, a trustee of several charities for which he also sits on a number of investment committees.
- **Vanessa Donegan** (non-executive director). Vanessa Donegan began her investment career in 1981 with Grieveson Grant Stockbrokers where she progressed to managing Far Eastern equities before joining Allied Dunbar in 1986 as an investment manager. Following the merger of Allied Dunbar with Eagle Star to form Threadneedle Investments in 1994 Vanessa was appointed Head of Asia ex Japan, EMEA in 1997. She is currently responsible for £1.4 billion of Asian assets and manages a team of five investment professionals based in London as an Executive Director for Columbia Threadneedle Investments. Vanessa holds a degree in Classics from Oxford University.
- **Andrew Miller** (CFO). Andrew qualified as a Chartered Accountant in 1994 in the Financial Services division of PricewaterhouseCoopers. From 1995 to 1999 he worked with the Bankers Trust Company firstly as European Financial Controller of Bankers Trust International PLC and then as European Derivatives Business Manager. From 1999 to 2002 Andrew was engaged in full-time study for an MBA and was involved in consultancy and ran his own internet start up. From 2002 to 2005 Andrew was Head of Fund Analysis and Reporting with Bridgepoint Private Equity, prior to joining Herald Investment Management.

The terms relating to the appointment of the Investment Manager are set out in the Investment Management Agreement. The Investment Management Agreement provides that the Investment Manager shall be responsible for investing and re-investing the assets of the Company. The Investment Manager will not be liable for any loss suffered by the Company or a Shareholder except a loss resulting from negligence, wilful misfeasance, bad faith or reckless disregard on the part of the Investment Manager or any of its employees in the performance of its duties and obligations. The Company agrees to indemnify the Investment Manager and keep it indemnified from and against all liability, loss, damage or cost (including taxation) incurred by the Investment Manager, except in the case of negligence, wilful misfeasance, bad faith or reckless disregard of its duties. The appointment of the Investment Manager shall continue in full force and effect indefinitely unless and until terminated at any time by either party giving twelve months' written notice to the other party. Either party shall be entitled to terminate the Investment Management Agreement immediately in the event, *inter alia*, of the insolvency of the other party or the inability of the other party to perform its obligations under applicable law.

The Investment Manager will be responsible for appointing Sales Agents in relation to the Fund and may appoint Sales Agents from time to time.

The Administrator

The Company has appointed Northern Trust International Fund Administration Services (Ireland) Limited as administrator, registrar and transfer agent, pursuant to the Administration Agreement. The Administrator will have 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 Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is a wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 31 December 2016 the Northern Trust Group's assets under custody and administration totalled in excess of US\$6.7 trillion. The principal business activity of the Administrator is the administration of collective investment schemes. The registered office of the Administrator is Georges Court, 54-62 Townsend Street, Dublin 2, Ireland.

The Administration Agreement shall continue in force until terminated by either the Company or the Administrator on ninety days' notice in writing to the other party at any time or may be terminated forthwith by either party giving notice in writing to the other party if at any time: (i) the other party goes into liquidation (other than a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or a receiver or examiner is appointed to that party; or (ii) the other party fails to remedy a material breach of the Administration Agreement within thirty (30) days of being requested to do so; or (iii) the authorisation by the Central Bank of the Company is being revoked.

The Administration Agreement provides that the Administrator shall not be liable for any loss of any nature whatsoever suffered by Shareholders or the Company in connection with the performance by the Administrator of its obligations under the Administration Agreement, except a loss resulting directly from negligence, fraud, bad faith or wilful misconduct on the part of the Administrator in the performance of its obligations and duties under the Administration Agreement.

The Depositary

The Company has appointed Northern Trust Fiduciary Services (Ireland) Limited to act as the depositary to the Company under the Depositary Agreement. The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2016, the Northern Trust Group's assets under custody and administration totalled in excess of US\$6.4 trillion.

The principal duties of the Depositary include the safekeeping of all of the Company's assets, the maintenance of bank accounts and the timely settlement of all securities transactions. The Depositary will be obliged to enquire as to the conduct of the Company in each financial year and to report thereon to the Shareholders. Under the requirements of the Central Bank and the UCITS Regulations there are certain obligations on the Depositary including:

- (i) enquire into the conduct of the Company and report thereon to the shareholders, including confirming whether in the Depositary's opinion the Company has been managed: (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the memorandum and articles of association and the UCITS Regulations; and (ii) otherwise in accordance with the provisions of the memorandum and articles of association and the UCITS Regulations;
- (ii) ensure the sale, issue, repurchase and cancellation of Shares of the Company are carried out in accordance with the UCITS Regulations and the Articles of Association.

The Depositary Agreement shall continue in full force and effect until terminated by either the Company or the Depositary giving not less than 90 days' notice to the other, provided that the Company or the Depositary may at any time immediately terminate the Depositary Agreement: (a) in the event of the winding up of, or the appointment of an administrator, examiner or receiver to, the other or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction; (b) if the other shall commit any material breach of the provisions of the Depositary Agreement and shall (if such breach is capable of remedy) not have remedied the same within 30 days after the service of notice requiring it to be remedied; (c) if fraud is proven against the other in a court of competent jurisdiction; or (d) if the continued performance of the Depositary Agreement shall for any reason cease to be lawful.

The Depositary shall be liable to the Company and the Shareholders for: (a) the loss of financial instruments by the Depositary or a third party to whom the custody of financial instruments required to be held in custody in accordance with Regulation 34(4)(a) of the UCITS Regulations has been delegated (in the case of such a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Company without undue delay) unless the Depositary can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have

been unavoidable despite all reasonable efforts to the contrary); or (b) all other losses suffered by the Company and the Shareholders as a result of the Depositary's negligence or intentional failure to fulfil its obligations pursuant to the UCITS Regulations.

The Company shall indemnify and keep indemnified and hold harmless the Depositary (and each of its directors, officers and employees) out of the assets of the relevant Sub-Fund from and against any and all third party actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Depositary other than in circumstances where the Depositary is liable pursuant to paragraphs (a) of (b) above.

The Depositary may delegate all or part of the custody services or asset verification services, subject to the terms of the Depositary Agreement and the legislative and regulatory framework for the authorisation and supervision of UCITS in place in Ireland from time to time, pursuant to the UCITS Regulations, the Delegated Regulation and the UCITS Rules. The liability of the Depositary will not be affected by any delegation of custody services or asset verification services. The Depositary has delegated to The Northern Trust Company as global sub-custodian, responsibility for the safekeeping of the Sub-Funds' financial instruments and cash. The Northern Trust Company as sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Schedule IV attached.

Shareholders will be provided with up-to-date information on the Depositary's identity, duties, a description of any safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates of the sub-custodian and any conflicts of interest that may arise from such a delegation from the Depositary upon request.

TAXATION

TAXATION IRELAND

The following is a general summary of the main Irish tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of Shares in the Company. It does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the Company would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

Taxation of the Company

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking for the purposes of Section 739B of the Taxes Consolidation Act, 1997, as amended ("TCA") so long as the Company is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

Chargeable Event

However, Irish tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any payments of distributions to Shareholders, any encashment, repurchase, redemption, cancellation or

transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the Company for a period of eight years or more. Where a chargeable event occurs, the Company is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland (“**Non-Irish Resident**”) and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to “**intermediary**” means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland (“**Irish Resident**”) or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm’s length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking.

If the Company becomes liable to account for tax on a chargeable event, the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder as is required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event.

Deemed Disposals

The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares in a Fund held by Shareholders who are Irish Resident and, who are not Exempt

Irish Residents as defined below, is 10 per cent or more of the Net Asset Value of the Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund as set out below. However, where the total value of Shares in the Fund held by such Shareholders is less than 10 per cent of the Net Asset Value of the Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves. Further details of this are set out below under the heading “Taxation of Irish Resident Shareholders”.

Irish Courts Service

Where Shares are held by the Irish Courts Service the Company is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Court is applied to acquire Shares in the Company, the Courts Service assumes, in respect of the Shares acquired, the responsibilities of the Company to, *inter alia*, account for tax in respect of chargeable events and file returns.

Exempt Irish Resident Shareholders

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the Company is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Company is referred to herein as an “**Exempt Irish Resident**”:

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) the National Asset Management Agency;

- (l) 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 of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;
- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (n) in certain circumstances, a company within the charge to corporation tax in respect of payments made to it by the Company; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

Taxation of Non-Irish Resident Shareholders

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Shares in the Company which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self assessment system.

Taxation of Irish Resident Shareholders

Deduction of Tax

Tax will be deducted and remitted to the Revenue Commissioners by the Company from any distributions made by the Company (other than on a disposal) to an Irish Resident Shareholder who is not an Exempt Irish Resident at the rate of 41 per cent.

Tax will also be deducted by the Company and remitted to the Revenue Commissioners from any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by such a Shareholder at the rate of 41 per cent. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the Company is in possession of a relevant declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the Company from any distributions made by the Company to the Shareholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of shares by the Shareholder at the rate of 25 per cent.

Deemed Disposals

Tax will also be deducted by the Company and remitted to the Revenue Commissioners in respect of any deemed disposal where the total value of Shares in a Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is 10 per cent or more of the Net Asset Value of the Fund. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Shares in the Fund by such Shareholders. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, as described below where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41 per cent (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25 per cent). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Where the Company is obliged to account for tax on deemed disposals it is expected that the Company will elect to calculate any gain arising for Irish Resident Shareholders who are not Exempt Irish Residents by reference to the Net Asset Value of the relevant Fund on the later of the 30 June or 31 December prior to the date of the deemed disposal, in lieu of the value of the Shares on the relevant eight year anniversary.

The Company may elect not to account for tax arising on a deemed disposal where the total value of Shares in the relevant Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is less than 10 per cent of the Net Asset Value of the Fund. In this case, such Shareholders will be obliged to account for the tax arising on the deemed disposal under the self assessment system themselves. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary and the relevant cost of those Shares. The excess arising will be regarded as an amount taxable under Case IV of Schedule D and will be subject to tax where the Shareholder is a company, at the rate of 25 per cent, and where the Shareholder is not a company, at the rate of 41 per cent. Tax paid on a deemed disposal should be creditable against the tax payable on an actual disposal of those Shares.

Residual Irish Tax Liability

Corporate Shareholders resident in Ireland which receive payments from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25 per cent (or 41 per cent if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. A corporate Shareholder resident in Ireland which holds the Shares in connection with a trade will be taxable on any income or gains received from the Company as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Company. In practice, where tax at a rate higher than 25 per cent has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25 per cent should be available.

Subject to the comments below concerning tax on a currency gain, in general, non-corporate Irish Resident Shareholders will not be subject to further Irish tax on income arising on the Shares or gains made on disposal of the Shares, where the appropriate tax has been deducted by the Company from distributions paid to them.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted or who receives a gain on an encashment, repurchase, redemption, cancellation or other disposal from which tax has not been deducted, (for example, because the Shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax as the case may be on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A of the TCA.

Pursuant to Section 891C of the TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by investors to the Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the investment number associated with and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. These provisions do not require such details to be reported in respect of Shareholders who are:

- Exempt Irish Residents (as defined above);
- Shareholders who are neither Irish Resident nor ordinarily resident in Ireland (provided the relevant declaration has been made); or
- Shareholders whose Shares are held in a recognised clearing system

however investors should note the section entitled "The OECD Common Reporting Standard" for information on additional investor information gathering and reporting requirements to which the Company is subject.

Overseas Dividends

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

Stamp Duty

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. However, where any subscription for or redemption of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities of a company or body corporate not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA or a qualifying company within the meaning of Section 110 of the TCA) which is registered in Ireland.

Residence

In general, investors in the Company will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

Individual Investors

Test of Residence

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax year. In determining days present in Ireland, an individual is deemed to be present if he / she is present in the country at any time during the day.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

Test of Ordinary Residence

If an individual has been resident for the three previous tax years then the individual will be deemed “ordinarily resident” from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

Trust Investors

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

Corporate Investors

A company will be resident in Ireland if its central management and control is in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location of a company’s central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (i) in the case of a company incorporated before 1 January 2015, the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a “relevant territory”, being an EU member state (other than Ireland) or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed, or (b) the principal class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory; or
- (ii) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

A company incorporated in Ireland and coming within either (i) or (ii) above will not be regarded as resident in Ireland unless its central management and control is in Ireland, PROVIDED however, a company coming within (i) above which has its central management and control outside of Ireland will still be regarded as resident in Ireland if (a) it would by virtue of the law of a relevant territory be tax resident in that relevant territory if it were incorporated in that relevant territory but would not otherwise be tax resident in that relevant territory, (b) is

managed and controlled in that relevant territory, and (c) would not otherwise by virtue of the law of any territory be regarded as resident in that territory for tax purposes.

The exception from the incorporation rule of tax residence at (i) above in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property.

Disposal of Shares and Irish Capital Acquisitions Tax

(a) Persons Domiciled or Ordinarily Resident in Ireland

The disposal of Shares by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

(b) Persons Not Domiciled or Ordinarily Resident in Ireland

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax provided that;

- the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

FATCA

The provisions of the Foreign Account Tax Compliance Act (“**FATCA**”) are designed to require certain U.S. persons’ direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported by foreign financial institutions (“**FFI**”) to the U.S. Internal Revenue Service (“**IRS**”). The Company may be regarded as a FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30 per cent with respect to certain U.S. source income (including dividends and interest) and, after 31 December 2018, gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to a FFI. Ireland has entered into an intergovernmental agreement with the U.S. to simplify the FATCA compliance process and minimise the risk of withholding tax. Under this agreement, FATCA compliance will be enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014, and reporting rules and practices. The Company may require additional information from Shareholders in order to comply with these provisions. The Company may disclose the information, certificates or other documentation that it receives from (or concerning) its Shareholders to the Revenue Commissioners as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation. The Revenue Commissioners will, in turn, report such information to the IRS. If a Shareholder causes the Company to suffer a withholding for or on account of FATCA (“**FATCA Deduction**”) or other financial penalty, cost, expense or liability, the Company may compulsorily

redeem any Shares of such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such Shareholder. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor's own situation. If applicable, investors should contact their intermediary regarding the application of this regime to their investments in the Company.

AUTOMATIC EXCHANGE OF INFORMATION

Ireland has implemented the "Standard for Automatic Exchange of Financial Account Information", also known as the Common Reporting Standard, into Irish law.

The CRS is a single global standard on Automatic Exchange of Information ("AEOI") which was approved by the Council of the OECD in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers.

To comply with its obligations under CRS (or similar information sharing arrangements), the Company may require additional information and documentation from Shareholders. The Company may disclose the information, certifications or other documentation that they receive from or in relation to Shareholders to the Irish tax authorities who may in turn exchange this information with tax authorities in other territories.

By signing the application form to subscribe for Shares in the Company, each Shareholder is agreeing to provide such information upon request from the Company or its delegate. The non-provision of such information may result in mandatory redemption of Shares or other appropriate action taken by the Company. Shareholders refusing to provide the requisite information to the Company may also be reported to the Revenue Commissioners or other parties as necessary to comply with the CRS.

Each prospective investor should consult their own tax adviser on the requirements applicable to their own situation under these arrangements.

TAXATION UNITED KINGDOM

The following summary is only intended as a brief and general guide to the main aspects of current UK tax law and HM Revenue and Customs practice applicable to the holding and disposal of Shares in the Company (which may change in the future). It is not intended to constitute or provide specific legal or tax advice and no action should be taken or omitted to be taken in reliance upon it. It relates only to ordinary investors who are resident in the UK for tax purposes and who are the absolute beneficial owners of Shares which are held as investments and not, therefore, to special classes of Shareholder such as financial institutions. Accordingly, its applicability will depend upon the particular circumstances of individual Shareholders. The summary is not exhaustive and does not generally consider tax reliefs or exemptions. Any prospective Shareholder who is in any doubt as to his UK tax position in relation to the Company should consult his UK professional adviser.

In addition, prospective investors should inform themselves of, and where appropriate take advice on, the taxes applicable to the acquisition, holding and redemption of Shares by them under the laws of the places of their citizenship, residence and domicile.

The Company

The Directors intend to conduct the affairs of the Company so that it does not become resident in the UK for tax purposes. Accordingly, and provided that the Company does not carry on a trade in the UK through a permanent establishment situated therein, the Company should not be subject to income tax or corporation tax in the UK on its income or gains other than on any non-dividend UK source income. The Directors and the Investment Manager each intend that the respective affairs of the Company and the Investment Manager are conducted so that the Company is not subject to such taxes insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied. Interest and certain other income received by the Company which has a UK source may be subject to withholding taxes (which may not be reclaimable) in the UK.

The Shareholders

Capital gains: Offshore fund rules

The offshore funds legislation contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 (and regulations made under that Part) applies in relation to interests in certain funds that are not UK tax resident.

The offshore funds legislation will apply in the case of the Company, and each sub-fund/share class of the Company will be treated as a separate offshore fund. Each share class has been accepted into the new “reporting fund” regime by HMRC with effect from 1 January 2011.

A “reporting fund” is required to report 100% of its income to its Shareholders and HM Revenue and Customs on an annual basis. Investors will be taxed on the reported income whether or not it is distributed. If the Company has “reporting fund” status during each accounting period in which a Shareholder holds their interest in the Company (and is certified as a “distributing fund” under the old offshore funds legislation for each such period before 1 January 2011), then any gain realised on the sale, redemption or other disposal of that interest will be taxed as a capital gain. It is the intention of the Directors that “reporting fund” status be maintained, although this cannot be guaranteed. If “reporting fund” status is not maintained, investors may be taxed on gains arising at the time of sale, redemption or other disposal as income, and deemed capital gains may arise when “reporting fund” status is lost.

Chargeable gains arising on disposals of most capital assets by UK resident individuals are currently subject to capital gains tax at either the basic rate (10%) or the higher rate (20%). The higher rate will apply for individuals whose aggregate taxable income and chargeable gains for the relevant tax year exceeds the threshold for higher rate income tax (£32,000 for the tax year 2016/2017 ignoring any available personal allowance). However, the availability of the annual exemption (£11,100 for the tax year 2016/2017) or capital losses may mean that the amount of any chargeable gains liable to capital gains tax is reduced or even eliminated.

Corporate shareholders will be subject to corporation tax on chargeable gains. The main rate of UK corporation tax is currently 20% (expected to fall to 19% with effect from 1 April 2017).

Shareholders should, however, note that where a disposal or deemed disposal (including conversion or repurchase) occurs at a time when the Company operates equalisation arrangements, any part of the disposal proceeds comprising accrued income may be subject to UK income tax or corporation tax.

Income: Individual Shareholders

Subject to their personal circumstances, individual Shareholders resident in the UK for tax purposes will normally be liable to UK income tax in respect of any dividend income reported to them, whether or not a dividend is actually paid by the Company. Such income will remain taxable even if reinvested in additional Shares.

With effect from 6 April 2016, UK resident tax payers are subject to income tax at a rate of 0% for their first £5,000 of distribution income, and their marginal dividend tax rates in respect of the balance of their distribution income (7.5% for basic rate tax payers, 32.5% for higher rate taxpayers and 38.1% for additional rate tax payers).

The tax treatment described above (in relation to periods both before and after 6 April 2016) will not apply if, at any time during the relevant accounting period, more than 60% of the assets of the offshore fund (excluding cash awaiting investment) are “qualifying investments” (that is, assets which yield a return directly or indirectly in the form of interest). It is not expected that the Company will hold a significant proportion of “qualifying investments” and the tax treatment described above is expected to apply.

Income: Corporate Shareholders

Under the provisions of Part 9A of the Corporation Tax Act 2009, a dividend or other distribution received by an investor which is a company resident in the United Kingdom and is a small company, that dividend will normally be exempt from corporation tax provided the payer is a resident of a qualifying territory. For the purposes of this legislation, the Company is a resident of a qualifying territory.

Where a dividend or other distribution is received by a company which is resident in the United Kingdom and is not a small company, that dividend or distribution should be exempt from corporation tax provided the distribution falls into one of a number of specified exempt classes, and satisfies certain other conditions specified in the legislation. The relevant exempt classes include distributions from controlled companies, distributions in respect of non-redeemable ordinary shares and distributions in respect of portfolio holdings where the recipient holds less than 10% of the issued share capital of the payer.

If, at any time during the relevant accounting period, more than 60% of the assets of the offshore fund (excluding cash awaiting investment) are “qualifying investments” (that is, assets which yield a return directly or indirectly in the form of interest) a UK corporate investor’s shareholding will normally be taxed as a creditor loan relationship under the UK’s loan relationship rules in accordance with Chapter 3 of Part 6 of the Corporation Tax Act 2009. It is not expected the Company will hold a significant proportion of “qualifying investments” and therefore these rules should not apply.

UK resident but non-UK domiciled individuals

Shareholders who are individuals and are resident but not domiciled in the UK may be able to claim the benefit of the remittance basis of taxation on income and capital gains.

In order to obtain the benefit of the remittance basis of taxation on unremitted income and gains, individuals who have been UK resident but non-UK domiciled for at least seven of the nine tax years immediately preceding the relevant tax year will be obliged to pay an annual charge of £30,000.

For individuals resident for at least twelve of the fourteen preceding tax years, the annual charge to claim the remittance basis is £60,000 in the tax year 2016/2017. For individuals resident for at least seventeen of the twenty preceding tax years, the annual charge from the tax year 2016/2017 will be £90,000.

The UK government has announced its intention to introduce new rules relating to the tax treatment of UK resident but non-domiciled individuals in the Finance Bill 2017. UK resident non-domiciled individuals should seek independent advice as to their ability to claim the remittance basis.

If no claim for the remittance basis to apply is made, the individual Shareholder will be subject to UK tax on their worldwide income and gains in the same way as any other UK resident and domiciled individual.

Miscellaneous

Certain anti-avoidance rules may apply to tax investors on undistributed income of the Company. For individuals,

the “transfer of assets abroad” rules are found in Part 13 of the Income Tax Act 2007. If at any time the Company is controlled by UK residents and a UK resident company holds (together with connected persons) 25% or more of the shares in the Company, the “controlled foreign companies” provisions may be relevant. However, it is not expected that these rules will apply to an investment in the Company.

Section 13 of the UK Taxation of Chargeable Gains Act 1992 could be material to any UK person who holds 10% or more of the Shares in the Company if, at the same time, the Company is controlled in such a manner as would render it a “close company” for UK taxation purposes were it resident in the UK. These provisions could, if applied, result in any chargeable gains accruing to the Company being treated as though they had accrued to UK persons directly in proportion to their relevant interest in the Company. It is not expected that the shareholdings in the Company will be such that the Company would be a “close company” were it resident in the UK and therefore these rules should not apply.

GENERAL

Conflicts of Interest and Best Execution

The Company has policies designed to ensure that in all transactions, a reasonable effort is made to avoid conflicts of interest, and when they cannot be avoided, that the Fund and their shareholders are fairly treated. The Investment Manager, the Depositary and the Administrator may from time to time act as investment manager, investment adviser, Depositary, administrator, company secretary, dealer or distributor in relation to, or be otherwise involved in, investment companies or collective investment schemes other than the Company which have similar investment objectives to those of the Company and any fund. The Investment Manager may hold Shares in any fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company and a fund. Each will, at all times, have regard in such event to its obligations to the Company and the fund and will ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with the Company in respect of the assets of a fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Such dealings must be in the best interests of Shareholders.

“Connected Person” means the Company or the Depositary, and the delegates or sub-delegates of the Company or the Depositary (excluding any non-group company sub-custodians appointed by the Depositary), and any associated or group company of the Company, the Depositary, any delegate or sub-delegate;

The Company is required to ensure that any transaction between the Company and a Connected Person is conducted at arm's length and is in the best interests of Shareholders.

The Company may enter into a transaction with a Connected Person if at least one of the conditions in the following paragraphs (a), (b) or (c) is complied with:

- (a) the value of the transaction is certified by either: (i) a person who has been approved by the Depositary as being independent and competent; or (ii) a person who has been approved by the Company as being independent and competent in the case of transactions involving the Depositary;
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or
- (c) the transaction is executed on terms which the Depositary is or, in the case of a transaction involving the Depositary, the Company are, satisfied conformed to the requirement that transactions with Connected Persons be conducted at arm's length and in the best interests of Shareholders.

The Depositary or, in the case of a transaction involving the Depositary, the Company, shall document how it or they complied with the requirements of (a), (b) or (c) above. Where transactions are conducted in accordance with (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Company, shall document its or their rationale for being satisfied that the transaction conformed to the requirement that transactions with Connected Persons be conducted at arm's length and in the best interests of Shareholders.

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

The Company has policies designed to ensure that its service providers act in the Funds' best interests when executing decisions to deal on behalf of the Fund in the context of managing the Funds' portfolios. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, research services provided by the broker to the Investment Manager, or any other consideration relevant to the execution of the order. Information about the Funds' execution policies are available to Shareholders at no charge upon request.

The Company has developed a strategy for determining when and how voting rights are exercised. Details of the actions taken on the basis of those strategies are available to Shareholders at no charge upon request.

The Share Capital

The share capital of the Company shall at all times equal the Net Asset Value.

Each of the Shares entitles the Shareholder to participate equally on a *pro rata* basis in the dividends and net assets of the fund in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder.

The proceeds from the issue of Shares shall be applied in the books of the Company to the relevant fund and shall be used in the acquisition on behalf of the relevant fund of assets in which the fund may invest. The records and accounts of each fund shall be maintained separately.

Each of the Shares entitles the holder to attend and vote at meetings of the Company and of the fund represented by those Shares. On a show of hands each Shareholder present at meetings of the Company is entitled to one vote, and on a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him.

Any resolution to alter the rights of the Shares requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting duly convened in accordance with the Articles of Association. The Articles of Association of the Company empower the Directors to issue fractional Shares in the Company. Fractional Shares may be issued to the nearest two decimal places and shall not carry any voting rights at general meetings of the Company or of any fund and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company, but do not entitle the holders to participate in the dividends or net assets of any fund or of the Company.

The Funds and Segregation of Liability

The Company is an umbrella fund with segregated liability between funds. Notwithstanding any statutory

provision or rule of law to the contrary, any liability incurred on behalf of or attributable to any fund of the Company shall be discharged solely out of the assets of that fund, and neither the Company nor any director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, or be obliged to apply, the assets of any such fund in satisfaction of any liability incurred on behalf of, or attributable to, any other fund.

There shall be implied in every contract, agreement, arrangement or transaction entered into by the Company the following terms, that-

- (i) the party or parties contracting with the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any fund in the discharge of all or any part of a liability which was not incurred on behalf of that fund;
- (ii) if any party contracting with the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any fund in the discharge of all or any part of a liability which was not incurred on behalf of that fund, that party shall be liable to the Company to pay a sum equal to the value of the benefit thereby obtained by it; and
- (iii) if any party contracting with the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the said assets of a fund of the Company in respect of a liability which was not incurred on behalf of that fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company as a result of any such trust as is described in (i) above shall be credited against any concurrent liability pursuant to the implied terms set out in (i)-(iii).

Any asset or sum recovered by the Company pursuant to the implied terms set out in (i)-(iii) or by any other means whatsoever or wheresoever in the events referred to in those paragraphs shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the fund.

In the event that assets attributable to a fund are taken in execution of a liability not attributable to the fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to that fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the fund affected and transfer or pay from the assets of the fund or funds to which the liability was attributable, in priority to all other claims against such fund or funds, assets or sums sufficient to restore to the fund affected, the value of the assets or sums lost to it.

A fund is not a legal person separate from the Company but may sue and be sued in respect of a particular fund and may exercise the same rights of set-off, if any, as between its classes or funds as apply at law in respect of companies and the property of a fund is subject to orders of the court as it would have been if the fund were a separate legal person.

Termination

All of the Shares or all of the Shares in a fund may be repurchased by the Company in the following circumstances:-

- (i) with the sanction of a special resolution of the Shareholder or Shareholders of a fund or Class, of which not more than six and not less than four weeks' notice (expiring on a Dealing Day) has been given, to approve the repurchase of the Shares in which case Shareholders shall be deemed to have requested the repurchase of the Shares within sixty days of such notice; or

- (ii) if so determined by the Directors, provided that not less than twenty one days written notice has been given to the members of the Company, fund or class, as appropriate, the Company may repurchase all of the Shares of the Company, or the fund or class, as applicable; or
- (iii) on 31st December, 2005, or on any fifth anniversary thereof, provided that notice of not less than four and not more than six weeks has been given to the holders of the Shares of the Company, fund or Class in which case all of the Shares shall be repurchased by the Company; or
- (iv) if no replacement Depositary shall have been appointed during the period of 90 days commencing on the date the Depositary or any replacement thereof shall have notified the Company of its desire to retire as Depositary or shall have ceased to be approved by the Central Bank.

Where a repurchase of Shares would result in the number of Shareholders falling below seven or such other minimum number stipulated by statute or where a repurchase of Shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company may defer the repurchase of the minimum number of Shares sufficient to ensure compliance with applicable law. The repurchase of such Shares will be deferred until the Company is wound up or until the Company procures the issue of sufficient Shares to ensure that the repurchase can be effected. The Company shall be entitled to select the Shares for deferred repurchase in such manner as it may deem to be fair and reasonable and as may be approved by the Depositary.

On a winding up or if all of the Shares in any fund are to be repurchased, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Shares in proportion to the number of the Shares held in that fund. The balance of any assets of the Company then remaining not comprised in any of the other funds shall be apportioned as between the funds pro rata to the Net Asset Value of each fund immediately prior to any distribution to Shareholders and shall be distributed among the Shareholders of each fund pro rata to the number of Shares in that fund held by them. With the authority of an ordinary resolution of the Shareholders, the Company may make distributions in specie to Shareholders. If all of the Shares are to be repurchased and it is proposed to transfer all or part of the assets of the Company to another company, the Company, with the sanction of a special resolution of Shareholders, may exchange the assets of the Company for Shares or similar interests in the transferee company for distribution among Shareholders.

The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of any fund.

Meetings

All general meetings of the Company or of a fund shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting. The quorum for general meetings shall be two persons present in person or by proxy. Twenty-one days' notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a plurality of votes cast and a special resolution is a resolution passed by a majority of 75 per cent or more of the votes cast. The Articles of Association provide that matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10 per cent or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

Remuneration Policy of the Company

The Company has adopted a remuneration policy as required by the UCITS Regulations (the "Remuneration Policy"). As at the date of this Prospectus, the Remuneration Policy applies to those Directors who receive a fee for their services to the Company. Due to the size and internal organisation of the Company and the nature, scope and complexity of its activities, a remuneration committee has not been established by the Company. Any fee

arrangements with Directors of the Company shall be subject to the approval of the board of Directors. Please see the section entitled "Fees and Expenses" for details of the fees and expenses payable to the Directors. Further information on the current remuneration policy of the Company, including a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, is available at www.heralduk.com. A paper copy of this information is available free of charge upon request from the Investment Manager.

Reports

In each year the Directors shall cause to be prepared an annual report and audited annual accounts for the Company. These will be forwarded to Shareholders and The Irish Stock Exchange within four months of the end of the financial year and at least twenty one days before the annual general meeting. In addition, the Company shall prepare and circulate to Shareholders and The Irish Stock Exchange within two months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for the Company.

Annual accounts shall be made up to 31 December in each year. Unaudited half-yearly accounts shall be made up to 30 June in each year.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be posted to each Shareholder at his registered address free of charge and will be made available for inspection at the registered office of the Investment Manager and the Company and sent on request to any prospective investors.

Complaints Handling

Shareholders may file any complaints about the Company or the Fund free of charge at the registered office of the Company. Information regarding the Company's complaint procedures is available to Shareholders free of charge upon request from the Company's registered office.

Miscellaneous

- (i) The Directors confirm and report that the Company was incorporated on 12th February, 1998.
- (ii) The Company is not, and has not been since its incorporation, engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.
- (iii) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (iv) Mr. Backhouse is a shareholder of the holding company of the Investment Manager and holds 12,597.47 Shares in the Fund on his own behalf and on behalf of connected persons. Mr. Boyle is a director and shareholder of the holding company of the Investment Manager and holds 12,182.21 Shares in the Fund on his own behalf and on behalf of connected persons. Save as disclosed above, none of the Directors nor any connected persons is interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company.
- (v) At the date of this document, neither the Directors nor any connected persons have any direct or indirect interest in the share capital of the Company or any options in respect of such capital except as disclosed in (iv) above.
- (vi) No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.

- (vii) Save as disclosed herein in the section entitled “Fees and Expenses”, no commissions, discounts, brokerage or other special terms have been granted by the Company in relation to Shares issued by the Company.
- (viii) The Company does not have, nor has it had since its incorporation, any employees or subsidiary companies.
- (ix) At the date of this document, the Company has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other indebtedness, including bank overdrafts and liabilities under acceptances or acceptance credits, finance leases, hire purchase commitments, guarantees or contingent liabilities.

Material Contracts

The following contracts, details of which are set out in the section entitled “Management and Administration”, have been entered into and are, or may be, material:-

- The Investment Management Agreement dated 23rd March, 1998 (as amended by an addendum dated 29th June, 2006) between the Company and the Investment Manager pursuant to which the latter was appointed as investment manager in relation to the Company;
- The Depository Agreement dated 10 October, 2016 as amended by side letter dated 8 August 2017 between the Company and the Depository pursuant to which the latter acts as Depository in relation to the Company; and
- The Administration Agreement dated 30 June 2006 as novated by novation agreement dated 14 December 2012, between the Company and the Administrator, and any subsequent amendments or novations thereto, pursuant to which the latter was appointed administrator of the Company.

Supply and Inspection of Documents

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the Company:-

- (a) the certificate of incorporation and memorandum and articles of association of the Company;
- (b) the material contracts referred to above;
- (c) the UCITS Regulations and the notices issued by the Central Bank thereunder; and
- (d) the Companies Acts.

Copies of the memorandum and articles of association of the Company (each as amended from time to time) and the latest financial reports of the Company, as appropriate, may be obtained, free of charge, upon request at the registered office of the Company.

SCHEDULE I Permitted Financial Derivative Instruments (“FDI”)

The Fund may invest in convertible securities which may be considered to embed a financial derivative instrument (“FDI”). The FDI embedded in these convertible securities will be subject to the conditions and within the limits from time to time set forth in this schedule. The Fund will not invest in any other type of FDI instrument.

The Fund is not permitted to utilise investment techniques such as repurchase agreements, reverse repurchase agreements and securities lending.

1. A UCITS may invest in FDI provided that:
 - (i) the relevant reference items, consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations, including financial instruments having one or several characteristics of those assets; financial indices; interest rates; foreign exchange rates; currencies; and
 - (ii) the FDI do not expose the UCITS to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which the UCITS cannot have a direct exposure);
 - (iii) the FDI do not cause the UCITS to diverge from its investment objectives; and
2. FDI must be dealt in on a market which is regulated, operates regularly, is recognised and is open to the public in a Member State or a non-Member State. Restrictions in respect of individual stock exchanges and markets may be imposed by the Central Bank on a case by case basis.
3. Notwithstanding paragraph 2, a UCITS may invest in FDI dealt in OTC derivatives provided that:
 - (i) the counterparty is: (a) a credit institution listed in Regulation 7(a) – (c) of the Central Bank Regulations; (b) an investment firm authorised in accordance with the Markets in Financial Instruments Directive; or (c) a group company of an entity issued with a bank holding company licence 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;
 - (ii) where a counterparty within sub-paragraphs (b) or (c) of paragraph (i) above: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the responsible person in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) of this paragraph (ii) this shall result in a new credit assessment being conducted of the counterparty by the responsible person without delay. In the case of subsequent novation of the OTC FDI contract, the counterparty must be one of: (i) the entities set out above or; (ii) a central counterparty (“CCP”) authorised, or recognised by ESMA, under Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (“EMIR”) or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP);
 - (iii) risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations. The UCITS shall calculate the counterparty exposure using the positive mark-to-market value of the OTC derivative contract with that counterparty. The UCITS may net its derivative positions with the same counterparty, provided that the UCITS is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC derivative instruments with the same counterparty and not in relation to any other

exposures the UCITS may have to that counterparty. The UCITS may take account of collateral received by the UCITS in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations; and

- (iv) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the UCITS's initiative.
- 4. Risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide the UCITS with collateral. The UCITS may disregard the counterparty risk on the condition that the value of the collateral, valued at market price and taking into account appropriate discounts, exceeds the value of the amount exposed to risk at any given time.
- 5. Collateral received must at all times meet with the requirements set out below.
- 6. Collateral passed to an OTC derivative counterparty by or on behalf of a UCITS must be taken into account in calculating exposure of the UCITS to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the UCITS is able to legally enforce netting arrangements with this counterparty.

Calculation of issuer concentration risk and counterparty exposure risk

- 7. Each UCITS must calculate issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.
- 8. The risk exposures to a counterparty arising from OTC derivative transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulation.
- 9. A Fund must calculate exposure arising from initial margin posted to and variation margin receivable from a broker relating to exchange-traded or OTC derivatives, which is not protected by client money rules or other similar arrangements to protect the Fund against the insolvency of the broker, and that exposure cannot exceed the OTC counterparty limit referred to in Regulation 70(1)(c) of the UCITS Regulation.
- 10. The calculation of issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations must take account of any net exposure to a counterparty generated through a stocklending or repurchase agreement. Net exposure refers to the amount receivable by a Fund less any collateral provided by the Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations. When calculating exposures for the purposes of Regulation 70.
- 11. of the Regulations, a UCITS must establish whether its exposure is to an OTC counterparty, a broker or a clearing house. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities, money market instruments or collective investment schemes, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations. When calculating issuer-concentration risk, the financial derivative instrument (including embedded financial derivative instruments) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. Issuer concentration must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by all UCITSs, regardless of whether they use VaR for global exposure purposes.

12. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in UCITS Regulations and which contain a component which fulfils the following criteria:
 - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone derivative;
 - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
 - (c) it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
13. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

Cover requirements

14. A UCITS must, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving FDI.
15. Monitoring of FDI transactions to ensure they are adequately covered must form part of the risk management process of the UCITS.
16. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a UCITS must be covered as follows:
 - (i) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a UCITS. Alternatively a UCITS may cover the exposure with sufficient liquid assets where:
 - (A) the underlying assets consists of highly liquid fixed income securities; and/or
 - (B) the UCITS considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process, which is described below, and details are provided in the Prospectus;
 - (ii) in the case of FDI which automatically, or at the discretion of the UCITS, are cash settled, a UCITS must hold, at all times, liquid assets which are sufficient to cover the exposure.

Risk management process and reporting

Each Fund using FDI employs the “commitment approach” to measure global exposure.

17. The UCITS must employ a risk management process to enable them to accurately measure, monitor and manage the risks attached to FDI positions.
18. A UCITS must provide the Central Bank with details of its proposed risk management process in respect of its FDI activity. The initial filing is required to include information in relation to:
 - permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;

- details of the underlying risks;
- relevant quantitative limits and how these will be monitored and enforced; and
- methods for estimating risks.

Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.

Any FDI not included in the risk management process will not be utilised until such time as a revised risk management process addressing the FDI has been provided to the Central Bank.

19. A UCITS must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must contain information which reflects a true and fair view of the types of derivative instruments used by the UCITS, the underlying risks, the quantitative limits and the methods used to estimate those risks, must be submitted with the annual report of the UCITS. A UCITS must, at the request of the Central Bank, provide this report at any time.

The use of these strategies involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities, (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption requests or other short-term obligations because of the percentage of a Fund's assets segregated to cover its obligations.

The Company shall supply to a Shareholder upon request supplementary information in relation to the quantitative risk management limits applied by it, the risk management methods used by it and any recent developments in the risk and yield characteristics for the main categories of investment.

SCHEDULE II The Regulated Markets

With the exception of permitted investments in unlisted securities within the meaning of Regulation 68(1)(e) of the UCITS Regulations, the investments of any Fund will be restricted to the following stock exchanges and markets:

- any stock exchange in the European Union and the EEA and any stock exchange in the U.S., Australia, Canada, Japan, New Zealand or Switzerland which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;
- the market conducted by listed money market institutions as described in the Financial Services Authority publication "The regulation of the wholesale cash and OTC derivative markets: The Grey Paper" (as amended from time to time);
- AIM-the Alternative Investment Market in the U.K. regulated and operated by the London Stock Exchange;
- the market organised by the International Securities Markets Association;
- NASDAQ OMX in the U.S.;
- the market in U.S. government securities which is conducted by primary dealers regulated by the Federal Reserve Bank of New York;
- the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the Financial Industry Regulatory Authority (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- the French market for Titres de Créance Négociable (over-the-counter market in negotiable debt instruments);
- the market in Irish Government Bonds conducted by primary dealers recognised by the National Treasury Management Agency of Ireland;
- the over-the-counter market in Canadian Government Bonds regulated by the Investment Industry Regulatory Organisation of Canada;
- and the following stock exchanges and markets: Argentina: the Buenos Aires Stock Exchange (MVBA), Brazil: the Sao Paulo Stock, Mercantile & Futures Exchange, Chile: the Santiago Stock Exchange, China: the Hong Kong Stock Exchange, the Shenzhen Stock Exchange (SZSE), the Shanghai Stock Exchange (SSE), India: the Mumbai Stock Exchange, the Calcutta Stock Exchange, Delhi Stock Exchange Association, Indonesia: Indonesia Stock Exchange, Israel: the Tel Aviv Stock Exchange, Malaysia: the Bursa Malaysia, Mexico: the Bolsa Mexicana de Valores, Peru: the Lima Stock Exchange, The Philippines: the Philippines Stock Exchange, Singapore: the Singapore Exchange, South Africa: the Johannesburg Stock Exchange, South Korea: the Korea Exchange, Taiwan: the Taiwan Stock Exchange, Thailand: the Stock Exchange of Thailand, Turkey: the Istanbul Stock Exchange

and for financial derivative instruments ("FDI") (including convertible securities deemed to embed FDI) investments the following exchanges and markets:

- (A) the market organised by the International Securities Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the Financial Industry Regulatory Authority, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Financial Services Authority publication entitled “The Regulation of the Wholesale Cash and OTC Derivatives Markets”: “The Grey Paper” (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Créance Négociable (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian government bonds regulated by the Investment Industry Regulatory Organisation of Canada; and
- (B) American Stock Exchange, Australian Stock Exchange, Bolsa Mexicana de Valores, Chicago Board of Trade, Chicago Board Options Exchange, Chicago Mercantile Exchange, Eurex, Euronext, Hong Kong Stock Exchange, Montreal Exchange, New York Futures Exchange, New York Mercantile Exchange, New Zealand Futures and Options Exchange, Osaka Securities Exchange, Singapore Exchange, Tokyo Stock Exchange.

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

SCHEDULE III Investment Restrictions

1	Permitted Investments
	Investments of a UCITS are confined to:
1.1	Transferable securities and money market instruments, as prescribed in the UCITS Rules, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments, as defined in the UCITS Rules, other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of alternative investment funds.
1.6	Deposits with credit institutions as prescribed in the UCITS Rules.
1.7	Financial derivative instruments as prescribed in the UCITS Rules.
2	Investment Restrictions
2.1	A UCITS may invest no more than 10per cent. of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of the UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that;</p> <p>(a) the relevant securities are issued with an undertaking to register the securities with the SEC within one year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the Fund within 7 days at the price, or approximately at the price, at which they are valued by the UCITS.</p>
2.3	A UCITS may invest no more than 10per cent. of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5per cent. is less than 40 percent. This limitation does not apply to deposits and over the counter derivative transactions made with financial institutions.
2.4	The limit of 10per cent. (in 2.3) is raised to 25per cent. in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5per cent. of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80per cent. of the net asset value of the UCITS. Prior approval of the Central Bank is required

	before this provision can be availed of.
2.5	Subject to the prior approval of the Central Bank, the limit of 10per cent. (in 2.3) is raised to 35per cent. 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.
2.6	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40per cent. referred to in 2.3.
2.7	<p>A UCITS may not invest more than 20per cent. of net assets in deposits made with the same credit institution.</p> <p>Deposits with any one credit institution, other than credit institutions authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein), or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basel Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand, held as ancillary liquidity, must not exceed 10per cent. of net assets.</p> <p>This limit may be raised to 20per cent. in the case of deposits made with the Depository.</p>
2.8	<p>The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5per cent. of net assets.</p> <p>This limit is raised to 10per cent. in the case of a credit institution authorised in the EEA or a credit institution authorised within a signatory state (other than an EEA Member State) to the Basel Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
2.9	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20per cent. of net assets:</p> <ul style="list-style-type: none"> - investments in transferable securities or money market instruments; - deposits, and/or - counterparty risk exposures arising from OTC derivatives transactions.
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35per cent. of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20per cent. of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	<p>A UCITS may invest up to 100per cent. of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international bodies of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union,</p>

	<p>Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Central Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30per cent. of net assets.</p>
3	Investment in Collective Investment Schemes (“CIS”)
3.1	A UCITS may invest in CIS of the open-ended type if the CIS are within the meaning of Regulation 3(2) and are prohibited from investing more than 10 per cent. of net assets in other CIS. A UCITS may not invest more than 20 per cent. of net assets in any one CIS.
3.2	Investment in non-UCITS may not, in aggregate, exceed 30per cent. of net assets.
3.3	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
3.4	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
4	Index Tracking UCITS
4.1	A UCITS may invest up to 20per cent. of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Rules and is recognised by the Central Bank
4.2	The limit in 4.1 may be raised to 35per cent., and applied to a single issuer, where this is justified by exceptional market conditions.
5	General Provisions
5.1	An investment company, Irish collective asset-management vehicle (“ICAV”) or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> (i) 10per cent. of the non-voting shares of any single issuing body; (ii) 10per cent. of the debt securities of any single issuing body; (iii) 25per cent. of the units of any single CIS; (iv) 10per cent. of the money market instruments of any single issuing body. <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market</p>

	instruments, or the net amount of the securities in issue cannot be calculated.
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <p>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</p> <p>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</p> <p>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</p> <p>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</p> <p>(v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</p>
5.4	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
5.7	Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: transferable securities; money market instruments; units of investment funds; or financial derivative instruments.
5.8	A UCITS may hold ancillary liquid assets.
6	Financial Derivative Instruments ('FDIs')
6.1	The UCITS global exposure relating to FDI must not exceed its total net asset value.
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Rules. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Rules.)
6.3	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that <ul style="list-style-type: none"> - The counterparties to over-the-counter transactions (OTCs) are institutions subject to

	prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDI's are subject to the conditions and limits laid down by the Central Bank.

SCHEDULE IV List of sub-custodial agents appointed by The Northern Trust Company

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

Country	Sub-Custodian	Sub-Custodian Delegates
Argentina	Citibank NA, Buenos Aires branch	
Australia	HSBC Bank Australia Limited	
Austria	UniCredit Bank Austria A.G	
Bahrain	HSBC Bank Middle East Limited	
Bangladesh	Standard Chartered Bank	
Belgium	Deutsche Bank AG	
Bermuda	HSBC Bank Bermuda Limited	
Bosnia and Herzegovina - Federation of B & H	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Bosnia and Herzegovina - Republic of Srpska	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Botswana	Standard Chartered Bank Botswana Limited	
Brazil	Citibank, N.A.	Citibank Distribuidora de Títulos e Valores Mobiliarios S.A ("DTVM")
Bulgaria	Citibank Europe plc	
Canada	The Northern Trust Company, Canada	
Canada*	Royal Bank of Canada	
Chile	Banco de Chile	
China A	HSBC Bank (China) Company Limited	
China B	HSBC Bank (China) Company Limited	
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Croatia	UniCredit Bank Austria A.G.	Zagrebacka Banka d.d.
Cyprus	Citibank International Limited	
Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s.	
Denmark	Nordea Bank Danmark A/S	

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

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

Country	Sub-Custodian	Sub-Custodian Delegates
United Arab Emirates - ADX	HSBC Bank Middle East Limited	
United Arab Emirates - DFM	HSBC Bank Middle East Limited	
United Arab Emirates - NASDAQ Dubai	HSBC Bank Middle East Limited	
United Kingdom	The Northern Trust Company, London	
United States	The Northern Trust Company	
Uruguay	Banco Itau Uruguay S.A.	
Vietnam	HSBC Bank (Vietnam) Ltd	
Zambia	Standard Chartered Bank Zambia plc	

* The Royal Bank of Canada serves as The Northern Trust Company's sub-custodian for securities not eligible for settlement in Canada's local central securities depository.