

**CIMB-Principal Islamic Asset Management (Ireland) Plc**

**(an umbrella type open-ended investment company with variable capital and segregated liability  
between its Funds)**

**A company incorporated with limited liability  
as an open-ended investment company with variable capital  
under the laws of Ireland  
with registered number 506452**

**PROSPECTUS**

**30 November 2018**

**The Directors of CIMB-Principal Islamic Asset Management (Ireland) plc** whose names appear in this Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. This Prospectus should be read in conjunction with the Supplements dealing with the relevant Fund.

**CIMB-PRINCIPAL ISLAMIC ASSET MANAGEMENT (IRELAND) PLC (the "Company") is authorised and supervised by the Central Bank. The authorisation of the Company by the Central Bank is not an endorsement or guarantee of the Company nor is the Central Bank responsible for the contents of this Prospectus. The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

**Where an initial and/or redemption charge is provided for the difference at any one time between the issue and redemption price of Shares in the Fund means that the investment should be viewed as medium to long term.**

The value of and income from Shares in the Company may go up or down and you may not get back the amount you have invested in the Company.

In deciding whether to invest in the Company, investors should rely on information in this Prospectus and the relevant Fund's most recent annual and/or semi-annual reports. Prospective investors may also wish to consider the KIID for the relevant Class prior to subscribing for Shares in that Class in order to assist them in making an informed investment decision.

Each Class that is available for subscription will have a KIID issued in accordance with the Central Bank Requirements. While some Classes are described in the Supplement for the relevant Fund as available, these Classes may not currently be offered for subscription and in that event a KIID may not be available. Prospective investors should contact the Investment Manager directly to determine whether the relevant Class is available for subscription.

Because the Prospectus and KIID may be updated from time to time, investors should make sure they have the most recent versions.

Statements made in this Prospectus are based on the law and practice in force in the Republic of Ireland at the date of this Prospectus, which may be subject to change. This Prospectus will be updated to take into account material changes from time to time and any such amendments will be notified in advance to and cleared by the Central Bank.

If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or the suitability for you of investing in the Company, you should consult a stockbroker or other financial adviser.

Neither the Company nor the Investment Manager shall be liable to investors (or to any other persons) for any error of judgement in the selection of each Fund's investments.

This Prospectus and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Irish law. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Prospectus (including any non-contractual obligations arising out of or in connection with it), each party irrevocably submits to the jurisdiction of the Irish courts.

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

Application may be made to Euronext Dublin for the listing of Shares issued and available for issue, to be admitted to the Official List and to trade on the Global Exchange Market of Euronext Dublin. The Directors do not anticipate that an active secondary market will develop in such Shares. Once the

Company has issued the first annual report and accounts for the Company with respect to the relevant Fund, the distribution of this Prospectus and the relevant Supplement is not authorised in any jurisdiction unless accompanied by a copy of the latest published annual report. Any such reports, together with this Prospectus and the Supplement constitute the prospectus for the issue of Shares in the Company.

Neither the admission of Shares of a Fund to the Official List and trading on the Global Exchange Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of the Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Company, the adequacy of information contained in the listing particulars or the suitability of a Fund for investment purposes.

This Prospectus, including all information required to be disclosed by the Euronext Dublin listing requirements, comprises listing particulars for the purpose of listing of such Shares on Euronext Dublin.

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

The Company is an investment company with variable capital and segregated liability between the Funds incorporated on 24 November 2011 and is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the Regulations.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular: the Shares have not been registered under the United States Securities Act of 1933 (as amended) (the 1933 Act) and may not be directly or indirectly offered or sold in the United States or to any United States Person, except in a transaction which does not violate United States securities laws. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) (the 1940 Act).

The Articles of the Company give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to redeem Shares held by), or the transfer of Shares to, any person (including any United States Person) who appears to be in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary, regulatory, legal or material administrative disadvantage which the Company might not otherwise have incurred or suffered. The Articles also permit the Directors where necessary to redeem and cancel Shares (including fractions thereof) held by a person who is, or is deemed to be, or is acting on behalf of, an Irish Person on the occurrence of a chargeable event for Irish taxation purposes.

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

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. Where there is

any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

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

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

Defined terms used in this Prospectus shall have the meaning attributed to them in Appendix 1.

As the price of Shares in each Fund may fall as well as rise, the Company shall not be a suitable investment for an investor who cannot sustain a loss on his investment.

The decision to invest in any Fund, and if so how much, should be based on a realistic analysis of the investor's own financial circumstances and tolerance for investment risk. As with any investment, future performance may differ from past performance, and Shareholders could lose money. There is no guarantee that any Fund will meet its objectives or achieve any particular level of future performance. These are investments, not bank deposits.

No Fund in this Prospectus is intended as a complete investment plan, nor are all Funds appropriate for all investors. Before investing in a Fund, each prospective investor should read the Prospectus and should understand the risks, costs and terms of investment in that Fund.

The price of Shares and the income generated from them may go down as well as up meaning that an investment should be viewed as medium to long-term.

Article 25 of MiFID II sets out requirements in relation to the assessment of suitability and appropriateness of financial instruments for clients. Article 25(4) contains rules relating to the selling of financial instruments by a MiFID-authorized firm to clients in an execution only manner. Provided the financial instruments are comprised from the list contained in Article 25(4)(a) (referred to broadly as non-complex financial instruments for these purposes), a MiFID-authorized firm selling the instruments will not be required to also conduct what is referred to as an "appropriateness test" on its clients. An appropriateness test would involve requesting information on the client's knowledge and experience on the type of investment offered and, on this basis, assessing whether the investment is appropriate for the client. If the financial instruments fall outside the list contained in Article 25(4)(a) (i.e. are categorised as complex financial instruments), the MiFID-authorized firm selling the instruments will be required to also conduct an appropriateness test on its clients.

UCITS (other than structured UCITS) are specifically referenced in the list in Article 25(4)(a). Accordingly, each Fund is deemed to be a non-complex financial instrument for these purposes.

As at the date of this Prospectus, neither the Company nor any Fund has any loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, or other

borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

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## 1. DIRECTORY

### REGISTERED OFFICE

32 Molesworth Street  
Dublin 2  
Ireland

### DEPOSITARY

BNY Mellon Trust Company (Ireland) Limited  
One Dockland Central  
Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland

### SHARIAH ADVISER

CIMB Islamic Bank Berhad  
Level 13 Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
Kuala Lumpur 50470  
Malaysia

### SPONSORING BROKERS

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

### SECRETARY

MFD Secretaries Limited  
32 Molesworth Street  
Dublin 2  
Ireland

### INVESTMENT MANAGER

CIMB-Principal Islamic Asset Management Sdn Bhd  
CIMB Islamic Bank Berhad  
Level 10, Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
Kuala Lumpur 50490  
Malaysia

### ADMINISTRATOR

BNY Mellon Fund Services (Ireland) Designated Activity  
Company,  
One Dockland Central  
Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland

### SUB-INVESTMENT ADVISER

CIMB-Principal Asset Management Berhad  
Level 10 Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
Kuala Lumpur 50490  
Malaysia

### SALES COORDINATOR

CIMB-Principal Islamic Asset Management Sdn Bhd  
Level 10, Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
Kuala Lumpur 50490  
Malaysia

### IRISH LEGAL ADVISERS TO THE COMPANY

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

### AUDITORS

PriceWaterhouseCoopers  
Chartered Accountants  
George's Quay  
Dublin 2  
Ireland

## 2. INTRODUCTION

The Company is structured as an umbrella investment company, in that the Funds may be established from time to time by the Directors with the prior approval of the Central Bank.

The particulars of the Funds will be set out in a separate supplement to the Prospectus (each a Supplement). Any such Supplement shall list all of the existing Funds. The Supplements should be read in conjunction with this Prospectus. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement. Additional Funds may be established from time to time with the prior approval of the Central Bank.

Shares of more than one class may be issued in relation to a Fund. The creation of any new classes of Shares shall be notified to, and cleared, in advance by the Central Bank. On the introduction of any new class of Shares, the Company will prepare and the Directors will issue documentation setting out the relevant details of each such class of Shares. A separate portfolio of assets shall be maintained for each Fund and shall be invested in accordance with the investment objective applicable to such Fund. Separate books and records will be maintained for each Fund but not for each class of Shares.

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

After the initial issue, Shares will be issued and redeemed at the Net Asset Value per Share plus or minus Duties and Charges (as the case may be) including any initial or redemption charge specified in the relevant Supplements. The Net Asset Value of the Shares of each class and the issue and redemption prices will be calculated in accordance with the provisions summarised under the heading Issue and Redemption Prices/Calculation of Net Asset Value/Valuation of Assets in this Prospectus.

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

All holders of Shares will be entitled to the benefit of, will be bound by and deemed to have notice of the provisions of the Articles summarised under the heading General Information in this Prospectus, copies of which are available as detailed in this Prospectus.

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to the Company shall be discharged solely out of the assets of that Fund.

## 3. DIRECTORS OF THE COMPANY

The Directors of the Company are described below:

**Mushtak Parker** has over 30 years' experience in media, journalism, broadcasting, and consultancy. He specialises in Islamic finance; conventional banking; ethical investment; commodities; petrochemicals; development; Islamic arts (companying and patronage); human rights; sports (rugby union, cricket, football) and governance. He has particular knowledge and experience in these fields in the UK; the GCC; Turkey; Germany; Malaysia and South Africa.

Mushtak is an Editor of Islamic Banker, the global reference for the industry which is a strictly independent publication and is a correspondent for Arab News and The London Times Supplements. He is an active consultant on Islamic finance and other market and economic issues - clients include central banks, ministries of finance, corporations, and financial institutions. He is a specialist in confidential market research and information services to company chairmen and CEOs.

Mushtak has an MSc (Econ) with Distinction in Government and Economics from the London School of Economics (LSE), as well as a BA in Economics & Politics (London); a BA in Mass Communications (London); and a Higher Diploma in Television Production (London).

**David Shubotham** has been a main board director of J & E Davy (an Irish stockbroking firm) since 1975. He has worked with Davy Stockbrokers for over 25 years. He is a qualified accountant and graduated with a Bachelor of Commerce degree from University College, Dublin in 1969.

**John O'Connell** is an Independent Non-Executive Chairman and Director. He has almost thirty years' experience in international investment and funds governance. John has sat on the boards of investment funds and banks in Ireland, the UK and mainland Europe and currently acts as director to a number of Irish domiciled funds and management companies. He has run multi-billion dollar portfolios across all global asset classes for an international client base and managed investment fund businesses operating in European markets. Having worked with a variety of fund promoters such as Citigroup, Bank of Tokyo and Irish Life (both as executive and non-executive), he has a keen insight into the pressures and opportunities presented by the global funds industry. John is an honours graduate of Trinity College Dublin (Economics), a Fellow of the Chartered Institute of Securities and Investment (FCSI) and a qualified Member (IoD Dip) of the Institute of Directors.

**Greg Thornton** is Managing Director, Global Funds Governance and Chief Operations Officer (COO) at Principal Global Investors Europe. He is responsible for all aspects of the development, product management and operation of PGI's global pooled fund platforms. Currently this comprises 33 Dublin domiciled funds established under both UCITS and Qualifying Investor Fund umbrellas, as well as the US domiciled PGIT Delaware Trust and CIT platforms and the PGI Australia Funds. All of these platforms have funds with investment management provided by various PGI boutiques based in the US, London and other global locations. Together the platforms provide a comprehensive base for distribution of PGI investment capabilities throughout Europe, Asia-Pacific (including Japan and Australia), the US and Latin America. As COO, Greg is responsible for the day to day operation of the European business, and oversight of the shared services functions including legal, finance, compliance, operations and IT.

Greg joined the firm in January 2006. During a career in financial services and investment spanning more than 25 years he has previously served in a number of roles with various London based asset managers, including Head of Product Development at F&C Asset Management, and Head of UK Product Development at JP Morgan Asset Management. He has also served as a member of the UK Investment Management Association Offshore Funds Advisory Group and has been an Associate of the Chartered Insurance Institute since March 1994.

**Raja Noorma binti Raja Othman** is Head of London Branch, CIMB Bank. She was the CIMB Head of Group Asset Management and the Chief Executive Officer at CIMB-Mapletree Management Sdn Bhd. She was also on the Board of CIMB-Principal and its Investment

Committee. Prior to joining CIMB Group Holdings in 2005, she was the Vice-President of Investment Banking for a global multinational banking and financial services holding company, a position she held for over 5 years. She was attached to its offices in Hong Kong, Singapore and Malaysia as both industry and client coverage banker. She originated and executed several transactions involving corporate advisory, equity and debt capital markets, private equity, cross border mergers and acquisitions as well as initial public offering transactions. She also has over 10 years experience in industry with Malaysia's largest telecommunications company, where the last post she held was Head of Corporate Finance. She holds a Bachelor of Business Administration degree from Ohio University, United States of America under a twinning programme with Institute Teknologi Mara. She also attended the Global Leadership Development Programme at the Harvard Business School, Boston MA, USA. She is a Member of the Malaysian Institute of Accountants.

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

No Director has:

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

#### **4. INVESTMENT MANAGER**

The Company has appointed CIMB-Principal Islamic Asset Management Sdn Bhd as investment manager to the Company. CIMB-Principal Islamic Asset Management Sdn Bhd offers Islamic investment solutions to global institutional investors and investment management services to collective investment funds and managed more than USD 2.07 billion as at 30 June 2018. The company commenced its operations in November 2008 and the current shareholders are the Principal Financial Group (60%) and CIMB Group (40%). CIMB-Principal Islamic Asset Management Sdn Bhd is regulated in Malaysia by the Securities Commission Malaysia.

#### **5. SALES COORDINATOR**

The Company has appointed CIMB-Principal Islamic Asset Management Sdn Bhd as coordinator for the distribution and this is the entity that primarily promotes the Company. CIMB-Principal Islamic Asset Management Sdn Bhd offers Islamic investment solutions to global institutional investors and investment management services to collective investment funds and managed more than USD 2.07 billion as at 30 June 2018. The company commenced its operations in November 2008 and the current shareholders are Principal Global Investors (60%) and CIMB Group (40%). CIMB-Principal Islamic Asset Management Sdn Bhd is regulated in Malaysia by the Securities Commission Malaysia.

## 6. DEPOSITARY

The Company has appointed BNY Mellon Trust Company (Ireland) Limited as depositary of all of its assets pursuant to the Depositary Agreement. The Depositary is a private limited company incorporated in Ireland on 13 October 1994. The principal activity of the Depositary is to act as the depositary of the assets of collective investment schemes. The Depositary is authorised by the Central Bank under the Investment Intermediaries Act 1995. The Depositary is a wholly-owned indirect subsidiary of the Bank of New York Mellon Corporation.

Under the terms of the Depositary Agreement and in accordance with the provisions of UCITS V, the Depositary shall carry out functions in respect of the Company including but not limited to the following:

- (i) the Depositary shall hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary;
- (ii) the Depositary shall verify the Company's ownership of all assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the Company;
- (iii) the Depositary shall ensure effective and proper monitoring of the Company's cash flows;
- (iv) the Depositary shall be responsible for certain oversight obligations in respect of the Company— see "Summary of Oversight Obligations" below.

In accordance with the Depositary Agreement, the Depositary may delegate duties and functions in relation to (i) and (ii) above, subject to certain conditions. The liability of the Depositary will not be affected by virtue of any such delegation

Duties and functions in relation to (iii) and (iv) above may not be delegated by the Depositary.

The list of sub delegates appointed by the Depositary as at the date of this Prospectus is set out in Appendix 3 hereto. The use of particular sub delegates will depend on the markets in which the Company invests. No conflicts arise as a result of such delegation.

### *Summary of Oversight Obligations*

The Depositary is obliged to ensure, among other things, that:

- the sale, issue, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the Companies Act, the conditions imposed by the Central Bank and the Articles;
- the value of Shares is calculated in accordance with the Companies Act and the Articles;
- in transactions involving the Company's assets, any consideration is remitted to the Company within time limits which are acceptable market practice in the context of a particular transaction;
- the Company and each Fund's income is applied in accordance with the Companies Act and the Articles;

- the instructions of the Company are carried out unless they conflict with the Companies Act or the Articles; and
- it has enquired into the conduct of the Company in each Accounting Period and reports thereon to the Shareholders. The Depositary's report will be delivered to the Company in good time to enable the Directors to include a copy of the report in the annual report of each Fund. The Depositary's report will state whether in the Depositary's opinion each Fund has been managed in that period:
  - (a) in accordance with the limitations imposed on the investment and borrowing powers of the Fund imposed by the Articles and/or the Central Bank under the powers granted to the Central Bank under the Companies Act; and
  - (b) otherwise in accordance with the provisions of the Companies Act and the Articles.

If the Company has not complied with (i) or (ii) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation. The duties provided for above may not be delegated by the Depositary to a third party.

In discharging its role, the Depositary shall act honestly, fairly, professionally, independently and in the interests of the Company and the Shareholders.

## **7. ADMINISTRATOR**

The Company has appointed BNY Mellon Fund Services (Ireland) Designated Activity Company as administrator and registrar of the Company pursuant to the Administration Agreement with responsibility for the day to day administration of the Company's affairs. The responsibilities of the Administrator include registration services and maintenance of the Company's share register, valuation of the Company's assets and the preparation of the Company's semi-annual and annual reports.

The Administrator is a designated activity company incorporated in Ireland on 31st May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholders services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act, 1995. The Administrator is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation.

## **8. SUB-INVESTMENT ADVISER**

The Investment Manager has appointed CIMB-Principal Asset Management Berhad as sub-investment manager in respect of certain Funds as specified in the relevant Supplement. Details of the nature of such arrangement will be set out in the relevant Supplement.

CIMB-Principal Asset Management Berhad ("**CIMB-Principal**") holds a Capital Markets Services License for fund management and dealing in unit trust products under the CMSA and specialises in managing and operating unit trusts for Malaysian investors, both institutional and retail. CIMB-Principal's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia. CIMB-Principal was responsible for managing more than USD 13 billion as at 31 July 2018. CIMB-Principal originally commenced

its operations as a unit trust company in November 1995. As at 31 July 2018, CIMB-Principal has more than 22 years of experience in the unit trust industry. The current shareholders of CIMB-Principal are CIMB Group Sdn Bhd (40%) and Principal International (Asia) Limited (60%). CIMB-Principal is regulated by the Securities Commission Malaysia.

## **9. SHARIAH ADVISER**

The Company and the Investment Manager have each appointed CIMB Islamic Bank Berhad (CIMB Islamic) as their Shariah Adviser pursuant to Shariah Advisory Agreements.

CIMB Islamic, licensed under the Malaysia's Islamic Financial Services Act 2013, is the main operating entity of the CIMB Group's global Islamic banking and finance franchise. It operates in parallel with the CIMB Group's universal banking platform and offers Shariah-compliant products and services to the CIMB Group's consumer banking, commercial banking, asset management and investment businesses.

CIMB Islamic's services, products and operations comply strictly with global Shariah principles and standards under the guidance of the CIMB Islamic Board Shariah Committee which comprises of world renown Shariah experts and scholars. CIMB Islamic provides comprehensive and innovative Shariah-compliant financial products and services to meet the needs of individuals, small and medium scale enterprises as well as large institutional customers.

CIMB Group's Islamic banking and finance business is supported by the Group's network of approximately 40,000 staff in 17 countries comprising an experienced senior management team and a global team of Islamic banking and financial services professionals in all core components of the Islamic banking and financial services market. CIMB Group also has the most extensive retail branch network in ASEAN, with more than 1,000 branches as at the 31 December 2015.

The roles of the Shariah Adviser may include but is not necessarily limited to advising the Company and the Investment Manager in relation to their respective corporate structures, constitutional documentation, investment policies, guidelines, processes, investments, products and income purification from a Shariah perspective as well as reviewing each Fund's compliance report and investment transaction report to ensure that the Fund's investments are in line with Shariah.

As part of the Shariah Advisory Agreement the Shariah Adviser will be backed by CIMB Islamic's Shariah Committee which comprises eminent Shariah scholars from various jurisdictions. The members of the Committee, currently, are:

### **Sheikh Associate Professor Dr. Mohamed Azam Mohamed Adil (Chairman)**

Sheikh Associate Professor Dr. Mohamed Azam Mohamed Adil has been appointed as Independent Director of CIMB Islamic Bank Berhad on 5 November 2014 and is the Chairman of the Group Shariah Committee. He currently serves as Deputy CEO cum Principal Fellow of the International Institute of Advanced Islamic Studies (IAIS) Malaysia.

He began his career as a lecturer at Universiti Teknologi MARA (UiTM), Shah Alam, Malaysia since 1990 and was later promoted to Associate Professor in 2008. He held several administration posts in UiTM, where he was the Head of Islamic Studies Unit, Centre for Preparatory Studies from 1997 until 2001, the Coordinator for Minor and Elective Programmes

at ACIS from 2006 until 2011 and later became the Head of Programme for Minor, Elective and Postgraduate Studies from 2011 until 2012.

He is also a Fellow of the Accounting Research Institute (ARI) and Institute of Zakat Studies, UiTM and member of the Research Ethics Committee, UiTM. He sits on the Selangor Religious Council (MAIS) Legal Committee, Shari'ah Community of Attorney General Chambers and on several Editorial Boards such as Shari'ah Journal, University of Malaya, Global Journal of al-Thaqafah, Kolej Universiti Sultan Azlan Shah, Jurnal Fikrah, UiTM and ESTEEM Journal, UiTM, Penang.

He was appointed on the panel of the Industrial Court of Malaysia from 2007 until 2009, and was awarded the Fulbright Visiting Award by the Council for International Exchange of Scholars (CIES), Washington, DC, USA in 2007. He is currently the President, Academy of Islamic Studies, University of Malaya's Alumni (ALIM). He obtained his Bachelor degree in Shariah and Law from the University of Malaya, and his Master of Laws (LLM) and PhD degrees from the School of Oriental and African Studies (SOAS), University of London.

### **Sheikh Professor Dr. Mohammad Hashim Kamali**

Sheikh Professor Dr. Mohammad Hashim Kamali is the Founding CEO of the International Institute of Advanced Islamic Studies (IAIS) Malaysia. He was Professor of Islamic Law and Jurisprudence at the Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia (1985-2004), and also Dean of the International Institute of Islamic Thought and Civilisation (ISTAC) from 2004 to 2006.

He serves on the advisory boards of 13 local and international academic journals; addressed over 200 national and international conferences, and has published 28 books and over 170 academic articles. He is Senior Fellow of the following: Royal Academy of Jordan; Institute of Advanced Study Berlin and Afghanistan Academy of Sciences.

His works have been translated into Bahasa Malaysia, Bahasa Indonesia, Farsi, Pashto, Dari, Arabic, Bengali, Bosnian, German, Italian, Turkish and Japanese. He is listed in a number of leading Who's Who in the world. He holds a 1st Class, BA Honours degree in Law and Political Science from Kabul University, Afghanistan, LLM degree from the London School of Economics, England and a PhD in Islamic Law from the School of Oriental & African Studies, University of London, England.

### **Sheikh Dr. Nedham Yaqoobi**

Sheikh Dr. Nedham Yaqoobi, a Bahrain national and is a renowned Shariah scholar. He sits on various Shariah boards of Islamic banking and financial institutions globally including the Dow Jones Islamic Market Indexes (DJIM), the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the International Islamic Financial Market (IIFM). He is the author of several articles and publications on Islamic finance and other sciences, in English and Arabic.

He was educated in the classical Shariah in his native Bahrain and in Makkah under the guidance of eminent scholars, including Sheikh Abdulla al-Farisi, Sheikh Yusuf al-Siddiqi, Sheikh Muhammed Saleh al-Abbasi, Sheikh Muhhamed Yasin al Fadani (Makkah), Shaikh Habib-ur-Rahman A. Zaini (India), Sheikh Abdulla bin Al-Siddiq Al-Ghumar (Morocco), and others. He has a BA in Economics and Comparative Religion and M.SC. in Finance from McGill University, Montreal, Canada and PhD in Islamic Law at University of Wales, United Kingdom.

### **Sheikh Yang Amat Arif Dato' Dr. Haji Mohd Nai'm Bin Haji Mokhtar**

Sheikh Yang Amat Arif Dato' Dr. Haji Mohd Na'im Bin Haji Mokhtar is a Malaysian, currently serving as Chief Judge of Selangor Syariah Court. He served as a lecturer at Ahmad Ibrahim Kuliyyah of Laws, International Islamic University, Malaysia from 1990 – 1997. He then joined Messrs. Zulkifli Yong, Azmi & Co as a Shariah Lawyer before being appointed as a Shariah Judge in 1998.

He was also assigned as a Research Officer at the Malaysian Shariah Judiciary Department, Prime Minister's Department from 2003 – 2004 as well as Shariah Subordinate Court Judge for Federal Territory from 2007 – 2008 and Shariah Prosecutor for Federal Territory in 2008. In 2009 he served as Director, Family Support Division at Department of Syariah Judiciary of Malaysia before being elevated as Chief Syarie Judge of Selangor. He also served as Visiting Fellow, Islamic Legal Studies Program at Harvard Law School, Harvard University, USA and as Chevening Visiting Fellow, Oxford Centre for Islamic Studies, Oxford University in 2008/2009.

He received his LLB degree from International Islamic University, Malaysia (IIUM), LLM from University of London, United Kingdom and PhD in Shariah from Universiti Kebangsaan Malaysia. He also holds a Diploma in Shariah Law & Practice and a Diploma in Administration & Islamic Judiciary both from Islamic International University, Malaysia (IIUM).

### **Sheikh Associate Professor Dr. Shafaai Bin Musa**

Sheikh Associate Professor Dr. Shafaai bin Musa has more than 15 years of experience in teaching Islamic law and jurisprudence and wrote several researches and articles. He also served as a member of Shariah Expert Panel for the Department of Islamic Development Malaysia since 2005.

He formerly served as Chief Executive Officer, Johor Institute of Integrity, Leadership and Training (IKLAS), Executive Director, Centre for Continuing Education International Islamic University Malaysia and Chief Executive Officer, International Islamic College cum Chief Executive Officer, International Islamic University Malaysia Higher Education Sdn. Bhd.

He received his Bachelor's Degree in Shariah from University of Al-Azhar, Egypt, a Master's Degree in Comparative Laws from IIUM and Ph.D. from Glasgow Caledonian University, UK.

### **Sheikh Professor Dr. Yousef Abdullah Al Shubaily**

Sheikh Professor Dr. Yousef Abdullah Al Shubaily is a citizen of the Kingdom of Saudi Arabia. He is currently attached as a Professor at the Comparative Jurisprudence Department, High Institute of Judiciary, Imam Muhammad Bin Saud Islamic University in the Kingdom. He also serves as a Co-operating professor for the American Open University.

Beyond his academic career, he has an extensive experience in serving various Shariah boards of a number of banks and financial institutions in the Kingdom of Saudi Arabia, Bahrain, Kuwait, UAE, Qatar, USA and Britain. He also holds advisory functions in numerous religious and charitable organisations within and outside the Kingdom.

He has written many books, academic papers and articles on Islamic jurisprudence and commercial law and has actively participated in numerous seminars and conventions in related areas. He also participates in religious and economic programs on television and radio broadcasts in the Kingdom of Saudi Arabia and abroad.

He received his Bachelor Degree from the Faculty of Shariah and Fundamentals of Islam and a Masters Degree from the Department of Comparative Jurisprudence at Muhammad bin Saud Islamic University and Ph.D in Islamic Jurisprudence from Muhammad bin Saud Islamic University.

#### **Associate Professor Dr. Aishath Muneeza**

Associate Professor Dr Aishath Muneeza of INCEIF is one of the key founder of Islamic finance in Maldives. She is the first female Deputy Minister of Ministry of Islamic Affairs and the first chairperson of the Hajj Pilgrimage Fund of Maldives. Currently, she is the chairperson of Maldives Centre for Islamic Finance.

She has published books and numerous articles on Islamic Finance and her research areas include legal studies & corporate governance applicable to Islamic Finance. She holds a doctorate degree in law from International Islamic University of Malaysia.

She structured the first and second corporate sukuks, sovereign private sukuk and Islamic Treasury instruments for the government of Maldives. She has played the key role in offering of Islamic finance products by more than eleven institutions. She also designed the first Islamic microfinance scheme offered in Maldives. She sits in Shariah advisory committees of financial institutions offering Islamic financial services. She is the chairperson of Shariah Advisory Council of CMDA, the capital market regulatory authority of Maldives since 2011. She is the only registered Shariah Adviser for structuring capital market instruments in Maldives and she is a registered Shariah Advisor at the Securities Commission of Malaysia.

The Islamic capital Market framework of Maldives was designed by her. She has won numerous national and international awards for her service in Islamic finance industry including the Rehendhi award, the highest award conferred to women by the government of Maldives. She is also a role model and a mentor for females who aspire to build their careers in Islamic finance industry and is the Vice President of Women on Boards, an NGO advocating women representation on boards of companies.

She is an invited speaker in Islamic finance conferences and events held in different parts of the world. She is listed in 2017 as number seven among the 50 Influential Women in Business and Finance by ISFIRE which is an official publication of Islamic Bankers Association based in London and she is among the most influential 500 in Islamic Economy. She is a member of the Association of Shariah Advisors in Islamic Finance Malaysia (ASAS), Malaysia.

## **10. INVESTMENT OBJECTIVE AND POLICIES**

The Articles provide that the investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of that Company. Details of the investment objective and policies for each Fund of the Company appear in the Supplement for the relevant Fund.

Any change in the investment objective of a Fund or a material change to the investment policies of a Fund may only be made with the approval of an ordinary resolution of the Shareholders of the Company and once the Shariah Adviser have advised that such change is in accordance with Shariah. Subject and without prejudice to the preceding sentence of this paragraph, in the event of a change of investment objective and/or policies of a Fund, approved by way of a majority of votes at a general meeting, a reasonable notification period must be given to each Shareholder of the Fund to enable a Shareholder to have its Shares redeemed prior to the implementation of such change.

Under the rules of the Euronext Dublin any material change in the investment objective of a Fund or its policies during the said period may only be made with the approval of Euronext Dublin and an ordinary resolution of the Shareholders of the relevant Fund.

## **11. INVESTMENT RESTRICTIONS**

- 11.1. A Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 17.
- 11.2. A Fund shall not invest any more than 10% of its Net Asset Value in securities of the type to which Regulation 68(1)(d) of the Regulations apply. This restriction will not apply in relation to investment by each Fund in certain U.S. securities known as Rule 144A securities provided that:
  - (a) the relevant securities have been issued with an undertaking to register the securities with the U.S. Securities and Exchanges Commission within one year of issue; and
  - (b) the securities are not illiquid securities i.e. they may be realised by each Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 11.3. A Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 11.4. Subject to the prior approval of the Central Bank, the limit of 10% in 11.3 is raised to 25% in the case of Sukuk 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 Sukuk-holders. If a Fund invests more than 5% of its Net Asset Value in these Sukuk issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
- 11.5. The limit of 10% in 11.3 is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 11.6. The transferable securities and money market instruments referred to in 11.4 and 11.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 11.3.
- 11.7. Deposits with any single credit institution, other than a credit institution specified in Regulation 7 of the Central Bank Requirements, held as ancillary liquidity, shall not exceed 10% of the Net Asset Value of a Fund. This limit may be raised to 20% in the case of deposits made with the Depositary.
- 11.8. The risk exposure of each Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value. This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or a credit institution authorised in Jersey Guernsey, the Isle of Man, Australia or New Zealand.

11.9. Notwithstanding paragraphs 11.3, 11.7 and 11.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the Net Asset Value of a Fund:

- (a) investments in transferable securities or money market instruments;
- (b) deposits, and/or
- (c) counterparty risk exposures arising from OTC derivative transactions.

11.10. The limits referred to in 11.3, 11.4, 11.5, 11.7, 11.8 and 11.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Fund.

Group companies are regarded as a single issuer for the purposes of 11.3, 11.4, 11.5, 11.7, 11.8 and 11.9. However, a limit of 20% of the Net Asset Value of a Fund may be applied to investment in transferable securities and money market instruments within the same group.

11.11. A Fund may invest up to 100% of its Net Asset Value 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 or any of the following:

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

Where a Fund invests in accordance with this provision, the Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value.

## **12. RESTRICTIONS**

12.1. The particular investment restrictions for the Fund will be formulated by the Directors at the time of the creation of the Fund and will appear in the Supplement for the Fund.

12.2. Details of the investment restrictions laid down in accordance with the Central Bank Requirements in respect of the Fund are set out below. At all times, the Funds shall invest in activities and instruments that are allowed under Shariah principles and in accordance with the requirements of the Central Bank and shall not invest in activities and instruments that are prohibited under Shariah principles based on the Shariah Adviser's established parameters.

## **13. GENERAL PROVISIONS**

13.1. The Investment Manager, acting in connection with all of the collective investment schemes ("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.

13.2. The Fund may acquire no more than:

- a) 10% of the non-voting shares of any single issuing body;
- b) 10% of the Sukuk of any single issuing body;
- c) 25% of the units of any single CIS;
- d) 10% of the money market instruments of any single issuing body.

**NOTE:** The limits laid down in 13.2(b), 13.2(c) and 13.2(d) above may be disregarded at the time of acquisition if at that time the gross amount of the Sukuk or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

13.3. 13.1 and 13.2 shall not be applicable to:

- (a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (b) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (c) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (d) shares held by the Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that non-member State, where under the legislation of that non-member State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that non-member State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 11.3 to 11.11, 14.1, 13.1, 13.2, 13.4, 13.5 and 13.6 and provided that where these limits are exceeded, 13.5 and 13.6 are observed;
- (e) shares held by the Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at Shareholders' request exclusively on their behalf.

13.4. The Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

13.5. The Central Bank may allow the Company to derogate from the provisions of 11.3 to 11.12, 14.1, and 15.1 to 15.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

13.6. If the limits laid down herein are exceeded for reasons beyond the control of the Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its

sales transactions the remedying of that situation, taking due account of the interests of its shareholders. In any event, and in all cases in accordance with the requirements of the preceding sentence, no such limit exception will exceed 3 months in duration.

13.7. The Fund may not carry out uncovered sales of:

- (a) transferable securities;
- (b) money market instruments;
- (c) units of CIS; or
- (d) financial derivative instruments (FDIs).

13.8. The Fund may hold ancillary liquid assets.

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

#### **14. INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES**

14.1. A Fund may not invest more than 10% of its Net Asset Value in other open-ended CIS.

14.2. The CIS, in which the Fund invests, are themselves prohibited from investing more than 10% of net assets in other open-ended CIS.

14.3. When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Company or by any other company with which the Company is linked by common management or control, or by a substantial direct or indirect holding, neither the Company, nor that other company may charge subscription, conversion or redemption fees on account of that Fund's investment in the units of such other CIS.

14.4. Where a commission (including a rebated commission) is received by the Company or Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

14.5. A Fund established as a feeder fund pursuant to the UCITS Directive must invest at least 85% of its assets in the units of the master fund.

#### **15. INDEX TRACKING FUNDS**

15.1. A Fund may invest up to 20% of its Net Asset Value in shares and/or Sukuk issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Requirements and is recognised by the Central Bank.

15.2. The limit in 15.1 may be raised to 35% of the Net Asset Value of the Fund, and applied to a single issuer, where this is justified by exceptional market conditions.

#### **16. FINANCIAL DERIVATIVE INSTRUMENTS**

- 16.1. A Fund's global exposure relating to FDI must not exceed its total Net Asset Value (this may not be applied to Funds that calculate their global exposure using the VaR methodology as disclosed in the relevant Supplement).
- 16.2. Position exposure to the underlyings of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Requirements. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Requirements).
- 16.3. A Fund may invest in OTC derivatives in accordance with the Central Bank Requirements and provided that the counterparties to the OTC derivatives are Eligible Counterparties.
- 16.4. Investment in FDI is subject to the conditions and limits laid down by the Central Bank.
- 16.5. In addition, the counterparties to the OTC derivatives will be also subject to the following requirements:
  - (a) The counterparty is a financial institution with a minimum long-term rating provided by any domestic or international rating agency that indicates a strong capacity for timely payment of financial obligations.
  - (b) The Investment Manager has determined it is able to value the investment concerned to ensure that the pricing is reasonable.
  - (c) The counterparty is able to provide a reliable and verifiable valuation on a regular basis (preferably every business day) or at any times as may be requested by the Investment Manager.
  - (d) The counterparty must be ready to unwind, buy-back or close out the transaction upon request of the Investment Manager at a fair value based on methods or bases which have established.

## **17. PERMITTED INVESTMENTS**

Investments of the Fund are confined to:

- 17.1. Transferable securities and money market instruments 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 an Member State or non-Member State (and which in each case is listed in Appendix 2).
- 17.2. Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 17.3. Money market instruments other than those dealt on a regulated market.
- 17.4. Units of UCITS.
- 17.5. Units of Alternative Investment Funds.
- 17.6. Deposits with credit institutions.
- 17.7. FDI.

## **18. SHARIAH INVESTMENT GUIDELINES**

All securities and other investments recommended for investment by the Company will be subject to strict Shariah investment guidelines. These are set out in the Supplement for the relevant Fund. The Investment Manager and any Sub-Investment Advisers where applicable shall observe these criteria when considering securities for investment by the relevant Fund.

At all times and in addition to the any other investment restrictions set out here or in the relevant supplement, the Fund shall only invest in activities and instruments allowed under Shariah and shall not be invested in activities and instruments that are prohibited under Shariah.

**18.1. Rules of divestment of non Shariah-compliant investment assets in relation to securities.**

The following guidelines will be applicable to the Investment Manager and/or any applicable Sub-Investment Advisers where any of the following instances occur in respect of the securities held by a Fund.

**18.2. “Shariah-compliant” securities which are subsequently considered “non Shariah-compliant”**

This section refers to those securities which have been earlier classified as Shariah-compliant but due to certain reasons, such as changes in the operation of the securities in question, are subsequently recognised as non Shariah-compliant. In this regard, if on the date the securities become non Shariah-compliant, the value of the securities held exceeds the original investment costs, the Fund must liquidate them. Any capital gains arising from the disposal of the non Shariah-compliant securities may be kept by the Fund. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day shall be channelled to charitable bodies approved by the Shariah Adviser.

The Fund is allowed to hold its investment in the non Shariah-compliant securities if the market price of the said securities is below the original investment cost for a maximum holding period of 3 months. It is also permissible for the Fund to keep dividends received during the holding period, subject to purification.

In addition, during the holding period of the non Shariah-compliant securities, the Fund is permitted to subscribe to Shariah-compliant securities of other companies offered by the company whose non Shariah-compliant securities are held by the Fund.

**18.3. “Non Shariah-compliant securities”**

If the Investment Manager and/or if applicable any Sub-Investment Adviser mistakenly invests in non Shariah-compliant securities, the Investment Manager must dispose of any non Shariah-compliant securities within one month of becoming aware of the status of such securities. Any gain made in the form of capital gain or dividend received during or after the disposal of these securities must be channelled to charitable bodies approved by the Shariah Adviser. The Fund has a right to retain only the original investment costs, which may include brokerage fee and other transaction costs.

**18.4. Cleansing Process**

Any income or distribution received by the Fund from securities which relate to income from non Shariah-compliant investments assets are considered impure income. The level of the impure income which relates to such dividends shall be determined by the provider of the index

specified in the relevant Supplement. This impure income is subject to an income purification process as determined by the Shariah Adviser, from time to time, whereby the impure income will be channelled to charitable organisations, which are approved by the Shariah Adviser.

#### 18.5. **Periodic Review**

The Shariah Adviser will review and screen the details of the Fund(s) portfolio submitted to it on a monthly basis to ensure compliance with the prescribed investment policies and guideline approved by the Shariah Adviser.

### 19. **BORROWING AND LENDING POWERS**

The Company may borrow cash for the account of the Fund, provided that:

- (a) the cash borrowing is of the purpose of meeting redemption requests for shares and for short-term bridging requirements;
- (b) the cash borrowing is only on a temporary basis and that borrowings are not persistent;
- (c) the borrowing period should not exceed one month;
- (d) the aggregate borrowings of a Fund should not exceed 10% of the Fund's Net Asset Value at the time the borrowing is incurred; and
- (e) the Fund only borrows from financial institutions.

Any such borrowing should not lead to any interest charges.

Without prejudice to the powers of the Company to invest in transferable securities, the Company may not lend to, or act as guarantor on behalf of, third parties. The Fund may acquire Sukuk and securities which are not fully paid.

The Shariah Adviser must advise that the aforementioned criteria on Borrowing and Lending are Shariah compliant.

### 20. **EFFICIENT PORTFOLIO MANAGEMENT**

Financial derivatives, including options, futures, options on futures, other over the counter derivative instruments (including swaps) may, if deemed advisable by the Investment Manager for the purposes of efficient portfolio management ("**EPM**"), be used subject to the conditions and limits laid down by the Central Bank and the Depositary Agreement and subject to any other restrictions or regulations which may affect the portfolio management of the Funds or the Investment Manager. The Funds may employ techniques and instruments relating to transferable securities and money market instruments subject to the Regulations and the Central Bank Requirements.

Use of such techniques and instruments should be in line with the best interests of Shareholders and will generally be made for one or more of the following reasons:

- (a) the reduction of risk;
- (b) the reduction of cost; or

- (c) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Regulations.

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Fund or add substantial supplementary risks not covered in this Prospectus. It is therefore the intention of the Company, in employing such EPM techniques and instruments for these reasons, that their impact on the performance of the relevant Fund will be positive.

Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of assets held by the relevant Fund. Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The Company may (but is not obliged) to seek to mitigate this exchange rate risk by using FDI.

All the revenues arising from EPM techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising.

Unless otherwise specified in the relevant Supplement, each Fund shall use the commitment approach to calculate its global exposure as a result of the use of derivatives. Accordingly, global exposure and leverage as a result of its investment in FDI shall not exceed 100% of the Net Asset Value of the Fund.

The Company shall be free at its discretion to take advantage of any wider investment powers which may become permitted under the Regulations.

Where provided for in the relevant Supplement, the Fund may use techniques and instruments, including derivatives, 'when issued' and 'forward commitment' securities (which securities are taken into account when calculating the limits in the investment restrictions set out in the Prospectus), for the purpose of EPM in accordance with the Central Bank Requirements.

Should the Company choose to use derivatives for the purposes of EPM, a risk management process ("**RMP**") will be put in place which will enable the Company to accurately measure, monitor and manage the various risks associated with the derivative instruments it uses.

Supplementary information will be provided by or on behalf of the Fund to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments held by the Fund.

## **21. TOTAL RETURN SWAPS**

A Fund may use total return swaps (including but not limited to Islamic profit rate swaps) ("**TRS**") in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Requirements where provided for in the relevant Supplement. Such TRS may be entered into for any purpose that is consistent with the investment objective of the relevant Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks.

Any type of assets that may be held by each Fund in accordance with its investment objective and policies may be subject to such TRS. Subject to each Fund's investment objective and policies, there is no limit on the proportion of assets that may be subject to TRS and therefore the maximum and expected proportion of a Fund's assets that can be subject to TRS is 100%, i.e. all of the assets of the relevant Fund. In any case the most recent semi-annual and annual accounts of each Fund will express the amount of the Fund's assets subject to TRS.

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

While the Company will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the Central Bank Requirements do not prescribe any pre trade eligibility criteria for counterparties to a Fund's TRS.

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

Please refer to **Risk Factors** below in respect of the risks related to TRS. The risks arising from any use of TRS shall be adequately captured in the Company's risk management process.

## **22. COLLATERAL POLICY**

In the context of efficient portfolio management techniques and/or the use of FDI for hedging or investment purposes, cash collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund. The Company will not receive or post any assets other than cash as collateral. Any receipt or posting of collateral by a Fund will be conducted in accordance with the Central Bank Requirements and the terms of the Company's collateral policy outlined below.

### **22.1. Cash collateral – received by the Fund**

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

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Company's risk management process. A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the components set out in Regulation 24 paragraph (8) of the Central Bank Requirements.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Fund may transfer, mortgage, pledge, charge or encumber any cash forming part of the Fund in accordance with normal market practice and the requirements outlined in the Central Bank's Requirements.

Collateral may not be invested other than in the following:

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

Re-invested cash collateral should be diversified in accordance with the Central Bank diversification requirements applicable to non-cash collateral. Collateral may not be placed on deposit with the relevant counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of collateral in accordance with the provisions above can still present additional risk for the Fund. Please refer to section 26.25 (section entitled "Reinvestment of Cash Collateral Risk") for more details.

## **22.2. Cash collateral – posted by the Fund**

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

## **23. CURRENCY HEDGED CLASSES**

A Fund may offer currency hedged classes whereby the Fund shall enter into certain currency-related transactions in order to seek to hedge out currency risk. The presence of any currency hedged classes, as well as details of any particular features, shall be clearly disclosed in the Supplement for the relevant Fund.

Unless otherwise disclosed in the relevant Supplement, this will involve a class designated in a currency other than the Base Currency being hedged against (i) exchange rate fluctuation risks between the designated currency of the class and the Base Currency of the relevant Fund; or

(ii) exchange rate fluctuation risks between the designated currency of the class and the other denominated currencies of the Fund's assets.

To the extent that hedging is successful for a particular class, the performance of the class is likely to move in line with the performance of the underlying assets.

Any financial instruments used to implement such currency hedging strategies with respect to one or more classes shall be assets/liabilities of the Fund but will be attributable to the relevant class(es) and the profit and loss (realised and unrealised) on, and the costs of the currency hedging transactions (including any administrative costs arising from additional risk management) will accrue solely to the relevant class. However, investors should note that there is no segregation of liability between Share classes. Although the costs, profits and losses of the currency hedging transactions will accrue solely to the relevant class, Shareholders are nonetheless exposed to the risk that hedging transactions undertaken in one class may impact negatively on the Net Asset Value of another class. Please refer to the section entitled "Risk Factors; Currency Hedging at Share Class Level Risk" for more details.

Any additional risk introduced to the Fund through the use of currency hedging for a given Share class should be mitigated and monitored appropriately. Accordingly, in accordance with the Central Bank Requirements, the following operational provisions will apply to any currency hedging transactions:

- Counterparty exposure should be managed in accordance with the limits in the UCITS Regulations and the Central Bank Requirements.
- Over-hedged positions should not exceed 105 per cent. of the net assets of the relevant class of Shares.
- Under-hedged positions should not fall short of 95 per cent. of the portion of the net assets of the relevant class which is to be hedged against currency risk.
- Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above.
- Such review (referred to above) will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month.
- The currency exposures of different currency classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate Share classes.

Notwithstanding the above, there can be no guarantee that the hedging techniques will be successful and, while not intended, this activity could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. Further, these hedging techniques are designed to reduce a Shareholder's exposure to currency risk. The use of such class hedging techniques may therefore substantially limit holders of Shares in the relevant classes from benefiting if the currency of that class falls against that of the Base Currency of the relevant Fund and/or the currency in which the assets of the relevant Fund are

denominated. Please refer to the section entitled "Risk Factors; Currency Risk; Currency Hedging") for more details.

## **24. REFERENCE TO RATINGS**

The European Union (Alternative Investment Fund Managers) (Amendment) Regulations 2014 (S.I. No. 379 of 2014) (the "**Amending Regulations**") transpose the requirements of the Credit Ratings Agencies Directive (2013/14/EU) ("**CRAD**") into Irish Law. CRAD aims to restrict the reliance on ratings provided by credit rating agencies and to clarify the obligations for risk management. In accordance with the Amending Regulations and the CRAD, notwithstanding anything else in this Prospectus, the Investment Manager shall not solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty.

## **25. USE OF A SUBSCRIPTIONS/REDEMPTION ACCOUNT**

The Company operates a single, omnibus Subscriptions/Redemptions Account for all of the Funds, in accordance with the Central Bank's requirements. Accordingly, monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. It should be noted however that the Depositary will monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the Company's cash flows in accordance with its obligations as prescribed under UCITS V. There nonetheless remains a risk for investors to the extent that monies are held by the Company in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the Company) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the Company.

The Company in conjunction with Depositary shall establish a policy to govern the operation of the Subscriptions/Redemptions Account, in accordance with the Central Bank's guidance in this area. This policy shall be reviewed by the Company and the Depositary at least annually.

## **26. RISK FACTORS**

The following risk factors may apply in respect of any investment in the Company:

### **26.1. General**

The investments of the Company in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of, and income from, Shares relating to the Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of investments to diminish or increase.

While the provisions of the Companies Acts provide for segregated liability between the Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of the Company or a Fund may not be exposed to the liabilities of another Fund. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of the Company.

The Company and the Investment Manager will not have control over the activities of any company or collective investment scheme invested in by the Fund. Managers of collective investment schemes and companies in which the Company may invest may take undesirable tax positions, employ excessive leverage or otherwise manage the collective investment schemes or be managed in a manner not anticipated by the Investment Manager.

There is no assurance that the Funds will achieve their investment objectives.

#### 26.2. **Settlement risk**

Each Fund will be exposed to credit risk on parties with which it trades and will bear the risk of settlement default. Market practices in relation to the settlement of securities transactions and the custody of assets could provide additional risks. A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. The Depositary may be instructed by the Investment Manager 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 the Shareholders for such a loss, provided the Depositary has acted in good faith in making any such delivery or payment, and is not liable for such loss due to its negligent or intentional failure to perform its duties.

#### 26.3. **Currency risk**

Changes in exchange rates between currencies may cause the value of an investment to diminish or increase. In addition to favourable and unfavourable currency exchange rate developments, the Funds are subject to the possible imposition of exchange control regulations or currency blockages with respect to their investments. Additionally, investment decisions made on behalf of a Fund will not always prove to have been profitable.

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The Investment Manager may, depending on the investment objective of the Fund, seek to mitigate this exchange rate risk by using FDI. No assurance, however, can be given that such mitigation will be successful.

Classes of Shares in a Fund may be denominated in currencies other than the Base Currency of the Fund and a Fund may enter into currency exchange transactions and/or use derivatives (at a Fund level or, in certain circumstances as described in this Prospectus, at a class level) to seek to protect against fluctuation as a result of changes in currency exchange rates. Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy cannot be assured. It may not be possible to hedge against generally anticipated exchange fluctuations at a price sufficient to protect the assets from the anticipated decline in value as a result of such fluctuations.

#### 26.4. **Currency Hedging at Share Class Level Risk**

Hedging activity at Share Class level may expose the Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant Share Class. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Share Class, investors are nonetheless exposed to the risk that currency hedging transactions undertaken in one Share Class may impact negatively on another Share Class, particularly where (pursuant to EMIR) such currency hedging transactions require the Fund to post collateral (i.e. initial or variation margin). Any such collateral is posted by a Fund and at the Fund's risk (rather than by the Share Class and at the risk of the Share Class only because the Share Class does not represent a segregated portion of the Fund's assets) thus exposing investors in other Share Classes to a proportion of this risk

#### **26.5. Valuation risk**

A Fund may invest some of its assets in unquoted securities. Such investment will be valued in accordance with the valuation techniques set out at section 33 below. The Company may consult with the Investment Manager with respect to the valuation of unquoted investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of certain of a Fund's investments and the Investment Manager's other responsibilities. Estimates of the fair value of such investments are inherently difficult to establish and are subject to substantial uncertainty. Each Fund may, for the purpose of EPM, use derivative instruments in which case there can be no assurance that the valuation as determined in accordance with the provisions set out at section 33 below reflects the exact amount at which the instrument may be closed out.

#### **26.6. Interest rate risk**

The value of Shares may be affected by substantial adverse movements in interest rates. When interest rates fall, the price of debt and preferred securities rises. During periods of falling interest rates, an issuer may also exercise its option to prepay principal earlier than scheduled, forcing a Fund to reinvest in lower yielding securities ('prepayment risk'). In relation to preferred securities, other circumstances, for example, a change in law may also cause an issuer to redeem securities earlier than scheduled.

When interest rates rise, the price of debt and preferred securities declines. In periods of rising interest rates, the average life of certain securities may be extended because of slower than expected principal payments. This may lock in a below market interest rate, increase the securities duration, and reduce the securities value ('extension risk').

To the extent that a Fund uses hedging and other transactions to reduce its exposure to increases in interest rates, it could result in poorer overall performance of the Fund, as it results in costs to the Fund, and is dependent on the Fund's ability to predict correctly changes in interest rate relationships.

#### **26.7. Credit risk**

In addition, the value of debt and preferred securities held by a Fund may be affected by factors such as the credit rating of the entity that issued the security and its maturity. Lower quality and longer maturity securities will be subject to greater credit risk and price fluctuations than higher quality and shorter maturity securities.

Fixed income securities that are not investment grade are commonly referred to as high yield securities. These securities offer a potentially higher yield than other, higher rated securities,

but they carry a greater degree of risk and are considered speculative by the major credit rating agencies.

In relation to preferred securities, credit risk may manifest itself not only as a decline in the security's price, or its failure, but also as a failure to make dividend payments when due. Preferred securities are subordinated borrowing to bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments.

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities). There is no certainty in the credit worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers.

#### **26.8. Credit Ratings Risk**

The ratings of fixed-income securities by Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer or a security is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a security or an issuer relating to a security, the value of a Fund investing in such security may be adversely affected.

#### **26.9. Equity Risks**

A Fund may invest directly or indirectly in equity securities. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. Prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. The value of equities can fall as well as rise. Potentially a Fund investing in equities could incur significant losses.

Investing in equity securities may offer a higher rate of return than those investing in term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down and the relevant Fund may suffer losses. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Fund to losses.

#### **26.10. Market Capitalisation Risk**

Certain Funds may invest in the securities of small-to-medium-sized (by market capitalisation) companies, or FDI related to such securities. Such securities may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of

such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports. Additional risk factors associated with companies whose market capitalisation is small or mid-cap may include but are not limited to the following: limited or unproven operating history; weak or leveraged balance sheets; limited borrowing capacity; low or negative profit margins; high concentration of sales from limited number of customers; competition from more established companies; and key-man management risk.

#### **26.11. Unlisted Securities**

A Fund may invest in unlisted securities. In general there is less governmental regulation and supervision of transactions in the unlisted securities markets than for transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any Fund investing in unlisted securities will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Fund will sustain losses.

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

A Fund may invest in one or more CIS including schemes managed by the Investment Manager or its affiliates. As a shareholder of another CIS, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other CIS, including investment management and/or other fees. These fees would be in addition to the Investment Manager's fees and other expenses which a Fund bears directly in connection with its own operations.

CIS may have different settlement cycles than that of the Funds. Thus, there may be mismatch between the two settlement cycles causing the Funds to use borrowing on a temporary basis to meet such obligations. This may result in charges being incurred by the relevant Fund. Any such borrowing will comply with the Regulations. Further, each CIS may not be valued at the same time or on the same day as the relevant Fund and accordingly the net asset value of such CIS used in the calculation of the Net Asset Value of the relevant Fund will be the latest available net asset value of such CIS (further details on the calculation of the Net Asset Value are set out at section 33 below).

CIS may be leveraged. This includes the use of borrowed funds and investments in FDI. Also, they may engage in short sales. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the relevant Fund. Any particular restrictions on the CIS leverage and/or short sales for the Funds will appear in the relevant Supplement.

To the extent that the relevant Fund is invested in CIS, the success of the relevant Fund shall depend upon the ability of the CIS to develop and implement investment strategies that achieve the relevant Funds' investment objective. Subjective decisions made by the CIS may cause the relevant Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised. In addition, the overall performance of the relevant Fund will be dependent not only on the investment performance of the CIS, but also on the ability of the Investment Manager to select and allocate the Funds' assets among such CIS effectively on an ongoing basis. There can be no assurance that the allocations made by the Investment Manager will prove as

successful as other allocations that might otherwise have been made, or as adopting a static approach in which CIS are not changed.

#### 26.13. **Rule 144A Securities**

Rule 144A Securities may involve a high degree of business and financial risk and may result in substantial losses. These securities may be less liquid than publicly traded securities, and a Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised from these sales could be less than those originally paid by a Fund. Further, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. A Fund's investment in illiquid securities is subject to the risk that should a Fund's desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the Net Asset Value of the Fund could be adversely affected.

#### 26.14. **Tax risk**

Where a Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Shares.

Potential investors' attention is drawn to the taxation risks associated with investing in the Fund. See Taxation below.

#### 26.15. **FATCA**

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "IGA"). Under the IGA, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information in respect of its "account" holders (i.e. Shareholders). The IGA provides for the automatic reporting and exchange of information between the Irish tax authorities and the IRS in relation to accounts held in Irish FFIs by certain U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Company expects to be treated as an FFI and provided it complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes. Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the Company will require certain information from investors in respect of their FATCA status. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected. All prospective investors / Holders should consult with their own tax advisers regarding the possible implications of FATCA on an investment in the Company.

#### 26.16. **CRS**

Ireland has provided for the implementation of CRS through section 891F and 891G of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions

Regulations 2015 and the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015.

The CRS, which has applied in Ireland since 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

The Company expects to be treated as a Reporting Financial Institution for CRS purposes and will be required to comply with the Irish CRS obligations. In order to satisfy its CRS obligations, the Company will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the investor. The Company, or a person appointed by the Company, will report the information required to Irish Revenue by 30 June in the year following the year of assessment for which a return is due. Irish Revenue will share the appropriate information with the relevant tax authorities in participating jurisdictions.

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

#### 26.17. **Subscriptions/Redemptions Account**

The Company operates a Subscriptions/Redemptions Account for all of the Funds. Monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. Investors are advised to promptly comply with any subscription requirements, such as the provision of the relevant anti-money laundering documentation, as monies due to an investor as a result of redemption or dividend activity cannot otherwise be transferred to the investor. There is a risk for investors to the extent that monies are held by the Company in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the Company) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the Company.

#### 26.18. **Depository Risk**

If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depository is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it 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. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depository is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

If a Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Depository is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depository is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Depository will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depository Agreement.

As it is likely that the Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depository in relation to the respective

categories of assets and the corresponding standard of liability of the Depositary applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of Depositary liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that derivatives traded by a Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Fund invests in from time to time that would be treated similarly. Given the framework of Depositary liability under UCITS V, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

#### 26.19. Derivatives risks

*General:* The use of derivatives may result in greater returns but may entail greater risk for your investment. Derivatives may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

Investing in a derivative instrument could cause the Fund to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The prices of derivative instruments are highly volatile. Price movements of derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of derivatives also 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; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

*Absence of Regulation; Counterparty Risk:* In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges. OTC derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under Regulation (EU) No 648/2012 of the

European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("EMIR") that aim to mitigate risks involved in investing in OTC derivatives and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some recognised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

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

*Credit Risk and Counterparty Risk:* Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

*Correlation Risk:* The prices of derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements.

*Collateral Risk:* Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions. Cash deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

*Forward Trading:* Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated. There is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

*Foreign Exchange Transactions:* Where a Fund utilises derivatives which alter the currency exposure characteristics of securities held by the Fund the performance of the Fund may be

strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

*Futures and Options Trading is Speculative and Volatile:* Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which a Fund may trade. Certain of the instruments in which a Fund may invest are sensitive to interest rates and foreign exchange rates, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates and foreign exchange rates, and to utilise appropriate strategies to maximise returns to the Fund, while attempting to minimise the associated risks to its investment capital. Variance in the degree of volatility of the market from the Fund's expectations may produce significant losses to the Fund.

The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in over-the-counter derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk. Warrants give a Fund the right to subscribe to or purchase securities in which a Fund may invest. The underlying security may be subject to market volatility thus rendering an investment in a warrant a higher risk than an investment in an equity security.

*Legal Risk:* The use of OTC derivatives, such as forward contracts, credit derivatives, swap agreements and contracts for difference, will expose the Funds to the risk that the legal documentation of the relevant OTC contract may not accurately reflect the intention of the parties.

*Margin Risk:* A Fund may be obliged to pay margin deposits and option premia to brokers in relation to futures and option contracts entered into for the relevant Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the relevant Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The relevant Fund will seek to minimise this risk by trading only through high quality names.

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

*Liquidity of Futures Contracts:* Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

*Necessity for Counterparty Trading Relationships:* Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Company believes that it will be able to establish the necessary counterparty business relationships to permit a Fund to effect transactions in the OTC markets, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit a Fund's activities and could require a Fund to conduct a more substantial portion of such activities in the cash or exchange traded markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to a Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

*Index Risk:* If a derivative is linked to the performance of an index, it will be subject to the risks associated with changes to that index. If the index changes, a Fund could receive lower interest payments or experience a reduction in the value of the derivative to below what the Fund paid. Certain indexed securities – including inverse securities (which move in the opposite direction to the index) – may create leverage, to the extent that the increase or decrease in value is at a rate that is a multiple of the changes in the applicable index.

#### **26.20. Liquidity Risk**

Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. Some of the markets in which a Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of the securities. As a result, the Fund may suffer losses and the Net Asset Value of the Fund may be adversely affected. Due to market conditions the Funds may from time to time trade in transferable securities dealt on a permitted market that may become illiquid after they have been acquired or it may be difficult for a Fund to liquidate at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a temporary disruption of a particular market. Certain securities may therefore be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth.

#### **26.21. No Secondary Market**

It is not anticipated that there will be an active secondary market for the Shares, and it is not expected that such a market will develop. Subject to certain conditions outlined herein, including when redemptions or the registration of transfers of Shares are suspended, Holders will, however, be able to realise their investment in a Fund by repurchasing their Shares or by a transfer to an investor who an eligible transferee.

#### **26.22. Recent Developments in Financial Markets**

Recent developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of such recent market turmoil and the overall weakening of the financial services industry, the Company's, the Investment Manager's, the Sub-Investment Adviser's and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory,

reputational and other unforeseen risks that could have a material adverse effect on the Company's business and operations.

#### **26.23. Financial Markets and Regulatory Change**

The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Company's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Company. The Company may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures which have been or may be adopted in certain jurisdictions.

#### **26.24. Eurozone**

It is possible that an existing Eurozone country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Funds which are denominated in Euro or which invest in instruments predominantly tied to Europe is impossible to predict.

#### **26.25. Reinvestment of Cash Collateral Risk**

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

#### **26.26. Redemption Risk**

Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets which may be materially adverse to the Fund.

#### **26.27. Volatility Risk**

Prices of securities may be volatile. Price movements of securities are difficult to predict and are influenced by, among other things, speculation, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events, climate, changes in interest rates, and the inherent volatility of the market place. Volatility may also be due to the fluctuations in the exchange rate of currencies. Therefore, it is a probability measure of the threat that an exchange rate movement poses to an investor's portfolio in a foreign currency. During periods of uncertain market conditions the combination of price volatility and the less liquid nature of securities markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

#### **26.28. Accounting, Auditing and Financial Reporting Standards**

The accounting, auditing and financial reporting standards of many of the countries in which a Fund may invest may be less extensive than those applicable in the European Union.

**26.29. Operational Risks (including Cyber Security and Identity Theft)**

An investment in a Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by service providers such as the Investment Manager, or the Administrator. While the Funds seek to minimise such events through controls and oversight, there may still be failures that could cause losses to a Fund.

The Investment Manager, Administrator and Depository (and their respective groups) each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption in the relevant entity's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the Company and its delegates, such security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the Company.

**26.30. Share Class Level Risk**

While it is not intended to engage in any material investment management or trading activity at Share class level within a Fund, other than for hedging purposes, it should be noted that any such activity may expose the Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant class.

**26.31. Reliance on Shariah Adviser**

The Shariah Adviser does not monitor performance of the Company rather the Funds' compliance with the Shariah Investment Guidelines.

The Shariah Adviser monitors the activities of the Funds to advise on the Fund's compliance with the Shariah Investment Guidelines. The Shariah Adviser has no discretionary, management or investment advisory responsibilities in respect of any Fund and shall only have the right or ability to require the Investment Manager to make changes in the portfolio of any Fund if such changes are required so that the Fund is in compliance with the Shariah Investment Guidelines. Since the Shariah Adviser's function is not to monitor performance of the Funds, prospective investors should be aware that compliance with the Shariah Investment Guidelines does not ensure that a Fund will not suffer a loss. The Depository may need to rely on representations from the Investment Manager or the Shariah Adviser regarding a Fund's compliance with Shariah principles.

**26.32. Shariah Compliance**

The Company, the Funds and the investments for each Fund must be certified as "Shariah-compliant" based upon the determination of the Shariah Adviser. None of the Shariah Adviser, the Investment Manager, the Depository or their principals and affiliates makes any

representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such determination. In the event that the status of such Shariah compliance should change, none of the Shariah Adviser, the Investment Manager, the Depository or its principals and affiliates accepts liability in relation to such change.

Prospective investors should not rely on any pronouncement of the Shariah Adviser on the compliance with Shariah of the Company and each Fund thereof and the investments in deciding whether to become a Shareholder. Prospective Shareholders should consult their own Shariah advisers as to whether the Company, the relevant Fund and the investments of that Fund are compliant with Shariah principles. By becoming a Shareholder, each Shareholder shall be deemed to have represented that they are satisfied that the Company, the relevant Fund and the investments of that Fund will not contravene Shariah principles.

Although the Investment Manager intends to observe the Shariah Investment Guidelines at all times, no such assurance can be given, as there may be occasions when a Fund's investments do not fully comply with such criteria for factors outside the control of the Investment Manager. In such instances, the Shariah Adviser will propose a remedial action to be implemented by the Investment Manager and investors will be informed of purification liabilities, if any, resulting from the Shariah non-compliant investments.

#### 26.33. **Issuer Risk**

In relation to any securities held by the Fund, or to which the Fund's performance is exposed, the value of those securities may fall as well as rise, and there is no guarantee that historic performance will be repeated. A number of diverse and unrelated factors may cause the price of any securities to fall, including general economic and market conditions or political or social unrest. The value of any securities may not rise or fall in accordance with the general market, for example where the issuer of the securities in question is suffering or expected to suffer poor performance, or the industry or geographic location of the issuer is suffering or expected to suffer poor performance.

#### 26.34. **Emerging Markets**

Where a Fund invests in securities in emerging markets, additional risks may be encountered. These include:

*Accounting Standards:* in emerging markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

*Business Risks:* in some emerging markets, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

*Country Risk:* the value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

*Currency Risk:* the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

*Custody Risk:* custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and

there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.

*Disclosure:* less complete and reliable fiscal and other information may be available to investors.

*Legal:* the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

*Market Characteristics/ Liquidity and Settlement Risks:* in general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

*Political Risk:* the risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

*Tax:* The taxation system in some emerging market countries is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in some emerging market countries are at an initial stage of development and are not as clearly established as in more developed countries.

*Frontier Markets Risk:* Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of

assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

If the Fund invests more than 20% in emerging markets then an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

#### **26.35. Depository Receipts**

The Fund may hold or be exposed to depository receipts (American Depository Receipts, Global Depository Receipts and European Depository Receipts). These are instruments that represent shares in companies trading outside the markets in which the depository receipts are traded. Accordingly whilst the depository receipts are traded on recognised exchanges, there may be other risks associated with such instruments to consider. For example the shares underlying the instruments may be subject to political, inflationary, exchange rate or custody risks. In addition, ownership of depository receipts may not entitle the Fund to financial or other reports from the issuer, to which they would be entitled as the owner of sponsored depository receipts.

#### **26.36. Non-Investment Grade Securities**

Certain Funds may hold or be exposed to the performance of fixed income securities rated below investment grade. Such securities may have greater price volatility, greater risk of loss of principal and profit, and greater default and liquidity risks, than more highly rated securities. If the Fund invests more than 30% in these securities then an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

### **27. DIVIDEND POLICY**

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

Under the Articles, the Directors are entitled to pay such dividends on any class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the Fund, being (i) the net income (consisting of all income accrued including profit and dividends earned by the Fund less expenses) and/or (ii) realised and unrealised gains on the disposal/valuation of investments less realised and unrealised losses of the Fund, provided in each case that dividends may only be paid out of funds available for the purpose which may be lawfully distributed.

Investors should note that any dividend income being paid out by a Fund and held in the Subscriptions/ Redemptions Account shall remain an asset of the relevant Fund until such time

as the income is released to the investor and that during this time the investor will rank as a general unsecured creditor of the Company. The Company will be obliged and entitled to deduct an amount in respect of Irish tax from any dividend payable to any investor who is, or is deemed to be, or is acting on behalf of, an Irish Person and to pay such amount to the Revenue Commissioners in Ireland.

Dividends (if any) will be paid in accordance with Euronext Dublin policy.

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

## **28. APPLICATIONS FOR SHARES**

### **28.1. Issue of Shares**

After the initial issue, Shares of all classes will be issued at a price corresponding to the Net Asset Value per Share of the relevant class. The Net Asset Value per Share of each class in the Fund will be published in its respective currency. Details of the Minimum Initial Subscriptions for the Fund and any subscription charges are set out in the Supplements.

Initial applications for Shares must be to the Administrator by mail or facsimile using a signed Application Form. Where an original and valid Application Form has been received and is in order, subsequent applications for Shares may be made using faxed instructions (without forwarding the original).

If an instructions which relates to an initial investment is sent by facsimile, the original Application Form and supporting anti-money laundering documents must still be mailed promptly to the Administrator as the case may be. However, all instructions received by facsimile will be treated as definitive orders, even if not subsequently confirmed in writing, and will not be capable of withdrawal after acceptance by the Administrator.

Application Forms that are incomplete will not be accepted until all the relevant information is obtained.

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

A sub-distributor may impose different procedures and time limits (which may be earlier than those set out in the relevant Supplement to facilitate such sub-distributors forwarding such application to the Company) if applications for Shares are made through them. Applicants should note that they may be unable to purchase Shares through a sub-distributor on days that such sub-distributor is not open for business. In such cases Applicants can send their Application Forms directly to the Administrator.

Shares will be issued on the Dealing Day for which an application is correctly received by the relevant Dealing Deadline.

Any applications received by the Administrator after the Dealing Deadline for the relevant Dealing Day will ordinarily be processed on the next Dealing Day based on the Net Asset Value per Share calculated for the next Dealing Day. However, the Directors may, in their discretion, in exceptional circumstances, permit applications received after the Dealing Deadline but

before the Valuation Point for any particular Dealing Day, to be processed on that Dealing Day. The Directors may not be able to exercise the discretion in all circumstances, for example where applications for Shares are made via dealing platforms. In such cases, applications received after the Dealing Deadline may be rejected. Investors making applications via dealing platforms are reminded that they must refer to the provider of the dealing platform for the procedures that apply to such trading arrangements.

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

The Directors retain the right to offer only one class of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice.

The Directors may at their discretion issue Shares as consideration for a contribution in kind of securities and/or other assets, provided that they are satisfied that no material prejudice would result to existing Shareholders, it is in compliance with the investment policies and restrictions of the Fund and in compliance with any conditions set forth by the Regulations and Irish law. The investments to be transferred must qualify as investments of the relevant Fund in accordance with the investment objectives, policies and restrictions of that Fund. The transaction costs incurred in connection with the acceptance by the Directors of an in kind subscription will be borne directly by the incoming Shareholder. The investments forming the in kind subscription will be valued in accordance with the valuation rules described below and the requirements of the Regulations. The number of Shares to be issued in this way shall be the number which would, on the day the investments are vested in the Depositary on behalf of the relevant Fund, have been issued for cash (together with the relevant Preliminary Charge) against the payment of a sum equal to the value of the investments. The purpose of the foregoing policy is to ensure that the existing Shareholders in the Fund do not bear the transaction costs of acquiring additional assets for a large incoming Shareholder.

If the Directors determine that it would be detrimental to the existing Shareholders to accept a cash application for Shares of the Fund which represents more than 10% of the Net Asset Value of the Fund, the Directors may decide that all or part of the application for Shares in excess of 10% be deferred until the next Dealing Day and will be valued at the Valuation Point for that Dealing Day. If the Directors decide to defer all or part of the application in excess of 10% the applicant shall be informed prior to the deferral taking place and will be given the option to withdraw their request.

## 28.2. **Payment Procedure**

Applicants for any Shares must make payment in the currency in which the Share class into which the investor is subscribing is denominated. Unless prior arrangements have been made, applicants must make payment in cleared funds to be received by the Settlement Date for the relevant Dealing Day in order to receive the Net Asset Value per Share applicable to that day. Applicants will not be entitled to receive the Net Asset value per Share applicable to any other Dealing Day.

Upon receipt of payment into the Subscriptions/Redemptions Account, subscription monies will become the property of the relevant Fund and accordingly an investor will be treated as a general creditor of the relevant Fund during the period between receipt of subscription monies into the Subscriptions/Redemptions Account and the issue of Shares.

If timely settlement is not made, at the discretion of the Directors (a) the relevant allotment of Shares may be cancelled and an applicant may be required to compensate the Fund for any actual loss incurred due to such default, or (b) the applicant may be required to just compensate the Fund for any actual loss suffered by it and such compensation may be, for example, deducted from dividends payable to the applicant in relation to the Shares allotted to him.

### **28.3. Form of Shares**

Shares will be issued in registered form and the share register is conclusive evidence of ownership. Contract notes providing details of the trade will normally be issued within three Business Days of the relevant Dealing Day. No share certificates will be issued. Statements will be issued to each Shareholder on a monthly basis confirming ownership, that the Shareholder is entered in the Company's share register and the number of Shares which he/she is credited with in the share register in respect of the Fund. Contract notes and statements will be sent to applicants by ordinary post or by fax, electronic or other means. It is recommended that applicants check contract notes on receipt as processed transactions will only be changed at the discretion of the Directors and if the Directors deem it is appropriate, at the cost of the applicant.

Applicants are allocated a Shareholder number on acceptance of their application and this together with the Shareholder's details are proof of identity. This Shareholder number should be used for all future dealings by the Shareholder with the Company or the Administrator.

Any changes for example to the Shareholder's details or loss of Shareholder number must be notified immediately to the Administrator in writing. Amendments will only be made upon receipt of original documentation. Failure to do so may result in delay upon redemption. The Company reserves the right to require an indemnity or verification countersigned by a bank, stockbroker or other party acceptable to it before accepting such instructions.

If any application is not accepted in whole or in part the application monies or the balance outstanding will be returned to the applicant by post or bank transfer at the applicant's risk.

### **28.4. General Provisions**

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

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

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

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the investor's identity, address and source of funds and where applicable the beneficial owner on a risk sensitive basis and the on-going monitoring of the business relationship in order to comply with Irish law anti-money laundering obligations. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family members, or persons known to be close associates of such persons, must also be identified.

By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address such as two original copies of evidence of his/her address, i.e. utility bills or bank statements (not more than six months old), date of birth and tax residence. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), a certified copy of the corporate investor's authorised signatory list, the names, occupations, dates of birth and resident and business address of all directors. Depending on the circumstances of each application, a detailed verification might not be required where, for example, the application is made through a recognised intermediary located in a jurisdiction recognised by Ireland as having equivalent anti-money laundering protections.

The Company is regulated by the Central Bank, and must comply with the measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 and the Criminal Justice Act 2013 which are aimed towards the prevention of money laundering and terrorist financing. In order to comply with these anti-money laundering and counter-terrorism financing regulations, the Administrator, on the Company's behalf, will require from any subscriber or Shareholder a detailed verification of the identity of such subscriber or Shareholder, the identity of the beneficial owners of such subscriber or Shareholder, the source of funds used to subscribe for Shares, or other additional information which may be requested from any subscriber or Shareholder for such purposes from time to time. The Company and the Administrator each reserve the right to request such information as is necessary to verify the identity of an applicant and where applicable, the beneficial owner pursuant to the Beneficial Ownership Regulations 2016 (SI 560 of 2016) or as otherwise required.

None of the Company, the Directors, the Investment Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily repurchased or payment of Redemption Proceeds is delayed in such circumstances.

- (a) Depending on the circumstances of each application, a detailed verification may not be required where; (a) the application is made through a recognised intermediary, (b) investment is made by a recognised intermediary or financial institution, or (c) in any other circumstances where an exception can be applied in accordance with Irish anti-money laundering and criminal justice law and regulation. These exceptions will only apply in certain circumstances if the financial institution or intermediary referred to above is located in a country which has equivalent anti money laundering legislation to that in place in Ireland. Applicants may contact the Administrator in order to determine whether they meet the above exceptions.
- (b) The Administrator and the Sales Coordinator reserve the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and subscription monies.

- (c) Activities which may adversely affect the interests of the Fund's Shareholders, for example the use of market timing investment strategies by Shareholders, are not permitted. Such strategies can disrupt the management of the Fund, negatively affect its performance and increase expenses. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Company's Shareholders, refuse to accept an application for subscription of Shares.
- (d) The Directors may, if they deem it to be appropriate and in the interests of Shareholders reserve the right to refuse any application for exchange and/or subscription for Shares from Shareholders whom they consider to be associated with market timing activity at any time for any reason without prior notice. In this connection the Directors may instruct the Administrator to combine Shares which are under common ownership or control for the purposes of ascertaining whether Shareholders can be deemed to be involved in such activities. In addition the Directors reserve the right to require any Shareholder to redeem all Shares in the Fund where they are of the opinion that the Shareholder's trading in that Fund are designed to take advantage of short term market movements.

## **29. REDEMPTION OF SHARES**

Shareholders wishing to have all or some of their Shares redeemed by the Company may make an application for redemption by submitting the duly completed Redemption Form to the Administrator in writing by fax provided that payment shall be made to the bank account on record (any changes to the account on record may only be made upon receipt of original written instructions). Shares will be redeemed at the Net Asset value per Share (less Duties and Charges). Redemption instructions must include details of the name of the Fund, class of Share, the number of Shares or the amount the Shareholder wishes to have redeemed, the Shareholder's details, the Shareholder's account number and any other information required by the Redemption Form. Failure to provide any of this information may result in delay of the application for redemption whilst verification (which may be requested in writing) is sought from the Shareholder. Applications for redemption may not be accepted and proceeds of redemption will not be paid unless the original signed Application Form has been received and the initial anti-money laundering or client identification checks have been completed in full.

Such applications for redemption will be considered as binding and irrevocable by the Company. Applications Forms must be duly signed by all registered holders, unless in the case of joint registered holders, each such holder has sole signing authority.

Applications received after the relevant Dealing Deadline for the relevant Dealing Day may at the discretion of the Directors, either be processed as at that Dealing Day in exceptional circumstances or processed on the next Dealing Day based on the Net Asset Value per Share calculated on the next Dealing Day provided they are received by the relevant Valuation Point. The Directors may not be able to exercise this discretion in all circumstances, for example where applications for redemption of Shares are made via dealing platforms. In such cases, applications received after the Dealing Deadline may be rejected. Shareholders making applications for redemption via dealing platforms are reminded that they must refer to the provider of the dealing platform or means for the procedures that apply to such trading arrangements.

A sub-distributor may impose different procedures and time limits (which may be earlier than those set out in the relevant Supplement to facilitate such sub-distributors forwarding such applications to the Company) if applications for Share redemptions are made through them.

Applicants should note that they may be unable to redeem Shares through a sub-distributor on days that such sub-distributor is not open for business. In such cases, Applicants may send their redemption requests directly to the Administrator.

The applicant will be notified of the redemption proceeds as soon as reasonably practicable after determination of the Net Asset Value. Shareholders are reminded that the redemption proceeds can be higher or lower than the initial subscription amount.

Shareholders should note that any redemption proceeds being paid out by a Fund and held for any time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the proceeds are released to the investor. This would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by Company or the Administrator – enhancing the need to address these issues promptly so that the proceeds may be released. It should also be noted that the investor shall have ceased being considered an investor and instead will rank as a general unsecured creditor of the Company.

If total requests for redemption on any Dealing Day for the Fund exceed 10% of the total number of Shares in the Fund or 10% of the Net Asset Value of the Fund, the Directors may in their discretion refuse to redeem any Shares in excess of 10%. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

Alternatively, where redemption requests would result in 5% or more of the Net Asset Value of Shares of the Fund being redeemed on any Dealing Day, or less than 5% with the consent of the Shareholder, the Directors may satisfy the redemption request in whole or in part by an in-kind distribution of securities of the Fund in lieu of cash. Asset allocation is subject to the approval of the Depository. The Shareholder may require that the Company, instead of transferring those assets, arrange for their sale and the payment of the net proceeds of sale, less any Duties and Charges, to that Shareholder. Shareholders who receive securities in lieu of cash upon redemption should note that they may incur brokerage and/or local tax charges on the sale of the securities. In addition, the net proceeds from the sale by the repurchasing Shareholder of the securities may be more or less than the redemption price due to market conditions and/or the difference between the prices used to calculate the Net Asset Value and bid prices received on the sale of the securities.

#### **29.1. Other Limits on Redemption**

Shareholders may ask for the redemption of all or part of their Shares of any class. However, the Company is not bound to comply with a request for redemption of Shares (i) if such request relates to a part of a holding which consists of Shares having a value of less than the Minimum Redemption Amount or (ii) if after redemption the holder would be left with a balance of Shares having a value of less than the Minimum Holding for that class in which case the Company may treat the request as a request for the redemption of all, if applicable, of the Shareholder's Shares of that class.

#### **29.2. Temporary Suspension of Redemption**

The right of any Shareholder to require the redemption of the Shares of the Company will be suspended during any period when the calculation of the Net Asset Value per Share of the relevant class is suspended by the Directors pursuant to the powers set out under the heading Suspension of Calculation of Net Asset Value. Notice of such suspension period will be given

to any Shareholder tendering Shares for redemption. The Shares in question will be redeemed on the first Dealing Day following the end of the suspension period.

If a period of suspension lasts for more than one (1) calendar month after the date of an application for redemption, the application may be cancelled by the Shareholder by notice in writing to the Administrator provided that the notice is received by the Administrator prior to the relevant Dealing Deadline on the last Dealing Day of the suspension period.

### **29.3. Compulsory Redemption**

If the Net Asset Value of the Fund on a given Dealing Day shall become at any time less than USD 10 million or the equivalent in the currency of the Fund (or such other amount as may be specified in the Supplement relating to the Fund) the Directors may, at their discretion, redeem all but not less than all of the Shares of the applicable Fund then outstanding at the redemption price calculated on the Expiration Date (as hereinafter defined). In addition, the Directors may require any Shareholder to redeem all Shares in the Fund where they are of the opinion that the Shareholder's trading in the Fund are designed to take advantage of short term market movements. However, the Company must (i) provide four (4) weeks' written notice of redemption to all Shareholders of the classes of Shares to be redeemed, such notice expiring on the date stated in the notice (the Expiration Date) and (ii) redeem such Shares within four (4) weeks following such Expiration Date. Shareholders shall be notified in writing of any such redemption.

If it shall come to the attention of the Directors at any time that Shares are beneficially owned by or on behalf of a Prohibited Person, either alone or in conjunction with any other person, and the Prohibited Person fails to comply with the direction of the Company to sell his Shares and to provide the Directors with evidence of such sale within twenty one (21) days of being so directed by the Directors, the Directors may in their discretion compulsorily redeem such Shares in accordance with the Articles. Immediately after the close of business specified in the notice given by the Company to the Prohibited Person of such compulsory redemption, the Shares will be redeemed and such investor will cease to be the owner of such Shares. The Company may require any Shareholder or prospective Shareholder to furnish it with any information which it may consider necessary for the purpose of determining whether or not the beneficial owner of such Shares is or will be a Prohibited Person. In particular, the Company may require the Shareholder or prospective Shareholder to provide the Company with information as to whether such person is a U.S. Person.

## **30. EXCHANGE OF SHARES**

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

exchange those Shares into Shares of another class in the same Fund.

The general provisions and procedures relating to redemptions will apply equally to exchanges. All exchanges will be treated as a redemption of the Shares of the Original Class and application of the net proceeds to the purchase of Shares of the New Class, based upon the then current issue and redemption prices of Shares in the Fund. The Articles allow for an exchange fee of up to 3% of the total redemption price of the Shares of the Original Class redeemed to be charged, and the Directors, in their sole discretion, reserve the right to impose such fee within this limit as shall be set out in the Supplement in respect of the Fund.

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

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

where:

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

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

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

When requesting the exchange of Shares as an initial investment in the Fund, Shareholders should ensure that the value of the Shares exchanged is equal to or exceeds the Minimum Initial Subscription for the relevant New Class specified in the relevant Supplement. In the case

of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Holding for the Original Class.

The Administrator will arrange for any necessary currency transaction required if there is an exchange of Shares of any class of a Fund for Shares of the same class in a Fund which are denominated in a different currency. Any such currency transaction may be effected with the Depositary or the Distributor and will be at the applicant's cost. Currency exchange transactions may delay any dealing in Shares as the Administrator may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

### 31. DATA PROTECTION

Prospective investors should note that, by virtue of making an investment in the Company and the associated interactions with the Company and its affiliates and delegates (including completing the Application Form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Company with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Company and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation. The Company shall act as a data controller in respect of this personal data and its affiliates and delegates, such as the Administrator, the Investment Manager and the Distributor, may act as data processors (or joint data controllers in some circumstances).

The Company has prepared a document outlining the Company's data protection obligations and the data protection rights of individuals under the Data Protection Legislation (the "**Privacy Notice**").

All new investors shall receive a copy of the Privacy Notice as part of the process to subscribe for Shares in the Company and a copy of the Privacy Notice was sent to all existing investors in the Company that subscribed before the Data Protection Legislation came into effect.

The Privacy Notice contains information on the following matters in relation to data protection:

- that investors will provide the Company with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- a description of the purposes and legal bases for which the personal data may be used;
- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- details of data protection measures taken by the Company;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the Company's policy for retention of personal data; and
- contact details for further information on data protection matters.

Given the specific purposes for which the Company and its affiliates and delegates envisage using personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the Privacy Notice, individuals have the right to object to the processing of their data where the Company has considered this to be necessary for the purposes of its or a third party's legitimate interests.

### **32. ANTI-DILUTION LEVY**

The Directors may exercise their discretion to apply an anti-dilution levy in relation to the issue, redemption and exchange of Shares. The levy is an allowance for market spreads, fiscal and other dealing charges that may reduce the number of Shares issued in connection with a subscription for Shares or be deducted from the redemption proceeds received in connection with the redemption of Shares, to reflect the costs of buying or disposing of underlying assets.

The levy is intended to be used to ensure that all investors in the Funds are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

### **33. ISSUE AND REDEMPTION PRICES / CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS**

The initial issue price for Shares of a Fund shall be the amount(s) set out in the Supplements.

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

The price at which Shares will be issued on a Dealing Day is, subject as hereinafter provided, the Net Asset Value per Share of the relevant class which is calculated in the manner described above. The Company may, in calculating the issue price, include in the issue price in respect of the Fund, for its own account, a charge sufficient to cover Duties and Charges (if any) in respect of the issue of Shares. Applicants may also be charged an initial charge as specified in the Supplements.

The price at which Shares will be redeemed on a Dealing Day, is subject as hereinafter provided, the Net Asset Value per Share of the relevant class which is calculated in the manner described above. The Company may, in calculating the redemption price, deduct a charge in respect of Duties and Charges. Applicants may also be charged a redemption charge as specified in the Supplements hereof.

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

In particular, the Articles provide that the method of calculating the value of any investments listed or dealt in on a market shall be the latest mid-market price, or if unavailable or unrepresentative, the last traded price on the relevant market at the relevant Valuation Point. Where any investment is listed or dealt in on more than one market the Directors shall select the market which constitutes the main market for such investment or which they determine provides the fairest criteria in a value for the security.

Valuation policies will be applied on a consistent basis throughout the life of the Company and there will be consistency in the policies adopted throughout the various categories of assets.

The value of any investment which is not listed or dealt in on a market or of any investment which is normally listed or dealt in on a market but in respect of which the latest mid-market price, or if unavailable or unrepresentative, the last traded price, is currently unavailable or the current price of which does not in the opinion of the Directors represent fair market value, shall be the probable realisation value thereof estimated with care and in good faith by the Directors or by a Competent Person appointed by the Directors and approved for such purpose by the Depositary or by any other means provided the value is approved by the Depositary.

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

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

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

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

Money market instruments may be valued on an amortised basis in accordance with the Central Bank's requirements.

Forward foreign exchange contracts and swap contracts shall either be valued in the same manner as off-exchange derivative contracts below or by reference to freely available market quotations.

The value of any exchange traded futures contracts, share price index futures contracts, options and other quoted derivatives, which are in accordance with Shariah shall be based on the settlement price as determined by the market in question as at the Valuation Point. Where the settlement price is not available the value of such contract shall be its probable realisation value which must be estimated with care and in good faith by a Competent Person appointed by the Directors and approved for the purpose by the Depositary.

The valuation of units or shares or other similar participations in any CIS which provides for the units or shares or other similar participations therein to be redeemed at the option of the holder

out of the assets of that undertaking shall be the last available net asset value per unit or share or other relevant participation as published by the collective investment schemes as at the relevant Valuation Point or, if bid and offer prices are published, at the last bid price.

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

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

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

#### **34. SUSPENSION OF CALCULATION OF NET ASSET VALUE**

The Company may at any time temporarily suspend the calculation of the Net Asset Value of the Fund and the right of Shareholders to require the redemption or exchange of Shares of any class and the payment of redemption proceeds during (i) any period when any of the principal markets or stock exchanges on which a substantial part of the investments of the relevant Fund are quoted is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of investments of the Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot fairly be calculated; (iii) any breakdown in the means of communication normally employed in determining the price of any of the Fund's investments and other assets or when for any other reason the current prices on any market or stock exchange of any assets of the Fund cannot be promptly and accurately ascertained; (iv) any period during which the Company is unable to repatriate funds required for the purpose of making payments due on redemption of Shares of any class in the Fund or during which the transfer of funds involved in the acquisition or realisation of investments or payments due on redemption of Shares cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange; or (v) any period where in the opinion of the Directors such suspension is justified having regard to the interests of the Company; or (vi) following the circulation to the relevant shareholders of a notice of a general meeting at which a resolution proposing to wind-up the Company or terminate the Fund is to be considered. Except in the case of (vi) the Company will, whenever possible, take all reasonable steps to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or redemptions of Shares of any class or exchanges of Shares of the Fund to another will be notified of any such suspension in such manner as may be directed by the Directors and their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension shall be notified immediately to the Central Bank and Euronext Dublin. The competent authorities in any jurisdiction where the Company is registered for sale will also be notified.

#### **35. FEES AND EXPENSES**

Particulars of the Investment Management Fee and any performance fee and expenses and the fees and expenses of any other service provider out of the assets of each Fund are set out in the relevant Supplement.

The Company will pay out of the assets of each Fund the fees and expenses of any other service provider, the fees and expenses of sub-custodians which will be at normal commercial rates, any fees in respect of circulating details of the Net Asset Value, company secretarial fees, stamp duties, taxes, any costs incurred in respect of meetings of Shareholders, marketing and distribution costs, investment transaction charges, costs incurred in respect of the distribution of income to Shareholders, the fees and expenses of any distributor, paying agent or representative appointed in compliance with the requirements of another jurisdiction (and at normal commercial rates), any amount payable under indemnity provisions contained in the Articles or any agreement with any appointee of the Company, all sums payable in respect of Directors' and officers' liability insurance/Takaful cover, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax and legal advisers and fees connected with listing the Shares on Euronext Dublin and registering the Company for sale in other jurisdictions. The costs of printing and distributing this Prospectus, reports, accounts and any explanatory memoranda, any necessary translation fees, KIIDs, or any supplementary information documentation, publishing of prices and other Funds' information, or fee resulting from a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) will also be paid by the Company out of the assets of the relevant Fund(s).

Such fees, duties and charges will be charged to the Fund in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund, the expense will be allocated by the Directors in such manner and on such basis as the Directors in their discretion deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

The Directors who are not connected with the Investment Manager will be entitled to remuneration for their services as directors provided however that the aggregate emoluments of Directors in respect of any twelve (12) month accounting period shall not exceed EUR 30,000 or such higher amount as may be approved by the board of Directors. In addition, the Directors will also be entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties as directors.

The cost of establishing the Company, listing the Shares on Euronext Dublin, filing fees, the preparation and printing of this Prospectus, marketing costs and all professional fees to it which are estimated not to exceed EUR 150,000 will be borne by the Company and amortised over the first five (5) years of the Company's operation (or such other period as may be determined by the Directors at their discretion) and charged to the initial Funds (including at the discretion of the Directors subsequent Funds established by the Company within such period) on such terms and in such manner as the Directors may at their discretion determine. The cost of establishing subsequent Funds will be charged to the relevant Fund. The Investment Manager may initially incur all or part of the costs referred to above on behalf of the Company, in which case they will be entitled to be reimbursed out of the assets of the Company for such expenditure.

Holders of certain Share classes with tiered management fee structures may be individually entitled to a reduction in the Investment Management Fee of the relevant Fund by way of a

rebate to account for the different rates to be applied to the tranches of the Shareholder investment. Those Funds to which the rebate applies, the ranges and the amount of the rebate applicable to those ranges will be disclosed in the relevant Supplement.

A Shareholder in a relevant Fund is eligible for a rebate if the value of its holding of Shares falls within the applicable ranges on the last Business Day of each month. The rebate for the month is then calculated on that part of the average investment balance for the month that falls within the applicable range.

Any rebate will be automatically invested in additional Shares classes in the relevant Fund on the fifth Dealing Day of the following month at the relevant application price on that day, unless otherwise requested by the Shareholder and approved by the Company.

The Directors may change the method of calculation and manner of payment of any such rebate after giving Shareholders of the relevant Share Class notice.

#### 35.1. **Depository Fee**

The Depository is entitled to a fee which is payable out of the assets of the relevant Fund and which shall not exceed 0.022% per annum of the average Net Asset Value of the Fund calculated as at each Valuation Point and payable monthly in arrears, subject to a minimum annual fee of US\$15,000 which may be waived. The Depository will also be entitled to reimbursement out of the assets of the Fund of all agreed transaction charges and out of pocket expenses properly incurred on behalf of the Fund. The fees of any sub-custodian appointed by the Depository, which shall be at normal commercial rates, will be paid by the Fund

#### 35.2. **Administration Fee**

The Administrator is entitled to a fee which shall not exceed 0.04% per annum of the average Net Asset Value of the Fund, calculated as at each Valuation Point and payable monthly in arrears, subject to an annual minimum fee of US\$45,000 which may be waived. The Administrator shall also be entitled to reimbursement out of the assets of the Fund of all agreed transaction charges relating to shareholder activity and out of pocket expenses properly incurred on behalf of the Fund.

#### 35.3. **Shariah Advisory Fee**

The Shariah Adviser is entitled to an initial set up fee of US\$6,000 per Fund and an annual fee (payable quarterly) each payable out of the assets of the relevant Fund as follows:

Less than 5 Funds	US\$5,000 per Fund
6-10 Funds	US\$4,000 per Fund
More than 10 Funds	US\$3000 per Fund

#### 35.4. **Share dealing charges**

Details of the initial charge payable on subscription for Shares (if any) and/or the redemption charge payable on redemption of Shares (if any) and/or the exchange charge payable on the

exchange of Shares (if any) are set out in respect of the Shares of the Fund in the Supplements.

Details of the charges and expenses payable in relation to further Funds established by the Company or Share classes will be determined at the time of the creation of the Fund or Share classes and will be set out in the relevant Supplement.

### **36. SOFT COMMISSIONS/ DEALING COMMISSION ARRANGEMENTS**

It is not currently intended that any soft commission arrangements will be made in respect of the Company.

In the event that the Investment Manager effects transactions with or through the agency of another person with whom the Investment Manager or an entity affiliated to the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assists in the provision of investment services to the Company. A report will be included in the relevant Fund's annual and semi-annual reports describing the Investment Manager's soft commission practices. Where appropriate, any such arrangements will comply with the requirements of Article 11 of the MiFID II.

### **37. REMUNERATION POLICY**

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

### **38. THE COMPANY'S TRANSACTIONS AND CONFLICTS OF INTEREST**

Subject to the provisions of this section, the Directors, the Investment Manager, the sales Coordinator, the Administrator, the Depositary, any Shareholder, and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a Connected Person), may contract or enter into any financial, banking or other transaction with one another or with the Company, including without limitation, investment by the Company in securities of a Shareholder or any Connected Person, or investment by any Connected Persons in any company or body any of whose investments form part of the assets comprised in the Fund or be interested in any such contract or transactions. In particular, without limitation, any Connected Person may invest in and deal with Shares relating to the Fund or any property of

the kind included in the property of the Company for their respective individual accounts or for the account of someone else. The appointment of the Investment Manager, the Sub-Investment Manager, the Administrator and the Depositary in their primary capacity as service providers to the Company are excluded from the scope of these Connected Person requirements.

In the event that a conflict of interest does arise, each Connected Person will have regard in such event to its obligations to act in the best interests of Shareholders when undertaking any investments where conflicts of interest may arise and will seek to resolve such conflicts fairly. In particular the Investment Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the Company and its other clients. In the event that a conflict of interest does arise the Investment Manager will endeavour to ensure that such conflicts are resolved fairly.

The Investment Manager will have regard in such event to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Company and of the relevant Fund when undertaking any investments where potential conflicts of interests may arise. Each of the Sub-Investment Advisers will have regard in such event to its obligations under the Sub-Investment Advisers Agreement and, in particular, to its obligations to act in the best interests of the Company and of the relevant Fund when undertaking any investments where potential conflicts of interests may arise. The Administrator will have regard in such event to its obligations under the Administration Agreement. The Depositary will have regard in such event to its obligations under the Depositary Agreement.

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

The Investment Manager may advise or manage other collective investment schemes in which a Fund may invest or which have similar or overlapping investment objectives to or with the Funds. Also, a conflict of interest may arise where the competent person valuing unlisted securities and/or OTC derivatives held by a Fund is the Investment Manager or a sub-investment manager or any other Connected Party. For example, because the Investment Manager's fees are calculated on the basis of a percentage of a Fund's Net Asset Value, such fees increase as the Net Asset Value of the Fund increases. When valuing securities owned or purchased by a Fund, the Investment Manager (or any other Connected Party) will, at all times, have regard to its obligations to the Company and the Fund and will ensure that such conflicts are resolved fairly.

There is no prohibition on transactions with the Company, the Investment Manager, the Administrator, the Depositary or their respective delegates, sub-delegates or related and associated entities, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are in the best interests of Shareholders and dealings are carried out as if negotiated on an arm's length basis and:

- (a) a certified valuation of such transaction by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, a person approved by the Directors) as independent and competent has been obtained; or

- (b) such transaction has been executed on best terms reasonably obtainable on an organised investment exchange under its rules; or
- (c) where neither of the above are practicable,
- (d) such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if negotiated at arm's length and consistent with the best interests of Shareholders.

The Depositary (or in the case of a transaction involving the Depositary, the Directors) shall document how it complied with paragraphs (a), (b) and (c) above and where transactions are conducted in accordance with paragraph (c), the Depositary (or in the case of a transaction involving the Depositary, the Directors), must document the rationale for being satisfied that the transaction conformed to the principles outlined above.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary (or any of its affiliates) act.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks and by the Depositary adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the head of compliance for the Depositary).

Each Connected Party will provide the Company with relevant details of each transaction (including the name of the party involved and where relevant, fees paid to that party in connection with the transaction) in order to facilitate the Company discharging its obligation to provide the Central Bank with a statement within the relevant Fund's annual and semi-annual reports in respect of all Connected Party transactions.

Notwithstanding the above, where the Investment Manager or any of its delegates successfully negotiates the recapture of a portion of commissions charged by a broker in relation to the purchase and/or sale of securities for the Fund, such rebate must be paid into that Fund. The Investment Manager may be paid out of the assets of the Fund for fees charged by them and reasonable properly vouched costs and expenses directly incurred by them in this regard.

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

The preceding list of potential conflicts of interest does not purport to be a complete enumeration or explanation of all of the conflicts of interest that may be involved in an investment in the Company.

## **39. TAXATION**

### **39.1. General**

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

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

### **39.2. Irish Taxation**

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

##### **The Company**

The Company will only be subject to tax on chargeable events in respect of Shareholders who are Irish Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes – see "Certain Irish Tax Definitions" for more details.

A chargeable event occurs on:

- (i) a payment of any kind to a Shareholder by the Company;
- (ii) a transfer of Shares; and
- (iii) on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth Anniversary

but does not include any transaction in relation to Shares held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses.

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

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

In the absence of the appropriate declaration being received by the Company that a Shareholder is not an Irish Person or if the Company has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from

the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Company will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Shareholder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution tax will be deducted at the rate of 41%, or at the rate of 25% where the Shareholder is a company and the appropriate declaration has been made, on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, not being a company which has made the appropriate declaration, on a transfer of Shares and on the eight year rolling chargeable event, tax will be deducted at the rate of 41% on the increase in value of the shares since their acquisition. Tax will be deducted at the rate of 25% on such transfers where the Shareholder is a company and the appropriate declaration has been made. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

An anti-avoidance provision increases the 41% rate of tax to 60% (80% where details of the payment/disposal are not correctly included in the individual's tax returns) if, under the terms of an investment in a fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the fund.

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

### **The Shareholders**

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Company to the effect that the requirement to have been provided with such declaration from that Shareholder or class of shareholders to which the Shareholder belongs is deemed to have been complied with) will not be subject to tax on any distributions from the Company or any gain arising on redemption, repurchase or transfer of their shares provided the shares are not held through a branch or agency in Ireland. No tax will be deducted from any payments made by the Company to those Shareholders who are not Irish Persons. Shareholders who are Irish resident or ordinarily resident or who hold their shares through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Shares. In particular where the Company has elected to not deduct tax at the occasion of the eight year rolling chargeable event a Shareholder will have an obligation to file a self-assessment tax return and pay the appropriate amount of tax to the Irish Revenue Commissioners.

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

### **Stamp duty**

No Irish stamp duty will be payable on the subscription, transfer or redemption of Shares provided that no application for Shares or re-purchase or redemption of Shares is satisfied by an in specie transfer of any Irish situated property.

### **Capital acquisitions tax**

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

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

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

### **Other tax matters**

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

### **39.3. Automatic exchange of information**

Irish reporting financial institutions, which may include the Company have reporting obligations in respect of certain investors under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and/or the OECD's Common Reporting Standard (see below).

### **39.4. FATCA**

The Company is obliged to report certain information in respect of U.S. investors in the Company to the Irish Revenue Commissioners who will share that information with the U.S. tax authorities.

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (**FATCA**) impose a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service (**IRS**) to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 Ireland signed an Intergovernmental Agreement (**IGA**) with the United States to Improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. investors in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended) implementing the information disclosure obligations, Irish financial institutions such as the Company are required to report certain information with respect to U.S. account holders to the Revenue Commissioners. The Revenue Commissioners will automatically provide that information annually to the IRS. The Company (and/or the Administrator or Investment Manager on behalf of the Company) must obtain the necessary information from investors required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information is being sought as part of the application process for Shares in the Company. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Revenue Commissioners regardless as to whether the Company holds any U.S. assets or has any U.S. investors.

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 actions required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically born by such shareholder. While the IGA and the Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Company in respect of its assets, no assurance can be given in this regard. As such, Shareholders should obtain independent tax advice in relation to the potential impact of FATCA before investing

#### 39.5. **Common Reporting Standard (CRS)**

The Common Reporting Standard (**CRS**) framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the **Standard**) was published, involving the use of two main elements, the Competent Authority Agreement (**CAA**) and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions (FIs) relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while the sections 891F and 891G of the TCA contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the **CRS Regulations**), giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("DAC II") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. The Irish Finance Act 2015 contained measures necessary to implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the "**Regulations**"), giving effect to DAC II from 1 January 2016, came into operation on 31 December 2015.

Under the Regulations, reporting financial institutions, are required to collect certain information on account holders and on certain controlling persons in the case of the account holder(s) being an entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. Further information in relation to CRS and DAC II can be found on the Automatic Exchange of Information (AEOI) webpage on [www.revenue.ie](http://www.revenue.ie)

#### 39.6. **Certain Irish Tax Definitions**

### *Residence – Company*

Prior to Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in the State will be regarded as resident for tax purposes in the State, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in the State set out in the revised section 23A TCA 1997.

The new incorporation rule for determining the tax residence of a company incorporated in the State will apply to companies incorporated on or after 1 January 2015. For companies incorporated in the State before this date, a transition period will apply until 31 December 2020.

We would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any tax declaration given to the Company.

### *Residence – Individual*

The Irish tax year operates on a calendar year basis.

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

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

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

### *Ordinary Residence – Individual*

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

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

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2016 will remain ordinarily resident in Ireland until the end of the tax year 2019.

### *Intermediary*

means 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 shares in an investment undertaking on behalf of other persons.

#### **39.7. United States**

The Company intends to conduct its affairs such that neither it nor its investors will be subject to United States federal income tax solely as a result of the activities of, or investments in, the Company. The Company may, however, be subject to United States federal withholding tax upon its receipt of United States source interest or dividends, and the Company is not required to consider the effect of such withholding tax in making its investments.

Special rules may apply to investors that are former citizens of the United States, controlled foreign corporations as to the United States, foreign insurance companies that hold or are deemed to hold Shares in connection with their United States businesses, foreign personal holding companies and corporations which accumulate earnings to avoid United States federal income tax. In particular, special rules govern the indirect ownership, through a controlled foreign corporation, of units in a passive foreign investment company.

#### **39.8. Other Jurisdictions**

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in a Fund and any investment returns from those Shares. It is the Director's intention to manage the affairs of the each Fund so that it does not become resident outside of Ireland for tax purposes.

The above statements, which are intended as a general guide only, reflect the Company's understanding of current tax law, regulation and practice applicable to investors beneficially holding their Shares as investments in the above named jurisdictions. All investors should seek their own professional advice as to tax matters before investing.

### **40. REPORTS AND ACCOUNTS**

The Company's year end is 31 December in each year. The annual report and audited accounts of the Company will be sent to Shareholders and the Central Bank within four (4) months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. The Company will also send a semi-annual report and unaudited accounts to Shareholders and the Central Bank within two months after the end of each semi-annual period which will be 31 July in each year. The audited accounts and report and unaudited semi-annual reports can be downloaded from the website <http://www.cimb-principalislamic.com/Capabilities-@-Funds.aspx>.

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

The annual report, in English, will be sent to the Companies Announcements Office of Euronext Dublin within six months of the end of the relevant accounting period.

#### **41. TRANSFER OF SHARES**

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

Shares may not be transferred to a United States Person (except pursuant to an exemption available under the laws of the United States and with the approval of the Directors).

Registration of any transfer may be refused by the Directors if following the transfer either the transferor or the transferee would hold Shares having a value less than the Minimum Holding for the relevant Fund (if any) specified in the Supplement hereto.

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

#### **42. NOTIFICATION OF PRICES**

The Net Asset Value per Share will be published daily. Such prices may be obtained from the Administrator on request and further information including details of any other relevant publication will be available at the following website: [www.cimb-principalislamic.com](http://www.cimb-principalislamic.com). They will usually be the prices applicable to the previous day's trades and are therefore only indicative. The Company accepts no responsibility for prices being incorrectly printed.

Communications with Shareholders may be effected by electronic mail or by any other means of communication provided that the Shareholder has consented to such method of communication. Copies of any documents sent to Shareholders will be available for inspection at the office of the Administrator.

Euronext Dublin will be notified of the Net Asset Value of the listed Share classes of the Company immediately upon calculation.

#### **43. GENERAL INFORMATION**

##### **43.1. Incorporation and Share Capital**

The Company was incorporated and registered in Ireland as an investment company with variable capital on 24 November 2011 with registered number 506452.

At the date hereof the authorised share capital of the Company is 300,002 subscriber shares (subscriber shares) of €1 each and 1,000,000,000,000 shares of no par value initially designated as unclassified shares and available for issue as Shares.

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

##### **43.2. Articles**

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

The Articles contain provisions to the following effect:

- (i) **Voting Rights.** On a show of hands at a general meeting or class meeting of the Company, every Shareholder holding shares who is present in person or by proxy shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote for every share of which he is the holder.
- (ii) **Winding up.** The Articles contain provisions to the following effect:
  - (a) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Acts, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund.
  - (b) The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in the Fund attributable to each class of share shall be distributed to the holders of shares in the relevant class in the proportion that the number of shares held by each holder bears to the total number of shares relating to each such class of shares in issue as at the date of commencement to wind up and secondly, any balance then remaining and not attributable to any of the classes of shares shall be apportioned pro-rata as between the classes of shares based on the Net Asset Value of each class of shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of shares in that class of shares held by them.
  - (c) The Fund may be wound up pursuant to section 1406 of the Companies Act, 2014 and in such event the winding up provisions of the Articles shall apply mutatis mutandis in respect of the Fund.
  - (d) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant Shareholders and any other sanction required by the Companies Acts, divide among the holders of shares of any class or classes within the Fund in specie the whole or any part of the assets of the Company relating to the Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the Shareholders of the Company or the holders of different classes of shares in the Fund. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may request the liquidator, instead of transferring the assets in specie to it, to dispose of them and to pay the net sales proceeds instead.

### 43.3. Litigation and Arbitration

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

#### 43.4. **Directors' Interests**

There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.

At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and save as disclosed below no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

At the date of this Prospectus none of the Directors nor any Person Closely Associated have any beneficial interest in the share capital of the Company or any options in respect of such capital.

#### 43.5. **Material Contracts**

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

- (a) the Investment Management Agreement dated 16 December 2011 between the Company and the Investment Manager regarding the Fund. This Agreement provides that the appointment of the Investment Manager may be terminated by either party by not less than three months prior written notice. Either party may terminate this Agreement forthwith by notice in writing (in accordance with the procedure set out in the Agreement) upon the occurrence of certain events as specified in the agreement such as the liquidation of the other party. The Agreement contains certain indemnities in favour of the Investment Manager (which are restricted to exclude matters to the extent that they are attributable to the fraud, negligence or wilful default of the Investment Manager (or persons designated by it).
- (b) the Depositary Agreement dated 30 March 2016 between the Company and the Depositary; The Depositary Agreement provides for its termination by either party in certain circumstances including the giving of not less than 90 days' written notice by either party or forthwith by notice in certain circumstances such as the insolvency of either party or after an unremedied breach provided that termination of the Depositary's appointment shall not take effect prior to the approval by the Central Bank of a successor Depositary. The Depositary Agreement contains indemnities in favour of the Depositary for certain losses incurred but excluding circumstances where the Depositary is liable for the losses incurred.
- (c) the Depositary shall act as depositary of the Company's assets and shall be responsible for the oversight of the Company to the extent required by and in accordance with applicable law, rules and regulations. The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Depositary Agreement.
- (d) the Depositary shall perform its obligations with due skill, care and diligence as determined in accordance with the standards and practices of a professional depositary

for hire in the markets or jurisdictions in which the Depositary performs services under the Depositary Agreement.

- (e) the Depositary shall be liable to the Company, or to the Shareholders, for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and UCITS V. The Depositary shall be liable to the Company and to the Shareholders, for the loss by the Depositary or a duly appointed third party of any financial instruments held in custody (determined in accordance with UCITS V) and shall be responsible for the return of financial instruments or corresponding amount to the Company without undue delay. The Depositary Agreement shall contain indemnities in favour of the Depositary for certain losses incurred but excluding circumstances where the Depositary is liable for the losses incurred.
- (f) the Depositary Agreement shall continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the Company shall with due observance of the applicable requirements of the Central Bank, appoint a successor Depositary. The Depositary may not be replaced without the approval of the Central Bank.
- (g) the Depositary Agreement shall be governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.
- (h) the Administration Agreement dated 16 December 2011 between the Company and the Administrator; The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than 90 days' written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Administration Agreement contains indemnities in favour of the Administrator other than in respect of loss arising by reason of its fraud, negligence or wilful default in the performance of its duties and obligations, and provisions regarding the Administrator's legal responsibilities.
- (i) the Master Coordination Agreement dated 29 August 2012 between the Company and the Sales Coordinator; this agreement provides that the appointment of the Sales Coordinator will continue unless and until terminated by either party giving to the other of them not less than three months notice although in certain circumstances the agreement may be terminated immediately by either party.
- (j) the Shariah Advisory Agreement dated 16 December 2011 between the Company and the Shariah Adviser; this Agreement provides that the appointment of the Shariah Adviser will continue unless and until terminated by either party giving to the other of them not less than three months notice in writing or forthwith by notice in writing in certain circumstances. The Shariah Advisory Agreement contains certain indemnities in favour of the Shariah Advisor other than in respect of wilful default or gross negligence on the part of the Shariah Adviser.

#### 43.6. **Miscellaneous**

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

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

The Sales Coordinator may pay an amount of its fees to distributors or other intermediaries. Additionally, the Investment Manager may pay a portion of its fee to distributors, dealers or other entities that assist in the performance of its duties or provide services, directly or indirectly, to the Company or their Shareholders and the Investment Manager and/or the Sales Coordinator and/or their respective affiliates may enter into private arrangements on a negotiated basis with a holder or prospective holder of Shares. The selection of holders or prospective holders of Shares with whom such private arrangements may be made and the terms on which the Sales Coordinator, Investment Manager or their affiliates, designees or placement agents may enter into such private arrangements are a matter for the relevant entity.

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

#### **43.7. Documents for Inspection**

Copies of the Articles, Prospectus, Supplements, key investor information documents and, after publication thereof, the periodic reports and accounts may be obtained free of charge on request from the Company. They are also available on [www.cimb-principalislamic.com](http://www.cimb-principalislamic.com).

The following documents may also be inspected at the registered office of the Company during usual business hours on weekdays, except public holidays:

- (a) A list of all past and present directorships and partnerships held by each Director over the last five years.
- (b) The Material Contracts.
- (c) The Articles
- (d) The Regulations
- (e) The periodic reports and accounts.

To the extent not captured in this Prospectus or in the event such details have changed and have not been reflected in a revised version of this Prospectus, up-to-date information will be provided to Shareholders on request, free of charge regarding:

- (a) the identity of the Depositary and a description of its duties and of conflicts of interest that may arise; and

- (b) a description of any safe-keeping functions delegated by the Depositary, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

## APPENDIX 1 – DEFINITIONS

- Administrator** means BNY Mellon Fund Services (Ireland) Designated Activity Company or any other person for the time being duly appointed administrator of the Company in succession to the said BNY Mellon Fund Services (Ireland) Designated Activity Company in accordance with the requirements of the Central Bank.
- Application Form** means the original form which must be submitted with the subscription form upon an initial application or exchange of Shares. It only needs to be submitted with subsequent applications if the investors' details or circumstances have changed from when this form was originally submitted.
- Articles** means the Memorandum and Articles of Association of the Company.
- Associated Person** ***Person closely associated*** in relation to a *director*, means -
- (a) the spouse of the *director*,
  - (b) dependent children of the *director*,
  - (c) other relatives of the *director*, who have shared the same household as that person for at least one year on the date of the transaction concerned,
  - (d) any person -
    - (i) the managerial responsibilities of which are discharged by a person -
      - a) discharging managerial responsibilities within the issuer, or
      - b) referred to in paragraph (a), (b) or (c) of this definition,
    - (ii) that is directly or indirectly controlled by a person referred to in subparagraph (i) of paragraph (d) of this definition,
    - (iii) that is set up for the benefit of a person referred to in subparagraph (i) of paragraph (d) of this definition, or

- (iv) the economic interests of which are substantially equivalent to those of a person referred to in subparagraph (i) of paragraph (d) of this definition;

**Base Currency** means in relation to the Company such currency as is specified in the Supplements hereto (or in the relevant Supplement in the case of any subsequent funds that may be established periodically by the Company with the prior approval of the Central Bank).

**Business Day** means those days as are specified in the Supplement hereto (or in the relevant Supplement in the case of any subsequent fund that may be established periodically by the Company with the prior approval of the Central Bank) for the Fund or such other day(s) as the Directors may, with the approval of the Depositary, determine.

**Central Bank** means the Central Bank of Ireland or any successor authority.

**Central Bank Requirements** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the Company.

**CIMB Islamic's Shariah Committee** means Sheikh Prof. Dr. Mohammad Hashim Kamali, Sheikh Nedham Yaqoobi, Sheikh Dr. Haji Mohd Nai'm Bin Haji Mokhtar, Sheikh Assc. Prof. Dr. Shafaai Bin Musa, Sheikh Dr Yousef Abdullah Al Shubaily and Professor Dr. Noor Inayah Yaakub, as substituted and amended from time to time.

**Companies Acts** the Companies Acts 2014 including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital.

**Company** means CIMB-Principal Islamic Asset Management (Ireland) plc.

**Competent Person** means the entity appointed to perform a valuation function as outlined in Schedule 5 to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (UCITS) Regulations 2015.

**Connected Person** means the persons defined as such in the section headed **Fund's Transactions and Conflicts of Interest**.

**CRS** means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws,

regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard.

**Data Protection Legislation**

means, from 25 May 2018 onwards, the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679).

**Dealing Day**

means in relation to each class of Shares such day or days as is specified in the relevant Supplement or such other day(s) as the Directors may with the approval of the Depositary determine and notify in advance to Shareholders provided always that there shall be at least one Dealing Day per fortnight.

**Dealing Deadline**

means in relation to applications for subscription, exchange or redemption of Shares in the Fund, the dates and times specified in the Supplement for the Fund.

**Depositary**

means BNY Mellon Trust Company (Ireland) Limited or any other person for the time being duly appointed Depositary of the Company in succession to BNY Mellon Trust Company (Ireland) Limited in accordance with the requirements of the Central Bank.

**Directors**

means the directors of the Company.

**Duties and Charges**

all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees, any transaction and safekeeping fees payable to the Depositary or its delegates or agents (which will be at normal commercial rates) and other duties and charges whether in connection with the original acquisition or increase of the assets of the Fund or the creation, issue or sale of Shares or the sale or purchase of investments by the Fund or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but shall not include any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of the Fund.

**EEA**

means the European Economic Area (Member States, Iceland, Norway, and Liechtenstein).

**EEA Member State**

means a member of the EEA.

**Eligible Counterparty**

means a counterparty to OTC derivatives with which a Fund may trade and belonging to one of the categories approved by the Central Bank which at the date of this Prospectus comprise the following:

- (i) a Relevant Institution;

- (ii) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State; or
- (iii) 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.

**EMIR** means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories.

**EU** means the European Union.

**Euronext Dublin** means the Irish Stock Exchange plc trading as Euronext Dublin.

**FATCA** means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance;
- (b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in paragraph (a) above; and
- (c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs.

**Foreign Person** means

- (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the company with the appropriate declaration under Schedule 2B TCA and the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or
- (ii) the company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of shareholder to which that person belongs, and that approval has

not been withdrawn and any conditions to which that approval is subject have been satisfied.

<b>Fund</b>	means a separate portfolio of assets which is invested in accordance with the investment objective and policies as set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such fund shall be applied and charged and <b>Funds</b> means all or some of the Funds as the context requires or any other funds as may be established by the Company from time to time with the prior approval of the Central Bank.
<b>Global Exchange Market</b>	means the exchange regulated market of the Euronext Dublin. The Global Exchange Market is a multilateral trading facility as defined in Article 4(1) point 22 of MiFID II.
<b>Group Companies</b>	companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with international accounting rules.
<b>Index</b>	means such index as specified in the Supplement for the Fund.
<b>Initial Issue Price</b>	means the price per Share at which Shares are initially offered in the Fund for such period as is specified in the Supplement for the Fund.
<b>Investment Manager</b>	means CIMB-Principal Islamic Asset Management Sdn Bhd or any other person or persons for the time being duly appointed investment manager of the Company in succession to CIMB-Principal Islamic Asset Management Sdn Bhd in accordance with the requirements of the Central Bank and where the Investment Manager has delegated responsibility for the management of all or part of the assets of the Fund the term Investment Manager shall also refer to the sub-investment manager of the Fund.
<b>Investor Money Regulations</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time.
<b>Irish Person</b>	means any person other than  (a) a Foreign Person  (b) an intermediary, including a nominee for a Foreign Person  (c) a qualifying management company within the meaning of section 739B(1) TCA;

- (d) an investment undertaking within the meaning of section 739B(1) TCA;
- (e) an investment limited partnership within the meaning of section 739J TCA;
- (f) a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;
- (g) a company carrying on life business within the meaning of section 706 TCA;
- (h) a special investment scheme within the meaning of section 737 TCA;
- (i) a unit trust to which section 731(5)(a) TCA applies;
- (j) a charity being a person referred to in section 739D(6)(f)(i) TCA;
- (k) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA or section 848B TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (l) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
- (m) the National Treasury Management Agency or a Fund investment vehicle within the meaning of section 739D(6)(kb) TCA;
- (n) the National Asset Management Agency;
- (o) the Courts Service;
- (p) a credit union within the meaning of section 2 of the Credit Union Act 1997;
- (q) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the fund is a money market fund;
- (r) a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the Company; and

- (s) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27, Chapter 1A TCA;

in respect of which the appropriate declaration set out in Schedule 2B TCA or otherwise and such other information evidencing such status is in the possession of the Company on the appropriate date.

<b>KIID</b>	means key investor information document.
<b>Market</b>	means a stock exchange or regulated market which is provided for in the Articles and listed in Appendix 2.
<b>MiFID II</b>	means the Markets in Financial Instruments Directive (recast) (Directive 2014/65/EU).
<b>Member State</b>	means a member state of the EU (the current member states being:- Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the Netherlands and the United Kingdom).
<b>Minimum Holding</b>	means such number of Shares or Shares having such value (if any) as is specified in the Supplement for the Fund.
<b>Minimum Initial Subscription</b>	means such amount (excluding any initial charge) in the relevant currency which must be initially subscribed by each Shareholder for Shares of any class in the Fund as is specified for the Fund in the Supplement hereto.
<b>Minimum Redemption Amount</b>	means such amount (excluding any redemption charge) in the relevant currency which must be redeemed for Shares of any class in the Fund as is specified for the Fund in the Supplement hereto.
<b>money market instruments</b>	shall have the meaning prescribed in the Regulations.
<b>Month</b>	means calendar month.
<b>Net Asset Value or Net Asset Value per Share</b>	means in respect of the assets of the Fund or in respect of a Share of any class, the amount determined in accordance with the principles set out in this Prospectus under the heading <b>Issue and Redemption Price/Calculation of Net Asset</b>

	<b>Value/Valuation of Assets</b> as the Net Asset Value of the Fund or the Net Asset Value per Share.
<b>OECD</b>	means the Organisation for Economic Co-operation and Development.
<b>OTC</b>	means over-the-counter and refers to derivatives negotiated between two counterparties.
<b>Prospectus</b>	means the prospectus issued from time to time by the Company as amended, supplemented, consolidated or otherwise modified from time to time in accordance with the requirements of the Central Bank.
<b>Redemption Form</b>	means the redemption request form and any additional documents required to be completed in respect of the redemption of Shares as prescribed by the Company from time to time.
<b>Reference Asset</b>	means with respect to the Fund whose performance is linked to reference assets, the assets to which the Fund is linked as further described in the relevant Supplement.
<b>Regulations</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended and supplemented from time to time and includes any conditions that may from time to time be imposed there under by the Central Bank whether by notice or otherwise affecting the Company.
<b>Relevant Institutions</b>	means any EU credit institution, any bank authorised in a member state of the EEA (Norway, Iceland, Lichtenstein) and any bank authorised by a signatory state, other than a Member State, or a member state of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan or the United States).
<b>Revenue Commissioners</b>	means the Irish Revenue Commissioners.
<b>Rule 144A Securities</b>	means securities (i) which are issued with an undertaking to register with the SEC within one year of issue; and (ii) 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.
<b>Sales Coordinator</b>	means CIMB-Principal Islamic Asset Management Sdn Bhd or any other person or persons for the time being duly appointed distributor of the Company.
<b>SFT Regulations or SFTR</b>	means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended,

	supplemented, consolidated, substituted in any form or otherwise modified from time to time;
<b>Settlement Date</b>	means in respect of receipt of monies for payment of subscription monies or dispatch of monies for the redemption of Shares the dates specified in the Supplements for each Fund.
<b>Shares</b>	means participating shares in the Company and includes, where the context so permits or requires, the Shares in the Fund which may be divided into different classes;
<b>Shareholders</b>	means holders of Shares, and each a Shareholder.
<b>Shariah</b>	means Islamic Jurisprudence and Islamic Law.
<b>Shariah Adviser</b>	means CIMB Islamic Bank Berhad
<b>Shariah Advisory Agreement</b>	means the consultancy agreement dated 16 December 2011 between the Company and the Shariah Adviser as substituted, amended, supplemented, novated or otherwise modified from time to time;
<b>Shariah Investment Guidelines</b>	means the investment guidance issues in accordance with Shariah principles by the Shariah Adviser;
<b>Sukuk</b>	A document or certificate, documenting the undivided pro-rated ownership of underlying assets. The suk (singular of sukuk) is freely traded at par, premium or discount. Commonly, the term sukuk is used for fixed income securities and debt securities which comply with Shariah.
<b>Sub-Investment Adviser</b>	means CIMB-Principal Asset Management Berhad
<b>Subscriptions/Redemption Account</b>	means the account in the name of the Company through which subscription monies and redemption proceeds and dividend income (if any) for each Fund are channelled, the details of which are specified in the Application Form.
<b>Supplement</b>	means the Supplements to this Prospectus (each a Supplement) and any Supplement issued by the Company in relation to the creation of new Fund and/or Share classes.
<b>TCA</b>	means the Irish Taxes Consolidation Act, 1997 as amended from time to time.
<b>transferable securities</b>	shall have the meaning prescribed in the Regulations.
<b>UCITS</b>	means an undertaking for collective investment in transferable securities pursuant to the UCITS Directive.
<b>UCITS Directive</b>	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 UCITS, including the associated implementing measures contained in Directive 2010/43/EU and Directive 2010/44/EU, as amended, supplemented, consolidated or replaced from time to time.

**UCITS V**

means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time.

**Unhedged Share Class**

means a class of Shares where, typically, Shares may be applied for and exchanged and dividends calculated and paid and redemption proceeds paid in a currency other than the Base Currency of the Fund on the basis of a currency conversion at the prevailing spot currency exchange rate of the relevant Base Currency for the currency of the relevant Share class.

**United Kingdom or UK**

means the United Kingdom of Great Britain and Northern Ireland.

**United States or U.S. or US**

means the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).

**United States Person or U.S. Person**

has the meaning ascribed to it in Regulation S promulgated under the United States Securities Act of 1933, as amended from time to time.

**Valuation Point**

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

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

## APPENDIX 2 - MARKETS

With the exception of permitted investments in unlisted securities and derivative instruments, investments will be restricted to the following stock exchanges and markets listed below in accordance with the Central Bank Requirements. For the purposes of this Appendix, reference to "unlisted securities" may include securities that are listed on a market or exchange where such exchange is not set out in the below list in accordance with Regulation 68(1) (c) and 68(2) (a) of the Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

### Stock Exchanges

(i) any stock exchange which is:

- located in any Member State; or
- located in any of the following countries:-

Canada

Japan

New Zealand

Norway

Liechtenstein

Switzerland

United States of America; or

(ii) any stock exchange included in the following list:-

Argentina	the stock exchanges in Buenos Aires;
Australia	the Australian stock exchange;
Bermuda	the Bermuda Stock Exchange Limited
Botswana	the stock exchange in Botswana
Brazil	the stock exchanges in Sao Paulo and Rio de Janeiro;
Cayman Islands	the Cayman Islands Stock Exchange;
Chile	the stock exchange in Santiago;
China	the stock exchanges in Shanghai and Shenzhen;

Colombia	the stock exchanges in Bogota, Medellin and Cali;
Croatia	the Zagreb Stock and Commodities Exchange;
Egypt	the stock exchanges in Cairo and Alexandria;
Ghana	the stock exchange in Ghana;
Hong Kong	the stock exchange in Hong Kong;
Hungary	the stock exchange in Budapest;
Iceland	the stock exchange in Reykjavik;
India	the stock exchanges in Bombay, Madras, Delhi, Ahmadabad, Bangalore, Cochin, Gauhati, Magadh, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta;
Indonesia	Jakarta Stock Exchange;
Jordan	the stock exchange in Amman;
South Korea	the stock exchange in Seoul;
Kuwait	the Kuwait Stock Exchange
Malaysia	BURSA Malaysia;
Mexico	the stock exchange in Mexico City;
Morocco	the stock exchange in Casablanca;
Nigeria	the stock exchange in Lagos, Kaduna and Port Harcourt;
Pakistan	the stock exchanges in Karachi, Lahore and Islamabad;
Peru	the stock exchange in Lima;
Philippines	the stock exchanges in Manila and Makati;
Qatar	the Qatar Exchange
Russia	RTS Stock Exchange and MICEX;
Saudi Arabia	the Saudi Stock Exchange
Singapore	Singapore Exchange;
South Africa	the stock exchange in Johannesburg;

Sri Lanka	the stock exchange in Colombo;
Taiwan	the stock exchange in Taipei;
Thailand	Stock Exchange of Thailand;
Tunisia	the Tunisia Stock Exchange;
Turkey	the stock exchange in Istanbul;
Uruguay	the stock exchange in Montevideo;
United Arab Emirates	the Abu Dhabi Securities Exchange, Dubai Financial Market and NASDAQ Dubai
Venezuela	the stock exchanges in Caracas and Maracaibo;
Zimbabwe	the Zimbabwe Stock Exchange

(iii) Markets

The market organised by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the Financial Services Authority (FSA); and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FSA and the Bank of England;

The market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

NASDAQ;

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

AIM – the Alternative Investment Market in the United Kingdom which is regulated and operated by the London Stock Exchange;

The French market for Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments);

The over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (a) located in any jurisdiction listed in (i) above, (b) listed in (ii) or (iii) above, or included in the following list:

- (a) Bourse de Montreal
- (b) The Channel Islands Stock Exchange;
- (c) The Chicago Board of Trade;
- (d) The Chicago Mercantile Exchange;
- (e) The Chicago Board Options Exchange;
- (f) EDX London;
- (g) New York Board of Trade;
- (h) New York Mercantile Exchange;
- (i) New Zealand Futures and Options Exchange;
- (j) Hong Kong Futures Exchange;
- (k) Osaka Securities Exchange;
- (l) Singapore Commodity Exchange;
- (m) Tokyo International Financial Futures Exchange.

### APPENDIX 3 LIST OF SUB-CUSTODIANS<sup>1</sup>

As at the date of this Prospectus, the following sub-custodians have been appointed:

Country/Market	Subcustodian	Address
<b>Argentina</b>	Citibank N.A., Argentina * * On March 27, 2015, the Comisión Nacional de Valores (CNV: National Securities Commission) has appointed the central securities depository Caja de Valores S.A. to replace the branch of Citibank N.A. Argentina for those activities performed within the capital markets and in its role as custodian.	Bartolome Mitre 502/30  (C1036AAJ) Buenos Aires, Argentina
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	Level 5, 10 Smith Street, Parramatta NSW 2150, Australia
<b>Australia</b>	Citigroup Pty Limited	Level 16, 120 Collins Street, Level 16, 120 Collins Street, Australia
<b>Austria</b>	Citibank N.A. Milan	Via Mercanti, 12 20121 Milan Italy
<b>Bahrain</b>	HSBC Bank Middle East Limited	2nd Floor, Building No 2505, Road No 2832, Al Seef 428, Bahrain
<b>Bangladesh</b>	The Hongkong and Shanghai Banking Corporation Limited	Management Office, Shanta Western Tower, Level 4, 186 Bir Uttam Mir Shawkat Ali Shorok, (Tejgaon Gulshan Link Road) Tejgaon Industrial Area, Dhaka 1208, Bangladesh
<b>Belgium</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>Bermuda</b>	HSBC Bank Bermuda Limited	Custody and Clearing Department 6 Front Street Hamilton Bermuda HM11
<b>Botswana</b>	Stanbic Bank Botswana Limited	Plot 50672, Fairground Office Park Gaborone, Botswana

<sup>1</sup> To be confirmed with Depository

Country/Market	Subcustodian	Address
<b>Brazil</b>	Citibank N.A., Brazil	Citibank N.A. Avenida Paulista, 1111 – 12th floor Cerqueira Cesar – Sao Paulo, Brazil CEP: 01311-920
<b>Brazil</b>	Itau Unibanco S.A.	Praça Alfredo Egydio de Souza Aranha, 100, São Paulo, S.P. - Brazil 04344-902
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	48 Sitnyakovo Blvd Serdika Offices, 10th floor Sofia 1505, Bulgaria
<b>Canada</b>	CIBC Mellon Trust Company (CIBC Mellon)	1 York Street, Suite 900 Toronto, Ontario, M5J 0B6 Canada
<b>Cayman Islands</b>	The Bank of New York Mellon	225 Liberty Street New York, NY 10286 United States
<b>Chile</b>	Banco de Chile	Estado 260 2nd Floor Santiago, Chile Postal code 8320204
<b>Chile</b>	Bancau Itau S.A. Chile	Avenida Apoquindo 3457, Las Condes, 7550197, Santiago, Chile
<b>China</b>	HSBC Bank (China) Company Limited	33 Floor, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai, China (200120)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Carrera 9A No 99-02 Piso 3 Bogota D.C., Colombia
<b>Costa Rica</b>	Banco Nacional de Costa Rica	1st and 3rd Avenue, 4th Street San José, Costa Rica
<b>Croatia</b>	Privredna banka Zagreb d.d.	Radnicka cesta 50 10 000 Zagreb Croatia
<b>Cyprus</b>	BNP Paribas Securities Services S.C.A., Athens	2 Lampsakou street 115 28 Athens Greece
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Bucharova 2641/14 158 02 Prague 5, Czech Republic
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	306 Corniche El Nil, Maadi, Cairo, Egypt

Country/Market	Subcustodian	Address
<b>Estonia</b>	SEB Pank AS	Tornimäe Str. 2 15010 Tallinn Estonia
<b>Finland</b>	Finland Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>France</b>	Euroclear France	The Bank of New York Mellon SA/NV Rue Montoyer, 46 1000 Brussels Belgium
<b>France</b>	Citibank International Limited (cash deposited with Citibank NA)	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB United Kingdom
<b>Germany</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Ghana</b>	Stanbic Bank Ghana Limited	Stanbic Heights, Plot No. 215 South Liberation RD, Airport City, Cantonments, Accra, Ghana
<b>Greece</b>	BNP Paribas Securities Services S.C.A., Athens	2 Lampsakou street 115 28 Athens Greece
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central Hong Kong
<b>Hong Kong</b>	Deutsche Bank AG	52/F International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	Szabadság tér 7 1051 Budapest Hungary
<b>Iceland</b>	Landsbankinn hf.	Austurstraeti 11 155 Reykjavik Iceland
<b>India</b>	Deutsche Bank AG	4th Floor, Block I, Nirlon Knowledge Park, W.E. Highway Mumbai - 400 063, India
<b>India</b>	HSBC Ltd	11F, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063, India
<b>Indonesia</b>	Deutsche Bank AG	7th Floor, Deutsche Bank Building Jl. Imam Bonjol No.80, Jakarta – 10310, Indonesia
<b>Ireland</b>	The Bank of New York Mellon	225 Liberty Street New York, NY 10286, United States

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<b>Israel</b>	Bank Hapoalim B.M.	50 Rothschild Blvd Tel Aviv 66883 Israel
<b>Italy</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>Japan</b>	Mizuho Bank, Ltd.	4-16-13, Tsukishima, Chuo-ku, Tokyo 104- 0052 Japan
<b>Japan</b>	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1-3-2, Nihombashi Hongoku-cho, Chuo-ku, Tokyo 103-0021, Japan
<b>Jordan</b>	Standard Chartered Bank	1 Basinghall Avenue London, EC2V5DD, England
<b>Kazakhstan</b>	Joint-Stock Company Citibank Kazakhstan	Park Palace Building A, 41 Kazybek Bi Street, Almaty, Kazakhstan
<b>Kenya</b>	CfC Stanbic Bank Limited	First Floor, CfC Stanbic Centre P.O. Box 72833 00200 Chiromo Road, Westlands, Nairobi, Kenya
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	Hamad Al-Saqr St., Qibla Area, Kharafi Tower, G/1/2 P.O. Box 1683, Safat 13017, Kuwait
<b>Latvia</b>	AS SEB banka	Meistaru iela 1 Valdlauci Kekavas pagasts, Kekavas novads LV-1076 Latvia
<b>Lithuania</b>	AB SEB bankas	12 Gedimino Av. LT-01103 Vilnius Lithuania
<b>Luxembourg</b>	Euroclear Bank	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad	Level 20, Menara IMC No 8 Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia
<b>Malaysia</b>	HSBC Bank Malaysia Berhad	HSBC Bank Malaysia Berhad, 12th Floor, South Tower, 2 Leboh Ampang, 50100 Kuala Lumpur, Malaysia

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<b>Malta</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	5th Floor, HSBC Centre, 18 Cybercity, Ebene, Mauritius
<b>Mexico</b>	Citibanamex	Isabel la Católica No.44 Colonia Centro México City C.P. 06000 Mexico
<b>Morocco</b>	Citibank Maghreb	Zenith Millenium, Immeuble 1 Sidi Maarouf, B.P. 40 20190 Casablanca Morocco
<b>Namibia</b>	Standard Bank Namibia Limited	N2nd Floor, Standard Bank Centre, Town Square Corner of Post Street Mall and Werner List Street Windhoek, Namibia
<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	Level 9, HSBC Building, 1 Queen Street, Auckland 1010, New Zealand
<b>Nigeria</b>	Stanbic IBTC Bank Plc	Walter Carrington Crescent, Victoria Island, Lagos, Nigeria
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Oman</b>	HSBC Bank Oman S.A.O.G.	2nd Floor, Head Office Building, P.O. Box 1727, Al Khuwair, Postal Code 111, Sultanate of Oman
<b>Pakistan</b>	Deutsche Bank AG	242-243, Avari Plaza, Fatima Jinnah Road Karachi – 75330, Pakistan
<b>Peru</b>	Citibank del Peru S.A.	Avenida Canaval y Moreyra, 480, 3rd floor Lima 27, Peru
<b>Philippines</b>	Deutsche Bank AG	23rd Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, 1226 Makati City Philippines
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	53/57 Grzybowska Street 00-950 Warszawa

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<b>Portugal</b>	Citibank Europe Plc	North Wall Quay, 1, Dublin Ireland
<b>Qatar</b>	HSBC Bank Middle East Limited, Doha	2nd Floor, Ali Bin Ali Tower, Building no: 150, Al Matar Street (Airport Road) P.O. Box 57, Street no. 950, Umm Ghuwalina Area, Doha, Qatar
<b>Romania</b>	Citibank Europe plc, Romania Branch	145, Calea Victoriei 010072 Bucharest Romania
<b>Russia</b>	PJSC ROSBANK	Mashi Poryvaevoy, 34 107078 Moscow Russia
<b>Russia</b>	AO Citibank	8-10, building 1 Gasheka Street, Moscow 125047, Russia
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited	HSBC Building, 7267 Olaya Road, Al-Murooj Riyadh 12283-22555, Kingdom of Saudi Arabia
<b>Serbia</b>	UniCredit Bank Serbia JSC	Rajiceva Street 27-29, 11000 Belgrade, Serbia
<b>Singapore</b>	DBS Bank Ltd	12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahraničnej banky	Mlynske Nivy 43 825 01 Bratislava, Slovak Republic
<b>Slovenia</b>	UniCredit Banka Slovenia d.d.	Smartinska 140, 1000 - Ljubljana, Slovenia
<b>South Africa</b>	The Standard Bank of South Africa Limited	9th Floor 5 Simmonds Street Johannesburg 2001, South Africa
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	5th Floor, HSBC Building, 37, Chilpae-ro, Jung-Gu, Seoul, Korea, 100-161
<b>South Korea</b>	Deutsche Bank AG	18th Floor, Young-Poong Building 41 Cheonggyecheon-ro, Jongro-ku, Seoul 03188, South Korea
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A.	Plaza San Nicolás, 4 48005 Bilbao Spain
<b>Spain</b>	Santander Securities Services S.A.U.	Ciudad Grupo Santander. Avenida de Cantabria s/n, Boadilla del Monte 28660 – Madrid, Spain
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited	24 Sir Baron Jayathilake Mawatha Colombo 01, Sri Lanka

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<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Switzerland</b>	Credit Suisse AG	Paradeplatz 8 8070 Zurich Switzerland
<b>Switzerland</b>	UBS Switzerland AG	Bahnhofstrasse 45, 8001 Zürich, Switzerland
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited	16th floor, Building G, No. 3-1 Park Street Taipei 115, Taiwan
<b>Taiwan</b>	Standard Chartered Bank (Taiwan) Ltd.	No 168, Tun Hwa North Road, Taipei 105, Taiwan
<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation Limited	Level 5, HSBC Building, 968 Rama IV Road, Bangrak Bangkok 10500, Thailand
<b>Tunisia</b>	Banque Internationale Arabe de Tunisie	70-72, Avenue Habib Bourguiba 1080 Tunis Tunisia
<b>Turkey</b>	Deutsche Bank A.S.	Esentepe Mahallesi Büyükdere Caddesi Tekfen Tower No:209 K:17 Sisli TR-34394-Istanbul, Turkey
<b>Uganda</b>	Stanbic Bank Uganda Limited	Plot 17 Hannington Road Short Tower- Crested Towers P.O. Box 7131, Kampala, Uganda
<b>Ukraine</b>	Public Joint Stock Company "Citibank"	16G Dilova Street 03150 Kiev Ukraine
<b>U.A.E.</b>	HSBC Bank Middle East Limited, Dubai	Emaar Square, Building 5, Level 4 PO Box 502601 Dubai, United Arab Emirates
<b>U.K.</b>	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
<b>U.K.</b>	The Bank of New York Mellon	225 Liberty Street, New York, NY 10286, United States
<b>U.S.A.</b>	The Bank of New York Mellon	225 Liberty Street, New York, NY 10286, United States
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Dr. Luis Bonavita 1266 Toree IV, Piso 10 CP 11300 Montevideo, Uruguay
<b>Venezuela</b>	Citibank N.A., Sucursal Venezuela	Av. Casanova, Centro Comercial El Recreo Torre Norte, Piso 19 Sabana Grande, Caracas 1050 D.C. Venezuela

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<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	The Metropolitan, 235 Dong Khoi Street District 1, Ho Chi Minh City, Vietnam
<b>Zambia</b>	Stanbic Bank Zambia Limited	Stanbic House, Plot 2375, Addis Ababa Drive P.O Box 31955 Lusaka, Zambia
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	59 Samora Machel Avenue, Harare, Zimbabwe