

The Directors of AQA UCITS Funds SICAV plc whose names appear on page 73, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the accuracy of such information. The Directors accept responsibility accordingly.

# Prospectus

(the "Prospectus")

**24<sup>th</sup> November 2016**

relating to the offer of Investor Shares in Sub-Funds,  
each being a segregated patrimony, in

## **AQA UCITS Funds SICAV p.l.c.**

(the "Company")

an open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital registered under the laws of Malta and licensed by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370, Laws of Malta). The Company qualifies as a 'Maltese UCITS' in terms of the Investment Services Act (Marketing of UCITS) Regulations (S.L. 370.18, Laws of Malta).

**AQA Capital Limited**  
(the "Investment Manager")

**Bank of Valletta p.l.c.**  
(the "Custodian" and the "Banker")

**RBC Investor Services Trust, London Branch**  
(the "Global Custodian")

**APPROVED** by the  
Malta Financial Services Authority  
in terms of section 11 of the  
Investment Services Act, 1994

Signature.....*[Signature]*.....

Name...*Daniela Gauci*.....

Date...*24 November 2016*.....

**Important Notice:** This Prospectus is to be read in conjunction with ~~one or more~~ Offering Supplements which may accompany this document when an offer of Investor Shares in any Sub-Fund takes place. An Offering Supplement may modify, supplement or exclude any terms or conditions stated in this Prospectus as applicable to the related Sub-Fund, as well as include terms and conditions which, although not included in this Prospectus, shall apply to the related Sub-Fund. The Company has also issued one or more Key Investor Information Documents in respect of every Sub-Fund.

This Prospectus is a revised and updated version of the Prospectus dated 22<sup>nd</sup> May 2015.

**AQA UCITS FUNDS SICAV P.L.C. (INCLUDING EACH OF ITS SUB-FUNDS) IS LICENSED AS A COLLECTIVE INVESTMENT SCHEME BY THE MALTA FINANCIAL SERVICES AUTHORITY ("MFSA") UNDER THE INVESTMENT SERVICES ACT (CAP. 370, LAWS OF MALTA) AND QUALIFIES AS A 'MALTESE UCITS' IN TERMS OF THE INVESTMENT SERVICES ACT (MARKETING OF UCITS) REGULATIONS (S.L. 370.18, LAWS OF MALTA). AUTHORISATION OF THE COMPANY AND ITS SUB-FUNDS BY THE MFSA DOES NOT CONSTITUTE A WARRANTY BY THE MFSA AS TO THE PERFORMANCE OF THE COMPANY AND ITS SUB-FUNDS AND THE MFSA SHALL NOT BE LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE COMPANY AND ITS SUB-FUNDS.**

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# Important Information

## Sole Basis of Offer

The Investor Shares are offered solely on the basis of the information and representations contained in this Prospectus and the Offering Supplement relating to a particular Sub-Fund which should accompany it. A Key Investor Information Document (“**KIID**”) will be provided free of charge to any prospective investor, however, prospective investors are cautioned that the Prospectus and any Offering Supplement should also be read in their entirety before making an application to acquire Investor Shares. Investors or prospective investors should only rely on the latest published version of the Prospectus and any Offering Supplement, a copy of which may be obtained free of charge upon request from the Administrator or from the Investment Manager.

If you are in any doubt about the contents of this Prospectus and the relevant Offering Supplement, you should consult an independent investment advisor.

No persons have been authorised by the Company, its Directors or the Investment Manager to make any representations or issue any advertisement or to give any information in connection with the offering or sale of Investor Shares other than those contained in this Prospectus, the Offering Supplements and any KIID. Consequently if any further information is given or representations are made, they may not be relied upon as having been authorised by the Company, its Directors or the Investment Manager. Any purchase or subscription made by any person on the basis of information or representations not contained in or inconsistent with the information or representations contained in the Prospectus, the Offering Supplements and any KIID shall be solely at the risk of the investor.

Neither the delivery of this Prospectus, any Offering Supplement and any KIID nor the offer, issue or sale of Investor Shares shall constitute a representation that the information given in this Prospectus, any Offering Supplement and any KIID is correct as of any time subsequent to the date hereof. This Prospectus, any Offering Supplement and any KIID may be amended from time to time.

## Licensing Status and MFSA Disclaimer

The Company is organised under the laws of Malta as a multi-fund public limited liability company with variable share capital (SICAV) pursuant to the Companies Act. The Company may issue several Classes of Investor Shares which may, alone or jointly with other Classes of Investor Shares, constitute Sub-Funds. The Company and its Sub-Funds are authorised in terms of the Investment Services Act (Cap. 370, Laws of Malta) as an open-ended collective investment schemes qualifying as a Maltese UCITS, and licensed and regulated by the MFSA.

Authorisation of the Company and its Sub-Funds by the MFSA does not constitute a warranty by the MFSA as to the performance of the Company and its Sub-Funds and the MFSA shall not be liable for the performance or default of the Company and its Sub-Funds.

## No Application to List Shares on any Stock Exchange

No application has been made for a listing on any stock exchange for any of the Investor Shares of the Company or for the grant of permission for any Investor Shares in the Company to be traded on any other exchange.

## Information Available to Investors

A copy of the Prospectus, including any Offering Supplements, and any KIID can be obtained from the Administrator or the Investment Manager.

The Company and its Sub-Funds are constituted under the Companies Act (Cap. 386, Laws of Malta), consequently the rules relating to the Company and its Sub-Funds as well as the rights of holders of Shares are set out in detail in the Memorandum and Articles. The Company's latest Memorandum and Articles and the other documents listed on page 69 are available for inspection by prospective investors during ordinary office hours at the registered office of the Administrator. Please refer to the relevant Offering Supplement for the respective Administrator's details.

A copy of this Prospectus, together with any Offering Supplements have been lodged with the

Registrar of Companies in accordance with the Investment Services Act and the Companies Act and are therefore also available for inspection at the Registry of Companies, Malta, together with the Memorandum and Articles.

## **Distribution outside Malta**

The offer of Investor Shares in the Company is deemed to be an offer of securities to the public in terms of the Companies Act, however, the distribution of this Prospectus, the Offering Supplements, any KIID and the offering of Investor Shares may be restricted in other jurisdictions. In this regard, the attention of prospective investors is brought to the part entitled "Restricted Offer" below. In terms of the Memorandum and Articles, the Directors may impose such restrictions as they think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or requirements of any country or governmental authority.

## **Restricted Offer**

This Prospectus, any Offering Supplement in respect of a Sub-Fund and any KIID do not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus, any Offering Supplement, any KIID and the offering of Investor Shares in certain jurisdictions is restricted. Persons to whose attention this Prospectus may come are required to inform themselves about, and to observe, such restrictions.

Prospective investors should inform themselves as to: (a) the legal requirements within their own jurisdictions for the purchase, holding or disposal of Investor Shares; (b) any foreign exchange restrictions which may affect them; and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Investor Shares. The Directors may from time to time declare categories of persons who do not qualify under applicable laws to purchase Investor Shares.

This Prospectus, any Offering Supplement and any KIID may be translated into other languages and any such translation shall contain the same information and shall make the same statements as are included in the English version of the relative source documents. To the extent that there is any inconsistency between the English versions and the versions translated into any other language, then the English versions shall prevail except to the extent required by the laws of any jurisdiction where the Investor Shares are being offered.

## **Investment Risk**

Investment in any Sub-Fund carries risks normally attributable to investment in collective investment schemes of this type. Investors and potential investors in the Company and its Sub-Funds are invited to obtain individual professional advice where appropriate so as to be fully aware of how they may be affected financially by such risks. Investors should also inform themselves of, and consider carefully, the tax implications of investing in the Company and its Sub-Funds, of any laws, rules or regulations or conditions which could affect (by virtue, for instance, of the investor's domicile, residence or nationality) the investment return on these funds, and the right to acquire, own or dispose of an investment in the Company. There can be no assurance that the Company's or its Sub-Fund's investment objectives will be achieved and investment results may vary substantially over time. Prospective investors should be aware that the value of investments, as reflected in the NAV per Share, can go down as well as up and the attention of investors is drawn to the Section entitled "Risk Factors". Prospective investors should carefully consider whether an investment in Investor Shares is suitable for them in the light of their circumstances and financial resources.

## **Right to Refuse Any Subscription Application**

The Company may reject a Subscription Application for any reason and is not obliged to disclose the reason, or reasons, for so rejecting such Subscription Application.

## **Applicable Law**

This Prospectus, the Offering Supplements, any KIID and any statements made in them are based on and subject to Maltese law.

# Structure of this Document

Due to the structure of the Company and the fact that several Classes of Investor Shares in the Sub-Funds may be offered, the Company has issued this Prospectus which includes general information in connection with the Company and several Offering Supplements, one for each Sub-Fund. The Company has issued and will issue one or more KIIDs in relation to each Sub-Fund.

The Prospectus covers all the matters which are generally relevant and/or common to the Sub-Funds. The Offering Supplements contain specific information directly related to a Sub-Fund and the Classes of Investor Shares constituting that Sub-Fund. Each Offering Supplement forms an integral part of this Prospectus. Each KIID will provide a summary of the essential characteristics of the Sub-Fund and any Classes forming the subject of such KIID and the relevant parts of this Prospectus.

In the case of the Company constituting a new Sub-Fund, a new Offering Supplement and KIID(s), dedicated to the particulars of that Sub-Fund, will be issued.

A prospective investor will be provided by the Company with a copy of the relevant KIID free of charge before committing to invest. Both the Prospectus and the relevant Offering Supplement for the specific Sub-Fund are also available free of charge upon request from the Administrator or the Investment Manager. Any Offering Supplement should be read in conjunction with this Prospectus.

In the event of any inconsistency between the contents of this Prospectus and the contents of an Offering Supplement, unless otherwise expressly stated in this Prospectus, the contents of the Offering Supplement shall prevail in respect of the related Sub-Fund.

# Interpretation

## Definitions

The following words shall, unless the context otherwise requires or implies, have the meanings set opposite them when used in this Prospectus:

<b>Accounting Period</b>	Unless otherwise determined by the Directors, a financial period of the Company commencing in the case of the first such period on the date of the registration of the Company and terminating on 31 <sup>st</sup> December, 2015 and, in respect of subsequent periods, commencing on 1 <sup>st</sup> January in each year and ending on 31 <sup>st</sup> December in the same year.
<b>Accounting Currency</b>	EUR.
<b>Administrator(s)</b>	Any Administrator(s) which the Company may from time to time appoint as specified in the relevant Offering Supplement in relation to a Sub-Fund.
<b>Approved Counterparty</b>	<p>Counterparties who:</p> <ol style="list-style-type: none"><li>(1) are not the Investment Manager;</li><li>(2) form part of a group whose head office or parent company is licensed, registered or based in Malta, or in any member of the OECD or the EEA;</li><li>(3) are subject to prudential supervision in accordance with provisions equivalent to EU Directive 93/6/EEC or EU Directives 73/239/EEC and 79/267/EEC as amended; and</li><li>(4) have a credit rating of at least A (Standards &amp; Poor's) or A2 (Moody's) or such other rating acceptable to the MFSA.</li></ol> <p>In the case of an OTC FDI transaction, such counterparty must satisfy the Company that it has:</p> <ol style="list-style-type: none"><li>(1) agreed to value the transaction at least weekly, and</li><li>(2) will close out the transaction at the request of the Investment Manager or the Company at fair value.</li></ol>
<b>Approved Collateral</b>	Collateral provided by an Approved Counterparty in connection with an FDI which satisfies the requirements imposed by MFSA Rules and the Licence Conditions.
<b>Approved Institution</b>	A credit institution that has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by MFSA as equivalent to those laid down in EU law.
<b>Approved Regulated Market</b>	A stock exchange or any other regulated market, which operates regularly, and is recognised and open to the public, has adequate liquidity and adequate arrangements in respect of the transmission of income and capital, and which has been approved by the MFSA. A list of the Approved Regulated Markets selected for the Company as of the date hereof appears in Appendix 1 of this Prospectus and, if any additional ones are selected in relation to a particular Sub-Fund, in the related Offering Supplement; updated lists are available by direct application to the Investment Manager.

<b>Articles</b>	The Articles of Association of the Company.
<b>Auditors</b>	The auditors for the time being of the Company.
<b>Authorised Distributors</b>	The entities or individuals which may be appointed by the Company to distribute Investor Shares subject to the terms of an agreement with such persons in each case.
<b>Base Currency</b>	The currency in which a Class of Shares is denominated; in respect of each Sub-Fund and the Classes of Investor Shares comprised within it, as stated in the related Offering Supplement.
<b>Board</b>	The Board of Directors of the Company or a duly constituted committee of the Board.
<b>Business Day</b>	Except where otherwise stated in the Offering Supplement or determined by the Board, any day that is not a Saturday or a Sunday and not a public or bank holiday in Malta.
<b>Class</b>	A class of Shares. A Class or Classes of Investor Shares may alone or together constitute a Sub-Fund and may have different rights from any other Class or Classes in the same Sub-Fund, as set forth in the relevant Offering Supplement.
<b>CIS</b>	Collective investment schemes.
<b>Cleared Funds</b>	Subscription monies that have been credited to the client money account of the Company and relevant Sub-Fund maintained with the Custodian and made available for withdrawal.
<b>Closing Date</b>	The date on which the Initial Offering Period for a particular Class of Investor Shares ends. The Closing Date for each Class of Investor Shares will be set forth in the Offering Supplement for the related Sub-Fund.
<b>Companies Act</b>	The Companies Act (Cap. 386, Laws of Malta).
<b>Company</b>	AQA UCITS Funds SICAV p.l.c.
<b>Company Secretary</b>	The person occupying the post of company secretary of the Company from time to time.
<b>Custodian</b>	Bank of Valletta p.l.c. or as otherwise stated in the relevant Offering Supplement in relation to a Sub-Fund.
<b>Dilution Levy</b>	An amount paid by the applicant for an Investor Share in addition to the Subscription Price or an amount deducted by the Company from the amount that would otherwise be payable in respect of the redemption of an Investor Share
<b>Dealing Day</b>	Any Business Day that is a Subscription Day and/or a Redemption Day.
<b>Deposits</b>	Means deposits of cash held with an Approved Institution.
<b>Directors</b>	The Directors of the Company.
<b>EEA</b>	The European Economic Area. Unless otherwise specified, references to the EEA and its member states shall encompass the EU and its member states.
<b>EU</b>	The European Union.
<b>Euro/€ EUR</b>	The single currency of the EU.
<b>FDI</b>	A financial derivative instrument (including an OTC FDI).

<b>Founder Shares</b>	Shares with no nominal value having the rights provided for in the Memorandum and Articles.
<b>GBP</b>	The currency of the United Kingdom;
<b>Group Companies</b>	Companies which are included in the same group for the purposes of consolidated accounts as defined in EU Directive 83/349/EEC in accordance with recognised international accounting rules.
<b>Initial Offering Period</b>	In relation to any particular Class of Investor Shares, the period specified in the related Offering Supplement during which such Investor Shares are offered at the Initial Offering Price.
<b>Initial Offering Price</b>	The price at which Investor Shares will be offered during the Initial Offering Period. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details.
<b>Investment Advisor</b>	Such person(s), if any, engaged by the Company and/or the Investment Manager to advise the Company and/ or the Investment Manager in respect of the investment and re-investment of the assets of a Sub-Fund.
<b>Investment Management Agreement</b>	Any agreement which may be entered into between the Investment Manager and the Company relating to the engagement and responsibilities of the Investment Manager.
<b>Investment Management Fee</b>	The investment management fee which may be payable to the Investment Manager, if any, as specified in the Offering Supplement of any Sub-Fund.
<b>Investment Manager</b>	AQA Capital Limited.
<b>Investor Shares</b>	Participating Shares of no par value, which may be divided into different Classes, and which may include fractions of a whole share. Investor Shares are issued in relation to a particular Sub-Fund.
<b>ISA</b>	The Investment Services Act (Cap. 370, Laws of Malta).
<b>Key Investor Information Document / KIID</b>	The Key Investor Information Document containing salient information relating to a particular Sub-Fund or Class or Classes, as required by the UCITS Regulations.
<b>Licence Conditions</b>	The conditions in the relevant licence issued by the MFSA to the Company and in respect of any Sub-Fund.
<b>Malta</b>	The Republic of Malta.
<b>Maltese UCITS</b>	A UCITS whose registered office and head office are situated in Malta, that is harmonised in accordance with the UCITS Directive and is licensed in terms of the ISA.
<b>Member State</b>	A member state of the European Union.
<b>Memorandum and Articles</b>	The Memorandum of Association of the Company and the Articles.
<b>MFSA</b>	The Malta Financial Services Authority or any other successor competent authority in terms of the ISA.
<b>MFSA Rules</b>	Any guidelines, guides, or rules, issued by the MFSA, and any amendments to them from time to time in force, which may be applicable to the Company and the Sub-Funds.
<b>Minimum Holding</b>	The minimum amount or minimum value of Investor Shares that must be held by any investor in a Sub-Fund. In relation to any particular Class of Investor Shares, see the related Offering

Supplement for details.

<b>Minimum Additional Investment</b>	The minimum amount or minimum value of Investor Shares for which an additional subscription by an existing Shareholder may be made. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details.
<b>Minimum Initial Investment</b>	The minimum amount or minimum value of Investor Shares for which an initial subscription may be made. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details.
<b>Money Market Instruments</b>	Instruments normally dealt in on the money market which are liquid, and whose value can be accurately determined at any time.
<b>NAV</b>	Net Asset Value.
<b>NAV per Share</b>	The NAV attributable to a Class of Investor Shares divided by the number of outstanding Investor Shares of that Class.
<b>Offering</b>	The offering of Investor Shares for subscription as described in this Prospectus and any Offering Supplement.
<b>Offering Period</b>	Subject to the terms of this Prospectus, the period during which Investor Shares will be made available at the Subscription Price. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details.
<b>Offering Supplement</b>	An offering document in relation to Investor Shares in a particular Sub-Fund of the Company, including all relevant appendices, amendments and exhibits to it, if any, as the same may from time to time be consolidated. In the event of any incompatibility between the terms of an Offering Supplement and this Prospectus, the terms of the Offering Supplement shall, to the extent of such incompatibility, prevail with respect to the related Sub-Fund.
<b>Officers</b>	In relation to the Company includes a director, manager or company secretary of the Company.
<b>OTC FDI</b>	A financial derivative instrument which is dealt in an “over-the-counter” market.
<b>Performance Fee</b>	The performance fee, if any, which may be payable to the Investment Manager in the case of a Class of Investor Shares. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details.
<b>Prospectus</b>	All constituent parts of this Prospectus, including all relevant appendices, amendments, addenda, supplements and exhibits to it, as the same may, from time to time be consolidated, together with any Offering Supplement which may be issued by the Company.
<b>Recently Issued Transferable Securities</b>	Means securities in respect of which the terms of issue include an undertaking that application will be made for admission to official listing on an Approved Regulated Market and such admission is secured within a year of issue.
<b>Redemption Day</b>	In relation to a Class of Investor Shares, a Business Day on which Investor Shares may be redeemed by the Company. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details.
<b>Redemption Notice</b>	The form, a specimen of which is available from the Administrator, or from an Authorised Distributor, which has to be submitted to the Company by a Shareholder for the purposes of requesting a redemption of Investor Shares.

<b>Redemption Price</b>	The price at which Investor Shares may be redeemed, in accordance with the provisions of this Prospectus. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details.
<b>Redemption Proceeds</b>	The Redemption Price multiplied by the number of Investor Shares being redeemed by the redeeming Shareholder, net of any applicable charges payable.
<b>Reference Currency</b>	The Base Currency used for a Sub-Fund's performance measurement and accounting purposes; it may differ from a Sub-Fund's investment currency or from one or more of the Base Currencies of the Classes of Investor Shares comprised in that Sub-Fund.
<b>Remitting Bank</b>	The bank or financial institution from which a Subscriber's subscription monies are sent to the Company.
<b>Settlement Date</b>	In respect of receipt of monies for payment of subscription monies, the date(s) specified in the relevant Offering Supplement for the Sub-Fund.
<b>Shareholder(s)</b>	Any person(s) who is registered as holding Shares of the Company.
<b>Shares</b>	Shares of no par value in the capital of the Company, which may be divided into different Classes, and which may include fractions of a whole share and includes the Founder Shares and the Investor Shares.
<b>Sub-Fund</b>	The distinct Class or Classes of Investor Shares constituting that Sub-Fund to which are allocated assets and liabilities distinct from other assets and liabilities allocated to other Sub-Funds. A Sub-Fund may pursue investment objectives and adhere to investment policies different from those of the other Sub-Funds and may be made up of more than one Class of Investor Shares.
<b>Subscriber</b>	A person who has completed a Subscription Application for Investor Shares in a Sub-Fund of the Company.
<b>Subscription Application</b>	The form, a specimen of which is available from the Administrator or from an Authorised Distributor, which has to be submitted to the Company by a prospective investor for the purpose of applying and, if accepted, subscribing to Investor Shares.
<b>Subscription Day</b>	In relation to a Class of Investor Shares, a Business Day on which Subscription Applications may be accepted. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details.
<b>Subscription Price</b>	The price at which Investor Shares may be purchased after the Closing Date, in accordance with the provisions of this Prospectus. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details.
<b>Sub-Investment Manager</b>	Such person(s), if any, engaged by the Investment Manager to manage the day to day investment and re-investment of the assets of a Sub-Fund. Details of any Sub-Investment Manager engaged for a particular Sub-Fund will be set out in the Offering Supplement in respect of that Sub-Fund.
<b>Transferable Securities</b>	Securities being: <ul style="list-style-type: none"> <li>(1) shares in companies and other securities equivalent to shares in companies;</li> </ul>

- (2) bonds and other forms of securitised debt; and
- (3) other negotiable securities which carry the right to acquire any such Transferable Securities by subscription or exchange.

## **UCITS**

Undertakings for the collective investment in transferable securities which are harmonised in accordance with the UCITS Directive and which have:

- (1) as sole object the collective investment in transferable securities and/ or in other liquid financial assets of capital raised from the public and which operate on the principle of risk-spreading; and
- (2) units which, at the request of holders, may be repurchased or redeemed, directly or indirectly, out of those undertakings' assets. Action taken by a UCITS to ensure that the stock exchange value of its units does not significantly vary from their net asset value shall be regarded as equivalent to such re-purchase or redemption.

## **UCITS Directive**

EU Directive 2009/65/EC of 13 July 2009 as amended by EU Directive 2014/91/EU of 23 July 2014 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in Transferable Securities.

## **UCITS Regulations**

The Investment Services Act (Marketing of UCITS) Regulations (S.L. 370.18, Laws of Malta).

## **U.S. / United States**

United States of America.

## **USD / US\$ / US Dollars**

The lawful currency of the United States.

## **Valuation Point**

The point in time by reference to which the NAV and the NAV per Share of a Class is calculated as specified in the relevant Offering Supplement for the Sub-Fund, provided that a Valuation Point shall always be on a Business Day.

## **General**

For the purposes of this Prospectus unless the context otherwise requires or implies:

- (1) words importing the singular include the plural and vice versa;
- (2) words which are gender neutral or gender specific include each gender;
- (3) other parts of speech and grammatical forms of a word or phrase defined in the Prospectus has a corresponding meaning;
- (4) an expression importing a natural person includes a company, partnership, joint venture, association, corporation or other body corporate and a government agency;
- (5) a reference to "includes" means to include without limitation;
- (6) a reference to a law, directive or regulation is a reference to that law, directive or regulation as amended, consolidated, replaced or recast;
- (7) a reference to a document includes all amendments or supplements to that document, or replacements or novations of it;
- (8) a reference to a Section, Part, Paragraph or Appendix refers to a Section, Part, Paragraph or Appendix of this Prospectus;
- (9) a reference to an entity in the Prospectus (as the context requires) includes that entity's

- successors and permitted assigns; and
- (10) all references to currencies shall include any successor currency.

# Principal Features

The following should be read in conjunction with the full text of this Prospectus and is qualified in its entirety by and subject to the detailed information contained elsewhere in the Prospectus.

## Company Structure

**AQA UCITS Funds SICAV p.l.c.** is a collective investment scheme established as a multi-fund investment company with variable share capital (SICAV) with limited liability registered under the laws of Malta and licensed by the MFSA under the ISA.

The Company qualifies as a 'Maltese UCITS' in terms of the UCITS Regulations. The Company is expected to consist of several Sub-Funds, each of which will be capitalised through the issue of one or more Classes of Investor Shares. The capital raised for each Sub-Fund will be invested in line with its investment objectives, subject to its investment policies and restrictions.

## Segregated Assets

The Company is structured with segregated liability between its Sub-Funds pursuant to Maltese law and accordingly, the assets of one Sub-Fund will not generally be available to meet the liabilities of another.

Under Maltese law, the creditors of that Sub-Fund whose liabilities exceed its assets shall have no claim or right of action against the assets of the other Sub-Funds and of the Company and the legal status of each Sub-Fund as having segregated assets and liabilities from each of the other Sub-Funds should be respected in any proceedings under the Companies Act related to either the dissolution and consequential winding-up of the Company or its reconstruction. Furthermore such proceedings instituted under the Companies Act should apply in the same way to each Sub-Fund as though it were a distinct legal entity and with such modifications as are necessary in view of the fact that a Sub-Fund is not a company. Any such proceedings in relation to any one Sub-Fund should not have any effect on the assets of any other Sub-Fund or of the Company.

The Directors will hold or cause to be held such separate accounts, records, statements and other documents as may be necessary to evidence the liabilities and assets of each Sub-Fund as distinct and separate from the assets and liabilities of all the other Sub-Funds. If classes of Investor Shares are issued in the same Sub-Fund, all assets and liabilities of each such class of Investor Shares would form part of the total assets and liabilities of the Sub-Fund of which such a class of Investor Shares forms part.

Notwithstanding the foregoing, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation and in such circumstances the assets of one Sub-Fund may be exposed to the liabilities of another. There is no guarantee that the courts of any jurisdiction outside Malta will respect the limitations on liability associated with segregated account companies.

## Offer Documents

The Offer of Investor Shares in any Sub-Fund of the Company is governed by this Prospectus as the same may be amended and updated from time to time.

This Prospectus is accompanied by an Offering Supplement issued in connection with the offer of Investor Shares in the **AQA High Yield Bond Fund, AQA Credit Strategies Fund, AQA Selective Income Fund, AQA Hybrid Bond Fund, AQA Inter-Active Allocation Fund, AQA Flexible Allocation Fund and AQA Selective Opportunities Fund** (referred to as the "**Present Sub-Funds**").

The Company has also issued one or more KIIDs in respect of the Present Sub-Funds.

When Investor Shares in other Sub-Funds are issued in the future, this Prospectus will be accompanied by an Offering Supplement for each new Sub-Fund. The Company will also issue one or more KIIDs in respect of new Sub-Funds.

## **New Classes**

The Company may issue new Classes of Investor Shares which may be constituted as segregated Sub-Funds or new Classes of Investor Shares within existing Sub-Funds, which may be designated in various currencies. The assets of the said Sub-Funds may be managed utilising different strategies or methodologies, or by investing in different markets.

This Prospectus is to be at all times accompanied by an Offering Supplement for the relevant Sub-Fund which is the subject of the Offering. Offerings in other Sub-Funds may be made again in the future. Information about Sub-Funds other than the ones referred to in this Prospectus may be obtained from the Administrator.

## **Investment Objective, Policies and Restrictions**

Details of the specific investment objective and policies for each Sub-Fund will be formulated by the Directors at the time of creation of the Sub-Fund and will be stated in the related Offering Supplement.

There is no guarantee that any of the investment objectives will be met.

## **Investment Risks**

Shareholders should be aware that the Sub-Funds in the Company are designed to achieve particular economic targets related to the strategies stated for the particular Sub-Fund and implemented by that Sub-Fund.

Such strategies may carry with them particular risks that are not typical of equity or bond funds. Subscribers are urged to review carefully the risk factors stated for the Sub-Funds in the relevant part of this Prospectus and any specific risk factors relative to any particular Sub-Fund which may be stated in the Offering Supplement for such Sub-Fund.

## **Dividend Policy**

Except where otherwise stated in the Offering Supplement of any particular Sub-Fund, it is not envisaged that any income or gains will be distributed by the Company to its Shareholders, and the Company will accumulate all income received from its investments, which income will be reflected in the NAV of the Investor Shares.

Under the Memorandum and Articles, and where provided for under the relevant Offering Supplement, the Directors may declare dividends out of a Sub-Fund from the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses provided that the amount of dividends so declared should be determined in conformity with any requirements imposed by the MFSA in terms of the ISA, MFSA Rules and the Licence Conditions.

Where applicable, the Company will be obliged and entitled to deduct an amount in respect of Malta tax from any dividend payable to a Shareholder in any Sub-Fund who is or is deemed to be taxable in Malta, and to pay such sum to the Malta tax authorities – Please refer to the Section entitled “Taxation” below for further details.

Shareholders should note that the NAV per Share of certain classes of Investor Shares in a Sub-Fund may decrease over time as the Company declares and pays dividends to the holders of such Investor Shares.

## **The Offering**

Subject only to the maximum number of Investor Shares specified in the Memorandum and Articles which are at the relevant time available for issue, not being exceeded, the Company may, at its sole discretion, accept Subscription Applications for Investor Shares at any time.

Investor Shares will be offered by means of Offering Supplements at the relevant Initial Offering Price during the Initial Offering Period, and thereafter, on each Subscription Day at the Subscription Price.

Subscription monies and a fully completed Subscription Application and any accompanying

documents have to reach the Company at the office of the Administrator no later than the time provided for in the Offering Supplement for the related Sub-Fund. The Directors may waive such notice period at their discretion.

The Company is entitled to close the Offering Period for any class of Investor Shares in a Sub-Fund at its sole discretion.

## **Pricing**

The calculation of the NAV of each class of Investor Shares in a Sub-Fund shall be effected by the Administrator at such intervals and as at such Valuation Points and in such manner as is stated in this Prospectus and the Offering Supplement relating to the particular Sub-Fund.

Information regarding the NAV per Share, Subscription Price and Redemption Price, as determined as at each Valuation Point, will ordinarily be made available at the office of the Administrator and in other public mediums as may apply to a particular Sub-Fund. See the related Offering Supplement for details.

## **Minimum Holding in Sub-Funds**

The Offering Supplement of each Sub-Fund will give details of the minimum number or value of Investor Shares that shall be held in each Sub-Fund. The Directors may waive the minimum holding at their discretion.

The Minimum Holding requirement applies at all times to all Shareholders, however no obligations shall arise upon a Shareholder should the NAV of a holding reduce to less than the Minimum Holding as a result of fluctuation of the underlying assets.

## **Minimum Initial Investment for Investor Shares in the Sub-Funds**

The Offering Supplement will give details of the Minimum Initial Investment for Investor Shares in any Sub-Fund, subject to the Minimum Holding limit described above. The Directors may waive the Minimum Initial Investment at their discretion.

## **Minimum Additional Investment**

The Offering Supplement will also give details of the Minimum Additional Investment for Investor Shares in any Sub-Fund, subject to the Minimum Holding limit described above. The Directors may waive the Minimum Additional Investment at their discretion.

## **Subscription Applications**

Investor Shares may be acquired on any Subscription Day, as is described in this Prospectus.

Subscription Applications for Investor Shares may be submitted to the Company at the office of the Administrator, whether directly or through Authorised Distributors, in the prescribed form, a copy of which is available from the Administrator or from an Authorised Distributor.

Subscription Applications can only be accepted if they are received by the Company at the office of the Administrator, within the deadlines stated in the related Offering Supplement. Further, the subscription amounts are to be received in Cleared Funds by not later than the relevant Settlement Date. See the part entitled "Purchase of Shares" under the Section entitled "Purchase, Exchange and Transfer of Investor Shares" for further details.

## **Redemption**

Investor Shares may be redeemed on any Redemption Day, as is described in this Prospectus. See the Section entitled "Redemption of Shares" for further details.

A redemption request must be received by the Company at the office of the Administrator with such prior notice before the relevant Redemption Day as may be stated in the Offering Supplement for the related Sub-Fund. Redemption requests received after such date will be processed on the following Redemption Day, provided that the Directors may accept, at their sole discretion, a shorter notice.

## **Accounting Currency**

For the purposes of the compilation of the annual financial statements of the Company, the reporting currency for the Company shall be the Accounting Currency.

# Investment Objectives, Policies and Restrictions

## Objectives and Policies

A detailed description of the investment objectives and policies of each Sub-Fund will be found in the relevant Offering Supplement.

## Restrictions

### Investment Restrictions

The investment restrictions applying to each Sub-Fund of the Company under the MFSA Rules and Licence Conditions are set out below. These are, however, subject to the qualifications and certain exemptions contained in the MFSA Rules and in the Licence Conditions. Any additional investment restrictions for particular Sub-Funds will be formulated by the Directors at the time of the creation of such Sub-Funds and will be stated in the relevant Offering Supplement.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders.

### Part A – Permitted Investments

Subject to the limits for each type of permitted asset class as stated in Part B below, investments of a Sub-Fund shall be limited to:

- A1. Transferable Securities and Money Market Instruments which are admitted to or dealt on an Approved Regulated Market;
- A2. Recently Issued Transferable Securities;
- A3. Units of other CISs which qualify as UCITS and are so authorised in terms of the UCITS Directive, provided that no more than 10% of the assets of the UCITS whose acquisition is contemplated, can, according to their prospectus or instruments of incorporation, be invested in aggregate in units of other UCITS or other CIS.
- A4. Units of other CIS not authorised in terms of the UCITS Directive that, other than the requirement that they be harmonised in accordance with the UCITS Directive, otherwise satisfy the definition of a UCITS and the following additional requirements:
  - (A) such other CISs are authorised under laws which provide that CISs are subject to supervision considered by MFSA to be equivalent to that laid down in EU law, and that co-operation between authorities is sufficiently ensured;
  - (B) the level of protection for unit-holders in such other CISs is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (C) the business of the other CISs is reported in half yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - (D) no more than 10% of the assets of the other CIS whose acquisition is contemplated, can, according to their prospectus or instruments of incorporation, be invested in aggregate in units of other UCITS or other CISs.
- A5. Deposits with Approved Institutions, which are repayable on demand, or have the right to be withdrawn and maturing in no more than 12 months.

- A6. FDIs, including equivalent cash-settled instruments dealt in on an Approved Regulated Market or dealt in over-the-counter (“**OTC FDIs**”) provided that:
- (A) the underlying assets consist of instruments covered by this Part A, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives and stated in this Prospectus or relevant Offering Supplement;
  - (B) the counterparties to OTC FDI transactions are Approved Counterparties, and
  - (C) the OTC FDIs are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company’s initiative.
- A7. Money Market Instruments not dealt on an Approved Regulated Market, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings and they are:
- (A) issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
  - (B) issued by an undertaking any securities of which are dealt on an Approved Regulated Market; or
  - (C) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the MFSA to be at least as stringent as those laid down by EU law; or
  - (D) issued by other bodies falling within the categories which the MFSA may from time to time prescribe, provided that investments in such instruments are subject to investor protection equivalent to that laid down in (A), (B) or (C) above and provided that the issuer:
    - (i) is a company whose capital and reserves amount to at least €10,000,000 and which presents and publishes its annual accounts in accordance with EU Directive 78/660/EEC;
    - (ii) is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group; or
    - (iii) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- A8. The Company may acquire movable and immovable property which is essential for the direct pursuit of its business; it may hold ancillary liquid assets but may not acquire precious metals or certificates representing them.

## **Part B – Investment Limits**

When investing in any one or more of the Permitted Investments stated in Part A above, a Sub-Fund shall observe the following limits:

### Transferable Securities and Money Market Instruments

- B1. A Sub-Fund may not invest more than 10% of its assets in Transferable Securities and Money Market Instruments other than those referred to in paragraphs A1, A2 and A7.
- B2. A Sub-Fund may invest no more than 5% of its assets in Transferable Securities or Money Market Instruments issued by the same body.
- B3. The limit referred in paragraph B2 above may be increased to 10% provided that the total

value of Transferable Securities and Money Market Instruments held in bodies in which the Sub-Fund invests more than 5%, is less than 40%.

- B4. The limit of 5% (in B2) may be raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. Sums deriving from the issue of these bonds shall be invested, in conformity with the law, in assets which during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. If a Sub-Fund invests more than 5% of its assets in these bonds issued by one issuer, the total value of those investments in each of which it holds more than 5% of its assets may not exceed 80% of the value of the assets of the Sub-Fund.
- B5. The limit of 5% (in B2) may be raised to 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by:
- (A) a Member State or its local authorities;
  - (B) by a non-Member State;
  - (C) public international body of which one or more Member States are members.
- B6. The Transferable Securities and Money Market Instruments referred to in B4 and B5 shall not be taken into account for the purpose of applying the limit of 40% referred to in B3.

#### Deposits with Credit Institutions

- B7. A Sub-Fund may not invest more than 20% of its assets in Deposits made with the same Approved Institution.

#### Transactions in FDIs

- B8. The Company may, in respect of a Sub-Fund, enter into FDIs falling under A6 above for investment or for efficient portfolio management.

The risk exposure of a Sub-Fund to an Approved Counterparty in an OTC FDI may not exceed 5% of its assets. This limit is raised to 10% where the counterparty is an Approved Institution. The exposure per counterparty of an OTC FDI shall be measured on the basis of the maximum potential loss incurred by the Sub-Fund if the counterparty defaults.

The exposure to one counterparty in an OTC FDI may be reduced where the counterparty provides the Sub Fund with Approved Collateral. Furthermore, the Company may, in respect of a Sub-Fund, net the mark-to-market value of its OTC FDI positions with the same counterparty, thus reducing the Company's exposure to its counterparty, provided that the Company has in respect of that Sub-Fund a contractual netting agreement with its counterparty which creates a single legal obligation such that, in the event of the counterparty's failure to perform owing to default, bankruptcy, liquidation or any other similar circumstance, the Company would have a claim to receive or an obligation to pay only the net sum of the positive and negative mark-to-market values of included individual FDIs.

FDIs which are transacted on an Approved Regulated Market where the clearinghouse meets the following conditions shall be deemed to be free of counterparty risk:

- (A) is backed by an appropriate performance guarantee;
- (B) is characterised by a daily mark-to-market valuation of the derivative positions; and
- (C) is subject to at least daily margining.

#### Overall Single Issuer Exposure

- B9. Notwithstanding the limits laid down in paragraphs B2, B7 and B8 above a Sub-Fund may not combine:

- (A) investments in Transferable Securities or Money Market Instruments issued by;
  - (B) deposits made with;
  - (C) counterparty risk exposures arising from OTC FDIs undertaken with; and
  - (D) other exposures arising from OTC FDIs relating to;
- a single body in excess of 20% of its assets.
- B10. The limits referred to in B2, B3, B4, B5, B7, B8 and B9 above may not be combined, so that exposure to a single body shall not exceed 35% of the assets of a Sub-Fund.
- B11. Group Companies are regarded as a single issuer for the purposes of B2, B3, B4, B5, B7, B8, B9 and B10. However, a limit of 20% of the assets of a Sub-Fund may be applied to investment in Transferable Securities and Money Market Instruments within the same group.
- B12. Notwithstanding the limits stated above, a Sub-Fund may, applying the principle of risk spreading, invest up to 100% of its assets in different Transferable Securities and Money Market Instruments issued or guaranteed by:
- (A) any Member State or its local authorities;
  - (B) non-Member States; or
  - (C) public international bodies of which one or more Member States are members,
- provided that:
- (A) the Company is satisfied that Shareholders have protection equivalent to that of shareholders in a CIS complying with the other limits laid down in this Prospectus;
  - (B) the Company holds, in respect of a Sub-Fund, securities from at least six different issues; and
  - (C) the securities from any one issue shall not exceed 30% of the assets of the Sub-Fund.

Where a Sub-Fund proposes to invest in Transferable Securities and/ or Money Market Instruments within the limits set in this paragraph, the Offering Supplement in respect of this Sub-Fund shall:

- (A) state the names of the States, local authorities or public international bodies issuing or guaranteeing securities in which it intends to invest more than 35% of its assets; and
- (B) include a prominent statement drawing attention to such authorisation and indicating the States, local authorities and/ or public international bodies in the securities of which it intends to invest or has invested more than 35 per cent of its assets.

#### Investment in Collective Investment Schemes (CIS)

- B13. A Sub-Fund may not invest more than 20% of its assets in any one CIS referred to in paragraphs A3 and A4 above.
- When a Sub-Fund has acquired CISs referred to in this paragraph B13, the assets of these CISs do not have to be combined for the purposes of the limits laid down in paragraphs B2 to B11.
- B14. Investment in CISs referred to in paragraph A4 shall not, in aggregate, exceed 30% of the assets of a Sub-Fund.
- B15. When a Sub-Fund invests in the units of other CISs that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment

Manager is linked by common management or control, or by a substantial direct or indirect holding, such entities may not charge subscription, conversion or redemption fees on account of the Sub-Fund's investment in the shares of such other CISs.

- B16. Where a commission (including a rebated commission) is received by the Investment Manager or a Sub-Investment Manager by virtue of an investment in the shares of another CIS, this commission must be paid into the property of the Sub-Fund.

Where a Sub-Fund invests a substantial proportion of its assets in other CISs, the Offering Supplement relating to that Sub-Fund shall disclose the maximum level of the management fees that may be charged both to the Sub-Fund and to the other CISs in which it intends to invest.

#### Investments to Track an Index

- B17. Notwithstanding the limits stated in paragraphs B2 and B3 above and without prejudice to the limits laid down in B19, B20 and B21, a Sub-Fund may invest up to 20% of its assets in shares and/or debt securities issued by the same body where the investment policy of a Sub-Fund is to replicate an index. When the investment objective of a Sub-Fund is to replicate an index this will be stated in the related Offering Supplement.

The Index is subject to MFSA approval and will be recognised by the MFSA on the basis of the criteria set out below:

- (A) its composition is sufficiently diversified;
- (B) the index represents an adequate benchmark for the market to which it refers; and
- (C) it is published in an appropriate manner.

- B18. The limit in paragraph B17 above may be raised to 35%, where, in the opinion of the Investment Manager and subject to the prior approval of the MFSA, this is justified by exceptional market conditions. The investment up to this limit is only permitted for a single issuer.

#### General Provisions

- B19. The Company, or the Investment Manager acting in connection with all of the CISs 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.

- B20. A Sub-Fund may acquire no more than:

- (A) 10% of the non-voting shares of any single issuing body;
- (B) 10% of the debt securities of any single issuing body;
- (C) 25% of the units of any single CIS;
- (D) 10% of the Money Market Instruments of any single issuing body.

The limits laid down in B20(B), B20(C) and B20(D) above may be disregarded at the time of acquisition, if at that time, the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

- B21. Subject to MFSA approval, paragraphs B19 and B20 shall not be applicable to:

- (A) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- (B) Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;
- (C) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;

- (D) Shares held by a Sub-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 Sub-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 B2 to B10, B13 to B16, B19 and B20 and provided that where these limits are exceeded paragraphs B22 and B23 below are observed;
  - (E) Shares held by a Sub-Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at shareholders' request exclusively on their behalf.
- B22. A Sub-Fund need not comply with the investment restrictions in this Section when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of their assets.
- B23. The MFSA has agreed that recently authorised Sub-Funds of the Company may derogate from the provisions of paragraphs B2 to B15, B17 and B18 for six months following the date of their authorisation, provided each Sub-Fund observes the principle of risk spreading.
- B24. A Sub-Fund may not carry out uncovered sales of:
- (A) Transferable Securities;
  - (B) Money Market Instruments;
  - (C) Shares of CIS; or
  - (D) FDIs.

#### Financial Derivative Instruments (FDIs)

- B25. Position exposure to the underlying assets of FDIs when combined, where relevant, with positions resulting from direct investments, may not exceed the investment limits included in paragraphs B2 to B11.
- B26. The requirements of paragraph B25, shall not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out in paragraph B17.

#### Efficient Portfolio Management

- B27. The Company on behalf of a Sub-Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or FDIs for efficient portfolio management purposes. Provided that such transactions shall fulfil the following criteria:
- (A) they are economically appropriate in that they are realised in a cost-effective way;
  - (B) they are entered into for one or more of the following specific aims:
    - (i) reduction of risk; or
    - (ii) reduction of cost; or
    - (iii) generation of additional capital or income for the Sub-Fund with a level of risk which is consistent with the risk profile of the Sub-Fund and the risk diversification rules laid down in paragraphs B2 to B11.

#### Borrowing and Lending Powers

- B28. The Company may only borrow, for the account of a Sub-Fund, up to 10% of the value of assets of that Sub-Fund provided that such borrowing is on a temporary basis and that the Company's overall risk exposure shall not exceed 210% of its NAV under any

circumstances. The assets of such Sub-Fund may be charged as security for any such borrowings.

The Company may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the purposes of the 10% limit mentioned above, provided that the offsetting deposit: (a) is denominated in the Base Currency of the Sub-Fund; and (b) equals or exceeds the value of the foreign currency loan outstanding.

The Company may not borrow for investment purposes.

Without prejudice to the powers of the Company to invest in Transferable Securities, the Company may not lend cash, or act as guarantor on behalf of third parties.

Any special borrowing restrictions relating to a Sub-Fund will be formulated by the Directors at the time of the creation of a Sub-Fund. There are no special borrowing restrictions currently in operation.

#### Global Exposure

B29. A Sub-Fund's global exposure relating to FDIs shall not exceed the NAV of that Sub-Fund. The exposure is calculated taking into account:

- (A) the current value of the underlying asset;
- (B) the counterparty risk;
- (C) future market movements; and
- (D) the time available to liquidate positions.

The Company shall use the Commitment Approach or a Value at Risk ("VaR") model in order to measure the global exposure and leverage of any Sub-Fund arising out of its FDI positions as set out in the Offering Supplement relating to a Sub-Fund.

#### **Breaches of Investment Restrictions**

If the limits laid down above are exceeded for reasons beyond the control of the Investment Manager or the Company, or as a result of subscription rights or for other reasons beyond the control of the Investment Manager, the Investment Manager or the Company shall take such steps as are necessary to ensure a restoration of compliance, in respect of that Sub-Fund, with such restriction(s) as soon as possible, taking due account of the interests of its Shareholders, but in any event (unless otherwise authorised by the MFSA), within a period of six (6) months from the date when such excess was discovered.

#### **Alterations to the Investment Objectives, Policies and Restrictions**

Any changes to the investment objective of any Sub-Fund shall require the consent in writing of the holders of three-fourths ( $\frac{3}{4}$ ) of the issued Investor Shares of the relevant Sub-Fund, or the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Investor Shares of such Sub-Fund in terms of the Memorandum and Articles.

The Directors may however, at their sole discretion, alter the investment policies and restrictions as may be applicable to the Company or to a Sub-Fund, provided that:

- (1) any material alterations to the investment policies and restrictions as may apply to the Company as a whole shall be notified to all the Shareholders of the Company;
- (2) any material alterations to the investment policies and restrictions as may apply to a Sub-Fund shall be notified to the Shareholders holding Investor Shares in the particular Sub-Fund;

within a period of at least thirty (30) Business Days prior to when the alterations are to come into force.

**THE COMPANY'S INVESTMENT PROGRAMMES ARE SPECULATIVE AND ENTAIL A NUMBER OF RISKS. MARKET RISKS ARE INHERENT IN ALL SECURITIES AND INVESTMENTS. THE PRACTICES OF ENGAGING IN DERIVATIVE INSTRUMENTS MAY, IN CERTAIN CIRCUMSTANCES, INCREASE THE ADVERSE IMPACT TO WHICH THE INVESTMENT PORTFOLIO OF A PARTICULAR SUB-FUND MAY BE SUBJECT. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S INVESTMENT OBJECTIVE WILL BE REALISED. AN INVESTOR MAY LOSE SOME OR ALL OF HIS INVESTMENT.**

# The Investment Manager

The Company has appointed **AQA Capital Limited** (the “**Investment Manager**”) as the investment manager to the Company and its Sub-Funds under an Investment Management Agreement between the Company and the Investment Manager dated 21 April 2015.

The Investment Manager was incorporated in Malta on the 20<sup>th</sup> April 2015 (Company Registration Number C70143) as a private limited liability company. The Investment Manager’s authorised and issued share capital is presently EUR 200,000 and its registered office is situated at 171, Old Bakery Street, Valletta, VLT 1455, Malta. The Investment Manager is licensed by the MFSA to provide investment management services to UCITS Funds and other collective investment schemes (License Number IS/70143) and qualifies as a Maltese Management Company in terms of the Investment Services Act (UCITS Management Company Passport) Regulations.

The Directors of the Investment Manager are:

## **Dr. Raffaele Rossetti**

Dr. Rossetti completed his undergraduate studies in 1993 obtaining his law degree from the University of Zurich. Following this, in 2002, Dr. Rossetti underwent a specialised course in Bank Supervision at the Federal Reserve Bank of New York. Dr Rossetti further enhanced his education in 2004, where he was awarded a Diploma in Advanced Studies in Banking from the Swiss Finance Institute in Zurich.

Dr. Rossetti has a wealth of experience in the financial services field as well as in the legal profession specialising in banking and financial law. He also advises on all aspects of the structure and operation of investment funds, including their marketing and distribution.

Dr. Rossetti worked for the Swiss Financial Supervisory Market Authority (“FINMA”) for a period of eight years (2000-2008). During his experience there, Dr. Rossetti headed the Investment Funds Authorisation Unit and was also the Regional Manager of the German/Swiss Stock Exchange.

Dr. Rossetti is a member of the Swiss Bar association and the Zurich Bar association, president of COPTIS (the Swiss Association of Real Estate Securitization Professionals), member of the specialist international affairs committee of the Swiss Funds & Asset Management Association (SFAMA), and vice-chair of the clearing and settlement of Financial and securities Transaction subcommittee of the international Bar association Banking Law committee.

Currently, Dr Rossetti teaches at the Centre of Banking studies of the Ticino Banking association. He also contributed to the Swiss publication Compliance Management: A Guide for the Financial Sector (2010) and is co- author of Management and supervision of Banking Groups (2009).

## **Mr. Joseph Portelli**

Mr. Portelli has been employed in the financial markets for over 27 years. He has been engaged in various capacities with numerous Wall Street firms including the Bank of America, Nomura Securities, Goldman Sachs, Millburn Ridgefield, Global Capital and Liongate Capital Management. He was employed as a foreign exchange dealer, portfolio manager, and futures and options trader for much of his career.

Mr. Portelli was also the Managing Director and Chief Investment Officer of FMG Funds, an emerging market specialist.

Currently he sits on the board of the Malta Stock Exchange and other financial institutions and is a visiting lecturer at the University of Malta, Banking and Finance Department.

## **Professor Joseph Falzon**

Professor Joseph Falzon is currently the Head of the Department of Banking and Finance, at the University of Malta. He received a B.A. degree from the University of Malta in June 1979 (first class), a M.A. degree in economics from Memphis State University, Memphis, Tennessee in December 1980 (4.0 GPA), and a Ph.D. degree in economics from Northwestern University, Evanston, Illinois,

U.S.A. in August 1984. His doctoral areas of specialization were in international finance, monetary economics and macroeconomics.

Professor Falzon has served as a consultant to the Government of Malta and several private organizations including the Office of Prime Minister (1988 to 1992); the Ministry of Finance (1992 to 1995); the Office of Fair Competition (1995 to 1996); the Ministry of Economic Services (1999 to 2003); Bank of Valletta (1993 to 1998); the National Tourist Organization (1997 to 2001); the Malta Tourism Authority (2002 to 2006); the Central Bank of Malta (2004 to 2008); the Chamber of Small and Medium Sized Enterprises, GRTU (2006 to 2008); and the Malta Housing Authority (since 2008).

He has also been appointed as a director on the executive board of the National Tourist Organization, Malta (1996); the Enemalta Corporation (1999 to 2003); the Malta Statistics Authority (since 2001); and on the Investment Committee of Integradvisory, Financial and Investment Advisors (since 2009).

His current research interests include portfolio management, hedge fund strategies, micro finance, economic development, demography and insurance markets.

In terms of the Investment Management Agreement, the Investment Manager is responsible for the development of an overall strategy for the investment of the assets of the Sub-Funds in accordance with the investment objectives, strategies and restrictions set out in the applicable Offering Supplement as well as the taking of all investment and trading decisions and to select, allocate and monitor the assets of the Sub-Funds in a manner consistent with the overall strategies and the investment objectives and restrictions set out in the relevant Offering Supplement. The Investment Manager is also responsible for the provision of administration services to the Company and the Sub-Funds, however, this may be delegated to an administrator approved by the Company and in this regard the Administrator has been engaged (see the section entitled "Administrator" below for further details). The Investment Manager may also perform additional services, including assisting the Administrator in the calculation and/or the verification of the NAV and the NAV per Share, under the terms of the MFSA Rules and any Offering Supplement or as may be otherwise agreed between the Company and the Investment Manager.

In addition to the delegation of administration services described above, the Investment Manager may, in terms of the Investment Management Agreement and subject to applicable MFSA Rules, delegate certain of its other functions, powers, discretions, privileges and duties including the day to day investment management of the assets of the Company and the Sub-Funds to one or more Sub-Investment Managers. In such cases and in terms of the Investment Management Agreement, the Investment Manager will remain liable thereunder for any act or omission of its delegate as if the act or omission were its own. Details of any Sub-Investment Manager engaged for a particular Sub-Fund will be made available to prospective investors and to Shareholders in the respective Sub-Fund upon request.

The Investment Management Agreement may be terminated (generally or in relation to specific Sub-Funds) at any time by either party upon not less than six (6) months' prior written notice or forthwith in case of material breach of obligations or liquidation of a party. The Investment Management Agreement also provides that the Investment Manager shall not be liable to the Company for any loss arising in connection with the subject matter of the Investment Management Agreement, howsoever any such loss may have occurred unless: (i) such loss arose because of the Investment Manager acting in bad faith and in a manner which is not in the best interests of the Company or a Sub-Fund; or (ii) the Investment Manager's conduct constituted actual fraud, wilful misconduct, negligence, or material breach of its obligations under the Investment Management Agreement.

The Investment Management Agreement is regulated by the laws of Malta and subject to the jurisdiction of the Maltese courts.

The fees payable to the Investment Manager are set out in the Section entitled "Fees, Compensation and Expenses" hereunder.

# The Custodian

The Company has appointed Bank of Valletta p.l.c. as custodian (the “**Custodian**”) of its Sub-Funds under the custody agreement (the “**Custody Agreement**”) dated 12<sup>th</sup> September 2016 and as may be supplemented from time to time, entered into between the Custodian, the Investment Manager and the Company in respect of each of the Sub-Funds and supersedes in its entirety any prior agreements entered into between the parties.

The Custodian is a public limited company registered under the laws of Malta and is licensed by the MFSA to carry on, amongst others, the business of banking and to provide the services of a custodian and a range of other investment services, these being its main activities. The Custodian’s registered office is situated at 58 Zachary Street, Valletta, Malta. The Custodian is listed on the Malta Stock Exchange and is the parent of the Bank of Valletta group (the “**BOV Group**”).

In terms of the Custody Agreement, the Custodian will act as Custodian of the Sub-Funds, responsible for the safekeeping of the respective assets of the Sub-Funds. The Custodian will in particular, in accordance with and subject to the provisions of the Custody Agreement and in accordance with the UCITS Directive, applicable law, rules and regulations:

- (a) hold in custody financial instruments (as specified in Section C of Annex I to Directive 2014/65/EU of the European Parliament and of the Council) of the Sub-Funds which can be physically delivered to the Custodian, as well as financial instruments which cannot be physically so delivered and which consist of transferable securities, money market instruments and units in collective investment schemes and which are capable of being registered or held in a securities account directly or indirectly in the name of the Custodian, and (in the case of both sets of instruments) which satisfy the criteria set out in the Custody Agreement (the “**Instruments**”);
- (b) perform cash flow monitoring and related services in respect of cash of the Sub-Funds, ensuring that the cash flows of the Sub-Funds are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of units of the Sub-Funds have been received, and that all cash of the Sub-Funds has been booked in cash accounts opened in the name of the Company, or of the Custodian acting on behalf of the Company, at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC and maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC; and
- (c) in relation to other assets (as defined and listed in the relevant Custody Agreement), excluding Instruments, perform a verification of ownership and record-keeping function.

The Company and the Investment Manager have agreed not to invest, acquire, hold or otherwise transact in any assets which are not Instruments or other assets as referred to in (a) to (c) above, as defined and of the type described in the Custody Agreement, and which are not in the countries and markets listed in the Custody Agreement, at any time.

The Custodian has agreed, in accordance with and subject to the provisions of the Custody Agreement, to hold the Instruments of the Sub-Funds, separately identifiable from its own and any other assets and when such Instruments are entrusted in custody to a sub-custodian to procure that the sub-custodian segregates the assets of the Custodian’s clients from its own assets and from the assets of the Custodian in such a way that they can, at any time, be clearly identified as belonging to clients of a particular Custodian. The Custodian has agreed, in accordance with and subject to the provisions of the Custody Agreement, to collect all payments in respect of the assets, to perform a supervisory role as required by the UCITS Directive, applicable law, rules and regulations and to act as a banker for the Company and the Sub-Funds.

The Custodian shall also be responsible for supervising the operation of the Company to ensure that the Investment Manager complies with the ‘Investment Objective, Policy and Restrictions’ of the Sub-Fund.

The Administrator is responsible for the calculation of the NAV of the Sub-Funds. The Custodian will also:

- (a) ensure that the sale, issue, repurchase and cancellation of Shares effected by or on behalf of the Company are carried out in accordance with applicable national law, the Prospectus and the Memorandum and Articles;
- (b) ensure that the value of the units is calculated in accordance with the applicable law, rules and regulations;

- (c) carry out the instructions of the Investment Manager or of the Company, unless they conflict with the applicable national law, the Prospectus or the Memorandum and Articles;
- (d) ensure that in connection with transactions involving assets of any Sub-Fund that consideration is remitted to it within the usual time limits;
- (e) ensure that income of the relevant Sub-Fund is applied in accordance with applicable national law and the provisions of the Memorandum and Articles and the Prospectus;
- (f) verification of the calculation of the performance fee as well as ensuring that any applicable performance fees are payable in accordance with regulation 5 of the Investment Services Act (Performance Fees) Regulations; and
- (g) generally carry out such other functions or duties as are required to be carried out by the Custodian of a UCITS such as the Company and its Sub-Funds in terms of the applicable law, rules and regulations from time to time.

In performing its oversight duties under the Custody Agreement, the Depositary shall perform *ex-post* controls and verifications of processes and procedures that are under the responsibility of the Investment Manager, the Company or an appointed third party, in respect of the Sub-Funds.

The Custodian does not assume any responsibilities for activities not explicitly provided for in the Custody Agreement or required by the applicable law, rules and regulations.

The Custodian is allowed to delegate all or part of its functions and duties under the Custody Agreement, save for cash flow monitoring and oversight duties, to one or more sub-custodians, and may entrust or deposit all or part of the Instruments and/or other assets held for safe-keeping with any such sub-custodian, in accordance with the relevant provisions of the Custody Agreement and subject to applicable law, rules and regulations. The Custodian may deposit or maintain assets, directly or indirectly through its sub-custodians, in any clearing system, settlement system, dematerialised book entry system, central securities depository or similar system in accordance with applicable laws, and on such terms and conditions as are customary for the operation of such system.

The Custody Agreement contains provisions whereby the Custodian shall be liable to the Company and the investors, for the loss of Instruments held in custody by the Custodian or a sub-custodian to whom the custody of such Instruments held in custody in accordance with the Custody Agreement has been delegated. In the case of such a loss of an Instrument held in custody, the Custodian is required to return a financial instrument of identical type or the corresponding amount to the Company or the Investment Manager acting on behalf of the Company, without undue delay. The Custodian shall not be liable however, if 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.

The Custodian shall also be liable to the Company and the investors for all other losses, suffered by them as a result of the Custodian's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

In terms of the UCITS Directive, investors may invoke the liability of the Custodian as mentioned above directly or indirectly through the Company or the Investment Manager, provided that this does not lead to a duplication of redress or to unequal treatment of the investors, and the Custody Agreement contains provisions calculated to ensure this.

The Custodian's liability as aforesaid shall not be affected by any delegation of safekeeping functions to a sub-custodian.

Without prejudice to the liability of the Custodian in respect of the matters referred to above, in respect of other matters the Custodian shall not be liable to the Company, any investor or other person, for any loss or prejudice, directly or indirectly, occurred or arising from any acts or omissions of the Custodian or any of its delegates in connection with the subject matter of the Custody Agreement or in the provision of the services under or pursuant to the Custody Agreement, save and to the extent that the Company suffers any loss or prejudice arising from the gross negligence, wilful default or fraud on the part of the Custodian.

The Custodian, its affiliates, agents or delegates are or may be involved in other financial, banking or other transaction, which in the course of their business may on occasion give rise to conflicts of interest with the Company, subject to the Custodian's obligations arising under the Custody Agreement and the law with respect to conflicts of interests.

The Custodian will be entitled to receive a fee from the Company and to receive reimbursement from

the Company of all its operating expenses in connection with the Company, including any fees and charges paid by the Custodian to any sub-custodian as more fully described in the Custody Agreement.

The Custodian, the Investment Manager and the Company are entitled to terminate the agreement by giving at least three (3) months' prior notice to the other in writing (the date of expiry of such notice referred to as the "**Termination Date**"). The Custody Agreement may also be terminated forthwith upon the occurrence of specified events therein mentioned (the date of such occurrences hereinafter also referred to as the "**Termination Date**"), including the insolvency of the Custodian, the Investment Manager or the Company and the material breach of obligations under the Custody Agreement.

The Company will appoint another custodian or close or liquidate the Sub-Funds:

- (a) before the Termination Date, in case of termination by three (3) months notice, or
- (b) as soon as possible after the Termination Date and not later than three (3) months from the Termination Date, in the event of termination on any other ground.

In case of failure to appoint another custodian or close or liquidate the Sub-Sub-Funds within such time-limits, the Directors shall immediately inform the MFSA which may give such directions as may be required in the circumstances. The Custodian is entitled to request the MFSA to order the suspension or withdrawal of the Licence and/or the liquidation and winding up of the Sub-Funds.

With effect from the Termination Date, the Custodian will no longer be a Custodian in terms of the UCITS Directive or custodian in terms of the applicable law, rules and regulations, and the Custodian will not be required to perform, and will not be liable for the performance of any obligations, duties or functions of a Custodian under the applicable law, rules and regulations and the UCITS Directive or the Custody Agreement.

Provided that, with effect from the Termination Date, the Custodian will follow such directions as may be given to the Custodian by the MFSA in accordance with the MFSA's powers established by law (if any). If the MFSA directs the Custodian to provide monitoring, safekeeping and, or oversight functions, as the case may be, in relation to the assets of the Sub-Funds, the Custodian will perform such functions subject to the relevant provisions of the Custody Agreement regarding such functions and will be entitled to the same fees and reimbursement of expenses, but the Custodian's liability will be limited to loss or prejudice suffered by the Company arising from the gross negligence, wilful default or fraud on the part of the Custodian. Furthermore, if and as long as the Custodian holds any Instruments on behalf of the Sub-Funds pursuant to such directions from MFSA, the Custodian will hold such Instruments subject to the provisions of the Civil Code (Chapter 16 of the Laws of Malta) relating to mandate and fiduciary obligations, unless and to the extent otherwise agreed between the Company and the Custodian. For the avoidance of doubt, this does not create nor purports to create a trust.

The Custody Agreement is regulated by the laws of Malta and disputes, controversies or claims arising out of or in relation to the Custody Agreement are to be finally settled by arbitration in accordance with the provisions of Part IV ("**Domestic Arbitration**") of the Arbitration Act (Chapter 387 of the Laws of Malta) and the Arbitration Rules made thereunder.

The fees payable to the Custodian are set out in the Section entitled "Fees, Compensation and Expenses" below and in the Custody Agreement.

#### **Global Custodian and other Sub-Custodians**

In terms of the Custody Agreement the Custodian is able to appoint sub-custodians to assist it in the performance of its duties, save for cash flow monitoring and oversight duties.

The Custodian has a worldwide custody network access by means of a custody agreement with RBC INVESTOR SERVICES TRUST, London Branch, the UK branch of a trust company incorporated under the laws of Canada and authorised and regulated in Canada and authorised in the United Kingdom by the PRA and authorised and regulated by the PRA and FCA with address at Riverbank House, 2 Swan Lane, London EC4R 3AF, UK. RBC INVESTOR SERVICES TRUST, London Branch provides custody and ancillary services to Bank of Valletta p.l.c.

As mentioned above, the Custodian's liability for loss of Instruments held in custody, and its liability for all other losses as a result of the Custodian's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive, shall not be affected by any delegation made as aforesaid.

The provision of services as specified by Directive 98/26/EC of the European Parliament and of the Council by securities settlement systems as designated for the purposes of that Directive, or the provision of similar services by third-country securities settlement systems, shall not be considered to be a delegation of the Custodian's custody functions.

# The Administrators

The Company shall appoint an Administrator(s) in respect of each particular Sub-Fund as may be specified in the respective Offering Supplement of each Sub-Fund.

The Administrators are responsible under the overall supervision of the Investment Manager and the Board of Directors for, inter alia, the general administration of the Company, which includes keeping the register of Shareholders, the proper book-keeping of the Company and its Sub-Funds, arranging for the issue and redemption of Shares, and calculating the Net Asset Value.

Investors should refer to the relevant Offering Supplements for further details on the Administrator or each respective Sub-Fund.

The Administrators are not responsible for the preparation or issue of this document other than with respect to the description above in respect of the Administrators.

The fees payable to Administrators are set out in the respective Offering Supplements.

# Conflicts of Interest

As mentioned in the Section entitled “Risk Factors” below, potential investors should be aware that there may be situations in which each and any of the Directors, the Investment Manager, the Custodian, the Administrator and their respective delegates including investment advisors, Sub-Investment Managers, equity analysts, risk managers and sub-custodians, where applicable (together the “**Interested Parties**”), could encounter a conflict of interest in connection with the Company. Should a conflict of interest actually arise, the Interested Parties will endeavour to ensure that it is resolved fairly. In particular, potential investors should be aware of the following:

- (1) Certain Directors of the Company or entities in which they may have a financial or managerial interest, may sell Investor Shares of the Company and receive a portion of each, or all, of the brokerage commissions, transaction charges, advisory fees or management fees paid by the Company as attributable to such Investor Shares. Thus, to the extent of such purchases, such Directors may have a conflict of interest between their duty to act for the benefit of the Shareholders in limiting expenses of the Company and the Sub-Fund and their interest in receiving such fees and/or commissions.
- (2) The Investment Manager may make investments for other clients without making the same available to the Company and its Sub-Funds where, having regard to their obligations under the relevant management agreement, the Investment Manager considers that it is acting in the best interests of the Company, so far as reasonably practicable having regard to its obligations to other clients.
- (3) The Investment Manager, the Custodian and the Administrator may carry out such functions for other investment companies engaging in the same activities as the Company.
- (4) The Company may effect the sale or purchase of investments through a broker who is associated with the Investment Manager or the Custodian, provided that the amount of commission payable to such broker is not in excess of that which would have been payable had the sale or purchase been effected through a broker who is not so associated.
- (5) The Company may, to the extent permissible under the applicable law, rules and regulations, enter into derivative contracts or other transactions of a similar nature with companies or other entities forming part of the same group of companies as the Investment Manager and the Custodian or which are associated, directly or indirectly with the Investment Manager, the Custodian or with which any of the directors of the Company may be connected or employed. The Company may enter into such dealings provided that they are on an arm’s length basis and on terms no less favourable to the Company than could reasonably have been obtained had the dealing been effected with an independent third party. Should a conflict of interest arise, the Directors, the Investment Manager and the Custodian will endeavour to ensure that it is resolved fairly and that the Company is not disadvantaged.
- (6) Mr. Raffaele Rossetti, Director of the Company, is also involved in the Investment Manager. However, all the Directors have fiduciary duties to the Company and consequently have exercised and will exercise good faith and integrity in handling all the Company’s affairs.
- (7) Certain Directors may have a direct or indirect beneficial interest in the Founder Shares or in the allocations which may be payable from time to time to the holders of Founder Shares.

# Directors and Officers of the Company

## Directors and Officers

The Company is administered by its Board of Directors. The Directors of the Company are:

### **Mr. Raffaele Rossetti**

Refer to 'Directors of the Investment Manager' under the heading "The Investment Manager" on page 24 of this Prospectus.

### **Mr. Alexander Vella**

Mr. Vella has 7 years of experience in the financial markets in addition to a strong academic background in economics and financial market theory. His career started as an economist at the Central Bank of Malta where he was responsible in government finance research and analysis. He later took the role of Fixed Income Dealer at the Central Bank of Malta where he had the opportunity to manage USD and EUR portfolios for the national reserve, this duty also involved attending and giving presentations on the Investment Committee Policy as non-member. At the Central Bank he was also involved in the ECB's Securities Market Programme where he was the main dealer in the purchases of Malta's part of the programme.

He later joined NBG Bank Malta to start-up and head the Derivates Sales Unit, where all the necessary policies and procedures were put into place under his supervision and was also involved in acting as an intermediary between clients and counterparts of the group. On account of these experiences and on the strong academic base Alex has acquired a high level of competence in investment management, in particular in derivatives, fixed-income, forex, and securities. Currently Mr Vella is a director of Gamma Capital Markets Limited, an independent Investment Management Company, licenced and regulated by the MFSA.

### **Mr. Nicholas Calamatta**

Mr. Nicholas Calamatta was appointed as Director of Advisory Services of Calamatta Cuschieri & Co. Ltd in 2007. At Calamatta Cuschieri & Co. Ltd, Mr. Calamatta manages the investment advisory services operation, sits on the investment committee and provides personalised investment management services to clients. Mr. Calamatta graduated from the University of Bournemouth (UK) and holds a Bachelor of Arts (Hons) in Financial Services.

The business address for the Directors is the same as the correspondence address of the Company. The Directors are non-executive.

## Company Secretary

The Directors have appointed **Calamatta Cuschieri Fund Services Limited**, as company secretary.

The Company Secretary's duties will include maintaining the Company's statutory books and records, minutes of meetings and complying with other requirements of the Companies Act.

# Risk Factors

The discussion below is of general nature and is intended to describe various risk factors which may be associated with an investment in the Investor Shares in a Sub-Fund to which the attention of investors is drawn. Investors should also see the section of the relevant Offering Supplement entitled “Risk Factors” for any additional risks particular to the Investor Shares in that Sub-Fund.

The risk factors discussed in this Section and in the relevant Offering Supplement are not intended to be an exhaustive list and there may be other considerations that should be taken into account in relation to an investment. Investors should consult their own advisors before considering an investment in the Investor Shares in a particular Sub-Fund. The factors of relevance to the Investor Shares in a particular Sub-Fund will depend upon a number of interrelated matters including, but not limited to, the nature of the Investor Shares. No investment should be made in the Investor Shares in a particular Sub-Fund until careful consideration of all those factors has been made.

## General

The assets and liabilities of the Company and its Sub-Funds are as a general rule subject to normal market fluctuations and other risks inherent in owning such assets and assuming such liabilities. The value of investments and the income from them, and therefore the value of and income from Investor Shares relating to each Sub-Fund can go down as well as up and an investor may not get back the amount he invests. Due to the charges which may be payable on the acquisition or disposal or redemption or exchange of shares, an investment in Investor Shares in a particular Sub-Fund should be viewed as medium to long term. An investment in a Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Investor Shares. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Investor Shares.

Any loss incurred by the Company or a Sub-Fund due to the late or non-payment of subscription proceeds in respect of subscription applications received shall be borne by the relevant Subscriber or if not possible or practical to recover such losses from the Subscriber, by the relevant Sub-Fund.

## Management Risk

Any Sub-Fund is open to the risk of unprofitable outcomes that is losses incurred or profits foregone as a result of what turn out to be poor decisions or to take or not to take certain actions at the right time. At any time certain policies, strategies, investment techniques and risk analysis may be employed for a Sub-Fund in order to seek to achieve its investment objective; however, there can never be any guarantee that the desired results will be obtained.

## Insufficient Risk Recognition

An investment in the Investor Shares in a particular Sub-Fund involves risks. These risks may include or relate to, among others, equity market, bond market, foreign exchange, interest rate, credit, market volatility and political risks and any combination of these and other risks. Some of these risk factors are briefly discussed below.

Investors should understand the risks associated with an investment in the Investor Shares in a particular Sub-Fund and should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisors of (i) the suitability of an investment in the Shares in the light of their own particular financial, fiscal and other circumstances, (ii) the information set out in this Prospectus, (iii) the risks associated with the use by the Sub-Fund of derivative techniques (if applicable), (iv) the nature of the Sub-Fund’s assets, and (v) information set out in the relevant Offering Supplement.

Investors in the Investor Shares in a particular Sub-Fund should recognise that the Investor Shares may decline in value and should be prepared to sustain a substantial loss of their investment in the Investor Shares.

## **Segregation of Liability**

The provisions of the Companies Act provide for segregated liability between Sub-Funds and as such, under Maltese law, the assets of one Sub-Fund will not be available to satisfy the liabilities of another Sub-Fund. However, it should be noted that the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. It is the Company's policy to obtain from any person or entity dealing with the Company, an express acknowledgement that he/it will have no recourse or right against the Company and any Sub-Funds except to the extent of the assets of any particular Sub-Fund and, in that case, only in respect of his/its dealings with that particular Sub-Fund. Nonetheless, there can be no guarantee that the courts of any jurisdiction outside Malta will respect the limitations on liability as set out above.

## **Counterparty Risk**

Currency forward contracts, swaps and other forms of FDIs are not guaranteed by an exchange or its clearing house. Consequently, there are no requirements with respect to record keeping, financial responsibility or segregation of customer funds and positions. The business failure of a counterparty with which the Company has entered into "a trade" will most likely result in a default. The default of a party with which the Company has entered into "a trade" will force the Company to cover its resale or repurchase commitments, if any, at the then current market price. The Company is also exposed to the risk of failure by a counterparty to perform its obligations under an OTC FDI contract. Transactions in over-the-counter markets are not subject to the same regulatory oversight as exchange-based markets.

## **Credit Risk**

Investors in the Investor Shares in a particular Sub-Fund should be aware that such an investment might involve credit risk. Bonds or other debt securities held for a Sub-Fund involve credit risk represented by the possibility of default by the issuer. This risk may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated and/or unsubordinated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the NAV per Share. Stock lending of securities held for a Sub-Fund also involves credit risk, being the risk that the securities lent are not recovered and/or that recovery is delayed.

## **Credit Ratings**

The management of any Sub-Fund may involve substantial reliance on credit ratings. Credit ratings are assigned by rating agencies such as Standard & Poor's or Moody's. It is important to understand the nature of credit ratings in order to understand the nature of securities. The level of a credit rating is an indication of the probability that (in the opinion of the rating agency) payments will be made on the relevant bond(s) or other obligation(s) to which the credit rating relates. Bonds with a rating of AAA, AA, A or BBB by S&P are generally called "investment grade" bonds, with AAA representing the credit rating of the highest quality. While credit ratings can be a useful tool for financial analysis, they are not a guarantee of quality or a guarantee of future performance in relation to the relevant obligations. Ratings assigned to securities by rating agencies may not fully reflect the true risks of an investment. Ratings may also be withdrawn or revised at any time.

## **Exchange Rates**

Investors in the Investor Shares in a particular Sub-Fund should be aware that their investment might involve exchange rate risks. For example, the Investor Shares may be denominated in a currency other than the investor's reference currency, which could be the currency of the investor's home jurisdiction and/or the currency in which an investor wishes to receive his monies or in which he prefers to maintain his capital or otherwise that currency to which the investor prefers or requires to be exposed to primarily.

Exchange rate risks may also arise indirectly when the base currency of the investor is the same as that of the Investor Shares, especially if the underlying assets attributed to the Sub-Fund are denominated in other currencies. The Company may attempt to reduce this risk through hedging arrangements details of which would (if employed) be stated in the relevant Offering Supplement.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets, which are influenced by macro economic factors (such as the economic development in the different currency areas, interest rates and international capital movements), speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Investor Shares.

## **Hedging Transactions**

The Company may employ various techniques in respect of the Sub-Funds to attempt to reduce a portion of the risks inherent in their respective investment strategies. The ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus substantial risk remains so that such techniques cannot always be implemented or effective in reducing losses. Hedging transactions, including the use of FDIs, which may be used by the Company have risks associated with them, including possible default by the other party to the transaction, illiquidity, a lack of regulation in certain over-the-counter markets and, to the extent that the view of the management of the Company as to certain market movements is incorrect, the risk that the use of hedging transactions could result in losses greater than if they had not been used. Use of put and call options may result in losses. The use of currency transactions can result in losses being incurred as a result of a number of factors including the imposition of exchange controls, suspension of settlements, or the inability to deliver or receive specified currency.

The use of options and futures transactions entails certain other risks. In particular the variable degree of correlation between price movements of futures contracts and price movements in the related portfolio position of the Company creates the possibility that losses on the hedging instrument may be greater than gains in the value of that position. In addition, futures and options markets may not be liquid in all circumstances. As a result, in certain markets, the Company might not be able to close out a transaction without incurring substantial losses, if at all. Although the use of futures contracts and options transactions for hedging should tend to minimise the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain which might result from an increase in value of such position. Finally, the daily variation margin requirements for futures contracts could create a greater ongoing potential financial risk than could purchases of options, where the exposure is limited to the cost of the initial premium. Losses resulting from the use of hedging transactions could reduce NAV, and possibly income and such losses can be greater than if the hedging transactions had not been utilised.

## **Interest Rates**

Investors in the Investor Shares in a particular Sub-Fund should be aware that an investment in the Investor Shares might involve interest rate risk in that there may be fluctuations in the currency of denomination of the Sub-Fund's assets and/or the Investor Shares in that Sub-Fund.

Interest rates are determined by factors of supply and demand in the international money markets, which are influenced by macro economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long-term interest rates may affect the value of the Investor Shares in a particular Sub-Fund. Fluctuations in interest rates of the currency in which the Investor Shares in a particular Sub-Fund are denominated and/or fluctuations in interest rates of the currency or currencies in which the Sub-Fund's assets are denominated may affect the value of the Investor Shares in that Sub-Fund.

## **Loss or Insolvency at Clearing Firm or Sub-Custodian**

If a clearing firm utilised by or on behalf of the Company (including by or on behalf of a sub-investment manager) were to become insolvent, the Company could have some or all of the positions on accounts maintained with that firm closed out without its consent.

Even if all such positions are not closed out under these circumstances, delays or other difficulties may be experienced in attempting to close out or exercise options positions. Widespread insolvency among clearing firms that clear securities options could also impair the ability of the entity, where applicable, responsible for overseeing and/or ensuring settlement of trades in such securities options to honour all exercised options, in spite of the system of safeguards which it may have in place. Such widespread insolvency could result in substantial losses to the Company and its Sub-Funds.

The Custodian's liability for loss or prejudice arising from the insolvency, acts or omissions of sub-custodians and other delegates, and of clearing systems, settlement systems, dematerialised book entry systems, central securities depositories or similar systems used by the Custodian, is limited in terms of the relevant Custody Agreement. Accordingly, in the event of any loss or prejudice arising from the insolvency, acts and omissions of such persons, the Company may have to enforce its rights against such persons directly. Furthermore, any delegation made by the Custodian pursuant to any Custody Agreement poses credit or counterparty risk and operational and legal risk and may be susceptible to systemic risk. If any such risk materialises, assets of the Sub-Fund may be lost or become unavailable; for instance, if the Sub-Fund's assets are not segregated on the Sub-Custodian's books, the Sub-Fund's assets cannot be identified and reattributed to the Sub-Fund, or if the Sub-Custodian becomes insolvent, the Company or its investors may not be able to claim back their assets immediately.

## **Market Volatility**

Market volatility reflects the degree of instability and expected instability of the performance of the Investor Shares and the Sub-Fund's assets. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments, which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro economic factors and speculation.

## **Liquidity Risk**

Certain types of assets or securities may be difficult to buy or sell, particularly during adverse market conditions. This may affect the ability to obtain prices for the assets held by a Sub-Fund and may therefore prevent the calculation of the NAV per Share and/or the raising of cash to meet redemptions of Investor Shares in the Sub-Fund concerned.

## **Tax and Legal Risks**

The tax consequences to the Sub-Fund and investors in the Sub-Fund, the ability of the Sub-Fund as a foreign investor to invest in the markets and to repatriate its assets including any income and profit earned on those assets and other operations of the Sub-Fund are based on existing regulations and are subject to change through legislative, judicial or administrative action in the various jurisdictions in which the Company operates. There can be no guarantee that income tax legislation and laws or regulations governing the Company's operations and investments will not be changed in a manner that may adversely affect the Company or its Sub-Funds.

## **Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act 2010 ("**HIRE ACT**") which apply to certain payments are essentially designed to require reporting of US person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard, the Maltese and US Governments have signed an intergovernmental agreement with respect to the implementation of FATCA (see the Taxation section for further details).

Although a Sub-Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that a Sub-Fund will be able to satisfy these obligations. If a Sub-Fund becomes subject to a withholding tax as a result of the HIRE Act, the return of all investors may be materially affected.

To the extent a Sub-Fund suffers US withholding tax on its investments as a result of FATCA, the Sub-Fund may take any action in relation to an investor's investment in the Sub-Fund to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI (i.e., foreign financial institution) gave rise to the withholding.

A Sub-Fund may mandatorily redeem the Shares of any investor that fails to cooperate with the Sub-Fund's efforts to comply with FATCA.

Other countries are in the process of adopting similar tax legislation concerning the reporting of information. The Sub-Funds also intend to comply with such other similar tax legislation that may apply to the Sub-Funds, although the exact parameters of such requirements are not yet fully known. As a result, the Sub-Funds may need to seek information about the tax status of investors under such other country's laws and each investor for disclosure to the relevant governmental authority.

Prospective investors should consult their own tax advisor (i) regarding the requirements under FATCA with respect to their own situation and (ii) with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in a Sub-Fund.

## **Use of FDIs**

While the prudent use of FDIs can be beneficial, FDIs also involve risks which are different from, and in certain cases, greater than, the risk presented by more traditional investments.

The Company may in respect of a Sub-Fund, from time to time utilise both exchange-traded and over-the-counter FDIs including, but not limited to futures, forwards, swaps, options and contracts for differences as part of its investment policy. These instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over the counter FDIs may involve additional risk as there is no exchange market on which to close out an open position.

OTC FDIs, in particular, are typically structured derivative transactions. Structured derivative transactions are complex and may involve a high degree of loss.

The Company and its Sub-Funds will only use FDIs (including OTC FDIs) for investment purposes and for purpose of efficient portfolio management and hedging.

## **European Market Infrastructure Regulation**

On 16 August, 2012, the European Market Infrastructure Regulation (“**EMIR**”) entered into force. EMIR introduces certain requirements in respect of derivative contracts, which will apply primarily to “financial counterparties” such as EU authorised investment firms, credit institutions, insurance companies, UCITS and alternative investment funds managed by EU authorised alternative investment fund managers, and “non-financial counterparties” which are entities established in the EU which are not financial counterparties. Broadly, EMIR's requirements in respect of derivative contracts are (i) mandatory clearing of OTC derivative contracts declared subject to the clearing obligation; (ii) risk mitigation techniques in respect of uncleared OTC derivative contracts; and (iii) reporting and record-keeping requirements in respect of all derivative contracts.

The implementation of EMIR is achieved largely through secondary measures which are being phased in over time. Certain of EMIR's requirements have applied since 15 March, 2013 and additional requirements are coming into force subsequently thereafter and/or are yet to be finalised. The EU regulatory framework relating to derivatives is set not only by EMIR but also by the recently adopted (but yet to come in force) “recast” Markets in Financial Instruments Directive (“**MiFID II**”) and its implementing measures, which have not yet been finalised. In particular, MiFID II is expected to require transactions in derivatives to be traded on a regulated market and cleared. It is difficult to predict the full impact of these regulatory developments on the Sub-Funds. Prospective investors should be aware that the regulatory changes arising from EMIR and MiFID II may in due course significantly raise the costs of entering into derivative contracts and may adversely affect a Sub-Fund's ability to engage in transactions in derivatives.

## **Specific Restrictions in Connection with the Investor Shares**

Investors should note that there may be restrictions in connection with the subscription for, holding, transferring and redemption of the Investor Shares in a particular Sub-Fund. Such restrictions may have the effect of preventing the investor from freely subscribing for, holding and/or redeeming the shares. In addition to the features described below, such restrictions may also be caused by specific requirements such as the minimum amount that may be held or invested in any particular Class of

Investor Shares.

## **Maximum Repurchase Amount**

The Company will have the option to limit the number of Investor Shares in any Sub-Fund repurchased on any Dealing Day (other than at the specified maturity date, where applicable) to a stated percentage of the total NAV of that Sub-Fund on that Dealing Day and, in conjunction with such limitation, to pro rata limit the number of Investor Shares repurchased by any Shareholder on such Dealing Day so that all Shareholders wishing to have Investor Shares in that Sub-Fund repurchased on that Dealing Day realise the same proportion of such Investor Shares. In the event the Company elects to limit the number of Investor Shares repurchased on such date, a Shareholder may not be able to repurchase on such Dealing Day all the Investor Shares that it desires to repurchase. Investors should review this Prospectus and the relevant Offering Supplement to ascertain when and how such provisions may apply.

## **Limited Transferability**

Since the Directors may decline to register a transfer of Investor Shares at their sole and absolute discretion, Shareholders may not be able to dispose of their investments privately and therefore would have to utilise the Company's redemption or repurchase programme, which itself may be subject to restrictions, albeit to be exercised in exceptional circumstances, where the circumstances so require, and when suspension is justified having regard to the interest of the Shareholders. Furthermore, the Company may be required by the MFSA to suspend redemptions where it is considered to be in the interest of Shareholders – see the part entitled "Redemption of Shares" below.

## **Illiquidity of Investor Shares**

There will be no secondary market for the Investor Shares, and consequently, Shareholders can normally dispose of the Investor Shares only by means of redemption on any Redemption Day as described in this Prospectus. There is no assurance that the Company will be able to liquidate the portfolio securities attributable to the Investor Shares being redeemed without losses. These losses might have an adverse effect on the NAV of that Sub-Fund and thus on the redemption proceeds that will be received by the outgoing investor. In the event of unsettled market conditions, or if for any reason the Company is unable to liquidate its investments or if it is obliged to suspend dealings in its Investor Shares, the Company may be unable to redeem such Investor Shares.

## **Substantial Redemptions**

Substantial redemption / repurchase of investor Shares in a particular Sub-Fund could require the Company to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Investor Shares in that Sub-Fund. In these circumstances, the Company may defer redemptions / repurchases. Substantial redemptions / repurchases might cause the liquidation of the Company.

Illiquidity in certain markets could also make it difficult for any Sub-Fund of the Company to liquidate positions on favourable terms, thereby resulting in a decrease in the value of the assets. In these circumstances, the non-redeeming Shareholders will bear a disproportionate risk of any decline in the value of a Sub-Fund's assets subsequent to the redemptions.

## **Temporary Suspension in Redemptions**

The Directors have the power to suspend redemption of Investor Shares for which redemption requests have been received if they should determine that the calculation of the Net Asset Value is not practicable or reasonable, or that redemption would involve the realisation of assets of the Sub-Fund which in the opinion of the Directors could, if realised at that particular moment in time, adversely affect and prejudice the interest of Shareholders in that Sub-Fund.

No issue of Investor Shares will take place during any period when the redemption of Investor Shares has been suspended.

Notice of the suspension of redemption will be given to any shareholder tendering his shares for redemption. The redemption will then take place on the first Redemption Day following the end of the suspension.

## **Suspension in the determination of the NAV**

The Company reserves the right to suspend the determination of the Net Asset Value of a Sub-Fund. In such cases a Shareholder may be unable to redeem his Investor Shares in a Sub-Fund within the normal timeframes described in this Prospectus.

## **Compulsory Redemptions**

The Company reserves the right to require a Shareholder to redeem its total shareholding, within one (1) Business Day of a notice of intent to do so, in the event that the holding of Investor Shares by the Shareholder concerned may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or the Shareholders as a whole, or, if as at any Valuation Point, the total value of the Investor Shares held by the Shareholder is less than the Minimum Holding for the Company or a Sub-Fund. Such compulsory redemptions, which will take place at the prevailing Redemption Price, may crystallise losses and/or deprive an investor of the opportunity to recover losses or otherwise gain from investing in the Sub-Fund concerned.

## **Market Disruption Events & Settlement Disruption Events**

A determination of a market disruption event or a settlement disruption event in connection with any Sub-Fund's assets may have an effect on the value of the Investor Shares in that Sub-Fund and may delay settlement in respect of the Sub-Fund's assets.

## **Confidential Information**

The Investment Manager may, in connection with its other business activities, acquire material non-public confidential information that may restrict it from purchasing assets or selling assets for itself or its clients (including the Company) or otherwise using such information for the benefit of its clients or itself.

## **Conflicts of Interest**

Conflicts of interest may arise between the Company and certain Relevant Parties (being the persons or entities involved in the management of the Company or offering services to it and/or the Investment Manager, the Administrator, the Custodian or other service providers or counterparties to the Company including any prime brokers, sub-custodians and futures clearers which may be appointed in respect of the Sub-Funds). The Relevant Parties which may be appointed in respect of the Sub-Funds (including their respective principals, shareholders, members, directors, officers, agents or employees) may from time to time act as investment manager, custodian, registrar, broker, administrator, investment advisor, prime broker or futures clearer, distributor or dealer in relation to, or otherwise be involved in, other funds established by parties other than the Company and/or the Sub-Funds, as the case may be, which have similar objectives and which make investments similar to those made on behalf of a Sub-Fund of the Company. Such clients could thus compete for the same trades or investments, and whilst available investments or opportunities for each client are generally expected to be allocated in a manner believed to be equitable to each, certain of the allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed.

Conflicts may also arise as a result of the other services provided by affiliates of the Investment Manager which may provide advisory, custody or other services to the Investment Manager. Similarly the Directors may also be directors of other companies in which the Company may invest, which could result in conflicts of interest. Generally, there may be conflicts of interest between the interests of the Company and the interests of the Investment Manager and its affiliates and the Directors to generate fees, commissions and other revenues. In the event that such a conflict of interest arises, the Directors will endeavour to ensure that it is resolved in the best interest of the Company. It should be noted that the Investment Manager of any of the Sub-Funds, as well as its affiliates, may at any time also be offering their services to one or more of the investors in the Sub-Funds.

Furthermore, the Directors or the Investment Manager may have equity stakes in the funds to which they are providing their services, or own or have an interest.

## **Taxation**

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

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

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

## **Change of Law**

The Company must comply with regulatory constraints, such as a change in the laws affecting the Investment Restrictions, which might require a change in the investment policy and objectives followed by a Sub-Fund.

## **Political and/or Regulatory Risk**

The performance of the Investor Shares in a particular Sub-Fund or the possibility to purchase, sell, or repurchase may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, laws or regulations (including regarding taxation), the imposition of restrictions on the transfer of capital and changes in regulatory requirements in the Company's home jurisdiction or in countries where a Sub-Fund is invested. The legal infrastructure, accounting, auditing and reporting standards in certain jurisdictions in which the capital of a Sub-Fund may be invested may not offer the same degree of investor protection or information as is normally expected in major securities markets.

## **Dependence on Key Individuals**

The Investment Manager (which where a Sub-Investment Manager is engaged includes such Sub-Investment Manager) is responsible for the day to day management of the portfolio of assets of the Company and the Sub-Funds. The Company's success depends to a significant extent, upon the relevant persons to properly manage the Company and the Investment Manager's ability in respect of the day to day management of the assets of the Company. To the extent that such activities relate to the operations of the Company, the Company may be adversely affected if the persons responsible for these activities cease to participate in the operation of the Company or of the Investment Manager. The loss of such a key individual's services (e.g. through death, disability, retirement or leaving the employment of the Investment Manager) could cause the Company to suffer losses.

## **Liability for Fees and Expenses**

The fees and expenses relating to a Sub-Fund will be paid by the Company out of the assets of the relevant Sub-Fund as set out in the Section entitled "Fees, Compensation and Expenses" and the relevant Offering Supplement. However, to the extent that:

- (1) the arrangements for funding the payment by the Company of the fees and expenses do not generate the necessary funds to discharge all of the Company's liabilities in respect of the Sub-Fund; or
- (2) the Company incurs any fees, expenses or other liabilities which are not budgeted for by the Company and accordingly fall outside the scope of the arrangements referred to in (1)

above,

the Company will pay such fees, expenses or liabilities from the Sub-Funds' assets. The Company's liability in respect of such amounts will be borne by the relevant Sub-Fund as more fully described under "Cross Liability between Classes" below.

## **Fee Structure**

The Company will bear the fees paid to the Investment Manager, any Authorised Distributor, the Custodian, the Administrator and other service providers. Further, certain of the strategies employed in the Sub-Funds, or in investments made by the Sub-Funds, may require frequent changes in trading positions and consequent portfolio turnover.

## **Borrowing Risks**

The Company in respect of a Sub-Fund may not be able to repay borrowings or may be forced to sell investments at a disadvantageous time in order to repay borrowings. The Company in respect of a Sub-Fund might elect to sell its more liquid assets to repay borrowings, or to meet redemptions, thus increasing its concentration in less liquid securities.

## **Indemnities**

The Directors and officers, the Investment Manager, the Authorised Distributor, the Custodian and the Administrator and each of their directors, officers, employees and agents are entitled to be indemnified in certain circumstances outlined in the Memorandum and Articles of the Company and/or in the related agreement, as applicable. As a result, there is a risk that the Company's assets will be used to indemnify such persons, companies or their employees or satisfy their liabilities as a result of their activities in relation to the Company.

## **Cross Liability between Classes within a Sub-Fund**

The right of holders of any Class of Investor Shares to participate in the assets of the Company is limited to the assets (if any) of the relevant Sub-Fund to which his Investor Shares relate and all the assets comprising a Sub-Fund will be available to meet all of the liabilities of that Sub-Fund, regardless of the different amounts stated to be payable on the separate Classes of Investor Shares constituting that Sub-Fund.

## **Consequences of winding-up proceedings**

If the Company fails for any reason to meet its obligations or liabilities, or is unable to pay its debts, a creditor may be entitled to make an application for the winding-up of the Company. The commencement of such proceedings may entitle creditors (including counterparties) to terminate contracts with the Company (including Sub-Fund assets) and claim damages for any loss arising from such early termination. Notwithstanding that Maltese law caters for the insolvency of a sub-fund distinctly from that of an investment company with segregated cells, so that the insolvency of any Sub-Fund does not affect the Company or its unaffected sub-funds, the commencement of such proceedings may result in the Company being dissolved and its assets (including the assets of all Sub-Funds) being realised and applied to pay the fees and expenses of the appointed liquidator or other insolvency officer, then in satisfaction of debts preferred by law and then in payment of the Company's liabilities, before any surplus is distributed to the shareholders of the Company. In the event of proceedings being commenced, the Company may not be able to pay, in full or at all, any amounts due in terms of this Prospectus to the Shareholders, including the redemption amounts for repurchased shares in respect of any Sub-Funds.

## **Nominee Arrangements**

Where Investor Shares in a Sub-Fund are held by a nominee service provider on behalf of an investor, or/and investor holds interests in the Investor Shares of any Sub-Fund through accounts with a clearing system, such investor will only receive payments in respect of redemption proceeds and/or any dividends attributable to the Investor Shares on the basis of the arrangements entered into by the investor with the nominee service provider or Clearing System, as the case may be.

Furthermore, any such investor will not appear on the share register of the Company (the "Register"), will have no direct right of recourse against the Company and must look exclusively to

the nominee service provider or clearing system for all payments attributable to the relevant Shares. The Company and the Directors will recognise as Shareholders only those persons who are at any time shown on the Register for the purposes of (i) the payment of dividends and other payments due to be made to Shareholders (as applicable); (ii) the circulation of documents to Shareholders; (iii) the attendance and voting by Shareholders at any meetings of Shareholders; and (iv) all other rights of Shareholders attributable to the Shares. None of the Company, the Directors, the Investment Manager, the Administrator, the Custodian or any other person will be responsible for the acts or omissions of any nominee service provider or clearing system, nor make any representation or warranty, express or implied, as to the services provided by any nominee service provider or clearing system. The Administrator is not authorised to have nominee arrangements which require a licence under the ISA.

## **Performance Fees**

To the extent that the Investment Manager will be entitled to receive a performance fee from the Company, such fees may create an incentive for the Investment Manager to engage in investment strategies and make investments that are more speculative than would be the case in the absence of such fees.

Furthermore, the increase in NAV which is used as a basis for the calculation of performance fees, may be comprised both of realised gains as well as unrealised gains as at the end of the calculation period, and as a result, performance fees may be paid on unrealised gains which may subsequently never be realised by the Sub-Funds. The performance fee payable to the Investment Manager is not subject to a cap or a maximum amount.

Unless otherwise stated in a particular Offering Supplement for a Sub-Fund, the Company will adopt an equalisation methodology for the calculation of the performance fee.

## **Lack of Operating History**

The Company is a newly formed entity and as such does not have any established track record which could be utilised as a basis for evaluating potential performance.

## **General**

Any investor who is in any doubt about the risks of investing in any of the Sub-Funds should consult his or her own financial advisor.

# Description of the Company

## Organisation of the Company

AQA UCITS Funds SICAV p.l.c whose registered office is situated at Third Floor, Valletta Buildings, South Street, Valletta, Malta was registered as an open-ended multi-fund investment company with limited liability in Malta with effect from the 20<sup>th</sup> April 2015 under company registration number SV 359. The Company was authorised by the Malta Financial Services Authority Act under the ISA as a Collective Investment Scheme on the 22<sup>nd</sup> May 2015 under MFSA Licence No. CIS/359.

The Company qualifies as a 'Maltese UCITS' in terms of the UCITS Regulations and the MFSA Rules.

## Duration of the Company

The duration of the Company is indefinite but Sub-Funds may be issued for a definite duration after which they shall be wound up and all assets distributed to the Shareholders in that Sub-Fund. In relation to any particular Sub-Fund, see the related Offering Supplement for details.

## Share Capital of the Company

The share capital of the Company shall be equal at any time to the value of the issued share capital of the Company. The Company may issue up to a maximum of ten billion two thousand (10,000,001,000) Shares without any nominal value assigned to them divided into ten billion (10,000,000,000) Investor Shares and one thousand (1,000) Founder Shares. The actual value of the paid up share capital of any Sub-Fund shall be at all times equal to the value of the assets of any kind of the particular Sub-Fund after the deduction of such Sub-Fund's liabilities. Shares will be issued as fully paid. No Shares have preferences, pre-emptive, conversion or exchange rights. Other than as stated in this Prospectus, there are no outstanding options or any special rights relating to Shares.

The Articles provide that unissued Shares are at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and upon such terms and conditions as the Directors may determine. All Shares will be issued in registered form only.

Prospective investors should note that there are no provisions under the Articles conferring pre-emption rights on the holders of Investor Shares or Founder Shares.

## Founder Shares

The Company has issued one thousand (1,000) Founder Shares with no nominal value, which Founder Shares constitute a separate Class of Shares of the Company but does not constitute a sub-fund. 999 Founder Shares are held by AQA Capital Holding Limited and 1 Founder Share is held by AQA Capital Limited.

Holders of Founder Shares shall have the right to receive notice of, attend and vote on any matter requiring the approval of Shareholders generally as contained in the Memorandum and Articles and applicable law. Holders of Founder Shares shall not be entitled to participate in any dividends or other distribution of the Company or in the assets of the Company on a winding up (other than the return of the paid up capital after payment of all amounts due to the holders of Investor Shares).

## Investor Shares

The Company has designated the maximum number of Investor Shares on offer in each Class as stated in the relevant Offering Supplements.

The Directors may from time to time split Investor Shares into a greater number of Investor Shares or consolidate Investor Shares and such transactions shall be carried out based on the applicable Subscription Price as at the last Valuation Point for the relevant Dealing Day before the transaction is affected.

Holders of Investor Shares have the right to receive notice of, attend and vote on any matter requiring the approval of members generally as contained in the Memorandum and Articles and applicable law.

Holders of Investor Shares are entitled to participate in the assets of the Sub-Fund to which they relate and in any dividends and distributions of that Sub-Fund upon liquidation. All Investor Shares participate equally in the net assets of the Class and Sub-Fund to which they relate and in any dividends and other distributions attributable to it. Shareholders only have rights to participate, pro-rata, in the assets of Sub-Funds of which they hold Investor Shares at any time and have no rights against the assets of other Sub-Funds in which they have no Investor Shares.

Investor Shares may be issued as fractional shares up to four (4) decimal places. Fractional Investor Shares will be consolidated into whole Investor Shares when a Shareholder holds enough fractional Investor Shares to make up a whole Investor Share. With the exception of voting rights, the holders of fractional Investor Shares carry the same rights as integral shares of the same Class and exercisable in proportion to the fraction held.

## **Voting Rights**

Subject to any rights or restrictions for the time being attached to any Class or Classes of Shares as may be set out in the Offering Supplement relating to a Sub-Fund, on a show of hands every Shareholder who is present in person or by proxy and entitled to vote on a particular matter, shall have one (1) vote and on a poll every Shareholder present in person or by proxy shall have one (1) vote for every Share of which he is the holder. Shareholders who hold a fraction of a Share may not exercise any voting rights in respect of such fraction of a Share, whether on a show of hands or on a poll.

## **Alterations to the Company's Share Capital**

The Company may increase or reduce the maximum number of Shares which may be issued by the Company by an extraordinary resolution (i.e. a resolution notice of which has been given prior to the meeting, and which is approved by 75% of the Shareholders present at the meeting and entitled to vote thereon and at least 51% of all Shareholders who are entitled to vote thereon).

## **Amendment to Memorandum and Articles of Association**

Subject as provided in this Prospectus, the Memorandum and Articles may be altered or amended only by the passing of an extraordinary resolution to that effect by the holders of the shares in the Company holding voting rights in that regard. Revisions to the Memorandum and Articles are also subject to the prior approval of the MFSA.

## **Variation of Class Rights**

If at any time the authorised capital is divided into classes of Shares, the rights attached to any then existing class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths ( $\frac{3}{4}$ ) of the issued Shares of that class and of any other class of Shares which may be affected by such variation. The said consent can also be obtained by the Company through a request for consents in writing in a circular sent to the holders of the effected Shares.

In terms of the Articles, the following are, in the absence of any other variations of class rights, not be deemed to be a variation of the rights attaching to any particular class of Shares for the Company:

- (1) the creation, allotting or issue of further Shares in the same Sub-Fund whether constituting a separate Class or otherwise and ranking at least equally with them;
- (2) the creation, allotment, issue or redemption of shares in any other Class including the creation of other Sub-Funds;
- (3) if the Company shall be wound up; or
- (4) the conversion of Shares of any Class into Shares of another Class.

## Further Issues of Investor Shares

The Investor Shares shall be at the disposal of the Board of Directors, and the Company may, by resolution of the Board, at any time decide to offer further Investor Shares by means of the issue of an Offering Supplement to a maximum amount of Investor Shares comprised in the authorised share capital and, without prejudice to any special rights previously conferred on the holders of existing Investor Shares, to allot, issue, grant options over or otherwise dispose of the Investor Shares or any other classes of Investor Shares (including fractions of Investor Shares) with or without preferred, deferred or other special rights or restrictions, whether with regard to dividend, voting or otherwise and to such persons, at such times and on such other terms as the Board shall think proper, but not in a manner to reduce the financial rights of Shareholders without their consent.

The Company may, at any time, issue additional Classes of Investor Shares constituting other Sub-Funds or additional Classes of Investor Shares in existing Sub-Funds, which may be designated in any currency and with particular investment objectives, policies and restrictions, and the assets of which may be managed utilising different methodologies, investing in different markets with particular opportunities and investment risk characteristics. Such other Class(es) of Investor Shares will be offered by means of an Offering Supplement for the specific Sub-Fund. When making an Initial Offering of Investor Shares in a newly established Sub-Fund or in an existing Sub-Fund, the Directors shall establish the Initial Offering Price for such Investor Shares at the time of offer and this shall be stated in the Offering Supplement for the specific Sub-Fund.

## Repurchase of Investor Shares

Under the Companies Act, the Company is permitted to repurchase or redeem its Investor Shares without restriction. Repurchased or redeemed Investor Shares shall be treated as cancelled and deemed never to have been issued for the purpose of calculation of the maximum number of Investor Shares which may be issued, and shall be available for reissue by the Company at any time in the future. Redemptions of Investor Shares will be based on the NAV per Share in accordance with the Company's Memorandum and Articles and this Prospectus. Reference should be made to the Section entitled "*Redemption of Shares*" for further details.

## Limiting Changes in Portfolio

A net reduction or increase in the number of Investor Shares in issue of any Sub-Fund would normally result in a reduction or increase, and other adjustments, in the portfolio of assets of that Sub-Fund. Dealing and other transactional costs can be incurred as a result of such changes in the portfolio. In order to mitigate this effect, the Company may arrange or procure, without obligation, that one or more entities will be given the opportunity to match, wholly or partially, with a subscription for Investor Shares, any expected net cash outflow from the redemption or repurchase of Investor Shares requested by other investors, and conversely with a request for redemption of Investor Shares, any expected net cash inflow from subscription for Investor Shares by other investors. Such matching transactions will invariably be carried on a Dealing Day and at the relevant NAV per Share.

## Closure of a Sub-Fund

Apart from cases where the assets of a Sub-Fund are not sufficient to meet the liabilities in respect of such Sub-Fund, in which case the rules on insolvency will apply to the Sub-Fund in question, Sub-Funds of the Company may be closed from time to time and their licence surrendered to MFSA. In cases where there are no outstanding Investor Shares in a Sub-Fund, as a result of redemptions or exchanges of Investor Shares with Investor Shares in another Sub-Fund, the Directors may resolve to close the Sub-Fund in question and surrender its licence to the MFSA. Where there are outstanding Investor Shares in a Sub-Fund, then the consent in writing of 75% of the Shareholders in that Sub-Fund will be required in terms of the Memorandum and Articles unless the Directors are exercising their powers thereunder relating to mandatory redemption of all Investor Shares in that Sub-Fund. Please see the Section entitled "*Redemption of Shares*" for further details on this power.

The MFSA must consent to the closure of a Sub-Fund and to the surrender of its Licence.

## Liquidation

The Company and the Sub-Funds have been incorporated for an indefinite period, unless otherwise provided in the Offering Supplement relating to a Sub-Fund and unless closed or liquidated as hereunder described.

#### **- Of a Sub-Fund**

Apart from the rules applicable to the closure of a Sub-Fund which are outlined in the Memorandum and Articles and in this Prospectus (see the Part entitled "Closure of a Sub-Fund" above), a Sub-Fund may be dissolved and wound up either voluntarily or under supervision or by the court. Upon the winding up or dissolution (whether the liquidation is voluntary or by the Court) of any Sub-Fund, the assets of such Sub-Fund available for distribution (after satisfaction of creditors' claims) amongst the Shareholders of such Sub-Fund shall be distributed to the Shareholders of such Sub-Fund pro rata to their respective shareholding. Amounts which have not been claimed by Shareholders at the close of the liquidation of any Sub-Fund will be deposited in an account in the Shareholder's name with a trustee selected by the liquidator. Any such amount not claimed within a period of seven (7) years will be donated to a Maltese enrolled voluntary organisation selected at the discretion of the trustee.

#### **- Of the Company**

Subject to all Sub-Funds in the Company being closed, the Company may be dissolved and wound up either voluntarily or under supervision or by a competent Court. The Company may be placed in voluntary liquidation at any time by a resolution adopted by the holders of Shares holding voting rights in the same manner as that required for amending the Memorandum and Articles. Any voluntary liquidation of the Company shall be carried out pursuant to applicable Maltese laws and the Memorandum and Articles. Amounts which have not been claimed by Shareholders at the close of the liquidation will be deposited in an account in the Shareholder's name with a trustee selected by the liquidator. Any such amount not claimed within a period of seven (7) years will be donated to a Maltese enrolled voluntary organisation selected at the discretion of the trustee. Any proceedings in relation to the Company shall respect the legal status of each Sub-Fund as a patrimony separate from the assets and liabilities of each other Sub-Fund and proceedings under the Companies Act shall apply to each Sub-Fund as though it were a distinct legal entity and with such modifications as are necessary to accommodate the fact that a Sub-Fund is not a company. Any proceedings in relation to any one Sub-Fund shall not have any effect on the assets of any other Sub-Fund or of the Company itself. The term 'proceedings' as used here refers to any proceedings including the proceedings in terms of Title II of Part V and of Part VI of the Companies Act.

# Prevention of Money Laundering and Data Protection

## Anti-Money Laundering Measures (Maltese Requirements)

Measures aimed at the prevention of money laundering require an applicant for Investor Shares to verify his identity and/or source of funds to the Administrator.

The Administrator will ensure full compliance with all applicable anti-money laundering (AML) legislation. The specific requirements could include, among other things, the fundamental requirement to Know Your Client, which extends, for any 'non-individual' investor, to the ultimate beneficial owner(s) of the monies invested. This requirement is principally satisfied through documentary evidence, as may be requested by the Administrator.

It should be noted that the Administrator may request further information, in order to satisfy its regulatory obligations.

The completion of the Subscription Application serves as confirmation that the Shareholder understands and agrees to furnish the requested documents. It also represents the first request for such documents. The Administrator may reject a subscription for Investor Shares in the Company if it has not received all such documents as may be requested by the Administrator in order for it to comply with its Know Your Client procedures and its client identification requirements.

It must also be noted that the Administrator will not allow the remittance of redemption monies to a Shareholder until all documents requested have been received. Further, it is a regulatory requirement to report suspicious transactions, and any relevant data in this regard may need to be transferred to the relevant regulators.

There is also a requirement to know the investors' source of wealth. A further requirement is to know the source of the funds, such requirement normally limited to knowing the bank and account from which the monies were remitted. A further requirement is that such monies invested may only be redeemed to the account of remittance, except in exceptional circumstances where agreed to by the Administrator.

Finally as the aforementioned legislation is subject to change, any additional requirements imposed on the Administrator will be reflected in the requirements applicable to an investor subscribing for Investor Shares in a Sub-Fund.

In the case of investors subscribing for Investor Shares in any Sub-Fund through an Authorised Distributor or another appropriately authorised intermediary, the Administrator may, subject to ongoing compliance with the requirements of applicable prevention of money laundering and funding of terrorism legislation, rely on the AML checks carried out by such Authorised Distributor or intermediary as the case may be.

## Other Anti-Money Laundering Requirements

As part of the Administrator's responsibility to comply with regulations aimed at the prevention of money laundering and terrorist financing, the Administrator may require a detailed verification of an investor's identity, any beneficial owner of the investor, and the source of the investor's subscription payment.

The Administrator reserves the right to request such information as is necessary to verify the identity of a prospective investor and any underlying beneficial owner of the investor. The Administrator also reserves the right to request such identification evidence in respect of a transferee of Investor Shares. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Administrator may refuse to accept or delay the acceptance of the Subscription Application, or (as the case may be) to register the relevant transfer of Investor Shares, and (in the case of a subscription for Investor Shares) any funds received will be returned without interest to the account from which the monies were originally debited.

The Administrator also reserves the right to refuse to make any redemption payment or distribution to

a Shareholder, if any of the Directors of the Company or the Administrator is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering laws or the laws, regulations, and executive orders administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), or other laws or regulations by any person in any relevant jurisdiction (collectively, "AML/OFAC obligations").

Each Subscriber will be required to make such representations as the Company or the Administrator may require in connection with applicable AML/ OFAC obligations, including, without limitation, representations that such Subscriber is not:

- (1) an individual or entity named on any available lists of known or suspected terrorists, terrorist organisations or of other sanctioned persons issued by the United States government and the government(s) of any jurisdiction(s) in which the Company is doing business, including the List of Specially Designated Nationals and "Blocked Persons" administered by OFAC as such list may be amended from time to time;
- (2) an individual or entity otherwise prohibited by the OFAC sanctions programs; or
- (3) a current or former senior foreign political figure<sup>1</sup> or politically exposed person<sup>2</sup>, or an immediate family member or close associate of such an individual.

Further, such Subscriber must represent that it is not a prohibited foreign shell bank<sup>3</sup>.

The Directors may, in their absolute discretion accept a Subscription Application from a current or former senior foreign political figure or politically exposed person, or an immediate family member or close associate of such an individual.

Such Subscriber will also be required to represent that amounts contributed by it to the Company were not directly or indirectly derived from activities that may contravene U.S. Federal, state or international laws and regulations, including, without limitation, any applicable anti-money laundering laws and regulations.

Each Subscriber and Shareholder agrees to notify the Company and the Administrator promptly in writing should it become aware of any change in the information set forth in its representations. The Subscriber or Shareholder is advised that, by law, the Company may be obligated to "freeze the account" of such Subscriber or Shareholder, either by prohibiting additional investments from the Subscriber or Shareholder, declining any withdrawal requests from the Subscriber or Shareholder, suspending the payment of withdrawal proceeds payable to the Subscriber or Shareholder, and/or segregating the assets in the account in compliance with governmental regulations. The Company and the Administrator may also be required to report such action and to disclose the Subscriber or Shareholder's identity to OFAC or other applicable governmental and regulatory authorities.

## Data Protection

As part of the subscription process all prospective investors and/or Subscribers are required to submit various documents and information. These are required to enable completion of the subscription process, maintenance of the Shareholders' register and generally to comply with any

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<sup>1</sup> A "senior foreign political figure" is defined as (a) a current or former senior official in the executive, legislative, administrative, military or judicial branches of a non-U.S. government (whether elected or not), a current or former senior official of a major non-U.S. political party, or a current or former senior executive of a non-U.S. government-owned commercial enterprise; (b) a corporation, business, or other entity that has been formed by, or for the benefit of, any such individual; (c) an immediate family member of any such individual; and (d) a person who is widely and publicly known (or is actually known) to be a close associate of such individual. For purposes of this definition, a "senior official" or "senior executive" means an individual with substantial authority over policy, operations, or the use of government-owned resources; and "immediate family member" means a spouse, parents, siblings, children and spouse's parents or siblings.

<sup>2</sup> A "politically exposed person" ("PEP") is a term used for individuals who are or have been entrusted with prominent public functions in a foreign country, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials.

<sup>3</sup> A "prohibited foreign shell bank" is a foreign bank that does not have a physical presence in any country, and is not a "regulated affiliate," *i.e.*, an affiliate of a depository institution, credit union, or foreign bank that (i) maintains a physical presence in the U.S. or a foreign country, and (ii) is subject to banking supervision in the country regulating the affiliated depository institution, credit union, or foreign bank.

requests of Subscribers and Shareholders which the Company wishes to entertain and all applicable legislation and regulatory requirements. Shareholders may be similarly required to provide and/or submit documents and information whether in order to process, exchange, transfer, redemption or other requests or to comply with relevant legislation. Any information so collected (which may include personal data ("**Personal Data**") as defined in the Data Protection Act (Cap. 440, Laws of Malta) (the "**DPA**") will be processed by the Company as Data Controller in terms of the DPA and the "Guidelines for the Promotion of Good Practice: Funds Sector" issued by the Data Protection Commissioner.

The Company has, pursuant to the Administration Agreement and the Investment Management Agreement also appointed each of the Administrator and the Investment Manager respectively as its data processors for the collection, storage and processing of Personal Data relating to prospective investors, Subscribers and Shareholders. Information (including Personal Data) received from Subscribers and Shareholders will generally be stored by the Administrator in accordance with the DPA and, in the normal course of business, will not be made available to anyone other than the Company, the Administrator, the Investment Manager, and the Custodian and this on a 'need-to-know' basis. It may, however, become necessary to transfer or disclose Personal Data at any time to comply with legislation in force either now or at any time in the future (see above in relation to AML/OFAC obligations for example). Further, should the administrative or investment management functions, in whole or in part, be transferred or delegated to another entity, data will be transferred to the extent necessary for such new entity to carry out its functions effectively. This may include entities in other countries which are deemed to have equivalent data protection legislation in place, and also to countries that are not deemed to have equivalent data protection legislation in place. Data transfers may additionally be carried out for any reason that the Administrator deems necessary to comply with legislation in force at the time.

Prospective investors, Subscribers, Shareholders and other data subjects that are individuals (a "**Data Subject**") generally have the right to request the Company, as Data Controller, for information as to whether any Personal Data relating to the Data Subject is being processed by the Company. Such requests shall be in writing, signed by the Data Subject in relation to whom the Personal Data relates and addressed to the Administrator who has been authorised by the Company to receive and address such requests. Where in such cases the Company does process Personal Data relating to such individual, the Company shall provide the information required under the DPA and the individual may have the right to rectify, block or erase such Personal Data including where the information is incorrect or no longer relevant.

By subscribing for Investor Shares all Subscribers should note the above, and also note that, by completion of the Subscription Application, they are agreeing to the processing of Personal Data as aforesaid as well as any transfer of Personal Data carried out for any of the reasons given above, or for any reason that the Company and/or its data processors deem necessary to comply with legislation in force at the time.

# Purchase, Exchange and Transfer of Shares

## General

Each Sub-Fund can be constituted by multiple Classes of Investor Shares. Each Class represents an interest in the Sub-Fund's portfolio, but may have its own characteristics, such as fee structure, Minimum Initial Investment, Minimum Additional Investment, Minimum Holding, dividend policy or Base Currency.

## Purchase of Investor Shares

Investor Shares are issued in registered form, meaning that the Shareholder's name is recorded in the Sub-Fund's register of Shareholders. A written confirmation of this ownership in the form of a contract note will be sent to each Shareholder.

Investor Shares in issue must be fully paid-up. Investor Shares have no par value and carry no preferential or pre-emptive rights. Applications to acquire Investor Shares are subject to the restrictions appearing in this Prospectus, the Memorandum and Articles of Association and, in relation to a particular Sub-Fund, the related Offering Supplement.

Subscriptions are valid only when based on the most recent Prospectus and the latest annual report (if any), as well as the latest half-yearly report (if any) when this has been published after the latest annual report. No person is authorised to give any information about the Company or a Sub-Fund if the same is not contained in this Prospectus or in the documents mentioned in this Prospectus and which the public can consult.

Subscription Applications for the purchase of Investor Shares are to be addressed to the Company and sent in writing to the Administrator (including facsimile or electronic mail instructions, subject that such requests are followed by the original signed instructions). Other Shareholder requests may be sent in writing, through electronic communications or by telephonically contacting the Company and/or the Administrator. The Administrator and the Company may record telephone conversations for security purposes.

## Subscription Procedures

Investor Shares may be purchased during the Initial Offering Period at the Initial Offering Price and subsequently on any Subscription Day at the Subscription Price. Investors can purchase Investor Shares by submitting a Subscription Application and supporting documentation to the Company at the offices of the Administrator.

In order to purchase Investor Shares in the Company, a prospective investor must:

- (1) Complete and sign the Subscription Application; and
- (2) Send the signed and completed Subscription Application in original form, including the applicable supporting documentation, to the Company at the office of the Administrator.

For this purpose, the Subscription Application, duly completed, including the applicable supporting documentation, must be received by the Company at the offices of the Administrator, within the deadlines stipulated in the relative Offering Supplement as they apply to the purchase of Investor Shares. The issue and subscription of Investor Shares shall be carried out on the applicable Subscription Day. However, with regard to Subscription Applications accepted during the Initial Offering Period, the issue of Investor Shares shall be carried out on the first Business Day after the Closing Date.

In the event that not all supporting documentation or information stated above has been received by the stipulated deadlines, the Company may (but shall not be obliged to), process the relevant Subscription Application. In such case, no redemptions will be allowed until such pending documents or information is received by the Company.

No application will be capable of withdrawal after acceptance by the Administrator, unless such withdrawal is approved by the Directors acting in their absolute discretion. In such circumstances, the Company may charge the Subscriber for any expense incurred by the Company and for any loss to the relevant Sub-Fund arising out of such withdrawal.

If payment in full in Cleared Funds in respect of an application has not been received by the relevant Settlement Date (as specified in the relevant Offering Supplement for the Sub-Fund) or in the event of non-clearance, any allotment or issue of Shares made in respect of such application shall be cancelled by not later than the time and date set out in the Offering Supplement and the Directors may charge the Subscriber for any expense incurred by the Company and for any loss to the Sub-Fund arising out of such non-receipt or non-clearance. Monies returned will be at the risk and expense of the Subscriber.

Subscription monies in respect of each Sub-Fund are payable in Base Currency of the relevant Class in the manner set out on the Subscription Application. However, the Company may accept payment in such other currencies as the Directors may agree, but such payments will be converted into the relevant Base Currency at the exchange rate available to the Administrator on the date of receipt of the subscription monies and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription monies. This may result in a delay in processing the application.

Each Sub-Fund calculates its NAV per Share and the related Subscription and Redemption Price as at each Valuation Point for the relevant Dealing Day. The Subscription Price will be available from the Administrator and may be published in one or more financial newspapers in such countries where the Sub-Fund may be distributed to the public.

Orders to buy, exchange or transfer Investor Shares that are received and accepted by the Company before the deadline(s) set out in the Offering Supplement relating to a Class of Investor Shares will be processed at the NAV per Share. Orders received after such deadline will be processed on the following Subscription Day.

The Directors may extend or limit the cut off time for accepting orders and will notify Shareholders if and when a new time takes effect either by sending a notice or by advertising in the relevant newspapers.

A copy of the Subscription Application should be retained by the Subscriber for the Subscriber's personal reference and records.

Contract notes containing full details of the investment will be issued within seven (7) Business Days of the relevant Subscription Day and will be mailed to the correspondence address held at the Company's registered office and, in the case of joint holders, such delivery shall be deemed as sufficient delivery to all joint holders and shall discharge the Company of its obligation towards the other joint holder/s.

It is the responsibility of the Shareholder (and its agent where applicable) to check that the information contained on the contract note is correct and to notify the Company within five (5) Business Days of receipt of any discrepancy. Contract notes are sent at the Shareholder's own risk.

Title to the Shares will be evidenced by entries on the register of Shareholders on the Subscription Day. All Shares will be registered and an entry in the Register of Shareholders will be conclusive evidence of ownership. No share certificates will be issued. The un-certificated form allows the Company to effect redemption instructions without delay.

Any change to a Shareholder's personal details must be immediately notified in writing to the Company and received at the Administrator's registered office. The Company reserves the right to request indemnity or verification before accepting such notification.

### **Eligible Investors**

The Administrator shall not be bound to register more than four (4) persons as joint holders of any Shares.

Each investor must represent and warrant to the Company that, amongst other things, he is able to acquire Investor Shares without violating applicable laws. The Company will not knowingly offer or sell Investor Shares to any investor to whom such offer or sale would be unlawful.

## Subscribers' Undertakings and Warranties

Subscribers should take notice that by completing and executing the Subscription Application the Subscriber is entering into a number of undertakings and giving a number of warranties as specifically set out in the Subscription Application and in the Prospectus.

## Subscriptions in Specie

The Company shall, at its option, be entitled to receive assets from a prospective Shareholder for the issue of Investor Shares in the Company in accordance with the provisions of the Memorandum and Articles and in accordance with applicable law.

The Company shall appoint an independent valuer acceptable to the MFSA to draw up a valuer's report. Such report shall include:

- (1) a description of each of the assets comprising the consideration;
- (2) the value of each asset and a description of the method of valuation used;
- (3) a confirmation that the value of the consideration is at least equal to the net asset value of the shares to be issued in return for such consideration;

The Company shall only issue Investor Shares in the relevant Sub-Fund once the assets referred to in the valuer's report have been transferred in favour of the Company to the satisfaction of the Custodian.

All valuer reports shall be held in Malta at the registered office of the Company.

The costs of any valuation of assets submitted as subscription *in specie* are to be borne by the relevant Subscriber.

The Company may charge an applicant for Investor Shares a Dilution Levy in addition to the Subscription Price if considered appropriate by the Directors, in order to ensure fairness between existing and new investors.

## Nominee Services

A distributor, sub-distributor, a local paying agent or a clearing system appointed by the Company in relation to the subscription of Investor Shares in jurisdictions other than Malta may provide a nominee service for investors subscribing for Investor Shares through them. Such investors may, at their discretion, make use of such service pursuant to which the nominee will hold Investor Shares in its name for and on behalf of the investors. The beneficial owners of such Investor Shares may give such nominee voting instructions with respect to general meetings at which the holders of such Investor Shares are entitled to vote.

Investor Shares may be issued to and registered in the name of a nominee nominated by or on behalf of an investor, by a distributor, a sub-distributor or a third party nominee service provider or the local paying agent, as the case may be, and that is recognised and acceptable by the Company.

Investors may incur fees normally payable in respect of the maintenance and operation of accounts held with such nominee.

## Exchange of Investor Shares

A holder of Investor Shares may exchange all or part of such holding (the "**Original Shares**") into Investor Shares in another Sub-Fund or in a different Class of Investor Shares of the same Sub-Fund (the "**New Shares**").

An irrevocable request from a Shareholder to exchange Investor Shares shall be construed as being a request for the repurchase of the stated number of Original Shares (save that the repurchase monies shall not be released to the investor) and a simultaneous request for the proceeds from such repurchase to be applied in the purchase of New Shares as may be indicated. The exchange of Investor Shares shall take place on the same Dealing Day, or as otherwise agreed with the investor, at the relevant Subscription Prices.

Irrevocable instructions addressed to the Company and received at the Administrator's registered office in respect of the above-mentioned funds before the cut off time for receipt of conversion instructions, if accepted by the Company, will be dealt at the Net Asset Value per Share on the applicable Dealing Day. Requests received after this time will, unless the Company otherwise agrees, be held over until the following Dealing Day in relation to the New Shares/ Original Shares. Irrevocable conversion instructions addressed to the Company and received at the Administrator's registered office on a Business Day which is not a Dealing Day in relation to the New Shares / Original Shares, if accepted by the Company, will be carried over to the following Dealing Day and dealt at the Net Asset Value per Share on the applicable Dealing Day.

The number of New Shares to be issued on exchange shall be determined by the Administrator in accordance (or as nearly as may be in accordance) with the following formula:

$$NS = \frac{[(A \times B) - C] \times D}{E}$$

where:

NS	=	the number of New Investor Shares which will be issued;
A	=	the number of Original Investor Shares to be exchanged;
B	=	the Redemption Price of such Original Investor Shares on the relevant Redemption Day;
C	=	any transaction costs or other deductions which may be applicable;
D	=	if applicable, the rate of exchange determined by the Administrator for converting the currency of designation of the Original Investor Shares into the currency of designation of the New Investor Shares; and
E	=	the Subscription Price of the New Investor Shares on the relevant Subscription Day (adjusted for any fees or any commissions payable).

The Company will dispatch contract notes within seven (7) Business Days of the relevant Dealing Day when the order to convert is fully effected. Contract notes will be mailed to the correspondence address held at the Company's registered office and, in the case of joint holders, such delivery shall be deemed as sufficient delivery to all joint holders and shall discharge the Company of its obligation towards the other joint holder/s.

## Transfer of Investor Shares

### General

In order to acquire or hold Investor Shares in the Company, investors must satisfy the conditions set out in this Prospectus.

A Shareholder desiring to transfer his Investor Shares must make available to the Registrar the certificate(s), if issued, or other evidence representing the Investor Shares that such Shareholder desires to transfer, together with a written instrument of transfer executed by or on behalf of the proposed transferor setting forth:

- (1) the names and addresses of the proposed transferor and transferee;
- (2) the number of Investor Shares and the Contract ID's to be transferred;
- (3) the number of the certificates(s) representing such Investor Shares; and
- (4) such other information as the Company may require, including information necessary to satisfy the Company that the proposed transfer complies with applicable laws and appropriate identification documentation is provided as required by the Company and/ or the Administrator to comply with applicable anti-money laundering regimes.

The proposed transferee must, in the above-mentioned instrument of transfer, agree to take such Investor Shares subject to the same conditions and restrictions pursuant to which the Investor Shares were held by the transferor.

The Company's Memorandum and Articles provide that the Directors may, in their absolute discretion, decline to give effect to the proposed transfer of any Investor Share and may withhold approval for any reason.

Furthermore, the Directors or the Administrator may decline to register any transfer of Investor Shares:

- (1) unless the instrument of transfer is deposited at the office of the Administrator accompanied by the certificate of the Investor Shares to which it relates (if any) and such other evidence as the Administrator on behalf of the Company may reasonably require to prove the right of the transferor to make the transfer;
- (2) if the Company has any pledges registered over the Investor Shares being transferred;
- (3) if the registration of transfers has been suspended by the Directors or the Administrator in accordance with the Memorandum and Articles.

If the Directors or the Administrator on behalf of the Company declines to register a transfer, it shall send notice to the transferee of such refusal within 4 weeks. If within 5 weeks of receipt by the Company of an acceptable instrument of transfer the Administrator on behalf of the Company does not deny permission for the transfer, the Company shall be deemed to have approved the transfer, and shall be obliged to register the transfer forthwith.

### **Minimum Holding Requirements for Registration of Transfers**

Should it appear to the Administrator on behalf of the Company that the effect of a transfer will result, after the transfer, in the transferor or the transferee holding less than the Minimum Holding required in this Prospectus, or in the relevant Offering Supplement, the Administrator shall immediately inform the transferee that the request for registration of a transfer has been suspended until the request is amended to result in observance of the Minimum Holding of Investor Shares, after the transfer of Investor Shares, by both the transferor and transferee.

# Redemption of Shares

## Procedure

Subject to the restrictions appearing in this Prospectus, the Memorandum and Articles, or, in relation to a particular Sub-Fund, the related Offering Supplement, a Shareholder may cause any or all of his Investor Shares to be redeemed by the Company on a Redemption Day at the Redemption Price, by submission to the Company at the office of the Administrator of the relevant and properly completed Redemption Notice with such deadlines as may be set out in the related Offering Supplement.

The Redemption Notice must be delivered to the Company at the office of the Administrator. Redemption proceeds in the Base Currency of the redeemed Investor Shares will be transferred to a bank account previously specified by the shareholders. The Company shall not issue cheques for redemption proceeds. Redemptions will be suspended during any period when the calculation of a Sub-Fund's NAV per Share is suspended. If an order to sell Investor Shares would bring an account below the required minimum balance, a Sub-Fund may sell all Investor Shares in the account and deliver the proceeds to the Shareholder. The Directors at times may permit Investor Shares to be redeemed through an in specie transfer of assets done on an equitable basis and in a way consistent with the interest of all shareholders of the relevant Sub-Fund. The redeeming Shareholders bear the costs associated with redemption-in-kind, including cost of a valuation report, unless the Company considers that the in specie transfer is in its interest.

Redemption proceeds will be rounded down to the nearest unit or currency unit and the related Sub-Fund will retain the benefit of any such rounding. Payment will be made to the registered holder/s by bank transfer to an account held in the name of the registered holder/s as duly instructed in the redemption instructions. The Company shall not be responsible for any delay in transmission. In the case of Investor Shares held jointly by two or more persons, the Company shall cause the redemption payment to be made by bank transfer, this will be made to the account held in the name of any one or more of the joint holders as duly instructed in the redemption instructions. Payment of the redemption proceeds as specified above shall be deemed as having been effected to all joint holders and shall discharge the Company of its obligation towards the other joint holder/s. Any applicable bank charges incurred will be borne in an equitable manner in accordance with market practice.

If a Shareholder's remaining total investment is less than the Minimum Holding, the Company may at its discretion redeem the entire holding.

Contract notes containing full details of the redemption will be issued within seven (7) Business Days of the relevant Redemption Day and will be mailed to the correspondence address held at the Company's registered office and, in the case of joint holders, such delivery shall be deemed as sufficient delivery to all joint holders and shall discharge the Company of its obligation towards the other joint holder/s. It is the responsibility of the Shareholder (and its agent where applicable) to check that the information contained on the contract note is correct and to notify the Company within five (5) Business Days of receipt of any discrepancy. Contract notes are sent at the Shareholder's own risk.

## Redemption Price

The Redemption Price as at the Valuation Point for the relevant Redemption Day will be calculated up to four (4) decimal places.

The Redemption Price is the NAV per Share calculated at the close of business on the relevant Valuation Point. The NAV per Share will reflect all accrued income and expenses.

## Compulsory Redemption

Each investor must represent and warrant to the Company that amongst other things he/she is able to buy Investor Shares without violating applicable laws. The Company reserves the right to seek evidence of identity to comply with any applicable Prevention of Money Laundering requirements. In the case of failure to provide satisfactory information, the Company may take such action, as it thinks fit.

The Company reserves the right to require a Shareholder to redeem its total shareholding, within one (1) Business Day of a notice of intent to do so, at the prevailing Redemption Price on the day that the requested redemption takes place, in the event that it is established that Investor Shares have been acquired by, or on behalf of, a U.S. Person or in the event that the holding of Investor Shares by the Shareholder concerned may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or the Shareholders as a whole, or, if as at any Valuation Point, the total value of the Investor Shares held by the Shareholder is less than the Minimum Holding for the Company or a Sub-Fund. Such compulsory redemptions will take place at the prevailing Redemption Price on the day that such redemption takes place.

## **Total Redemption**

If at any time after the first anniversary of the incorporation of the Company (that is, after the 20<sup>th</sup> April 2015) the Net Asset Value of all the Investor Shares in the Company, calculated in accordance with the Prospectus, is less than fifty million Euro (EUR 50,000,000) (or its currency equivalent) and remains so for a consecutive twelve week period, the Company may in accordance with the Articles repurchase all the Investor Shares of the Company not previously repurchased. The same power shall apply in relation to a Sub-Fund of the Company in the event that the aggregate Net Asset Value of all the Investor Shares constituting a Sub-Fund is less than three million Euro (EUR 3,000,000) or its currency equivalent and remain so for a consecutive twelve week period.

## **Suspension of Redemptions**

Should it appear to the Administrator that the effect of a Redemption Notice will result after the Redemption, in the Shareholder holding in aggregate less than the Minimum Holding, the Administrator shall immediately inform the applicant that the request for redemption has been suspended until the Notice is amended either to result in observance of the Minimum Holding of Investor Shares, after redemption, or to request the redemption of all of the outstanding Investor Shares in the name of the Shareholder.

## **Temporary suspension of Net Asset Value calculations and of issues, exchanges and redemptions of Investor Shares**

The Directors may declare a temporary suspension of any one or more of:

- (1) the determination as at any Valuation Point of the Net Asset Value of a Sub-Fund (and as a result the Net Asset Value per Investor Share);
- (2) the issue of Investor Shares in a Sub-Fund;
- (3) the exchange of Investor Shares in a Sub-Fund; and
- (4) the redemption of Investor Shares in a Sub-Fund, during any period during which circumstances exist in which the Directors consider that to permit determination of Net Asset Value and/or to permit issues, redemptions and/or exchanges of Shares, as the case may be, would not be in the best interests of the particular Sub-Fund, as the case may be, and its Shareholders as a whole.

The Company at any time may, but shall not be obliged to, temporarily suspend, as at any Valuation Point, the determination of the Net Asset Value of any class of Investor Shares and the sale and redemption of such shares, in the following instances:

- (1) during any period (other than holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the investments comprised in a Sub-Fund to which such class of Investor Shares relates, or in which trading thereon is restricted or suspended; or
- (2) during any period when as a result of political, economic, military or monetary events or any other cause or circumstance outside the control, responsibility and power of the Company, disposal by the Company of investments which constitute a substantial portion of the assets of a Sub-Fund to which such class of Investor Shares relates is not practically feasible without being seriously detrimental to the interests of shareholders; or
- (3) during any period when for any reason, in the opinion of the Directors, a fair price of

investments comprised in a Sub-Fund to which such class of Investor Shares relates cannot be reasonably, promptly or accurately ascertained by the Company; or

- (4) during any period when there is a breakdown of the means of communication normally used for the valuation of Investments comprised in the Sub-Fund or if for any reason the value of any asset of the Company may not be determined as rapidly and as accurately as required;
- (5) during any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, Investments comprised in the Sub-Fund to which such class of shares relates cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or
- (6) during any period when the proceeds of sale or redemption of such shares in the Company cannot be transmitted to or from the Company's account; or
- (7) as a result of exchange restriction or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable, or purchases, sales, deposits and withdrawals of the Company's assets cannot be effected at the normal rates of exchange; or
- (8) an Extraordinary Resolution to wind up the Company has been passed.

No Investor Shares will be issued during periods when issues of Investor Shares are suspended, no Investor Shares will be exchanged during periods when exchanges are suspended, and no Investor Shares will be redeemed during periods when redemptions are suspended. In such a case, a Shareholder may, subject to the below, withdraw its Share application or redemption or exchange request, as appropriate, provided that a withdrawal notice is actually received by the Administrator before the suspension is terminated.

Unless withdrawn, Share applications and redemption and exchange requests, as appropriate, will be acted upon on the first Dealing Day after the suspension is lifted at the relevant Subscription Price or Redemption Price (as the case may be) prevailing on that Dealing Day (as the case may be). An application for Investor Shares may not be withdrawn if issues of Investor Shares are suspended on a date following the Dealing Day upon which the application for such Investor Shares is deemed to be effective. The Net Asset Value will not be calculated during periods when the determination of the Net Asset Value of a Sub-Fund is suspended.

Notice of the suspension and its termination will be given to all Shareholders and Subscribers. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Any fees due to any service providers that are based on the Net Asset Value of a Sub-Fund shall accrue on the basis of the latest available Net Asset Value of the related Sub-Fund.

## **Holdback of Redemption Proceeds**

A Sub-Fund may have potential liabilities or other financial obligations the existence of which may only be confirmed after a Redemption Notice has been received and processed. A Sub-Fund may also have current liabilities or other financial obligations arising from past events the cost of which, at the time of paying Redemption Proceeds, cannot be fully determined. In order to prudently provide for such potential liabilities the Company, through the Administrator, may decide to remit to a redeeming investor 98% of the Redemption Proceeds within such time limits as provided in this Prospectus, and will withhold the remaining 2% of such Redemption Proceeds in a reserve for contingent liabilities ("the Holdback Reserve"). Funds placed in the Holdback Reserve will not remain invested in the Company and will be kept separate from the assets of the Sub-Fund. The Holdback Reserve will not be taken into account for the calculation of the NAV of the respective Sub-Fund and will be deposited in a bank account of the Company in relation to the Sub-Fund until any contingent obligations or liabilities are ascertained. To the extent commercially practicable the Administrator will provide relevant information on the Holdback Reserve upon request from an affected Shareholder. As soon as the extent of the obligations or liabilities is determined to the satisfaction of the Company any funds remaining in the Holdback Reserve will be remitted to the Shareholder (as part of the Redemption Proceeds due) to the account to which other Redemption Proceeds were paid or wherever else the Shareholder instructs, subject to the Administrator's AML obligations.

## **Frequent Trading**

Investment in the Sub-Funds is intended for long term purposes only. The Directors will take reasonable steps to seek to prevent excessive and/or short term trading or similar abusive practices. Excessive and/or short term trading into and out of a Sub-Fund can disrupt or impair portfolio investment strategies, are likely to unnecessarily increase expenses and might negatively impact investment returns for all Shareholders, including long term Shareholders who do not generate these expenses. The Directors reserve the right to reject any redemption, purchase or conversion request delivered by any investor or group of investors if the Directors believe that such redemption, purchase or conversion request disrupts or impairs the trading activity in the portfolio(s) and accounts(s) of a Sub-Fund.

Investors need to be aware that there are practical restraints in both determining the policy which is appropriate in the interest of long term investors and in applying and enforcing such policy.

The right to convert or exchange Investor Shares is not intended to facilitate excessive and/ or short term trading. The Directors reserve the right to reject any conversion order for any reason without prior notice.

## **Redemption in Specie**

Where a Shareholder submits a redemption request pursuant to which he indicates that he wishes to redeem a number of Investor Shares in any of the Sub-Funds as would on the relevant Redemption Day be equivalent to 5% or more of the Net Asset Value of that Sub-Fund, the Company may, in its discretion and with the approval of the Custodian and the Shareholder, satisfy such redemption instruction by redeeming such Investor Shares in specie and accordingly by transferring to that Shareholder that proportion of the assets of the Sub-Fund which is at least equal to the Net Asset Value of the Investor Shares being redeemed. The nature of the assets and the type of the assets to be transferred to that Shareholder shall be determined by the Company on such basis as the Company, with the consent of the Custodian, shall deem equitable and not prejudicial to the interests of both the remaining and outgoing Shareholders.

For such purposes, the Company shall draw up a valuation report which shall include:

- (1) a description of each of the assets comprising the consideration;
- (2) the value of each asset and a description of the method of valuation used; and
- (3) a confirmation that the value of the consideration is at least equal to the Net Asset Value of the Investor Shares being redeemed in return for such consideration.

The value of the assets shall be determined on the same basis used in calculating the Net Asset Value. Such valuation report shall be held at the registered office of the Company and shall be made available to the MFSA for inspection during compliance visits.

# Fees, Compensation and Expenses

## Investment Manager's Fees

Under the terms of the Investment Management Agreement, each Sub-Fund may be bound to pay an Investment Management Fee. Please refer to the Offering Supplement in respect of a Sub-Fund for further details in respect of the fees applicable to that Sub-Fund.

The Company may apply different fees to different Sub-Funds and to different Classes of Investor Shares in any Sub-Fund of the Company.

The Investment Manager will also be entitled to recover from the Company all properly incurred and approved out-of-pocket expenses.

## Charges and Expenses on target CISs

When the Company, on behalf of a Sub-Fund, invests in the shares of other CISs managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company shall not charge subscription or repurchase fees on account of the investment by the Company on behalf of the Sub-Fund in the shares of such other CISs, as the case may be.

If the Company, on behalf of a Sub-Fund, invests a substantial proportion of its net assets in other CISs, the maximum level of management fees that may be charged to the Sub-Fund by such CISs, will be set out in the relevant Offering Supplement. Details of such fees will also be contained in the Company's annual report. Furthermore, where a commission is received by the Investment Manager by virtue of an investment in the shares of another CIS on behalf of a Sub-Fund, that commission shall be paid into the property of the relevant Sub-Fund.

## Third Party Compensation

The Investment Manager reserves the right to pay or waive at its sole discretion any part of its compensation to persons who may or may not be associated with the Investment Manager, or with whom it may contract, for services rendered to the Investment Manager or any Sub-Fund.

## Administration Fees

Each Administrator is entitled to receive from the respective Sub-Fund an Administration fee as specified in the related Offering Supplement.

The Administrators will be reimbursed for all properly incurred and approved out-of-pocket expenses.

## Custody Fees

Each Sub-Fund is bound to pay a custody fee as specified in the related Offering Supplement of each Sub-Fund.

The Custodian will be reimbursed for all reasonably incurred and properly documented out-of-pocket expenses (by way of receipts, invoices or otherwise) whether directly or indirectly, in the performance of its functions or duties under the Custody Agreements.

## Directors and Officers Fees and Expenses Remuneration of Directors

The Directors of the Company shall receive for their services such remuneration as may be determined by the Company in General Meeting from time to time subject to a maximum of €60,000 a year, in the aggregate. In addition, each Director may be paid reasonable travelling, hotel and other incidental expenses incurred in attending Meetings of the Directors and General Meetings of the Company.

The Directors will be entitled to be repaid by the Company reasonable out of pocket expenses (such as travelling, hotel and other expenses) properly incurred by them in or with a view to the performance of their duties or in attending and returning from meetings of the Board of Directors or of any committee of the Board of Directors or general meetings or any meetings in connection with the business of the Company.

## **Audit and Legal Fees**

Audit fees shall be agreed between the Company and the Auditors. Legal fees shall be agreed between the Company and the legal advisors and will be negotiated on a time-spent basis. Audit and legal fees will be paid out of the property of the Company. Any unrecoverable VAT, which may be incurred thereon, shall also be at the charge of the Company.

## **Company Secretary**

The Company Secretary will be paid an annual minimum fee of €2,500 a year.

The Company Secretary will also be reimbursed for agreed out of pocket expenses.

## **Operating Expenses**

The Company, Custodian, Administrator and Investment Manager are entitled to recover reasonable out-of-pocket expenses out of the assets of the Sub-Fund incurred in the performance of their duties.

Except as otherwise stated in this Prospectus, the Company will also pay the following costs and expenses:

- (1) all fees and expenses incurred or payable in connection with the services provided by the Directors and of any consultants providing services to the Company, including any legal advisers to the Company;
- (2) interest on permitted borrowings and charges incurred in negotiating, effecting, varying or terminating the terms of permitted borrowings of the Company;
- (3) taxation and duties payable in respect of the Company's investments, the "principal documents" (being the Company's Articles, the Investment Management Agreement and the Administration Agreement (including the agreement pursuant to which the Administrator shall provide anti-money laundering and compliance support services), and the Custodian Agreement) and the issue of Investor Shares;
- (4) any costs incurred in modifying the principal documents;
- (5) any costs incurred in respect of meetings of Shareholders and Directors;
- (6) the fees of the MFSA and of any regulatory authority in a country or territory outside Malta in which Investor Shares are or may be marketed, and any associated legal costs;
- (7) remuneration, costs and expenses of agents appointed by the Company for the purposes of complying with local regulations when marketing the Sub-Funds in other jurisdictions;
- (8) the costs incurred in preparing, printing, publishing this Prospectus and annual and half-yearly reports;
- (9) expenses incurred in the preparation, printing and postage of proxy cards and contract notes;
- (10) costs associated with the promotion of the Company and its Sub-Funds.

Approved expenses will be charged to the Company at normal commercial rates. Fees charges or expenses incurred in relation to a particular Sub-Fund will be applied to that Sub-Fund. Expenses incurred in relation to more than one Sub-Fund will be applied:-

- (1) pro-rata across the relevant Sub-Funds based on their respective Net Asset Values, or

- (2) on any other reasonable basis, given the nature of the charges identifiable with a particular Sub-Fund, that may be adopted by the Administrator in consultation with the Investment Manager.

## **Organisational and Offering Expenses**

For the purposes of establishing the Net Asset Value of the Company for issues, redemptions and conversions of Shares, establishment costs are being amortised proportionally over a period of five (5) years. For the purposes of the Company's accounts, which are prepared in accordance with International Financial Reporting Standards ("IFRS"), those establishment costs were written off in the first accounting year.

All fees and expenses will be payable at cost.

Unless otherwise stated in the related Offering Supplement, the Directors shall also amortise the organisational expenses of any new Sub-Fund over a period five (5) years when calculating the NAV of that Sub-Fund.

## **Alterations to the Fees**

The Directors may, at their sole discretion, agree to any changes to the fees applicable to any Sub-Fund or to a Class of Investor Shares. Where the Directors agree to a material increase in the fees applicable to any Sub-Fund or to a Class of Investor Shares, the Directors will notify affected Shareholders within fifteen (15) days from the date of the Directors' decision approving such an increase.

# Taxation

## Malta

### General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation applicable to the purchase, repurchase and disposal of Investor Shares in the Company and to any distribution made by the Company.

The following is a summary of the anticipated tax treatment in Malta applicable to the Company and to its Members. This information, which does not constitute legal or tax advice, refers only to Members who do not deal in securities in the course of their normal trading activity. The information below is based on tax law and practice applicable at the date of this Prospectus. Investors are reminded that tax law and practice and the levels of tax relating to the Company and the Investors may change from time to time.

### The Company

In terms of current legislation, collective investment schemes are classified as either “prescribed” or “non-prescribed funds”. In general, a prescribed fund is defined as a fund resident in Malta, which has declared that the value of its assets situated in Malta amounts to at least eighty five per cent (85%) of the value of the total assets of the fund. Maltese resident funds which do not have such an exposure to Maltese assets and all non-resident funds are treated as being non-prescribed. On the basis of this definition, and unless otherwise stated in the Offering Supplement, the Company and its Sub-Funds will be making the necessary declaration and are expected to be classified as **Non-Prescribed Funds** for tax purposes.

In view of the above, the Company is exempt from (or not subject to) Maltese income tax on any income and capital gains.

Capital gains, dividends, interest and any other income from foreign securities held by the Company may be subject to tax imposed by the country of origin concerned and such taxes will not be recoverable by the Company or by investors.

### Value Added Tax

Fees chargeable to the Company may be subject to VAT in accordance with applicable law. If any VAT is charged, this will not be recoverable by the Company.

### The Shareholders

Capital gains realised by investors who are non-residents of Malta are not subject to tax in Malta.

Capital gains realised by Maltese resident investors on a repurchase of Investor Shares by the Company, the transfer of Investor Shares to third parties or an exchange of Investor Shares in a Sub-Fund classified as a **Non-Prescribed Fund** are treated as follows:

Resident investors may opt to be subject to a 15% final withholding tax which shall be deducted at source by the Company on any capital gains realised by investors. Alternatively, investors may opt to receive any capital gains without deduction of tax in which case such investors would be bound to declare such capital gains in their personal income tax return and would be subject to tax at the normal rates of tax which are applicable to them.

In case of transfers to third parties, the transferor is obliged to declare any capital gains in the income tax return and pay tax at the normal rates. Any capital gains on an eventual redemption will be calculated without reference to any intermediate transfer.

Capital gains arising from the exchange of Investor Shares in a Sub-Fund for Investor Shares in any other Sub-Fund within the same Company are only taxable when the Investor Shares are eventually disposed of. Any gains or losses arising from the exchange of Investor Shares will be taken into account in the computation of any taxable capital gains.

In view of the fact that the Company will only receive foreign source income from its investments, such foreign income should be allocated to the Company's Untaxed Account for Maltese tax purposes. Distributions from the Untaxed Account of the Company to Maltese resident investors (other than companies), or to non-resident investors (including non-resident companies) who are owned and controlled by, directly or indirectly, or who act on behalf of, persons who are ordinarily resident and domiciled in Malta, are subject to a 15% withholding tax. Investors are not required to declare such dividends in their income tax returns. However, they are entitled, depending on their personal circumstances, to declare such dividends in their income tax return and claim a credit of the 15% tax withheld. The distribution of profits to other persons is not subject to withholding tax.

### **Duty on Documents and Transfers**

Redemptions of Investor Shares by the Company and transfers of Investor Shares to third parties are exempt from duty on documents and transfers in Malta, as the Company is a licensed collective investment scheme.

### **EU Savings Directive**

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

Austria, Belgium and Luxembourg have opted instead to withhold tax from interest payments within the meaning of the Directive. The rate of withholding tax increased to 35% with effect from 1 July, 2011.

Malta and the United Kingdom have both implemented the Directive into their respective national laws. Any Maltese or United Kingdom paying agent making an interest payment on behalf of the Company to an individual, and certain residual entities defined under the Maltese and UK tax legislation, resident in another relevant territory may have to provide details of the payment to either the Commissioner of Inland Revenue in Malta or HM Revenue & Customs in the United Kingdom who in turn will provide such information to the competent authorities of the relevant territory of residence of the individual or residual entity concerned.

Broadly speaking, if the paying agent is in Malta, for income distributions, if the Company has invested any of its assets directly or indirectly in interest bearing securities and, for capital distributions, if the Company has invested more than 40% of its assets directly or indirectly in interest bearing securities, the income or capital distributions made by the Company to the Shareholder would be subject to reporting obligations.

Broadly speaking, if the paying agent is in the UK, for income distributions, it is only if the Company has invested more than 15% of its assets directly or indirectly in interest bearing securities and for capital distributions, it is only if the Company has invested more than 40% of its assets directly or indirectly in interest bearing securities, that payments received from the Company would be subject to reporting obligations.

### **FATCA Implementation in Malta**

On 16 December 2013, the governments of Malta and the United States signed an agreement to "Improve International Tax Compliance and to Implement FATCA" (the "**Inter-Governmental Agreement**"). This agreement will significantly increase the amount of tax information automatically exchanged between Malta and the United States. It provides for the automatic reporting and exchange of information in relation to accounts held in Maltese "financial institutions" by U.S persons and the reciprocal exchange of information regarding U.S. financial accounts held by Maltese residents. It is likely that a Sub-Fund will be subject to these rules.

The Inter-Governmental Agreement provides that Maltese financial institutions will report to the Malta

Finance Ministry or its delegates in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the U.S. Secretary of the Treasury or his delegates in respect of any Malta-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis. The Maltese legislation implementing the Inter-Governmental Agreement has not been finalised and a number of matters remain uncertain.

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

Other jurisdictions may enact legislation, regulations or official guidance which may result in further intergovernmental agreements with potentially similar reporting exchange of information and/or withholding obligations.

## Financial Transaction Taxes

A number of jurisdictions have implemented, or are considering implementing, certain taxes on the sale, purchase or transfer of financial instruments (including derivatives), such taxes commonly known as the “Financial Transaction Tax” (“FTT”). By way of example, the EU Commission adopted a proposal on 14 February, 2013 for a common Financial Transaction Tax (the “**Draft Directive**”) which will, subject to certain exemptions, affect:

- (a) financial transactions to which a financial institution established in one of the 11 participating member states (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (the “Participating Member States”)) is a party; and
- (b) financial transactions in financial instruments issued in a Participating Member State regardless of where they are traded.

In addition, certain countries such as France and Italy have implemented their own financial transaction tax provisions at a domestic level already and others, including both EU and non-EU countries, may do so in the future.

The imposition of any such taxes may impact the Sub-Funds and their respective performance in a number of ways and notably as follows:

- (a) where a Sub-Fund enters directly into transactions for the sale, purchase or transfer of financial instruments, FTT may be payable by this Sub-Fund and the net asset value of this Sub-Fund may be adversely impacted;
- (b) where underlying funds enter into transactions for the sale, purchase or transfer of financial instruments, FTT may be payable by the underlying funds and the net asset value of such underlying funds may be adversely impacted, which may in turn adversely affect the net asset value of the relevant Sub-Funds;
- (c) subscriptions, transfers and redemptions of the Fund’s shares may be affected by FTT.

The Draft Directive is still subject to negotiations among the Participating Member States and therefore might be changed at any time. Moreover, the provisions of the Draft Directive once adopted (the “**Directive**”) need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the provisions contained in the Directive. Prospective investors should consult their own tax advisers in relation to the consequences of any FTT associated with subscribing, purchasing, holding and disposing of shares in Sub-Funds.

## Other Taxes

Prospective shareholders should consult their own counsel regarding tax laws and regulations of any other jurisdiction which may be applicable to them.

Potential investors should consult their own professional advisor on the possible tax implications of buying, holding, transferring or selling any of the Shares under the laws of their countries of

citizenship, residence and domicile.

No warranty is given or implied regarding the applicability or interpretation of the tax laws in any jurisdiction.

**TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF AN INVESTOR. THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO INVESTORS.**

# Indemnities

The Company has agreed that with respect to any actions in which any of its Officers, Directors, employees and agents is a party, the Company shall indemnify and hold harmless such person against any loss, claim, damage, charge, liability or expense (including reasonable attorneys' and accountants' fees), judgements and amounts paid in settlement, provided such actions did not involve fraud, negligence or wilful default. Expenses may be paid by the Company in advance of the final disposition of such action if the indemnified person agrees to reimburse the Company in the event indemnification is not permitted.

The Company may purchase and maintain insurance in relation to the Directors against any liabilities asserted against them.

In addition, the Company has granted indemnities to the Investment Manager, the Administrator and the Custodian and each of their Directors, Officers, employees and agents in respect of actions brought against them in their respective capacities provided that such actions did not involve wilful misconduct, bad faith, negligence or material breach of their obligations and duties under the relative agreements.

# Net Asset Value Calculation

## Allocation of Assets and Liabilities

The Directors and/ or their appointed delegates shall allocate assets and liabilities amongst such Sub-Funds in the following manner:

- (1) the proceeds from the issue of one or more classes of Investor Shares in a Sub-Fund, shall be applied in the books and records of that Sub-Fund, and the assets less the liabilities plus income less expenditure attributable to it shall be applied to such Sub-Fund subject to the provisions of the Memorandum and Articles;
- (2) where any asset is derived from another asset (whether cash or otherwise), the derived asset shall be applied to the same Sub-Fund as the assets from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Sub-Fund;
- (3) in the case of any asset which the Directors do not consider as attributable to a particular Sub-Fund, the Directors shall have discretion, subject to the approval of the Custodian, to determine the basis upon which any such asset shall be allocated between Sub-Funds and the Directors shall have the power at any time, subject to the approval of the Custodian, to vary such basis provided that the approval of the Custodian shall not be required in any such case where the asset is allocated between all Sub-Funds pro rata to their Net Asset Values at the time when the allocation is made;
- (4) the Directors shall have the discretion, subject to the approval of the Custodian, to determine the basis upon which any liability (which, without limitation, may include all operating expenses of the Company such as stamp duties, taxes, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors and legal advisers, the costs of printing and distributing reports, accounts and any prospectus, publishing prices and any relevant registration fees etc.) shall be allocated between Sub-Funds (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and shall have the power at any time and from time to time to vary such basis, provided that the approval of the Custodian shall not be required in any such case where a liability is allocated between the Sub-Funds pro rata to their Net Asset Values; and
- (5) subject to the approval of the Custodian, the Directors may transfer any assets to and from Sub-Funds if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph iv. above or in any similar circumstances.

## Calculation of NAV

The Net Asset Value of each Sub-Fund shall be determined by calculating the net difference between the fair market value of its assets and the fair market value of its liabilities calculated on the basis of the provisions of the Memorandum and Articles as outlined in Appendix 2.

At any Valuation Point for a Dealing Day the Administrator and / or its appointed delegates shall calculate the Net Asset Value as follows:

The value of the assets of a Sub-Fund will be based on valuations obtained by the Directors, the Administrator and / or their appointed delegates in accordance with the provisions of the Articles of Association of the Company. The Directors, the Administrator and/ or their appointed delegates may rely on independent sources, including recognised pricing services, when practicable and in such cases the valuer would need to be: (a) an independent person from the Company, its officials or any service provider of the Company; (b) of good standing with recognised and relevant qualifications and an authorised member of the recognised professional body in the jurisdiction of the assets: and (c) shall be appointed by the Directors in consultation with and subject to the approval of the Auditors. When such valuation sources are not available, the Directors, the Administrator and/ or their appointed delegates may rely on valuation agents, appointed by the Company which may include affiliates of the Investment Manager. In such later case, the Directors and / or their appointed delegates will ensure that the valuation procedure of any affiliates of the Investment Manager is

being independently reviewed from time to time.

All liabilities of a Sub-Fund shall be valued in accordance with the provisions of the Memorandum and Articles.

Subject to what is stated under the sub-title 'NAV per Share' hereunder, if the value of a Sub-Fund's assets is adjusted after any Valuation Point, the Administrator and the Directors will not be required to revise or recalculate the NAV on the basis of which subscriptions, redemptions or exchange of Shares of that Sub-Fund may have been previously accepted.

For the purpose of the calculation of the NAV per Share, the value of assets or liabilities denominated in a currency other than the Base Currency of that Investor Share shall be determined by taking into account the rate of exchange prevailing at the time of the determination of the NAV.

Additional conditions relating to the calculation of the NAV of any particular Sub-Fund (including Classes thereof) will, if applicable, be found in the relative Offering Supplement.

## **NAV per Share**

Where a Sub-Fund is constituted by one class of Investor Shares, its NAV per Share shall be determined by calculating the NAV divided by the number of Investor Shares outstanding. Where a Sub-Fund is constituted by more than one class of Investor Shares, the NAV per Share (of each class of Shares in that Sub-Fund) shall be determined by calculating the NAV attributable to that Class of Investor Shares divided by the number of Investor Shares outstanding in that Class.

The NAV per Share shall be calculated up to four (4) decimal places, and shall be expressed in the Base Currency of the class of the Investor Share concerned.

# General and Statutory Information

## Annual and Half-Yearly Reports

The Accounting Reference Date adopted by the Company is the 31<sup>st</sup> December.

The financial statements of the Company are prepared in accordance with IFRS and are audited annually at the Company's expense by an independent firm of auditors. The Company will also issue unaudited half-yearly financial statements.

The Annual Report will be published within 4 months after the end of the Accounting Period. The half-yearly unaudited financial statements will be published within 2 months after the date on which they are to be prepared.

Copies of the annual report issued by the Company as of the last day of December in each year will be made available to registered Shareholders and to the MFSA within a maximum period of 4 months from that date and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. In terms of the MFSA Rules, the Company is also required to prepare unaudited half-yearly financial statements covering the first 6 months of each financial year (i.e. as at the last day of August of each year) and to send the same to Shareholders within 2 months from the end of the period to which they relate.

## Ownership of Shares in the Company

The Directors in their personal capacities, or entities in which the Directors may have a management or financial interest, may from time to time invest in the Company and may increase or decrease such holdings without notice.

Ownership of Shares in the Company will be evidenced by book entries in registers of the Company maintained by the Administrator and Shares will not be certificated.

Pledges of Shares will also be evidenced in the same manner.

## Annual General Meeting

A general meeting of all the holders of voting Shares in the Company shall be held at least once every year, in Malta or such other place as shall be determined by the Directors. At this meeting there shall be discussed matters requiring the approval of these Shareholders according to the Articles and the Companies Act, including the audited accounts of the Company and its Sub-Funds.

Holders of voting Shares in the Company may attend in person or by proxy. All the holders of voting Shares shall be entitled to one (1) vote per Share held. Shareholders will not be entitled to vote on matters exclusively relating to particular Sub-Funds in which they do not hold any Investor Shares.

Notice of the meeting will be sent to all holders of voting Shares included in the Register of Members held by the Company, at least 21 days before the date of the relevant Annual General Meeting.

## Compliance Officer

The Company is required to appoint an individual resident in Malta as its Compliance Officer. The Company has appointed Mr. Steven Grech as its Compliance Officer. The Compliance Officer shall act as point of liaison between the MFSA and the Company, receive any instructions from the MFSA, provide any information to MFSA as may be requested by the MFSA from time to time and generally to ensure compliance by the Company with the licence conditions arising from the MFSA Rules.

## Access to Information

All prospective investors shall be given full access to information appropriate for their consideration in determining whether to invest in the Company and its Sub-Funds. Accordingly, prospective investors may communicate in this regard with the Administrator in so far as the services of the Administrator are concerned.

In addition to the documents referred to in this Prospectus, certain additional documents will be made available to prospective investors upon written request. The Company or its representatives will also answer enquiries from prospective investors concerning matters relating to the Company.

## **Languages in which the Shareholder may communicate**

Shareholder requests will be sent in the English language addressed to the Company at the registered office of the Administrator. The Company shall reply in the English language. This Prospectus, the Offering Supplements, the Memorandum and Articles of the Company, the Annual and Interim Reports and any other marketing communication documents are made available in the English language. The KIIDs will, however, also be made available in such other languages as required in terms of the UCITS Regulation.

## **Documents Available for Inspection**

Copies of the following documents will be available for inspection by prospective and existing investors or their representatives at the registered office of the Company, or at the offices of the Administrator:

- (1) Memorandum & Articles of Association, and Certificate of Incorporation of the Company;
- (2) The latest Prospectus, and Offering Supplements for all Sub-Funds;
- (3) The Sub-Investment Manager appointed by the Investment Manager in respect of a Sub-Fund;
- (4) All Key Investor Information Documents;
- (5) Investment Management Agreement;
- (6) Custody Agreement/s;
- (7) Administration Agreement;
- (8) Investment Services Act; and
- (9) The latest Annual and Half Yearly report of the Company.

## **Remuneration Policy of the Investment Manage**

The Investment Manager has a remuneration policy in place to ensure compliance with the UCITS Directive. This remuneration policy imposes remuneration rules on staff and senior management within the Investment Manager whose activities have a material impact on the risk profile of the Sub-Funds. The Investment Manager 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 Sub-Funds, and will be consistent with the UCITS Directive. The Investment Manager will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the Company, the Sub-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 will be available at the following website: [www.aqa-capital.com](http://www.aqa-capital.com). The remuneration policy may be obtained free of charge on request from the Investment Manager.

# Subscribers' Undertakings & Warranties

Subscribers should take notice that by completing and executing the Subscription Application, the Subscriber is entering into the following undertakings and giving the following warranties:

- (1) The Subscriber irrevocably subscribes for the Investor Shares as specified in the Subscription Application, as may be determined in accordance with the Memorandum and Articles at the Initial Offering Price or, if this Application is made after the Closing Date, at the prevailing Subscription Price on the next Subscription Day following acceptance of this application by the Company. The Subscriber understands that fractional Shares may be issued.
- (2) The Subscriber acknowledges that Investor Shares will be issued on the applicable Subscription Day following receipt of the Subscription Application which must be received by the Company at the office of the Administrator no later than the Closing Date and thereafter within the deadlines stated in the relevant Offering Supplement.
- (3) The Subscriber acknowledges that the subscription monies must be received by the Company in Cleared Funds by no later than the Settlement Date and undertakes to ensure that full payment is received by such date. The Subscriber further acknowledges and accepts that if payment in full in Cleared Funds in respect of an application has not been received by the relevant Settlement Date or in the event of non-clearance, any allotment or issue of Shares made in respect of such application shall be cancelled and the Directors may charge the Subscriber for any expense incurred by the Company and for any loss to the Sub-Fund arising out of such non-receipt or non-clearance. Monies returned will be at the risk and expense of the Subscriber.
- (4) The Subscriber agrees that subscriptions and redemptions made in currencies other than the Base Currency of the relevant class of Investor Shares will be sold or purchased by the Company at market rates for the said designated currency and Investor Shares will be issued, or payment of redemption proceeds will be made, to the value of the said designated currency proceeds and the Subscriber accepts the exchange risk and costs relating to that transaction.
- (5) The Subscriber acknowledges and confirms receipt of, and that he has read, is familiar with and understands this Prospectus, the related Offering Supplement and the latest annual financial statements.
- (6) The Subscriber recognises that an investment in a Sub-Fund of the Company may involve a high degree of risk and has taken full cognisance of and understands all of the risk factors related to the purchase of Investor Shares, including but not limited to those set forth in this Prospectus under the heading "Risk Factors" and such other specific risk factors that may be set out in the Offering Supplement of the relevant Sub-Fund. In evaluating the suitability of an investment in the Company, the Subscriber has not relied upon any representations or other information (whether oral or written) other than as set out in this Prospectus.
- (7) The Subscriber has taken the advice of professional advisors who have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of this investment and the Subscriber is fully capable of assessing and bearing the risks involved in the Subscriber's own right or with the benefit of such professional advice received.
- (8) The Subscriber acknowledges the Minimum Initial Investment, Minimum Additional Investment and Minimum Holding applicable to the Sub-Fund as outlined in the related Offering Supplement.
- (9) The Subscriber warrants that it has the knowledge, experience, and expertise in financial matters to evaluate the risks and understands the relevant Sub-Fund's investment policy, has received, read and understood this Prospectus and the Offering Supplement relating to the relevant Sub-Fund and is aware of the risks inherent in investing in the Investor Shares relating to the Sub-Fund and the method by which the assets of the Sub-Fund are held and traded, as described in this Prospectus and the related Offering Supplement and the

Subscriber can bear the risk of loss of his/her entire investment.

- (10) The Subscriber agrees that the Investor Shares hereby subscribed for will be held subject to the terms and conditions of the Memorandum and Articles of the Company as amended from time to time and that the Company will fully protect and indemnify its Directors, the Investment Manager and the Custodian including their delegates, against liability for all acts taken on his or its behalf, except for acts involving negligence or misconduct.
- (11) The Subscriber fully appreciates the Company's rights to accept or reject all applications for subscription in its sole discretion.
- (12) The Subscriber agrees that no Investor Shares hereby subscribed for may at any time be transferred to any other person without first seeking the approval of the Company in accordance with the provisions of the part entitled "Transfer of Investor Shares" under the Section entitled "Purchase, Exchange and Transfer of Investor Shares".
- (13) The Subscriber acknowledges and accepts that no share certificates will be issued.
- (14) The Subscriber acknowledges and accepts that the Subscription Application is governed by Maltese law and hereby submits to the non-exclusive jurisdiction of the Courts of Malta.
- (15) The Subscriber confirms that, to the best of the Subscriber's knowledge and belief, the Subscriber's subscription monies are not, in whole or in part, the proceeds of drug trafficking or any other criminal activity, nor do they represent, in whole or in part, directly or indirectly, such proceeds.
- (16) If the Subscriber is an individual person, or is a nominee for an individual person, he warrants that he is, and the beneficial owners (if applicable) are, at the date of execution of the Subscription Application, greater of 18 years of age, or the minimum age permitted to enter into a legally binding and irrevocable contract, such as the Subscription Application, in his, or the beneficial owner's country of residence.
- (17) The Subscriber acknowledges that it has read and understood the part headed "Prevention of Money Laundering and Data Protection" in the Prospectus and further acknowledges that the Company, Administrator or other service provider to the Company may be required by applicable laws and/or regulations to take further reasonable steps to establish the identity of the Subscriber or of any other person whom the Company, the Administrator or other service provider knows or has reason to believe is a person for whom or on whose behalf the Subscriber is acting and the Subscriber undertakes to co-operate with and assist the Company, the Administrator or other service provider in relation to such steps and the Subscriber acknowledges that the Company, the Administrator or other service provider shall be held harmless and indemnified by the Subscriber against any loss arising as a result of a failure to process the Subscription Application if any information required by the Company, the Administrator or other service provider has not been provided by the Subscriber. In this context, the Subscriber hereby agrees that it will provide the relevant information requested in terms of the Subscription Application.
- (18) The Subscriber acknowledges that if the Subscriber wishes to redeem his Investor Shares, but certain requested information has not been provided to the Company or the Administrator, the redemption will be acted upon but no monies will be paid to the Subscriber. Instead, the monies will be held in the Subscriber's name at the Company's account and the Subscriber will bear all associated risks.
- (19) The Subscriber confirms that, if it is a bank, insurance company, or other financial institution, or financial intermediary, which is domiciled in an EU, OECD or FATF approved jurisdiction and is regulated by an approved regulated body, subscribing for on behalf of another person as nominee, it has verified the identity of that other person in accordance with applicable anti-money laundering laws and/or regulations.
- (20) The Subscriber consents to the release by the Remitting Bank from which the subscription was made to the Company and/ or the Administrator or other service provider of all evidence of the Subscriber's identity which said bank/ financial institution shall have retained. The Subscriber agrees that such evidence may further be furnished by the Company and/or the Administrator to any other service provider to the Company upon request, to enable such other service provider to meet its obligations under applicable laws and/or regulations.

- (21) The Subscriber hereby authorises the Company and the Administrator to obtain verification of any information provided by the Subscriber as part of its subscription application.
- (22) The Subscriber agrees to provide any other information that may be required from time to time in compliance with relevant regulations.
- (23) The Subscriber acknowledges that suspicious events are reportable, under the Maltese prevention of money laundering laws and regulations and, by way of example, failure to provide justification for the change of bank account, or a request to pay the proceeds into a bank account in a jurisdiction which the Subscriber is not a resident could be deemed suspicious and therefore would be reportable under the regulations and may cause the payment to be delayed or refused.
- (24) The Subscriber acknowledges that all information supplied to the Administrator will be subject to the protections of data protection legislation. The Subscriber further acknowledges that, should it be necessary, either to fulfil a legal requirement or to facilitate the efficient execution of the administrative functions, that data supplied may be transferred, to the extent necessary and in compliance with data protection legislation and the provisions of the Prospectus.
- (25) The Subscriber agrees that, where redemption requests made by the Subscriber are sent to the Company at the office of the Administrator by facsimile, the Subscriber shall immediately send the original such notice to the Company at the office of the Administrator by post or by courier but that the Administrator shall, nonetheless, be entitled, but not obliged, to treat such facsimile notice at face value and to act thereon if the original has not arrived by the relevant Subscription Day.
- (26) Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt. The Subscriber further agrees to indemnify and hold harmless the Company, the Investment Manager, the Administrator, their directors and other officers, servants, employees and agents from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind or nature (other than those resulting from the gross negligence, fraud or wilful default of the Company, the Investment Manager, the Administrator, the Custodian their directors or other officers, servants, employees or agents in its treatment of such facsimile notice) which may be imposed on, incurred by or asserted against the Company, the Investment Manager, the Administrator, the Custodian their directors or other officers, servants, employees or agents in its treatment of such facsimile notice.

# Directory

<b>Directors of the Company</b>	<b>Mr. Raffaele Rossetti</b> <b>Mr. Alexander Vella</b> <b>Mr. Nicholas Calamatta</b>
<b>Registered Office</b>	Third Floor, Valletta Buildings, South Street, Valletta Malta
<b>Investment Manager</b>	<b>AQA Capital Limited</b> 171, Old Bakery Street Valletta VLT1455 Malta
<b>Custodian and Banker</b>	<b>Bank of Valletta p.l.c.</b> 58, Zachary Street, Valletta, VLT 1130, Malta
<b>Global Custodian</b>	<b>RBC Investor Services Trust, London Branch</b> Riverbank House - 2 Swan Lane London, UK EC4R 3AF United Kingdom
<b>Company Secretary</b>	<b>Calamatta Cuschieri Fund Services Limited</b> Third Floor, Valletta Buildings, South Street, Valletta, Malta
<b>Auditors</b>	<b>Deloitte Audit Limited</b> Deloitte Place, Mriehel Bypass, Birkirkara, BKR3000 Malta
<b>Legal Advisors</b> <i>(as to Maltese law)</i>	<b>GANADO Advocates</b> 171, Old Bakery Street, Valletta, VLT 1455, Malta

# Appendix 1: Approved Regulated Markets

Apart from other regulated markets which may have been approved by the MFSA but do not yet feature in this Appendix 1, the following is a list of Approved Regulated Markets as the term is defined and used in this Prospectus:

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

Argentina	-	Bolsa de Comercio de Buenos Aires, Cordoba, Mendoza,
Bahrain	-	Bahrain Stock Exchange;
Bangladesh	-	Chittagong Stock Exchange and Dhaka Stock Exchange;
Bolivia	-	Mercada La Paz Stock Exchange and Santa Cruz Stock
Botswana	-	Botswana Stock Exchange;
Brazil	-	Bolsa de Valores de Sao Paulo, Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe - Alagoas, Bolsa de Valores de Extremo Sul, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba and Bolsa de Valores de Rio de Janeiro;
Channel Islands	-	Channel Islands Stock Exchange;
Chile	-	Santiago Stock Exchange and Valparaiso Stock Exchange;
China	-	Shanghai Stock Exchange, Fujian Stock Exchange, Hainan
Colombia	-	Bolsa de Bogota and Bolsa de Medellin;
Ecuador	-	Quito Stock Exchange and Guayaquil Stock Exchange;
Egypt	-	Cairo Stock Exchange and Alexandria Stock Exchange;
Ghana	-	Ghana Stock Exchange;
India	-	Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabab Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Guwahati Stock Exchange, Magadh Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, -Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	-	Jakarta Stock Exchange and Surabaya Stock Exchange;
Jordan	-	Amman Stock Exchange;
Kazakhstan	-	Kazakhstan Stock Exchange;
Kenya	-	Nairobi Stock Exchange;
Korea	-	Korean Stock Exchange;
Kuwait	-	Kuwait Stock Exchange;
Lebanon	-	Beirut Stock Exchange;
Malaysia	-	Kuala Lumpur Stock Exchange;
Malta	-	Malta Stock Exchange
Mauritius	-	Stock Exchange of Mauritius;
Mexico	-	Bolsa Mexicana de Valores;
Morocco	-	Casablanca Stock Exchange;
Namibia	-	Namibian Stock Exchange;
Nigeria	-	Lagos Stock Exchange, Kaduna Stock Exchange and Port Harcourt Stock Exchange;
Oman	-	Muscat Securities Market;
Pakistan	-	Lahore Stock Exchange and Karachi Stock Exchange;
Palestine	-	Palestine Stock Exchange;
Peru	-	Bolsa de Valores de Lima;
Philippines	-	Philippines Stock Exchange;
Qatar	-	Doha Stock Exchange;
Romania	-	Bucharest Stock Exchange;
Russia	-	RTS Stock Exchange, MICEX (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange);
Saudi Arabia	-	Riyadh Stock Exchange;

Singapore	-	The Stock Exchange of Singapore;
South Africa	-	Johannesburg Stock Exchange;
Swaziland	-	Swaziland Stock Exchange;
Sri Lanka	-	Colombo Stock Exchange;
Taiwan	-	Taipei Stock Exchange Corporation;
Thailand	-	The Stock Exchange of Thailand;
Turkey	-	Istanbul Stock Exchange;
Ukraine	-	Ukrainian Stock Exchange;
Uruguay	-	Montevideo Stock Exchange;
Venezuela	-	Caracas Stock Exchange and Maracaibo Stock Exchange;
Zambia	-	Lusaka Stock Exchange;

(C) any of the following:

- (1) The market organised by the International Capital Market Association;
- (2) The (i) market conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) market in non-investment products which is subject to the guidance contained in the Non Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England;
- (3) The market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the U.S. Securities and Exchange Commission;
- (4) The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchange 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);
- (5) KOSDAQ;
- (6) NASDAQ;
- (7) SESDAQ;
- (8) TAISDAQ/Gretai Market;
- (9) The Chicago Board of Trade;
- (10) The Chicago Mercantile Exchange;
- (11) The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- (12) The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;
- (13) The French market for Titres de Créance Negotiable (over-the-counter market in negotiable debt instruments);

2. In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is

- (A) located in an EEA Member State,
- (B) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States,
- (C) the Channel Islands Stock Exchange, or

(D) listed at 1(C) above.

The stock exchanges and regulated markets described above are being listed in accordance with the requirements of the MFSA.

## Appendix 2: Excerpt from the Articles

### “11. Determination of Net Asset Value

11.1 The Company shall, at each Valuation Point, determine the Net Asset Value and the Net Asset Value per Share of each relevant class of Investor Shares, which shall be the value of the assets less the liabilities of the Company attributable to such class divided by the number of Shares in issue or deemed to be in issue in such class. The Net Asset Value and the Net Asset Value per Share shall be expressed in the Base Currency (or in such other currency as the Directors shall determine) as a per Share figure for each class of Shares in issue rounding down to such decimal figure of the relevant Base Currency as may be outlined in the Prospectus or the related Supplement. The frequency of Valuation Points shall be determined in accordance with the Prospectus which frequency shall, unless otherwise permitted by the Licence Conditions, not in any case be less than twice every month.

11.2 Subject to the provisions of Article 11.3, the value of the assets comprised in a Sub-Fund shall be ascertained on the following basis:

#### *Quoted Investments*

- (a) the value of any Investment quoted, listed or normally dealt in, on or under the rules of an Approved Regulated Market shall be calculated in the following manner:
  - (i) by reference to the price appearing to the Directors to be the latest available dealing price or (if bid and offered quotations are made) the latest available middle quotation on such Approved Regulated Market; and
  - (ii) if an Investment is quoted, listed or normally dealt in, on or under the rules of more than one Approved Regulated Market, the Directors may adopt the price or, as the case may be, the middle quotation on the Approved Regulated Market which, in their opinion, provides the principal market for such Investment; and
  - (iii) in the case of any Investment which is quoted, listed or normally dealt in, on or under the rules of an Approved Regulated Market but in respect of which, for any reason:
    - (A) prices on that Approved Regulated Market may not be available at any relevant time; or
    - (B) the value thereof based on the said prices or quotations as described in paragraphs (i) and (ii) above does not establish, in the opinion of the Directors, the fair value of any Investment,

then the value thereof shall be determined by such professional person as may be appointed by the Directors for such purpose or generally in relation to some or all the Investments of the Company and for such time as may be determined by the Directors. Details of any selection criteria for the appointment of a professional person as aforesaid may be set out in the Prospectus or relevant Supplement.

#### *Unquoted Investments*

- (b) the value of any Investment which is not quoted, listed or normally dealt in, on or under the rules of an Approved Regulated Market shall be the initial value thereof ascertained as hereinafter provided or the value thereof as assessed on the latest valuation thereof made in accordance with the provisions hereinafter contained. For this purpose:
  - (i) the initial value of such an Investment shall be the amount expended by the Sub-Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the

acquisition thereof and the vesting thereof in the Company); or

- (ii) the Directors may at any time cause a valuation to be made of any such Investment at a fair market value by such competent person as may be appointed for such purpose by the Directors. Details of any selection criteria for the appointment of a competent person as aforesaid may be set out in the Prospectus or relevant Supplement.

#### *Units in a Collective Investment Scheme*

- (c) the value of each unit or share in any collective investment scheme which provides for the units or shares therein to be realised at any time at net asset value shall be the last published net asset value per unit or share.

#### *Cash, deposits and similar property*

- (d) cash, deposits and similar property shall be valued at their face value (together with accrued interest).

#### *Other Investments and General*

- (e) other Investments shall be valued in such manner and at such time or times as the Directors shall from time to time determine.
- (f) where any Investment has been agreed to be acquired or realised but such acquisition or disposal has not been completed, such Investment shall be included or excluded, as the case may be, and the gross acquisition or net disposal consideration included or excluded as the Directors shall from time to time determine.
- (g) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Directors may have determined to amortise less the amount thereof which has previously been or is then to be written off.
- (h) where an amount in one currency is required to be converted into another currency, the Directors may effect such conversion using the latest available rates of exchange as the Directors shall determine at the relevant time except where otherwise specifically provided therein.
- (i) where the current price of an Investment is quoted ex dividend or interest, there shall be added to the assets a sum representing the amount of such dividend receivable by the Sub-Fund but not yet received, and there shall be taken into account interest accrued on interest-bearing Investments up to the date at which the valuation is made unless such interest is included in the price or quotation referred to in paragraph (a) above.
- (j) there shall be added to the Investments the amount of income (if any) available for allocation in respect of the last preceding Accounting Period but in respect of which no allocation has been made.
- (k) any amount of dividend which has been declared by the Company but not paid will continue to be treated as an asset until it is actually paid.
- (l) financial derivative instruments shall be valued on the basis of the prices provided by the counterparty to the OTC financial derivative instrument.

#### *Deductions*

- (m) there shall be deducted from the assets the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable including tax (if any) as in the estimate of the Directors is chargeable in respect of the current or previous Accounting Period, outstanding borrowings, and accrued interest on borrowings (if any), but excluding liabilities taken into account in terms of subparagraph (n) below;

- (n) where, in consequence of any notice or repurchase request duly given, a reduction of the Sub-Fund by the cancellation of Shares has been or is to be effected but payment in respect of such reduction has not been completed, the Shares in question shall be deemed not to be in issue and any amount payable in cash or Investments out of the capital of the Sub-Fund in pursuance of such reduction shall be deducted.
- 11.3 For the purposes of this Article:
- (a) monies payable to the Company in respect of the allotment or issue of Shares shall, until receipt on the Settlement Date, be deemed to be an asset of the relevant Sub-Fund;
  - (b) monies payable by the Company as a result of the cancellation of allotments or issues or on the compulsory repurchase or transfer of Shares or on repurchase of Shares shall, until settlement is made, be deemed to be a liability of the relevant Sub-Fund; and
  - (c) monies due to be transferred as a result of an exchange of Investor Shares from one class to another in terms of Article 6.7 above shall, until the relevant Settlement Date, be deemed to be a liability of the first class and an asset of the second class.
- 11.4 Notwithstanding anything contained in Article 11.2 above, the Directors may, after consultation with the Custodian, adjust the value of any Investment or other property or permit some other method of valuation to be used if they consider that in the circumstances (including without limitation a material volume of subscriptions or requests for repurchase of Shares in the Sub-Fund; or the marketability of the Investments or other property; or such other circumstances as the Directors deem appropriate) such adjustment or other method of valuation should be adopted to reflect more fairly the value of such Investment or other property.
- 11.5 The Directors shall not be under any liability by reason of the fact that a value reasonably believed by them to be the correct value of any Investment may subsequently be found not to be correct.
- 11.6 Without prejudice to its general powers to delegate its functions under these Articles, the Company may delegate any of its functions in relation to the calculation of Net Asset Value to the Investment Manager, the Administrator or to any other duly authorised person. In the absence of wilful misconduct or manifest error, every decision taken by the Company, the Investment Manager, the Administrator or any duly authorised person in calculating the Net Asset Value shall be final and binding on the Company and on present, past or future Members.
- 11.7 The Company, the Investment Manager, the Administrator and/or any other delegate shall not be responsible for any error in calculating the value of assets, if the Company, the Investment Manager, the Administrator or other delegate has acted in good faith when making such calculations.