

# PROSPECTUS

in respect of the offer of Investor Shares in  
the various distinct sub-funds of

**Merill SICAV p.l.c.  
(the "Company")**

an open-ended collective investment scheme organised as a multi-fund public limited liability investment company with variable share capital under the laws of the Republic of Malta and licensed by the Malta Financial Services Authority ("MFSA") under the Investment Services Act (Chapter 370 of the Laws of Malta), and qualifying as a self-managed "Maltese UCITS" in terms of the Investment Services Act (Marketing of UCITS) Regulations (Legal Notice 241 of 2011, as amended from time to time)

The Company was registered on 8<sup>th</sup> October, 2015

This Prospectus is dated 20<sup>th</sup> September 2021

**This Prospectus is an updated version of the Prospectus  
dated 8<sup>th</sup> March 2021**

**This Prospectus is supplemented by a separate Offering Supplement in respect of and specific to each sub-fund established from time to time by the Company and has to be read as forming one and the same document and in conjunction with the respective Offering Supplement currently in issue by the Company in respect of the offer of Investor Shares in any such sub-fund prior to investing in such sub-fund. The Company has also issued or will issue one or more Key Investor Information Documents in respect of each of its sub-funds.**

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## IMPORTANT INFORMATION

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### **Status of the Company**

Merill SICAV p.l.c. (the "Company") is organised under the laws of Malta as a multi-fund public limited liability investment company with variable share capital (SICAV) pursuant to the Companies Act. The Company may issue separate classes or groups of classes of Shares constituting distinct sub-funds (herein referred to as "Funds") (except for the class/es of Shares denominated as Founder Shares) with the assets and liabilities of each such Fund constituting separate patrimonies pursuant to the SICAV Regulations. The aforesaid Funds adhere to the respective fund-specific investment objectives and policies, as described in the respective Offering Supplement for each Fund and prospective investors in any such Fund should always read the respective Offering Supplement for such Fund in conjunction with this Prospectus prior to investing. The Fund/s established by the Company from time to time are listed in Appendix I hereof.

The Company and its Funds are licensed and regulated by the MFSA as open-ended collective investment schemes in terms of the Investment Services Act, qualifying as self-managed Maltese UCITS in terms of the UCITS Regulations.

**The licensing of the Company or any of its Funds by the MFSA does not constitute a warranty by the MFSA as to the performance of the Company or its Funds and the MFSA shall not be liable for the performance or default of the Company or any of the Funds.**

### **No application for listing**

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. Notwithstanding, the Directors may, following the launch of any Fund, list one or more classes of Investor Shares of that Fund on any stock exchange.

### **Structure of the Offering Documents and Information Available to Investors**

Due to the organisational structure of the Company as a multi-fund (umbrella) investment company and the fact that several classes of Investor Shares in various Funds may be offered from time to time, the Company has issued this Prospectus which includes general information in connection with the Company and covering matters which are generally relevant and/or common to all Funds, and has issued or will issue a separate Offering Supplement for each Fund upon its constitution and containing information directly and specifically related to the respective Fund and the class/es of Investor Shares constituting such Fund (unless already covered by the Prospectus).

**Each Offering Supplement forms an integral part of and supplements this Prospectus and should be read in conjunction with this Prospectus, both of which jointly, and together also with the Articles and the respective Subscription Application, constitute the terms of offering of the Investor Shares in the relevant Fund.** Investors should note that an Offering Supplement in respect of any Fund may modify, supplement or exclude any term or condition stated in this Prospectus as applicable to the relevant Fund, as well as include terms and conditions which, although not included in this Prospectus, shall apply to the relevant Fund. In the event of any inconsistency between the contents of this Prospectus and the contents of an Offering Supplement, the contents of the Offering Supplement shall, unless otherwise expressly stated in such Offering Supplement, prevail in respect of the relevant Fund.

The Company has issued or will issue a KIID in relation to each Fund upon its constitution or, where appropriate and/or as required by law or MFSA Rules, a KIID in respect of one or more classes of Investor Shares constituting a Fund (such that more than one KIID may be issued in respect of the same Fund). Each KIID will provide a summary of the essential characteristics of the relevant Fund and the class/es of Investor Shares forming the subject of such KIID and the relevant parts of this Prospectus.

In the case of the Company constituting a new Fund, a new Offering Supplement and KIID/s, dedicated to the particulars of that Fund and the class/es of Investor Shares therein, will be issued. In the case of the Company creating a new class of Investor Shares in an existing Fund, a new KIID will be issued in respect thereof, unless it is appropriate and permitted by law and MFSA Rules to incorporate the same in an existing KIID relating to an existing class/es of Investor Shares in such Fund.

**A prospective investor will be provided by the Company with a copy of the latest relevant KIID free of charge before committing to invest. Both the latest Prospectus and the latest Offering Supplement of the relevant Fund are also available free of charge upon request from the registered office of the Company and from the respective offices of the Administrator or the Investment Manager. The KIID and the Prospectus (including the Offering Supplement of the relevant Fund) can also be obtained from the website of the Investment Manager: [www.jesmondmizzi.com](http://www.jesmondmizzi.com)**

The Company and its Funds are constituted under the Companies Act, and consequently rules relating to the constitution, procedures and other matters concerning the Company and its Funds as well as the rights of holders of Shares are also set out in the Articles. **The Articles form an integral part of this Prospectus.**

**The Company's latest Articles and the other documents listed under the section 'General Information' are available for inspection by prospective investors during ordinary office hours at the registered office of the Company and at the respective offices of the Administrator or the Investment Manager.**

Please refer to the 'Directory' below for respective office addresses.

A copy of this Prospectus, together with any Offering Supplements thereto, have been lodged with the Registrar of Companies as required by law and are therefore also available for inspection at the Registry of Companies, Malta, together with the Articles.

### **Applicable Law**

This Prospectus, each Offering Supplement and each KIID are based on and subject to Maltese law and practice prevailing at the date thereof and are subject to changes therein.

### **Basis of Offer and Latest Offering Documents**

Investor Shares are offered only on the basis of the information contained in the current Prospectus and the current Offering Supplement relating to the relevant Fund and the current Articles, and (when published) the most recent audited Annual Report or (unaudited) Half-Yearly Report of the Company (if more recent than such Annual Report). A KIID will also be provided free of charge to a prospective investor before investing, but prospective investors are cautioned not to rely exclusively on the information contained in the KIID and to read the Prospectus and the relevant Fund's Offering Supplement and other documents mentioned above before investment.

No distributor, broker, dealer, salesperson or other person has been authorised to give any information or to make any representations, or to issue any advertisement containing information or representations, in connection with the offering or sale of, or otherwise in connection with, Investor Shares or the exercise of any rights arising therefrom, other than those contained in the Prospectus and the other documents mentioned in the immediately preceding paragraph in connection with the offer hereby made, and if given or made, such advertisements, information or representations must not be relied upon as having been authorised by the Company, its Directors or its representatives and such reliance shall be solely at the risk of the investor.

No representation is given that the information and matters disclosed in this Prospectus, any Offering Supplement or any KIID, which was current at the respective date thereof, is correct as at any time after the date thereof. The Company will keep the essential elements thereof up to date and accordingly such documents may change from time to time. Investors and prospective investors should rely on the latest published versions of such documents.

### **No Investment Recommendation or Advice by the Company**

Neither this Prospectus nor any other information supplied by or on behalf of the Company in connection with Investor Shares, the Company or any Fund, should be considered or taken as recommendations by the Company, its Directors or representatives that any recipient of such Prospectus or other information should acquire any Investor Shares or any interests therein or should, after acquiring same, exercise any rights in respect thereof to

which he may become entitled. Prospective investors should not construe the contents of the Prospectus or other information so supplied as aforesaid as legal, tax or financial advice. **Each prospective investor should consult his own professional advisors as to the legal, tax, financial or other consequences of and matters relevant to an investment by him in the Company and any of its Funds and as to the suitability of such investment for such investor, and as to any questions concerning the contents of this Prospectus or other information so supplied as aforesaid.**

### **Restricted Offer and Distribution**

Save where otherwise provided in respect of any class/es of Investor Shares in the Offering Supplement of the relevant Fund/s and subject to any restrictions which may apply in any jurisdiction as provided below, the offer of Investor Shares in the Company will be open to the public and is deemed to be an offer of securities to the public in terms of the Companies Act.

**This Prospectus, any Offering Supplement in respect of any Fund and any KIID do not constitute, and may not be used for the purposes of or in connection with, an offer or solicitation to or by any person in any jurisdiction in which such offer or solicitation is not lawful or is not authorised, or in which the person making such offer or solicitation is not qualified to do so, 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, sale and eventual transfer of Investor Shares in certain jurisdictions are restricted. Persons into whose possession or to whose attention this Prospectus, any Offering Supplement or any KIID may come are required to inform themselves about, and to observe such restrictions.**

It is the responsibility of any persons wishing to apply for Investor Shares, or to acquire in any manner and by any title any Investor Shares or any interests therein, to inform themselves of and carefully consider, and to observe and comply with (on an on-going basis, even after investment), all applicable laws and formalities of the countries of their nationality, residence or domicile or of any other relevant jurisdiction applicable to their investment, including (without limitation): (a) the legal requirements and formalities within any such jurisdiction 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 any such jurisdiction relevant to the purchase, holding or disposal of Investor Shares.

Without prejudice to the aforesaid, the Directors may from time to time 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, regulations or requirements of any country or governmental or other competent authority, and may also from time to time declare as ineligible investors categories of persons who do not qualify under applicable laws to purchase Shares.

The Shares have not been nor will be registered under the United States Securities Act of 1933, as amended or under any other Federal or State securities laws in the United States of America (including the States and the District of Columbia), its territories or possessions or any area subject to its jurisdiction (the "United States") or under any similar or analogous provision of law enacted by any other jurisdiction, except as described herein. The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States or to or for the account or benefit of any U.S. Person (as defined hereafter), or to any person purchasing such securities for re-offer, re-sale, transfer or delivery, directly or indirectly, in the United States or to or for the account or benefit of any U.S. Person, except in a transaction not subject to or pursuant to an applicable exemption from the registration requirements of, or which otherwise does not violate, the securities laws of the United States, and in all cases subject to the specific consent of the Directors of the Company. Upon application for Investor Shares all applicants are required to warrant to the Company that the Investor Shares are not being acquired directly or indirectly in contravention of the above-mentioned prohibition. In addition neither the Company nor any of the Funds have been nor will be registered under the United States Investment Company Act of 1940, as amended, or any similar or analogous regulatory scheme enacted by any other jurisdiction, except as described herein.

### **Translations of Documents**

This Prospectus, any Offering Supplement and any KIID may be translated into other languages and any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in

relation to the meaning of any word or phrase in any translation, the English text shall prevail, except to the extent (and only to the extent) required by the laws of any jurisdiction where the Investor Shares are being offered that in an action based upon disclosure in any such document in a language other than English the language of such document on which such action is based shall prevail, and all disputes as to the terms thereof shall be governed by and construed in accordance with the law of Malta.

### **Risk Warning**

Nothing contained in the Prospectus, any Offering Supplement or any KIID is, or should be relied upon, as a promise or representation as to the future performance of the Company or any Fund. **The value of investments and of Investor Shares in any Fund can go down as well as up and past performance is not necessarily indicative of future performance.** There is no assurance that the investment objectives of any Fund will be achieved and investment results may vary substantially over time. Investment in any Fund is not intended to be a complete investment programme for any investor. Investment in any Fund carries risks normally attributable to investment in collective investment schemes of this type.

**The attention of investors is drawn to the section titled 'Risk Factors' of this Prospectus, as the same may be supplemented by any additional risk warnings specific to a Fund made in the respective Offering Supplement for such Fund.**

**Prospective investors should carefully consider whether an investment in Investor Shares is suitable for them in light of their circumstances and financial resources. Investors and prospective 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 or otherwise by such risks.**

### **Rights of the Company**

The Company has the right to reject any Subscription Application for any reason without being obliged to disclose the same, and without prejudice to the aforesaid, it also has the right to reject any Subscription Application or to decline to register a transfer or other transaction of or involving any Investor Shares, or to mandatorily redeem Investor Shares, in specified circumstances, as provided in this Prospectus (including the Offering Supplements thereto) and in the Articles.

### **Forward-looking statements**

This Prospectus, the Offering Supplements thereto and the KIIDs contain forward-looking statements that include, among others, statements concerning the Funds' respective strategies and plans relating to the attainment of certain objectives and other statements of expectations, beliefs, future plans, targets, anticipated developments or returns and other matters that are not historical facts and which may involve predictions of future circumstances. Investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or similar phrases. These forward-looking statements are inherently subject to a number of risks and uncertainties that could cause actual events or results to differ from those expected or implied by such statements and no assurance is given that the future results or expectations will be achieved. Important factors that could cause actual results to differ materially from the expectations of the Directors include those risks identified in this Prospectus and possibly in the Offering Supplement of the relevant Fund, which are however not exhaustive.

### **Approval and Endorsement by the Directors**

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

This Prospectus has been approved by the Directors of the Company, who hereby confirm their approval by appending their signature thereto below:

Mr. Lawrence Zammit  
Director



Mr. Stephen Paris  
Director



Dr. Joseph Borg Bartolo  
Director



Mr. Paul Mercieca  
Director



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## Directory

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**Company's Registered Office and  
correspondence address:**

1 / 2, High Street,  
Hamrun, Malta

**Directors:**

**Mr. Lawrence Zammit**  
**Mr. Stephen Paris**  
**Mr. Paul Mercieca**  
**Dr. Joseph Borg Bartolo**

**Investment Committee:**

**Mr. Jesmond Mizzi**  
**Dr. Mark Azzopardi**  
**Mr. Gianmarco Guadalupi**  
**Mr. Marc El-Lazidi**

**Company Secretary:**

**BOV Fund Services Limited**  
58, Triq San Zakkarija,  
Il-Belt, Valletta VLT 1130, Malta

**Investment Manager:**

**Jesmond Mizzi Financial Advisors Limited**  
67, Level 3, South Street,  
Valletta, Malta

**Depository:**

**Swissquote Financial Services (Malta) Ltd**  
Palazzo Spinola,  
46, St Christopher Street,  
Valletta, Malta

**Global Depository:**

**Swissquote Bank Ltd.**  
Ch. De La Cretaux 33,  
Gland CH-1196, Switzerland

**Administrator, Registrar and  
Transfer Agent:**

**BOV Fund Services Limited**  
58, Triq San Zakkarija,  
Il-Belt Valletta VLT 1130, Malta

**Auditors:**

**PricewaterhouseCoopers**  
78, Mill Street,  
Qormi QRM 3101, Malta

**Legal Advisors in Malta:**

**Iorraineconti Adv.**  
3 Macerata Street  
Floriana FRN 1091, Malta



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## Definitions and Interpretation

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In this Prospectus, the following terms shall, unless otherwise expressly defined for any specific purpose or part/s hereof or unless the context otherwise requires, have the meanings respectively assigned to them hereunder:

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| <b>"Accounting Period"</b>        |                  | unless otherwise determined by the Board, an accounting reference period of the Company commencing in the case of the first such period on the date of registration of the Company and terminating on the 31 <sup>st</sup> July 2016, and in the case of subsequent periods, a period of twelve months commencing on the 1 <sup>st</sup> August of each year and ending on the 31 <sup>st</sup> July of such year;  |
| <b>"Administration Agreement"</b> |                  | any agreement which may be entered into between the Administrator and the Company relating to the engagement and responsibilities of the Administrator;   |
| <b>"Administrator"</b>            |                  | BOV Fund Services Limited, or as otherwise stated in respect of any Fund in the respective Offering Supplement;   |
| <b>"Approved Collateral"</b>      |                  | Collateral provided by an Approved Counterparty in connection with an OTC FDI which satisfies the requirements imposed by MFSA Rules and the Licence Conditions;  |
| <b>"Approved Counterparties"</b>  |                  | <p>counterparties who are institutions subject to prudential supervision, and belonging to categories approved by the MFSA according to the following criteria:</p> <ol style="list-style-type: none"><li>are not the Investment Manager or Depositary;</li><li>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 and are subject to prudential supervision in accordance with provisions equivalent to Directive 93/6/EEC or Directives 73/239/EEC and 79/267/EEC as amended; and</li><li>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 transactions, such counterparty must satisfy the Company or the Investment Manager that it has:</p> <ol style="list-style-type: none"><li>agreed to value the transaction at least weekly, and</li><li>will close out the transaction at the request of the Investment Manager or the Company at fair value.</li></ol> |
| <b>"Approved Institution"</b>     | <b>Credit</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 Market"</b>          | <b>Regulated</b> | a Regulated Market which has been approved by the MFSA for the purposes of the UCITS Directive and for the purposes of the provisions of this Prospectus where the term "Approved Regulated Market" is used, or which is otherwise included in the list of Approved Regulated Markets in Appendix II hereof (as the same may be amended from time to time) and, if any additional ones are selected in relation to a particular Fund, in the respective Offering Supplement; updated lists are available from the Investment Manager;   |
| <b>"Articles"</b>                 |                  | the Memorandum and Articles of Association for the time being of the Company;   |
| <b>"Auditors"</b>                 |                  | the auditors for the time being of the Company;   |

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| <b>"Authorised Distributors"</b>                      | the entities or individuals which may be appointed by the Company to distribute Investor Shares in any or all Funds, subject to the terms of the respective agreement with such persons; as at the date of this Prospectus, the Company has appointed the Investment Manager as its principal and exclusive distributor of the Investor Shares, without prejudice to the right of the Company to appoint other Authorised Distributors from time to time;   |
| <b>"Board" or "Directors" or "Board of Directors"</b> | the Board of Directors for the time being of the Company;   |
| <b>"Business Day"</b>                                 | except where otherwise stated in respect of a Fund in the respective Offering Supplement, means any day that is not a Saturday or a Sunday and not a public holiday or bank holiday in Malta;   |
| <b>"CIS"</b>  | collective investment scheme, including (for the avoidance of doubt) a UCITS;   |
| <b>"Cleared Funds"</b>                                | funds which have been irrevocably credited to a Fund's Designated Account as notified by the relevant bank with which such Designated Account is held;  |
| <b>"Closing Date"</b>                                 | the date on which the Initial Offer Period for a particular class of Investor Shares ends, as specified in respect of such class in the Offering Supplement of the relevant Fund;   |
| <b>"Companies Act"</b>                                | the Companies Act (Chapter 386 of the Laws of Malta);   |
| <b>"Company"</b>                                      | Merill SICAV p.l.c.;  |
| <b>"Company Secretary"</b>                            | the person for the time being occupying the post of company secretary of the Company;   |
| <b>"Dealing Day"</b>                                  | a Subscription Day and/or a Redemption Day;   |
| <b>"Dealing Prices"</b>                               | the Subscription Prices and/or the Redemption Prices;   |
| <b>"Depositary"</b>                                   | Swissquote Financial Services (Malta) Ltd., or as otherwise stated in respect of any Fund in the respective Offering Supplement;  |
| <b>"Depositary Agreement"</b>                         | any agreement which may be entered into between the Depositary and the Company relating to the engagement and responsibilities of the Depositary;   |
| <b>"Designated Account"</b>                           | the client money (subscription and/or redemption) account opened and maintained in respect of any Fund with a bank providing at any time banking services for the Fund;   |
| <b>"Designated Currency"</b>                          | in respect of any class of Investor Shares, means the currency in which such class is denominated, as specified in respect of such class in the Offering Supplement of the relevant Fund;   |
| <b>"Dilution Levy"</b>                                | an amount / levy payable by an applicant for an Investor Share in addition to the Subscription Price or an amount / levy deducted by the Company from the redemption proceeds due to an Investor in respect of the redemption of an Investor Share, as such amount / levy is determined by the Directors at the relevant time, when they consider that it is in the best interests of the Company, given the prevailing market conditions and the level of certain subscriptions or redemptions requested by Shareholders in relation to the size of any Fund on any Dealing Day/s, to apply such amount / levy to cover the percentage estimate of costs and expenses to be incurred by the relevant |

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|                                   | Fund in relation to such subscriptions or redemptions respectively, but (for the avoidance of doubt) Dilution Levy shall be different from the subscription fees / initial charges and redemption / exit fees normally applicable on subscription and redemption of Investor Shares of a particular class/es and as stated in the relevant Offering Supplement/s;  |
| <b>"EEA"</b>                      | the European Economic Area, and 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>"Extraordinary Resolution"</b> | a resolution of the general meeting of the Company, or of a meeting of a class/es of Shares, as defined in and satisfying the criteria and requirements of an extraordinary resolution prescribed in the Articles;   |
| <b>"FDI"</b>                      | a financial derivative instrument (including an OTC FDI);  |
| <b>"Forward-Pricing Policy"</b>   | a policy whereby the price at which Investor Shares may be subscribed or redeemed is that which is calculated with reference to the Valuation Day following the relevant Subscription Application Cut Off or (as the case may be) the Redemption Application Cut Off;  |
| <b>"Founder Directors"</b>        | a Director who shall be appointed, re-appointed or removed exclusively by the Class 'A' Founder Shareholders;  |
| <b>"Founder Shareholder"</b>      | a person who is for the time being registered as a holder of Founder Shares;   |
| <b>"Founder Shares"</b>           | the shares subscribed to by the Founder Shareholders at the time of incorporation of the Company and such additional shares which may subsequently be issued from time to time by the Company, constituting one or more separate classes of shares with no nominal value in the Company and denominated as Founder Shares, which do not constitute and are not comprised in a distinct Fund of the Company, and carrying such voting rights in the Company and having such other rights or restrictions (if any) provided for or described under the Articles and this Prospectus; |
| <b>"Fund/s"</b>                   | the distinct sub-fund/s of the Company, each represented by a class or group of classes of Investor Shares in the Company, the assets and liabilities of which shall constitute a patrimony separate from the assets and liabilities of each other Fund in terms of the SICAV Regulations;   |
| <b>"Group Companies"</b>          | companies which are included in the same group for the purposes of consolidated accounts as defined in Directive 83/349/EEC in accordance with recognised international accounting rules;  |
| <b>"Hedged Share Class/es"</b>    | a class/es of shares in a Fund denominated in a Designated Currency different to the Reference Currency of the Fund, which is hedged in order to mitigate the currency risk;   |
| <b>"Initial Offer Period"</b>     | in respect of any particular class of Investor Shares, the period specified in the Offering Supplement of the relevant Fund (as the same may be extended or abridged by resolution of the Directors, as provided herein), during which Investor Shares of such class (duly applied for during such period) are offered at the respective Initial Offer Price;  |
| <b>"Initial Offer Price"</b>      | the price at which Investor Shares of any particular class duly applied for during the respective Initial Offer Period of such class will be offered and issued, as specified in respect of such class in the Offering Supplement of the relevant Fund;  |

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| <b>"IFRS"</b>                            | International Financial Reporting Standards;  |
| <b>"Independent Valuer"</b>              | shall be: <ul style="list-style-type: none"> <li>(i) a person independent from the Company, its officials, or any Service Providers of the relevant Fund;</li> <li>(ii) of good standing with recognised and relevant qualifications and an authorised member of a recognised professional body in the jurisdiction of the assets (such as, but without limitation, a recognised auditor or auditing firm); and</li> <li>(iii) appointed by the Directors in consultation with the Auditors.</li> </ul> |
| <b>"Investment Advisor"</b>              | any person that may be appointed for the time being in respect of any of the Funds, to act as investment advisor and to provide non-binding advice with respect to the investment and re-investment of the assets of the relevant Fund, details of which (to the extent its fees are paid out of the assets of the Fund) will be set out in the Offering Supplement of the relevant Fund;   |
| <b>"Investment Committee"</b>            | an internal committee of / appointed by the Board of the Company which shall assist the Board in implementing the Company's investment objectives and policies in respect of the Funds;   |
| <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 Manager"</b>              | Jesmond Mizzi Financial Advisors Limited, or as otherwise stated in respect of any Fund in the respective Offering Supplement;  |
| <b>"Investment Services Act"</b>         | the Investment Services Act (Chapter 370 of the Laws of Malta);   |
| <b>"Investor"</b>                        | a registered holder of Investor Share/s in any Fund/s;  |
| <b>"Investor Share"</b>                  | a share without a nominal value assigned to it and forming part of a class of shares constituting or comprised in any Fund of the Company, having the rights provided for or described under the Articles, this Prospectus and the Offering Supplement of such Fund;  |
| <b>"KIID"</b>                            | the Key Investor Information Document containing salient information relating to a particular Fund or (as appropriate) to a particular class or classes of Investor Shares in a Fund, as required by the MFSA Rules and the UCITS Regulations;  |
| <b>"Licence"</b>                         | the collective investment scheme licence issued to the Company by the MFSA in respect of any Fund established and maintained by the Company;  |
| <b>"Licence Conditions"</b>              | the conditions in the relevant Licence/s;   |
| <b>"Licence Issue Date"</b>              | the date of issue of any Licence by the MFSA;   |
| <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 Investment Services Act;   |

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| <b>"Member State"</b>             |                   | a member state of the EU, and except where otherwise expressly stated, it includes a state of the EEA;  |
| <b>"MFSA"</b>                     |                   | the Malta Financial Services Authority;   |
| <b>"MFSA Rules"</b>               |                   | the relevant investment services rules issued by the MFSA under the Investment Services Act (as may be applicable to the person or entity or context by reference to or in which such term is used);  |
| <b>"MiFID Directive"</b>          |                   | Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC;   |
| <b>"MiFID Market"</b>             | <b>Regulated</b>  | a Regulated Market within the meaning of Article 4(1) of the MiFID Directive;   |
| <b>"Minimum Investment"</b>       | <b>Additional</b> | where applicable, the minimum number or minimum value of Investor Shares of any class or of Investor Shares of all classes (on an aggregate basis) in any Fund for which a subsequent subscription by an existing Investor must be made, details of which (where such minimum is applicable) will be found in the Offering Supplement of the relevant Fund – see also the relevant rules under the part titled 'Minimum Initial and Additional Investment Requirements' under the section 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' below; |
| <b>"Minimum Holding"</b>          |                   | where applicable, the minimum number or minimum value of Investor Shares that must be held on an on-going basis by any Investor in any class of Investor Shares or on an aggregate basis between classes of Investor Shares in any Fund, details of which (where such minimum is applicable) will be found in the Offering Supplement of the relevant Fund – see also the relevant rules under the part titled 'Minimum Holding Requirement' under the section 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' below;                            |
| <b>"Minimum Investment"</b>       | <b>Initial</b>    | where applicable, the minimum number or minimum value of Investor Shares of any class or of Investor Shares of all classes (on an aggregate basis) in any Fund for which an initial subscription by a prospective investor must be made, details of which (where such minimum is applicable) will be found in the Offering Supplement of the relevant Fund – see also the relevant rules under the part titled 'Minimum Initial and Additional Investment Requirements' under the section 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' below; |
| <b>"Minimum Redemption"</b>       |                   | where applicable, the minimum number or minimum value of Investor Shares of any class or of Investor Shares of all classes (on an aggregate basis) in any Fund for which a partial redemption by an Investor must be made, details of which (where such minimum is applicable) will be found in the Offering Supplement of the relevant Fund – see also the relevant rules under the part titled 'Minimum Redemption Requirement' under the section 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' below;                                       |
| <b>"Money Instruments"</b>        | <b>Market</b>     | Instruments normally dealt in on the money market which are liquid, and whose value can be accurately determined at any time;   |
| <b>"Net Asset Value" or "NAV"</b> |                   | the net asset value of any Fund or of any class of Investor Shares or of any Investor Share (as the context may require), calculated in accordance with the principles set out in this Prospectus, the relevant Offering Supplement and the Articles with reference to the relevant Valuation Day;  |

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| <b>“non-Member State”</b>                        | a state other than a Member State;  |
| <b>“Offering Supplement”</b>                     | the offering document supplementing this Prospectus issued by the Company in respect of the offer of Investor Shares of any class/es in a particular Fund and containing information directly and specifically related to such Fund and Investor Shares therein, including any appendixes and other attachments thereto, as the same may be amended, supplemented or updated from time to time by the Company;  |
| <b>“Ordinary Resolution”</b>                     | a resolution of the general meeting of the Company, or of a meeting of a class/es of Shares, as defined in and satisfying the criteria and requirements of an ordinary resolution prescribed in the Articles;   |
| <b>“OTC FDI”</b>                                 | a financial derivative instrument which is dealt in “over-the-counter”;   |
| <b>“Other Regulated Market”</b>                  | a Regulated Market other than a MiFID Regulated Market;   |
| <b>“Permissible Regulated Market”</b>            | a Regulated Market as referred to in paragraph A1 under Part A of the section titled ‘Investment Objectives, Policies and Restrictions’ below, namely a MiFID Regulated Market, an Other Regulated Market in a Member State or an Approved Regulated Market in a non-Member State;  |
| <b>“Prospectus”</b>                              | this document in its entirety, including the appendixes and any attachments thereto, as the same may be amended, supplemented or updated from time to time by the Company and, unless the context otherwise requires, including also the relevant Offering Supplement/s issued by the Company from time to time (even where not so specifically stated to be included in the relevant text);  |
| <b>“Recently Issued Transferable Securities”</b> | recently issued Transferable 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 provided such admission is secured within a year of issue;  |
| <b>“Redemption Application”</b>                  | the application by an Investor to the Company for the redemption of Investor Shares in any Fund, which must be made in writing using the respective standard form determined and provided by the Company from time to time;   |
| <b>“Redemption Application Cut Off”</b>          | the day and/or time (deadline / cut off) before and/or during a Redemption Day, up to which a Redemption Application and supporting documents and information must be duly received by the Company as provided herein for such Redemption Application to be processed and for the relevant Investor Shares to be redeemed on or as of such Redemption Day, as specified in respect of each class of Investor Shares in the Offering Supplement of the relevant Fund (without prejudice to the right of the Company to waive such cut off requirement in its discretion as provided herein); |
| <b>“Redemption Day”</b>                          | in respect of any class of Investor Shares, a Business Day on or as of which Redemption Applications for Investor Shares of such class may be processed and accepted and the relevant Investor Shares redeemed by the Company, as specified in respect of such class in the Offering Supplement of the relevant Fund;   |
| <b>“Redemption Price”</b>                        | the price at which Investor Shares of any class may be redeemed on or as of any Redemption Day, which shall be such price as indicated in the section ‘Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices’ and/or in the Offering Supplement of the relevant Fund;  |

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| <b>"Reference Currency"</b>               | in respect of the Company, means the base currency in which the annual accounts of the Company and reports or financial statements of the Company required under the Companies Act or by the MFSA Rules are to be drawn up, which on the date hereof is the EUR; and in respect of any Fund, means the base currency in which proper accounting records of the assets and liabilities of such Fund are to be maintained by the Directors, as specified in respect of such Fund in the respective Offering Supplement, it being understood that the Reference Currency of a Fund shall be the Designated Currency of any class of Investor Shares constituting that Fund, but the other classes (if more than one) within the same Fund may be denominated in different Designated Currencies, and the Reference Currency of any Fund may be different from the Reference Currency of the Company; |
| <b>"Register"</b>                         | the register in which are listed the names of the Shareholders or of any class or classes of Shareholders of the Company from time to time;   |
| <b>"Regulated Market"</b>                 | a stock exchange or other regulated market, which is regulated, which operates regularly, and is recognised and open to the public, and "Regulated Market" includes a MiFID Regulated Market and an Other Regulated Market;   |
| <b>"Remuneration Policy"</b>              | as defined in the section "Remuneration Policy" under the heading "Fees, Charges and Expenses";   |
| <b>"SFDR"</b>                             | Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector;  |
| <b>"Service Providers"</b>                | (as applicable) the Investment Manager, the Depositary, the Investment Advisor, the Administrator, the Authorised Distributors and any other service provider appointed in respect of the Company, the Funds, or any of them, as the context may require;   |
| <b>"Share"</b>                            | an Investor Share or a Founder Share, as the context may require;   |
| <b>"Shareholder"</b>                      | a person who is registered as a holder of Shares in the Register;   |
| <b>"SICAV Regulations"</b>                | the Companies Act (Investment Companies with Variable Share Capital) Regulations (Legal Notice 241 of 2006, as amended from time to time);  |
| <b>"Subscription Application"</b>         | the application by a prospective Investor to the Company for the subscription of Investor Shares in any Fund, which must be made in writing using the respective standard form determined and provided by the Company from time to time;  |
| <b>"Subscription Application Cut Off"</b> | the day and/or time (deadline / cut off) before and/or during a Subscription Day, up to which a Subscription Application and supporting documents and information must be duly received by the Company as provided herein for such Subscription Application to be processed and for the relevant Investor Shares to be issued on or as of such Subscription Day, as specified in respect of each class of Investor Shares in the Offering Supplement of the relevant Fund (without prejudice to the right of the Company to waive such cut off requirement in its discretion as provided herein);   |
| <b>"Subscription Day"</b>                 | in respect of any class of Investor Shares, a Business Day on or as of which Subscription Applications for Investor Shares of such class may be processed and accepted and the relevant Investor Shares issued by the Company, as specified in respect of such class in the Offering Supplement of the relevant Fund: provided that, unless otherwise provided in the Offering Supplement of the relevant Fund, the Subscription Day for Subscription Applications for Investor Shares of any class duly received during the respective Initial Offer   |

Period shall be the first Subscription Day of such class following the respective Closing Date;

**"Subscription Payment Cut Off"**

the day and/or time (deadline / cut off) before and/or during a Subscription Day, up to which the subscription monies relative to a Subscription Application must be duly received by the Company as provided herein for such Subscription Application to be processed and for the relevant Investor Shares to be issued on or as of such Subscription Day, as specified in respect of each class of Investor Shares in the Offering Supplement of the relevant Fund (without prejudice to the right of the Company to waive such cut off requirement in its discretion as provided herein);

**"Subscription Price"**

the price at which Investor Shares of any class may be subscribed on or as of any Subscription Day, which shall be such price as indicated in the section 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' and/or in the Offering Supplement of the relevant Fund;

**"Sustainability Risk"**

means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Investment Shares;

**"Switching Application"**

the application / request by an Investor to the Company for the switching / exchange of Investor Shares of any class in any Fund into Investor Shares of any other class (whether in the same Fund or in another Fund), which must be made in writing using the respective standard form determined and provided by the Company from time to time or otherwise in a form acceptable to the Company;

**"Transfer Registration Application"**

the application / request by the transferee or transmittee *causa mortis* of Investor Shares to the Company for the registration of the transfer of Investor Shares or (as the case may be) for the registration of the transmittee as the holder of Investor Shares to which he became entitled *causa mortis*, which must be made in writing using the respective standard form determined and provided by the Company from time to time or otherwise in a form acceptable to the Company;

**"Transferable Securities"**

Securities being:

- a. shares in companies and other securities equivalent to shares in companies;
- b. bonds and other forms of securitised debt; and
- c. 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:

- a. 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
- b. 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;



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| <b>"UCITS Directive"</b>                        | Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast);                    |
| <b>"UCITS Regulations"</b>                      | the Investment Services Act (Marketing of UCITS) Regulations (Legal Notice 241 of 2011, as amended from time to time);   |
| <b>"Unit"</b>                                   | an Investor Share in a Fund;   |
| <b>"U.S. Person"</b>                            | any United States resident or other person specified in rule 902 of Regulations under the United States Securities Act of 1933, as amended, or excluded from the definition of a 'Non-United States person' as used in Rule 4.7 of the Commodity Futures Trading Commission; |
| <b>"Valuation Day"</b>                          | in respect of any Fund and/or class of Investor Shares, a day with reference to which the Net Asset Value is calculated, as specified in respect of such Fund / class in the relevant Offering Supplement of the relevant Fund;  |
| <b>"VAT"</b>                                    | Value Added Tax or a tax having a similar effect;  |
| <b>"€" or "euro" or "EUR"</b>                   | the official currency of the Member States of the EU that form part of the Euro-area;  |
| <b>"\$" or "USD" or "United States Dollars"</b> | the lawful currency of the United States of America;   |
| <b>"£" or "GBP" or "Pound Sterling"</b>         | the lawful currency of the United Kingdom.   |

Unless otherwise expressly defined for any specific purpose or part/s hereof or unless the context otherwise requires, in this Prospectus:

- (i) words importing any gender include all other genders; words importing the singular number only include the plural number and *vice versa*;
- (ii) words which import the whole are to be treated as including reference to any part of the whole;
- (iii) words importing individuals include legal persons and *vice versa*;
- (iv) references to the Prospectus or to any other document are to be construed as reference to the Prospectus or to that other document as modified, amended, varied, supplemented, or replaced from time to time;
- (v) any reference to an Appendix, section, part or heading is to the relevant Appendix, section, part or heading of this Prospectus;
- (vi) reference to any international, European or other regional or local statute or statutory provision (including any subordinate legislation), Directive, Regulation or other legislative instrument includes any statute or statutory provision, Directive, Regulation or legislative instrument which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and includes any orders, legislation, instruments or other subordinate legislation made under the relevant statute or statutory provision, Directive, Regulation or legislative instrument; and
- (vii) any phrase introduced by the words "including", "include", "in particular" or any similar expression is to be construed as illustrative only and shall not be construed as limiting the generality of any preceding words.

The headings in this Prospectus are included for convenience only and are to be ignored in its construction.

**Structure of the Company**

Merill SICAV P.L.C. whose registered office is situated at 1 / 2, High Street, Hamrun, Malta was incorporated in Malta on the 8<sup>th</sup> October, 2015 as a multi-fund public limited liability investment company with variable share capital (SICAV) under Registration Number SV384. The Company was licensed as a collective investment scheme by the MFSA on the 16<sup>th</sup> October, 2015. The Company is structured as an open-ended self-managed collective investment scheme and qualifies as a 'Maltese UCITS' in terms of the UCITS Regulations and the UCITS Directive.

**Management of the Company**

The Company operates as a self-managed Maltese UCITS in terms of the MFSA Rules, and accordingly the management of its business and activities will be carried out internally by the Company. The Company has however delegated various functions, including administration, and some aspects of the investment and risk management processes. The Board has in this regard engaged the Administrator and the Investment Manager.

The Board of Directors retains overall responsibility for the implementation of the investment objectives and policies of the Funds, directing the investment management of its assets, and the management and monitoring of risk. In this regard, the Board has established and will receive support from the Investment Committee, composed as provided in, and whose terms of reference will include the functions described under the section titled 'Investment Committee' below.

For the purpose of a more efficient conduct of its business, the Company has appointed the Investment Manager, who is responsible for the day to day investment and risk management of the assets of the Funds in accordance with the respective investment objectives, policies, strategies and restrictions set out in herein and in the respective Offering Supplement and the rules and guidelines issued by the Investment Committee from time to time.

**Segregated Funds**

The Company is expected to consist of several Funds, each of which will be constituted by one or more classes of Investor Shares created and issued by the Company from time to time. Each Fund will be differentiated by its specific investment objectives, policies and restrictions, and/or other specific features as described herein, in the respective Offering Supplement and/or in the Articles, and the capital raised from the issue of Investor Shares in each Fund shall be invested in accordance with the said respective investment objectives, policies and restrictions of such Fund. Subject to applicable requirements, the Company may (acting through the Directors) from time to time establish new Funds and may create and issue a new class or classes of Investor Shares in the Company which may constitute a new Fund or be comprised in an existing Fund or Funds, on such terms and with such Investor Shares being assigned such rights and restrictions as the Directors may resolve.

Pursuant to the appropriate election made in the Articles and in terms of the SICAV Regulations, the assets and liabilities of each individual Fund comprised in the Company shall for all intents and purposes of law constitute a patrimony separate from the assets and liabilities of each other Fund of the Company and of the Company itself so that the assets of one Fund shall be available exclusively for the creditors and holders of Investor Shares in that Fund. Accordingly, the liabilities of or attributable to such Fund (including such proportion of the general liabilities of the Company which by virtue of or as described in this Prospectus, the respective Offering Supplement and/or the Articles are, or are to be, attributable to such Fund, as a liability of such Fund) shall be paid solely out of the assets forming part of its patrimony and the creditors in respect thereof shall have no claim or right of action against the other assets of other Funds or of the Company, even in case of insufficiency of assets of such Fund to meet its liabilities (in which case the proportion of liabilities of such Fund in excess of the assets will not be allocated to other Funds). The provisions of this Prospectus, of the Offering Supplements and of the Articles setting out or relating to rights, obligations and liabilities of the Company (including, without limitation, obligations and liabilities in respect of payments of redemption monies or other payments to Shareholders) shall be construed accordingly, and shall accordingly, where the context so requires, be construed as a reference to rights, obligations and liabilities of the relevant Fund exclusively.

In terms of Maltese law, the legal status of each Fund's assets and liabilities as a separate patrimony segregated from the assets and liabilities of each other Fund shall be respected in any proceedings which may be instituted in terms of the Companies Act relating to the dissolution and consequential winding-up or the reconstruction of the Company. Furthermore, the said proceedings instituted under the Companies Act shall apply in the same way to each Fund as though it were a distinct legal entity and with such modifications as are necessary in view of the fact that a Fund is not a company. Any such proceedings in relation to any one Fund will not have any effect on the assets of any other Fund or of the Company.

Reference is made to the section titled 'Net Asset Value Calculation' below and to other relevant provisions of this Prospectus and of the Fund-specific Offering Supplements and of the Articles which contain rules for the determination of the assets and liabilities attributable to each distinct Fund of the Company. The Directors will maintain or cause to be maintained separate accounts, records, statements and other documents and procedures to segregate and keep segregated assets and liabilities of and attributable to each distinct Fund and to evidence same as separately identifiable from the assets and liabilities of each other distinct Fund and of the Company itself.

Notwithstanding what is stated above, the Company is a single legal entity and any distinct Fund (separate patrimony) of or within the Company does not constitute a legal entity separate from the Company; and whilst Maltese law segregates (ring-fences) the assets and liabilities of each Fund through the concept of 'distinct patrimony' as aforesaid, the Company may operate and have assets and be subject to claims in other jurisdictions the courts or other competent authorities whereof may not necessarily recognize and give effect to such segregation of the Funds (and their respective assets and liabilities), and there is a risk that the assets of one Fund may be applied by them to meet the liabilities of another Fund of the Company or of the Company.

It should be noted that the respective assets and liabilities attributable to the different classes of Investor Shares within the same Fund (as such attribution is made for NAV calculation and other internal accounting purposes, including to determine the rights of the holders of the different classes *inter se*) are not statutorily ring-fenced and insulated as aforesaid, and all assets and liabilities attributable to each and every such class would form part of the total assets and liabilities of the relevant Fund, and the assets attributable to one class may be applied to satisfy the liabilities attributable to another class.

The Fund/s established by the Company from time to time are listed in Appendix I hereof.

### **Duration of the Company and of Funds and Offerings therein**

The duration of the Company is indefinite but Funds may be created for a definite term as specified in the respective Offering Supplement, after which they shall be closed or dissolved and wound up and all net assets distributed to the Investors in that Fund (and no redemptions at the request of the respective Investors will be effected as from the date of expiry of such term).

Unless otherwise specified in the respective Offering Supplement, however, a Fund shall be deemed to have been created for an indefinite period and will remain in operation and will generally have a continuous offering period, until it is closed or liquidated or until and for so long as the Company closes the offering of Shares therein.

The Company is entitled to close the offering for Investor Shares in a Fund, or any class of Investor Shares in a Fund, for such period or periods as it may in its sole discretion determine, in which case no applications for subscription of or exchange into Investor Shares of such Fund, or of such class, will be accepted during the relevant period/s. Such closure will be notified to Shareholders in such Fund or in such class and/or shall be advertised in the relevant newspapers. This is without prejudice to the procedures and rights of Investors prescribed herein and in the Articles in case of a closure of a Fund or any class of Investor Shares therein, by redemption of existing Investor Shares in such Fund / class – see the parts titled 'Voting Rights of Investor Shares' and 'Closure' below in this section.

See the section titled 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' below which contains more details about the offering of Shares in Funds, procedures for and other matters relating to dealings in Shares as well as Dealing Prices.

### **Accounting Reference Date**

The Accounting Reference Date of the Company is 31<sup>st</sup> July.

### **Reference Currency**

The Reference Currency of the Company is the Euro. Therefore, all annual accounts and financial statements of the Company, as well as any other reports or financial statements required by the Companies Act or the MFSa, will be presented in Euro.

The Company may have its share capital denominated in different currencies.

The Reference Currency of the Funds may differ from the Reference Currency of the Company and is specified in respect of each Fund under the respective Offering Supplement. The Reference Currency of any Fund, in which proper accounting records of the assets and liabilities of such Fund are to be maintained by the Directors, shall be the Designated Currency of any class of Investor Shares constituting that Fund; provided that other classes within the same Fund may be denominated in different Designated Currencies; provided further that the Reference Currency of any Fund may be different from its investment currency (or its principal investment currency).

The conversion from the Designated Currency of any class of Shares in the Company (or from the Reference Currency of any Fund) into the Reference Currency of the Company (where applicable) shall be in accordance with generally accepted accounting principles.

### **Share Capital**

The share capital of the Company shall be equal to the value for the time being of the issued share capital of the Company. The actual value of the paid up share capital of any Fund shall be at all times equal to the Net Asset Value of such Fund as determined in accordance with this Prospectus and the Articles.

### **Authorised Share Capital**

The Company may issue up to a maximum of ten billion one thousand (10,000,001,000) Shares without any nominal value assigned to them, which maximum number shall comprise Shares of all classes, be they Founder Shares or Investor Shares. Such authorised maximum number shall be inclusive of the number of any Shares in the Company already issued at the relevant time, provided that Shares redeemed and cancelled by the Company shall accrue again to the unissued authorised capital and shall be deemed never to have been issued for the purpose of calculating the maximum number of Shares which may be issued. The Offering Supplement of any Fund may specify the maximum number of Investor Shares (of any class/es) which may be issued within such Fund, and unless so specified, the Company may issue any number of Investor Shares in such Fund limited only to the aggregate authorised limit mentioned above.

The Company may increase or reduce the maximum number of Shares which may be issued by the Company by an Extraordinary Resolution.

The Directors shall exercise all the powers of the Company to allot or issue Investor Shares in the Company, whereas Founder Shares are issued by Ordinary Resolution of the Company in general meeting.

### **General Characteristics of the Shares, including Fractions, Registration and Joint Holders**

Shares of any class have no nominal value assigned to them. Shares will be fully paid up on subscription and the Company shall not issue partly paid Shares. The Company will not issue bearer Shares.

Fractional Shares may be issued with respect to any class of Shares up to three (3) decimal places. Fractional Shares shall be automatically consolidated into a whole Share of the same class when the fractional Shares held by one Shareholder become equal to a whole Share. With the exception of voting rights, the holders of fractional Shares carry the same rights as integral shares of the same class and exercisable in proportion to the fraction held.

All Shares will be issued in registered form only. No share certificates will be issued, but contract notes containing details of the investment and/or confirming entry in the Register will be issued instead. The Investor's entitlement

will be represented solely by the appropriate entry in the Register. An entry in the Register will be conclusive evidence of ownership (save for manifest error).

Except as may be provided herein or in the Articles or as may be required by law, a person in whose name a Share is registered as owner shall (to the fullest extent permitted by law) be treated at all times and for all purposes as the absolute owner of such Share, regardless of any notice of beneficial ownership or trust or nominee holding and, accordingly, the Company shall recognise an absolute right of title to Shares in the registered holder thereof and shall not be bound by or recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Shares or any other right in respect of any Shares. Nothing in the foregoing shall be construed as prohibiting the Company from registering, recognising and/or acknowledging a transfer, transmission *causa mortis* or pledge on any of its Shares in accordance and subject to the provisions hereof and of the Articles and the relevant laws.

In the case of joint holders of any Shares, the joint Shareholder first named in the Register (as per the nomination of the joint applicants or, failing such nomination, the joint applicant whose name is inserted first in the field giving details of the applicant/s on the respective application or request for subscription or for the registration of transfers or other transactions in the relevant Shares) shall for all intents and purposes be deemed to be and be treated as the single registered holder of the Shares so held (except for such purposes as may be mentioned herein or in the Articles) and accordingly, the issue of a contract note or, notices of general meetings or any other notices or communications whatsoever to, and the payment of dividends, redemption or liquidation proceeds or other amounts due in respect of such Shares, to such first named joint Shareholder shall be deemed sufficient delivery or sufficient payment to all joint holders and shall accordingly be a good discharge to the Company. Notwithstanding what is stated above, the joint applicants for / holders of Shares shall be liable, jointly and severally, in respect of all subscription monies due to the Company and in respect of the production of documents and information and all other obligations which may be due by applicants or (as the case may be) by holders of Shares to the Company. The Company shall not be bound to register more than four (4) persons as joint holders of any Shares.

### **Share Classes and Rights**

The classes of Shares in the Company can be generally classified into two groups of classes of shares, the first group consisting of the class/es termed Founder Shares and the other group consisting of the various classes of Investors Shares, with each such class or a number of classes thereof constituting the distinct Funds of the Company. The class/es of Founder Shares do not constitute and are not comprised in a distinct Fund of the Company. Shares of any class have no nominal value assigned to them and will be issued as fully paid.

### **Founder Shares**

As at the date of this Prospectus, 1,000 fully paid up Founder Shares in the Company have been issued, namely 1,000 Class 'A' Founder Shares. These have been issued at a price (subscription value) of Euro1.00 per share. 998 Founder Shares have been issued to Jesmond Mizzi Financial Advisors Limited, 1 Founder Share has been issued to Atlas Insurance PCC Limited and the remaining 1 Founder Share has been issued to JMFS Holdings Limited.

Subject to such consent or other requirements set out by law or imposed by MFSA or the Articles, the Company may, by Ordinary Resolution of the general meeting, create and issue new shares of the existing class/es of Founder Shares or a new class or classes of Founder Shares in the Company to its existing Founder Shareholders and/or to other persons (which shall not constitute nor be comprised in a distinct Fund of the Company) and may assign to them different rights and/or restrictions with respect to voting or with respect to the general assets and liabilities of the Company.

Save as otherwise provided in the Articles or described herein (in particular under the part titled 'Voting Rights of Investor Shares' below), the Class 'A' Founder Shares are ordinary voting shares and entitle their holders to receive notice of, attend and vote at any general meetings on any matter requiring the approval of Shareholders generally (whether relating to the Company in general or any of its Funds) as contained in the Articles and/or applicable law. The holders of Class 'A' Founder Shares also have the exclusive right to appoint, remove and replace up to three (3) Founder Directors and the exclusive right to amend the Articles (without prejudice to the

rights of holders of Investor Shares in respect of variations of the rights attached to their Investor Shares and under the part titled 'Voting Rights of Investor Shares' below). The Founder Directors shall by agreement appoint a chairman of the Board of Directors from amongst themselves, and failing agreement between the said Founder Directors on the appointment of such chairman, the chairman shall be appointed from amongst the Founder Directors by the holders of Class 'A' Founder Shares, as provided in the Articles. If at any time there is only one Founder Director, such Founder Director shall *ex officio* hold the position of chairman of the Board of Directors.

The Class 'A' Founder Shares are also participating shares which entitle their holders to profits and assets of the Company available for distribution in terms of law (if any) by way of dividends and on the winding up of the Company (following the settlement of the liabilities of the Company itself, excluding liabilities of or attributable to any Fund): provided that this shall relate solely and exclusively to profits and assets of the Company constituting the general assets of the Company (essentially consisting of the capital contributed by the Founder Shareholders and any bank interest or other yield thereon), if any, and not attributable to any Fund (and the profits and assets attributable to any Fund shall be available exclusively to the creditors and holders of Investor Shares in such Fund). Save as may otherwise be provided in the Articles, Founder Shares rank *pari passu* amongst themselves in all respects.

### **Investor Shares and their Offering**

The remaining classes of Shares (i.e. other than the Founder Shares) fall under the general category of Investor Shares which constitute or are comprised in the respective Fund/s and are being or will be issued by means of, and under the terms of offering and conditions and having such rights and restrictions prescribed in, this Prospectus and the respective Offering Supplement/s of the relevant Fund/s and the Articles.

With the prior approval of the MFSA and subject to such licensing and/or other requirements set out by law or MFSA Rules and subject to the Articles, the Company may, acting through the Directors, from time to time establish a new Fund by the creation and issue of a separate class or classes of Investor Shares of the Company, and may also create and issue a new class or classes of Investor Shares in the Company which shall be comprised in an existing Fund or Funds, on such terms and with such Investor Shares being assigned such rights and restrictions as the Directors may resolve, as such terms, rights and restrictions will be set out in respective new or amended Offering Supplement of the relevant new or existing Fund (as the case may be), this Prospectus and/or the Articles.

The Investor Shares shall therefore be at the disposal of the Board of Directors, who may at any time, without prejudice to any special rights previously conferred on the holders of existing Investor Shares and without prejudice to the protection granted to existing Shareholders against variation of their class rights in terms of the Articles, offer, allot, grant options over or otherwise dispose of Investor Shares (including fractions), 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 determine. Without prejudice to the generality of the aforesaid, the Directors shall have the power to determine the investment objectives and policies and any specific investment restrictions (in addition to the generally applicable restrictions set out herein) of and applicable to any new Fund, the Reference Currency of such Fund, the Designated Currency of any new class of Investor Shares (whether comprised in a new or in an existing Fund), as well as the Initial Offer Period and Initial Offer Price and other characteristics of the offering of a new Fund or a new class of Investor Shares.

The Directors have delegated to the Administrator the duties of processing applications for subscriptions and redemptions of, or for the registration of transfers of or other transactions in, Investor Shares in the relevant Fund/s and co-ordinating payments in respect thereof, subject to the parameters set by the Company governing the role of the Administrator in relation to such tasks.

Save as otherwise stated in the respective Offering Supplement of the relevant Fund:

1. Investor Shares are ordinary shares;
2. Investor Shares in any Fund participate equally in the net assets, profits and distributions, whether by way of dividend (in case of distributor classes) or accretion to the NAV, including distributions upon liquidation, of the relevant Fund (to the exclusion of other Shares in the Company) and they rank *pari passu* and enjoy

equal rights accordingly; provided that in the case of a Fund comprising two or more classes of Investor Shares, the Directors may assign and attribute to them different rights, entitlements and restrictions in respect of assets, profits and distributions (including upon liquidation) of the Fund and otherwise and/or different fees, charges and liabilities, as provided in the respective Offering Supplement of the relevant Fund, in which case such classes shall rank between them in proportion to their respective entitlements;

3. Investor Shares do not confer pre-emption rights on their holders, whether on a new issue and allotment by the Company or on a transfer by the holder/s thereof; and

Subject to the relevant provisions of law, the Directors may from time to time split Investor Shares into shares of smaller value or integrate a number of Investor Shares into shares with a greater value. Such transactions shall be carried out based on the applicable NAV per Share on the last Valuation Day before the transaction is effected.

### **Hedged Share Classes**

The Board of Directors can offer Hedged Share Classes to mitigate against currency risk. Hedged Share Classes may be in such Designated Currencies as the Board of Directors may decide from time to time.

The Investment Manager will employ financial instruments permitted in accordance with the Investment Restrictions referred to below under the heading "Investment Objectives, Policies and Restrictions" such as foreign exchange forward contracts, as a hedge.

The Investment Manager will review hedged positions at every Valuation Day to ensure that (i) over hedged positions do not exceed 105% of the Net Asset Value of the Hedged Share Class and (ii) under hedged positions do not fall short of 95% of the portion of the Net Asset Value of the Hedged Share Class.

The performance of Hedged Share Classes aims to be similar to the performance of the equivalent share class in the Fund denominated in the Reference Currency of the Fund. There is however no assurance that the hedging strategies employed will be effective in delivering performance differentials that are reflective only of interest rate differences adjusted for fees.

Collateral received in connection with currency hedging transactions (and in particular currency forward transactions) in Hedged Share Classes may be reinvested in accordance with applicable investment objectives, policies and restrictions. These hedging transactions may be entered into irrespective as to whether the Designated Currency of the Hedged Share Class is declining or increasing in value in comparison to the Fund's Reference Currency, and so such hedging may substantially protect investors in the Hedged Share Class against a decrease in the value of the Reference Currency, but may also preclude investors from benefitting from an increase in the Reference Currency.

Investors investing in Hedged Share Classes should note that there is no guarantee that the exposure of the Designated Currency can be fully hedged against the Reference Currency of the Fund. Investors should also note that the successful implementation of the hedged strategy may substantially reduce the benefit of the Investors in the relevant Hedged Share Class as a result of a decrease in value of the Designated Currency of the Hedged Share Class against the Reference Currency of the Fund. In addition, Investors should note that in the event that they request payment of redemption proceeds in a currency other than the Designated Currency of the relevant Hedged Share Class, the exposure of that currency to the Designated Currency of the Hedged Share Class will not be hedged.

Costs and resultant gains and losses of the hedging transactions will accrue solely to the relevant Hedged Share Class. The only additional costs associated with hedging are the transaction costs relating to the instruments and contracts used to implement the hedge.

Given that there is no segregation of liabilities between Share Classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to a Hedged Share Class could result in liabilities which might affect the Net Asset Value of the other Share Classes of the same Fund.

Please refer to the risks under 'Currency Exchange Risk and Currency Hedging' set out in the Section 'Risk Factors' of this Prospectus.

### **Voting Rights of Investor Shares**

Save as otherwise stated in the respective Offering Supplement of the relevant Fund, the holders of Investor Shares shall have the right to receive notice of, attend and vote at general meetings or (as the case may be) at separate meetings of the relevant class/es of Investor Shares solely with respect to the following matters (whether or not the said matters usually require a decision by the general meeting or by the Board of the Company or otherwise) and subject to the following rules:

- (a) the appointment, re-appointment and/or removal of Directors shall be decided by Ordinary Resolution of all the Shareholders in the Company, except for the Founder Directors, who shall be appointed, re-appointed or removed exclusively by Ordinary Resolution or by letter of the Founder Shareholders, and without prejudice to the power of Directors to fill a casual vacancy until the conclusion of the next annual general meeting of the Company as provided in the Articles: provided that a holder of Investor Shares who is also a Founder Shareholder or an 'Affiliated Entity' (as defined below) of a Founder Shareholder shall not have the right to vote on such Ordinary Resolution to appoint, re-appoint and/or remove such Directors (other than the Founder Directors). For the purposes of the immediately preceding proviso, an Affiliated Entity of a Founder Shareholder shall mean a person (whether natural or legal):
  - (i) which owns (directly or beneficially) or holds fifty per cent (50%) or more of the capital or voting rights in the relevant Founder Shareholder, or in an Affiliated Entity as defined above in this paragraph (i) or in paragraphs (ii) and (iii);
  - (ii) the capital or voting rights in which are owned (directly or beneficially) or held, as to fifty per cent (50%) or more, by the relevant Founder Shareholder, or by an Affiliated Entity as defined above in this paragraph (ii) or in paragraphs (i) and (iii);
  - (iii) the capital or voting rights in which are owned (directly or beneficially) or held, as to fifty per cent (50%) or more, by a person which also owns (directly or beneficially) or holds fifty per cent (50%) or more of the capital or voting rights in the relevant Founder Shareholder, or in an Affiliated Entity as defined above in this paragraph (iii) or in paragraphs (i) and (ii);
- (b) the variation of the rights attached to a class/es of Investor Shares (whether or not such variation involves and is proposed to be effected through a change in the Articles) shall be subject to the passing of an Extraordinary Resolution of, and taken at a separate meeting of, the holders of each such class of Investor Shares whose rights are being varied and of each other class of Investor Shares affected by such variation (it being understood, for the avoidance of doubt, that where more than one class of Investor Shares are the subject of and/or are affected by such variation of rights, a separate meeting and a separate vote of each such class shall be held and taken):

Provided that where any such variation of rights is proposed to take place through a change in the Articles, the Founder Shareholders shall still have exclusive voting rights (taken at a general meeting of which they shall have the exclusive right to receive notice and to attend) with respect to such change in the Articles, but such change will not take effect unless and until the holders of the relevant class/es of Investor Shares shall have resolved in favour of the proposed variation of rights as aforesaid;

- (c) any amendment to the investment objectives or the investment policies and restrictions of a Fund shall be subject to the passing of an Extraordinary Resolution of, and taken at a separate meeting of, the holders of Investor Shares of whatever class/es in the relevant Fund (and where the Fund is constituted by more than one class of Investor Shares, it shall not be required to hold and take a separate meeting and a separate vote for each of such classes, but there shall be only one meeting at which the holders of all such classes shall vote collectively);
- (d) the appointment or replacement of the Investment Manager, the Depositary, the Administrator or the Investment Advisor (if any and to the extent that this is appointed by the Company, rather than by the Investment Manager or another person) of any Fund/s (except such appointment occurring prior to the issue of any Investor Shares in the relevant Fund/s) or any material changes to the terms of appointment of any such Service Provider which have the effect of increasing the fees and remuneration of such Service Provider (except such increases already agreed to in, and taking effect in accordance with the terms of,



the existing agreement with such Service Provider) or the effect of reducing the liability of such Service Provider, shall be subject to the passing of an Ordinary Resolution of, and taken at a separate meeting of, the holders of Investor Shares of whatever class/es in each relevant Fund (it being understood, for the avoidance of doubt, that any such decision shall require the holding and taking of a separate meeting and a separate vote of the class/es of each Fund in respect of which the relevant Service Provider has been or is to be appointed, but at the level of each Fund, where a Fund is constituted by more than one class of Investor Shares, there shall be held only one meeting at which the holders of all such classes within the same Fund shall vote collectively, except where the decision involves an increase in fees or remuneration of the relevant Service Provider attributable solely to, or some other matter affecting solely, one or some but not all such classes within the Fund, in which case there shall be held and taken a separate meeting and a separate vote for each of such affected classes within the Fund):

Provided that the right of holders of Investor Shares to receive notice of, attend and vote at meetings in respect of any of the matters stated above in this paragraph (d) shall only apply where all the Directors in office are conflicted on the relevant matter (otherwise the matter shall be resolved upon by the Director/s who may vote on such matter) and where the holder/s of the majority of the Founder Shares which would otherwise be entitled to vote on the matter in terms of the Articles are members of the same group of companies of, or otherwise linked by ownership or control to, the relevant Service Provider (otherwise the relevant matter on which all Directors are conflicted shall be resolved upon exclusively by the Founder Shareholders, as provided in the Articles);

- (e) the total redemption of all outstanding Shares in one or more Fund/s and the closure of such Fund/s (and the eventual surrender of the respective Licence/s to MFSA) shall be subject to the passing of an Extraordinary Resolution of, and taken at a separate meeting of, the holders of Investor Shares of whatever class in each relevant Fund (in other words, any such decision shall require the holding and taking of a separate meeting and a separate vote of the class/es of each Fund which is to be closed, but at the level of each Fund, where a Fund is constituted by more than one class of Investor Shares, there shall be held only one meeting at which the holders of all such classes within the same Fund shall vote collectively), and the total redemption of all outstanding Shares of one or more class/es (but not all classes) in any Fund shall be subject to the passing of an Extraordinary Resolution of, and taken at a separate meeting of, the holders of Investor Shares of each such class to be closed:

Provided that where it is proposed to close all the existing Funds as aforesaid in contemplation of a proposed dissolution and winding up of the Company by Extraordinary Resolution of the general meeting in terms of Article 214(1)(b) of the Companies Act to commence soon after the closure of all the existing Funds (or the last thereof to be closed) and to be conducted as a "members' voluntary winding up" in terms of Article 268 of the Companies Act (i.e. where the Directors have produced the declaration of solvency as mentioned in the said Article 268), the decision to close the Funds as aforesaid shall be subject to the passing of an Extraordinary Resolution of the holders of all the Investor Shares in the Company (i.e. in all existing Funds of the Company) taken at a meeting of all such holders at which they shall vote collectively;

Provided also (for the avoidance of doubt) that, without prejudice to the rights of the holders of Investor Shares as aforesaid with respect to the closure of the Funds themselves, the Founder Shareholders shall have exclusive voting rights (at a general meeting of which they shall have the exclusive right to receive notice and to attend) with respect to the Extraordinary Resolution required by Article 214(1)(b) of the Companies Act to dissolve and wind up the Company itself after the closure of all Funds;

Provided further that the right of holders of Investor Shares to receive notice of, attend and vote at meetings in respect of the matters stated above in this paragraph (e) shall not apply where the Directors are exercising their powers relating to total redemptions in and/or closure of Funds or particular classes of Investor Shares in the instances set out under paragraphs (a) to (e) of the part titled 'Unrestricted Powers of Closure or Liquidation' below;

- (f) the dissolution and winding up of any Fund/s as a "members' voluntary winding up" in terms of Article 268 of the Companies Act (i.e. where the Directors have produced the declaration of solvency as mentioned in

the said Article 268 in respect of such Fund) pursuant to an Extraordinary Resolution of the general meeting in terms of Article 214(1)(b) of the Companies Act shall be subject to the passing of an Extraordinary Resolution of, and taken at a separate meeting of, the holders of Investor Shares of whatever class in each relevant Fund (in other words, any such decision shall require the holding and taking of a separate meeting and a separate vote of the class/es of each Fund which is to be liquidated, but at the level of each Fund, where a Fund is constituted by more than one class of Investor Shares, there shall be held only one meeting at which the holders of all such classes within the same Fund shall vote collectively) and such dissolution and winding up of any specific Fund shall not require any resolution by the Founder Shareholders (which Founder Shareholders shall not have a right to vote thereon) and the Extraordinary Resolution taken by the holders of Investor Shares in such Fund shall for all intents and purposes be deemed to be the Extraordinary Resolution of the general meeting required by Article 214(1)(b) of the Companies Act to dissolve and wind up such Fund:

Provided that where it is proposed to dissolve and wind up all the existing Funds as aforesaid in contemplation of a proposed dissolution and winding up of the Company itself to commence soon after the winding up of all the existing Funds (or the last thereof to be wound up) and to be conducted as a "members' voluntary winding up" in terms of Article 268 of the Companies Act (i.e. where the Directors have produced the declaration of solvency as mentioned in the said Article 268), the decision to dissolve and wind up the Funds as aforesaid shall be subject to the passing of an Extraordinary Resolution of the holders of all the Investor Shares in the Company taken at a meeting of all such holders at which they shall vote collectively, to the exclusion of the Founder Shareholders;

Provided also (for the avoidance of doubt) that, without prejudice to the rights of the holders of Investor Shares as aforesaid with respect to the liquidation of the Funds themselves, the Founder Shareholders shall have exclusive voting rights (taken at a general meeting of which they shall have the exclusive right to receive notice and to attend) with respect to the Extraordinary Resolution required by Article 214(1)(b) of the Companies Act to dissolve and wind up the Company itself after the winding up of all Funds;

Provided further that the right of holders of Investor Shares to receive notice of, attend and vote at meetings in respect of the matters stated above in this paragraph (f) shall not apply where the Directors are exercising their powers relating to winding up of Funds set out under paragraphs (a), (b), (d) and (e) of the part titled 'Unrestricted Powers of Closure or Liquidation' below.

The right of holders of Investor Shares to receive notice of, attend and vote at meetings of the relevant class/es in respect of the matters indicated in paragraphs (b), (c) and (e) above shall apply unless (and to the extent that) the Directors resolve to obtain the consent in writing of the holders of the required majority of Investor Shares of the relevant class/es through other means as provided herein and/or in the Articles.

### **Meetings and Voting at Meetings**

Rules for the calling and conduct of meetings of the Company are contained in the Articles. Save where otherwise specified in the Articles, the rules and procedures set out in the Articles for the convening and holding of general meetings of the Company shall apply 'mutatis mutandis' to the holding and convening of separate meetings of any class/es of Shares.

At a meeting of Shareholders or of any class/es of Shareholders, the chairman shall decide whether a particular resolution put to the vote of the meeting should be decided by means of a show of hands or by means of a poll. Where the chairman chooses to proceed with a show of hands, the resolution shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the chairman or by (i) at least five Shareholders having the right to vote at the meeting on such resolution; or (ii) a Shareholder/s representing not less 10% of the total voting rights of all the Shareholders having the right to vote at the meeting on such resolution; or (iii) any Shareholder/s holding Shares in the Company conferring a right to vote at the meeting on such resolution being Shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the Shares conferring that right.

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 Articles or in the Offering Supplement of the relevant Fund, on a show of hands every Shareholder who is present in person or by proxy and entitled to vote on the relevant matter, shall be entitled to one vote,

and on a poll every Shareholder present in person or by proxy shall have one vote for every voting Share of which he is the holder (and this irrespective of the value of such Share, provided that this shall be without prejudice to the majority required for the passing of an Extraordinary Resolution in terms of the Articles). A holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. Holders of a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction. In terms of the Articles, holders of Investor Shares have the right to receive notice of, attend and vote solely with respect to the matters set out under the part titled 'Voting Rights of Investor Shares' above.

### **Amendment to the Articles**

Subject to the rights of Investor Shares set out under the part titled 'Voting Rights of Investor Shares' above, the Articles may be altered or amended by Extraordinary Resolution of the Founder Shareholders.

### **Dividends**

A class of Investor Shares in any Fund may be issued as an accumulation class (normally not entitling the respective holders to the payment of dividends) or as a distribution class (normally entitling the respective holders to the payment of dividends in terms of the distribution rules respectively applicable to it). More detailed rules are included in the section titled 'Dividend Policy and Allocation of Income' below.

### **Variation of Class Rights**

If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any then existing class of Investor Shares (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, only be varied with:

- (i) the consent in writing of the holders of not less than three-fourths ( $\frac{3}{4}$ ) of the issued Shares of that class and with the (separate) consent in writing of the holders of not less than three-fourths ( $\frac{3}{4}$ ) of any and each other class of Investor Shares affected by such variation, which consent can be obtained by the Company through a request for consents in writing in a circular sent to the holders of the affected Shares; or
- (ii) the sanction of an Extraordinary Resolution of, and taken at a separate meeting of, the holders of Shares of that class and of any and each other class of Investor Shares affected by such variation:

provided that where any such variation of rights is proposed to take place through a change in the Articles, the Founder Shareholders will have exclusive voting rights with respect to such change in the Articles, but such change will not take effect unless and until the holders of the relevant class/es of Investor Shares shall have given their consent or resolved in favour of the proposed variation of rights as aforesaid.

In terms of the Articles, it shall not be deemed to be a variation of the rights attaching to any particular class of Investor Shares, nor that any such class has been affected (a) for the Company to create, allot or issue further Investor Shares of the same class or of any other existing class comprised within the said Fund or a new class of Investor Shares within such Fund ranking *pari passu* with (or with lesser rights than) existing Investor Shares of the said Fund, or for the Company to issue any Investor Shares in any other Fund of the Company, including the creation of other Funds, or any further Founder Shares of whatever class; (b) if Investor Shares of any class are exchanged into Shares of another class upon the application of the relevant Investor as provided herein and in the Articles; and (c) if the Company or any Fund shall be wound up or closed (without prejudice to the rights of holders of Investor Shares set out under paragraphs (e) and (f) of the part titled 'Voting Rights of Investor Shares' above). Furthermore, those circumstances which are specifically stated or referred to in the respective Offering Supplement of the relevant Fund as not varying or affecting the rights of existing class/es of Investor Shares in such Fund shall, for all intents and purposes, be deemed not to vary or affect such rights of Investor Shares subscribed or acquired at the time when the Offering Supplement already contained such specification, notwithstanding that such circumstances may occur at a future date after such subscription or acquisition.

### **Redemption of Investor Shares**

Under the Companies Act, the Company is permitted to repurchase or redeem its Investor Shares without restriction. Any such Shares which have been redeemed by the Company shall be cancelled as provided in the

Articles. Redemptions of Investor Shares will be based on the NAV per Share in accordance with the Company's Articles and this Prospectus. Reference is made to the section entitled 'Redemption of Shares' below for further details.

### **Limiting Changes in Portfolio**

On any Dealing Day, a net reduction or increase in the number of Investor Shares in issue of any Fund would normally result in a reduction or increase, and other adjustments, in the portfolio of assets of that 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 Funds / Classes and/or Liquidation**

#### **Closure**

Apart from cases where the assets of a Fund are not sufficient to meet the liabilities in respect of such Fund, in which case the rules on insolvency will apply, the Company may from time to time close a Fund and surrender its Licence to MFSA, or close a class of Investor Shares in a Fund, by resolution of the Board. In cases where there are no outstanding Investor Shares in the relevant Fund / class, as a result of redemptions or exchanges of Investor Shares in such Fund / class, the Directors may resolve to close the Fund / class in question by a Board resolution as aforesaid without restriction. In cases where there are outstanding Investor Shares in the relevant Fund / class, the Company may close such Fund / class by effecting a total redemption of all Investor Shares therein (or in any other manner allowed in terms hereof or the respective Offering Supplement or the Articles) but, except in the instances referred to in paragraphs (a) to (e) under the part titled 'Unrestricted Powers of Closure or Liquidation' below, such closure may only be made with:

- (i) the consent in writing of the holders of not less than three-fourths ( $\frac{3}{4}$ ) of the value of all the Investor Shares in the relevant Fund to be closed or (as the case may be) in the relevant class to be closed (based on the respective NAV at the relevant time), or, where it is proposed to close all the existing Funds of the Company as aforesaid in contemplation of a proposed dissolution and winding up of the Company to commence soon after the closure of all the existing Funds and to be conducted as a "members' voluntary winding up" in terms of Article 268 of the Companies Act as contemplated in the first proviso to paragraph (e) of the part titled 'Voting Rights of Investor Shares' above, with the consent in writing of the holders of not less than three-fourths ( $\frac{3}{4}$ ) of the value of all the Investor Shares in the Company at the relevant time (based on the respective NAV at the relevant time), and the Company may obtain such consent through a request for consents in writing in a circular sent to the relevant Investors; or
- (ii) the sanction of an Extraordinary Resolution of, and taken at a separate meeting of, the holders of all Investor Shares (of whatever class) in the relevant Fund to be closed or (as the case may be) of the holders of Investor Shares in the relevant class to be closed, or, where it is proposed to close all the existing Funds of the Company as aforesaid in contemplation of a proposed dissolution and winding up of the Company to commence soon after the closure of all the existing Funds and to be conducted as a "members' voluntary winding up" in terms of Article 268 of the Companies Act as contemplated in the first proviso to paragraph (e) of the part titled 'Voting Rights of Investor Shares' above, with the sanction of an Extraordinary Resolution of, and taken at a separate meeting of, the holders of all Investor Shares (of whatever class) in the Company.

When a Fund / class is closed as aforesaid, all the Investor Shares in that Fund / class shall be cancelled (pursuant to the total redemption or other permissible transactions used) and the net assets attributable to such Fund / class available for distribution shall be distributed to the Investors in such Fund / class in proportion to their respective entitlements.

The MFSA must consent to the closure of a Fund / class of Investor Shares therein.

## Liquidation

Apart from the rules applicable to the closure of a Fund and the total redemption of Shares in a Fund as outlined herein and in the Articles, the Company and/or any Fund may be dissolved and wound up either voluntarily or by or under the supervision of a court of competent jurisdiction.

On a winding up of any Fund (whether the liquidation is voluntary, or under supervision or by the court) a liquidator will be appointed firstly to pay the liabilities of and attributable to the Fund out of the assets of and attributable to such Fund, and then to distribute the remaining net assets of such Fund amongst the holders of Investor Shares in such Fund, in proportion to their respective entitlements, namely it shall distribute the net assets attributable to each class of Investor Shares in such Fund *pro rata* to the number of Investor Shares of such class held by Investors in that Fund (unless otherwise stated herein or in the respective Offering Supplement or in the Articles).

The Company may be wound up (whether the liquidation is voluntary, or under supervision or by the court) following the closure or winding up of all the Funds of the Company as aforesaid. If, and only if, the Company has any general assets – not attributable to any Fund – remaining after settlement of its own general liabilities (excluding all those pertaining to and attributable to any Fund, including such proportion of the general liabilities incurred by the Company which are or are to be attributed to and paid out of the assets of any Fund by virtue of the Articles, this Prospectus and/or the respective Offering Supplement of such Fund), then the Founder Shareholders shall be entitled to a return of paid up capital out of such remaining assets and to distribution of any excess assets (over and above such return of capital) in accordance with the respective entitlements of each class of Founder Shares at that time (if more than one) and, within the same class, *pro rata* to the number of Founder Shares of that class held by the relevant Founder Shareholders at that time.

Amounts which have not been claimed by any Shareholder at the close of the liquidation of any Fund or of the Company may be deposited in an account in the Shareholder's name with a trustee selected by the liquidator (whose fees shall be payable out of such amounts so deposited). Any such amount not claimed within a period of seven years may be donated to a Maltese enrolled voluntary organisation selected at the discretion of the trustee, and the Shareholder will forfeit any rights thereto.

The Company or any Fund may be put in dissolution or liquidation in terms of Maltese applicable laws and the Articles. Without prejudice to the aforesaid and except in the instances referred to in paragraphs (a), (b), (d) and (e) under the part titled 'Unrestricted Powers of Closure or Liquidation' below, the dissolution and winding up of any Fund/s and/or of the Company as a whole (and consequently of all the Funds therein) as a "members' voluntary winding up" in terms of Article 268 of the Companies Act (i.e. where the Directors have produced the declaration of solvency as mentioned in the said Article 268) pursuant to an Extraordinary Resolution of the general meeting in terms of Article 214(1)(b) of the Companies Act (hereinafter referred to as a "Voluntary Liquidation") shall be subject to the following rules:

- (i) such Voluntary Liquidation of any Fund shall be subject to the passing of an Extraordinary Resolution of, and taken at a separate meeting of, the holders of all Investor Shares (of whatever class) in the relevant Fund, or, where it is proposed to effect a Voluntary Liquidation of all the existing Funds of the Company as aforesaid in contemplation of a proposed Voluntary Liquidation of the Company to commence soon after the liquidation of all such existing Funds, the Voluntary Liquidation of all Funds shall be subject to the passing of an Extraordinary Resolution of the holders of all the Investor Shares in the Company taken by collective vote at a separate meeting of all such holders (to the exclusion of the Founder Shareholders), and (for the avoidance of doubt) the Extraordinary Resolution so taken by the holders of Investor Shares in the relevant Fund or (as the case may be) the Extraordinary Resolution taken by the holders of all Investor Shares in the Company as aforesaid shall for all intents and purposes be deemed to be the Extraordinary Resolution of the general meeting required by Article 214(1)(b) of the Companies Act for the Voluntary Liquidation of the relevant Fund or (as the case may be) of all the Funds, and the Founder Shareholders shall not have a right to vote on such Voluntary Liquidation of the Fund/s;
- (ii) where it is proposed to have the Voluntary Liquidation of the Company as a whole (including all its Funds), without prejudice to paragraph (i) above with respect to the Voluntary Liquidation of the Funds, the Founder Shareholders shall have exclusive voting rights (taken at a general meeting of which they shall

have the exclusive right to receive notice and to attend) with respect to the Extraordinary Resolution required by Article 214(1)(b) of the Companies Act to dissolve and wind up the Company itself after the winding up of all Funds.

Any Proceedings (which for the purposes of this paragraph refers to any proceedings for voluntary or judicial dissolution and winding up of companies under Title II of Part V of, and proceedings for company reconstructions under Part VI of, the Companies Act) in relation to the Company shall respect the legal status of each Fund as a patrimony separate from the assets and liabilities of each other Fund and Proceedings under the Companies Act shall apply *mutatis mutandis* to each Fund as though it were a distinct legal entity and with such modifications as are necessary to accommodate the fact that a Fund is not a company. Any Proceedings in relation to any one Fund shall not have any effect on the assets of any other Fund or of the Company itself, and if the assets of any one Fund are not sufficient to meet the liabilities of that Fund, the assets of the other Funds and of the Company will not be available to meet any such shortfall.

Unless otherwise provided in the Offering Supplement of the relevant Fund or otherwise required by law, payment of liquidation proceeds will generally be made in the manner described under the section titled 'Payments to Shareholders' below (including the possibility of payments *in specie* in certain circumstances).

### **Unrestricted Powers of Closure or Liquidation**

The voting rights and powers of holders of Investor Shares under paragraphs (e) and (f) of the part titled 'Voting Rights of Investor Shares' above and under the parts titled 'Closure' and 'Liquidation' above shall not apply, and the Company may proceed to close any class/es of Investor Shares in any Fund or to close any Fund/s merely by resolution of the Board or to dissolve and liquidate any Fund/s by Extraordinary Resolution of the Founder Shareholders, in the following circumstances:

- (a) where the Company decides to repurchase all the Investor Shares in the Company and to close all the Funds of the Company, or to liquidate all such Funds, in circumstances where after the second anniversary of the Licence Issue Date of the first Fund created by the Company, the NAV of all the Investor Shares in the Company (i.e. in all the Funds existing at the relevant time), calculated in accordance with the Prospectus, shall for six consecutive months be less than euro five million (€ 5,000,000);
- (b) where the Company decides to repurchase all the Investor Shares in a Fund and to close such Fund, or to liquidate a Fund, in circumstances where after the second anniversary of the Licence Issue Date of such Fund, the NAV of such Fund, calculated in accordance with the Prospectus, shall for six consecutive months be less than euro two million (€ 2,000,000);
- (c) where the Company decides to repurchase all the Investor Shares of any class in a Fund and to close such class, in circumstances where after the second anniversary of the Licence Issue Date of the relevant Fund or (where applicable) from the subsequent date of creation of the relevant class, the NAV of such class, calculated in accordance with the Prospectus, shall for six consecutive months be less than euro one million (€ 1,000,000);
- (d) where the Company decides to repurchase all the Investor Shares in any Fund/s of the Company and to close such Fund/s, or to liquidate any Fund/s, in circumstances where following five (5) months from the event giving rise to the termination of the appointment of the respective Depositary of such Fund/s, a replacement depositary has not been found;
- (e) where applicable, in case of closure or liquidation of a Fund on the expiry of its definite term / duration.

**Directors**

The Company and its business is managed by its Board of Directors, composed of a minimum of four (4) and a maximum of seven (7) Directors approved by the MFSA, and who are appointed, removed and replaced as provided in the Articles. The Directors are responsible for the general governance of the Company and its administration and management and for the course of conduct and general supervision of its business affairs, and for the determination and implementation of the investment objectives and policies of each Fund. The current Directors of the Company are:

**Mr Lawrence Zammit**

Lawrence Zammit is a founding partner and a director of MISCO, the leading independent Maltese management consultancy, training and marketing research company.

Lawrence also has direct hands on experience in leading organisations, serving and having served on the board of directors of a number of companies and corporations. He is currently chairman of the board of directors of Atlas Insurance PCC Limited and Grand Harbour Marina plc and a member of the board of directors of PG plc, Mariner Finance plc, Loqus Holdings plc, Exalco Finance plc and XNT Limited.

He was also chairman of the board of directors of Vilhena Funds Sicav plc, Malta Enterprise, the Employment and Training Corporation, Air Malta plc and Malta International Airport plc, as well as deputy chairman of APS Bank Limited.

Lawrence is actively involved in a number of community and non-profit activities focused on social issues.

**Mr Stephen Paris**

Stephen is an accountant and auditor by profession having completed his ACCA final exams in 1989. He spent 30 years in the profession with Deloitte Malta and was admitted as a partner in 2000. Over the past 19 years Stephen served in various leadership roles at Deloitte as Head of Audit, Financial Services Industry Leader and Head of Risk and Regulatory Advisory.

Throughout his career, Stephen has led numerous audit and non-audit assignments for a variety of clients – private, public, listed, state owned, foreign owned, family businesses, regulated entities as well as organisations operating in a variety of sectors including financial services, leisure, entertainment, real estate, transportation, manufacturing, import/distribution, retailing etc.

As the jurisdiction evolved to an attractive financial services centre, Stephen focused his efforts on this sector and transformed his client portfolio exclusively to entities regulated by the Malta Financial Services Authority, leading several audit and advisory engagements to clients involved in this sector.

Stephen was a council member of the Malta Institute of Accountants and lecturer in auditing for several years.

**Dr. Joseph Borg Bartolo**

Joe Borg Bartolo is a partner in the corporate, insurance and general commercial practice group of Mamo TCV Advocates. As counsel to leading insurance companies and insurance brokers operating both in the Maltese and European markets he has gained invaluable experience in the insurance field generally. He is involved in several immovable property transactions on a continuous basis, mainly in the commercial property sector.

With a wide array of commercial clients he is mostly well known for blending legal knowledge and advice with practical commercial experience and expedience necessary in order to get the deal done. He is also very experienced in dispute resolution and has acted in a number of instances to resolve issues without the necessity of allowing the matter to be contested in judicial fora.

**Mr. Paul Mercieca**

Paul Mercieca was Chief Executive Officer of Deloitte, Malta – having held this position for the past eighteen years. Paul retired from this position as at 31 December 2013.

Paul is also responsible for a number of clients operating in various sectors of the economy. He served as a member of the Accountancy Board for eight years between 1988 and 1996 and is a former member of Council of the Malta Institute of Accountants. Paul was also the Chairman of the Institute's Risk Management Committee and served on the Independence, Ethics and Regulatory Committee.

### **Company Secretary**

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

### **Other Matters**

The business address for the Directors is the same as the correspondence address of the Company as set out in this document.

The Company has also engaged an Investment Committee and the Investment Manager to assist it in the management of the assets of each Fund and to provide the respective services set out under the sections 'Investment Committee' and 'Investment Manager, Depositary, Administrator and their Delegates' below.



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## Investment Committee

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The Board of Directors retains overall responsibility for the implementation of the investment objectives and policies of the Company in respect of each Fund, directing the investment management of its assets and in the management and monitoring of risk. In this regard, the Board has established and will receive support from the Investment Committee.

The Investment Committee shall meet at least quarterly and in any case as frequently as necessary with the majority of meetings being physically held in Malta.

Under its terms of reference, as adopted by the Board, the Investment Committee shall be responsible for the following matters, under the general direction and supervision of the Board and with the support provided by the Investment Manager in the execution of the functions delegated to it in terms of the Investment Management Agreement:

- i. to monitor and review the investment policy/ies (as may be set out herein and/or in the respective Offering Supplement) and performance of the Funds;
- ii. to establish and review regularly appropriate guidelines and parameters for the general investment strategy relating to the management of the assets of the Funds;
- iii. to issue rules for stock selection and to set the portfolio structure and asset allocation;
- iv. to make recommendations to the Board of Directors of the Company; and
- v. to monitor and review the activities of the Investment Manager.

The Investment Committee shall report to the Board of Directors on the activities and the performance of the Company and its Funds.

The members of the Investment Committee are described below.

### **Mr. Jesmond Mizzi**

Jesmond Mizzi is the Managing Director of Jesmond Mizzi Financial Advisors Limited (the Investment Manager) and has been involved in the financial services industry for sixteen years.

In 2002 he co-founded Jesmond Mizzi Financial Services Limited (now re-named Jesmond Mizzi Financial Advisors Limited) after having served as finance and compliance manager, as well as investment and sales director, of a listed local financial services company in Malta. He also served as a member of the investment committee of a local SICAV.

Prior to moving to the financial services sector, he spent six years managing a family catering business. He also served as a director of Premier Capital plc, which is the franchisee of McDonalds in Malta, Latvia, Lithuania and Estonia, and headed the audit committee of the same company. He resigned following regulatory changes introduced by the Malta Financial Services Authority.

Jesmond spent seven years at PricewaterhouseCoopers where he obtained extensive auditing skills, and he is an affiliate member of The Association of Chartered Certified Accountants (ACCA). He attended St. Edwards College in Malta and studied in the UK to complete his ACCA.

Jesmond is a business columnist on The Times, The Sunday Times and Business Times, and is a weekly guest on two television financial programs. He also served as President of the Malta Investment Funds Association and Chairperson of the Financial Services Consultation Council within the Malta Financial Services Authority.

### **Dr. Mark Azzopardi**

Dr. Mark Azzopardi obtained a degree in Bachelors of Commerce, majoring in Economics and Management from the University of Malta and a Masters of Arts in Finance from Regents College London, specialising in financial risk management and structured investment products.

In December 2010 he graduated magna cum laude with a doctorate degree in business administration specialising in alternative investment strategies.

Mark held the post of chief financial analyst at a publicly listed financial services organisation and was a member in the advisory committee on two SICAVs.

Today, Mark holds various directorships and he also sits on a number of investment committees within the insurance industry.

Mark is a visiting lecturer at the University of Malta.

Mark is an executive director of Jesmond Mizzi Financial Advisors Limited (the Investment Manager). He is the director responsible for asset management.

### **Mr. Gianmarco Guadalupi**

From 2005-2013 Gianmarco Guadalupi held the post of Senior Consultant, within FEC Financial Engineering GmbH, in Hamburg. His main duties were to act as an independent advisor on structured products and derivative strategies covering qualified and institutional investors (banks, asset managers, family offices, pension funds and insurance companies) in Switzerland, Italy, Malta and San Marino. In addition, he was also responsible for designing and marketing innovative derivatives products across various assets classes (equity, fixed income, FX, commodity and funds). Aiming to optimise the risk-return profile of clients' portfolio.

Currently Gianmarco holds a directorship at i-Capital AG, Pfäffikon, Switzerland, a company with over eight years experience in capital markets with a focus on structured investment solution advisory. The company is considered a specialist in tailor made development and engineering of derivative instruments for institutional investors and high-net-worth individuals.

Mr. Gianmarco Guadalupi shall carry out functions as a member of the Investment Committee and shall be consulted and have voting rights solely with respect to assets consisting of FDIs or Transferable Securities (such as structured financial instruments) embedding FDIs.

Decisions and voting rights with respect to the said FDIs or Transferable Securities embedding FDIs shall be taken jointly by Dr. Mark Azzopardi and Mr. Gianmarco Guadalupi, to the exclusion of other Investment Committee members.

In respect of any Fund, the Board may, with the prior approval of MFSA, appoint any additional member/s of the Investment Committee or appoint an Investment Committee with a different composition, the details whereof will be disclosed in the respective Offering Supplement, and unless so disclosed the Investment Committee composition as set out above will apply to such Fund.

Each of the members of the Investment Committee has accepted to act as a member of the Investment Committee, subject to the terms and conditions set out in the terms of reference of the Investment Committee adopted by the Board and regulating other matters such as fees and confidentiality.

### **Mr. Marc El-Lazidi**

Mr Marc El-Lazidi obtained a Master degree in Quantitative Economy from the University of Geneva. He started his career as quantitative analyst at Edmond Rothschild Asset Management in 1998 based in Geneva, Switzerland. He moved to Lombard Odier Private Bank as global risk manager in 2001 for a year. From 2002 to 2013, Marc was at Edmond Rothschild Asset Management where he held the post of Senior Investment advisor with the rank of vice president in the hierarchy. He moved to London in 2013 for Edmond Rothschild Asset Management (UK)

as Senior Investment Manager and lead manager for the fund: EdR Prifund Commodities until 2016. In March 2017, Marc moved to Jesmond Mizzi Financial Advisors LTD as Chief Investment Officer.

### **Investment Manager**

The Company has appointed **Jesmond Mizzi Financial Advisors Limited** as the Investment Manager to its Funds pursuant to the Investment Management Agreement between the Company and the Investment Manager.

The Investment Manager is a limited liability company registered in Malta on 9 September 2002, with registration number C30176, and with its registered office being situated at 67, Level 3, South Street, Valletta, Malta. The Investment Manager is licensed (and regulated) by the MFSA to provide 'inter alia' investment management services to all categories of clients (including CISs) in respect of Transferable Securities, Money Market instruments and units in CISs as well as investment advice to all categories of clients (including CISs) in respect of the above-mentioned classes of investments, and various derivative instruments.

The Investment Manager may from time to time in future provide management and ancillary services to other funds and entities in and / or outside Malta.

As at the date hereof the Investment Manager has an issued share capital of EUR 279,553.40, which has been fully paid up.

The Directors of the Investment Manager are:

#### **Mr. Jesmond Mizzi**

Please refer to the section 'Investment Committee' above.

#### **Mr. John Catania**

John Catania commenced his career with Bank of Valletta p.l.c. in 1976 and he spent 10 years working at one of Malta's leading banks. During this time, he was exposed both to retail as well as to corporate clients. John obtained extensive experience in the lending arm of the bank, particularly in assessing new business ventures and ongoing business financing.

John later held the post of general manager for a group of companies in the manufacturing industry employing over 400 employees for 13 years.

For a period of four years, John worked for a locally-based financial services public company, two years of which he headed the retail sales team, and he was later appointed as the assistant head of the Wealth Management Division.

In May 2000, John obtained the International Certificate for Financial Advisers from the Chartered Insurance Institute (UK) and a year later he completed the Financial Services Foundation Certificate at the Malta International Training Centre. In March 2005 he was awarded the certificate in Trust Law & Administration from the Institute of Financial Services Practitioners, Malta.

#### **Dr. Mark Azzopardi**

Please refer to the section 'Investment Committee' above.

#### **Mr Mark Camilleri**

Mr. Mark Camilleri obtained an Honours degree in Economics from the University of Malta. He then read for a Masters of Science in Finance at Imperial College London, and also completed the ACCA qualification. Mark is an executive director of Bathroom Design Ltd and Vivo Bathrooms & Ceramics Ltd. Both companies operate in the retailing of sanitary ware and flooring products. In 2018, Mark was appointed to the board of the Investment Manager as a non-executive director.

#### **Mr. Michael Gatt**

Mr. Michael Gatt, is the CEO and Managing Director of Atlas Insurance PCC Ltd.

He is a Director of Atlas Holdings Ltd and of the other companies in the Atlas Group including Atlas Healthcare Insurance Agency Ltd which represents AXA PPP healthcare Ltd and Ark Insurance Management (Malta) Ltd .

He commenced his working life in insurance with Thos C Smith Insurance Agency Limited. He then became Managing Director of Capital Insurance Services Limited, agents for AXA Assurances. Capital Insurance Services Limited merged with Atlas Insurance Agency in 2000 when he became Director in charge of Sales. Atlas Insurance Agency became a local insurance company in 2004 when he was appointed Joint Managing Director. He -became CEO and Managing Director in 2005.

### **Matthew von Brockdorff**

Matthew von Brockdorff FCII, Chartered Insurer, Deputy Managing Director – Atlas Insurance PCC Ltd.

Matthew is a fellow of the Chartered Insurance Institute and has been working in the insurance industry for over twenty-seven years.

In 1998 and 1999 he played a key role in the merger of the family businesses that formed Atlas Group. In 2004 he was part of the team involved in converting Atlas Insurance from an agency of AXA Insurance plc to an insurance company and in 2006, to the first Protected Cell Insurance company in Europe.

At Atlas he is directly responsible for Claims and IT as well as Property Management and Malta Insurance Association affairs. He is also a member of various board committees.

He is a director of Atlas Holdings Ltd, Atlas Insurance PCC Ltd, Atlas Healthcare Insurance Agency Ltd, Ark Insurance Management PCC Ltd, Ark Insurance Brokers Ltd and Jesmond Mizzi Financial Advisors Ltd.

He is a past president of the Insurance Trade Sector of the Chamber of the Commerce, and a past president of the Malta Insurance Association.

In his spare time, Matthew is an also a past president of the Rotary Club La Valette Malta, a board member of JA-YE Young Enterprise, and a member of the Executive Committee of Fondazzjoni Patrimonju Malti.

### **Mr. Ian Edward Stafrace**

Ian-Edward Stafrace is Chief Strategy Officer of Atlas Insurance also leading its digital business transformation and strategic technology investments together with the adoption of agile culture and management. He heads its BI Analytics and international business teams and is a member of its Executive Committee, Risk & Compliance, IT and Protected Cells Committees.

He joined Atlas in 2000 in commercial underwriting. Amongst his various roles, he led the formation of its risk and regulatory functions taking on the position of Chief Risk and Compliance Officer before moving into strategy in 2019. Between 2015 and 2019 he was also Chair of the Risk and Regulatory Committee of Merrill SICAV plc from its formation as a multi-fund UCITS collective investment scheme. In 2020, he was appointed to the board of Jesmond Mizzi Financial Advisors as a non-executive director.

Ian-Edward cofounded and was past president of the Malta Association of Risk Management (MARM), a member of the Federation of European Risk Management Associations (FERMA), to help promote and advance risk management in Malta. He is an MSc Risk Management graduate with distinction from Birmingham City University, Fellow of the Chartered Insurance Institute and Certified Fellow of the UK Institute of Risk Management.

### **Ms. Catherine Calleja**

Catherine Calleja has been working in the insurance industry since 1988. She holds a first class honours degree in business (Business Management University of Malta graduated 1989) and passed her ACII examinations in 1995 and is a Chartered Insurer.

Ms Calleja worked in the UK with Guardian Royal Exchange prior to starting work at Formosa & Camilleri in 1989 and is now a Director and Company secretary of several Atlas Group companies, including Atlas Insurance PCC Limited. She is also responsible for marketing, human resources development and administration for the group

as well as being Managing Director of Atlas Healthcare Insurance Agency, local agents for AXA PPP healthcare Limited.

Ms Calleja also takes an active role in the Malta Insurance Association being a council member and until recently, chairman of the Health Sector Group. She represents the association regularly in various meetings with government and constituted bodies. She also chairs the Human Resources Committee of the Chamber of Commerce and regularly lectures a course for final year students taking an honours degree in insurance within the Faculty of Economics Management and Accountancy and has been involved in training on an occasional basis for over 15 years.

In terms of the Investment Management Agreement/s entered into in respect of the relevant Fund/s, the Investment Manager is responsible for the day to day investment management of the respective assets of the Fund/s in accordance with the respective investment objectives, policies, strategies and restrictions set out herein and in the respective Offering Supplement and the rules and guidelines issued by the Investment Committee from time to time, and to implement the Company's risk management policy and procedures in respect of the Fund/s. The Investment Manager is also responsible for the distribution of the Investor Shares of the Company comprised in its Funds. The Investment Manager does not assume any responsibilities for activities not explicitly provided for in the Investment Management Agreement.

The Investment Manager may, subject to the written approval of the Company, and subject to the relevant provisions of the relevant Investment Management Agreement and the applicable laws, (i) appoint and retain investment advisors, consultants and other third parties to assist it in and/or delegate all or part of its investment management (including risk management) and marketing functions in relation to the Funds, and generally in the performance of its duties under this Agreement; and (ii) appoint agents, distributors or other intermediaries or referees or client introducers to promote the Funds and/or to sell or assist in selling the Shares of the Funds in accordance with the Investment Management Agreement, the Prospectus, and applicable laws. The fees, remuneration and reimbursement of costs and expenses due to such persons shall, unless otherwise agreed with the Company, be borne by the Investment Manager.

The Investment Manager and the Company are entitled to terminate the relevant Investment Management Agreement in respect of any Fund by giving six (6) months' notice to the other party in writing. The Investment Management Agreement may also terminate or be terminated upon the occurrence of specified events, for example, the insolvency of any party (or the relevant Fund) or in case of material breach of obligations by the other party.

Each Investment Management Agreement also provides that the Investment Manager shall not be liable to the Company, the Fund or Investors or any other person, for any loss or damages caused or liabilities incurred in the performance of its functions and duties under the Investment Management Agreement, for any error of judgment, or prejudice or loss suffered in connection with the subject matter of the Investment Management Agreement or any matter or thing done or omitted to be done by the Investment Manager in pursuance of the Investment Management Agreement, except where such loss or damages are caused or liabilities are incurred as a result of any act or omission of the Investment Manager which is attributable to the fraud, wilful default or negligence, including the unjustifiable failure to perform in whole or in part its obligations under the Investment Management Agreement, on the part of the Investment Manager. The liability of the Investment Manager for its own acts or omissions as aforesaid shall not be affected or reduced as a result of the Investment Manager delegating functions and duties to a third party; provided that:

- where the Investment Manager delegates functions and duties to a third party which is a group company of the Investment Manager, without prejudice to the liability of such third party, the Investment Manager shall be liable for any loss or prejudice suffered by the Company, the relevant Fund or the Investors as a result of the acts, omissions or insolvency of such third party;
- where the Investment Manager delegates functions and duties to a third party which is not a group company of the Investment Manager, without prejudice to the liability of such third party, the Investment Manager shall be liable for any loss or prejudice suffered by the Company, the relevant Fund or the Investors as a result of the acts or omissions of such third party, unless the Investment Manager can prove that the third party was and remained qualified and competent to carry out the functions and duties delegated to it and that the Investment Manager exercised reasonable care to oversee that the functions and duties delegated were undertaken by the third party competently; provided that the fact that any loss or prejudice is suffered

by the Company, the relevant Fund or the Investors as a result of the acts or omissions of the third party, does not in itself mean that the Investment Manager did not appoint a third party which was and remained qualified and competent to carry out the functions and duties delegated to it, and it shall be presumed that (i) the Investment Manager appointed a third party which was and remained qualified and competent to carry out the functions and duties delegated to it, if the Investment Manager appointed a third party of repute, regulated in the relevant jurisdiction (if so required by the law applicable in that jurisdiction) to carry out the functions and duties concerned, and (ii) the Investment Manager exercised reasonable care to oversee that the functions and duties delegated were undertaken by the third party competently, if it received regular reports of the activities of the third party in a timely fashion as per the terms of the agreement by which the delegation was made and if the Investment Manager was not aware or ought not to have been aware of any facts, events or circumstances showing or reasonably implying that the third party did not act competently. For the avoidance of any doubt, the Investment Manager shall not be liable for any loss or prejudice suffered by the Company, the relevant Fund or the Investors as a result of the insolvency of the third party;

- where the Investment Manager delegates functions and duties to a third party in accordance with specific written instructions from the Company, the Investment Manager shall not be liable for any loss or prejudice suffered by the Company, the relevant Fund or the Investors as a result of the acts or omissions of the third party to whom functions and duties are delegated as requested by the Company. For the avoidance of any doubt, the Investment Manager shall not be liable for any loss or prejudice suffered by the Company, the relevant Fund or the Investors as a result of the insolvency of such third party.

Furthermore, the Company has undertaken to hold harmless and indemnify the Investment Manager, out of the assets of the relevant Fund, against all actions, proceedings, claims, demands, costs, expenses, damages and liabilities which may be brought against, suffered or incurred by the Investment Manager, by reason of (i) the performance of its obligations or functions in respect of the relevant Fund under the terms of the Investment Management Agreement, except such as shall arise from fraud, willful default or negligence of the Investment Manager, including the unjustifiable non-performance of its obligations or duties under the Investment Management Agreement or any breach of any applicable laws by it; and (ii) any act or omission of the Investment Manager in good faith in pursuance of directions or instructions of the Directors, the Investment Committee or of any person authorised to give such directions or instructions by the Company.

Each Investment Management Agreement is governed by the laws of Malta and disputes, controversies or claims arising out of or in relation to the Investment Management 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.

In consideration of its services to each Fund, the Investment Manager is entitled to receive fees from the assets of the relevant Fund as well as reimbursement of expenses, as set out under the section 'Fees, Charges and Expenses' below and in the respective Offering Supplement.

In respect of any Fund, the Company may, with the prior approval of MFSA, appoint a different or additional Investment Manager, the details whereof (including details of the respective terms of appointment under the respective Investment Management Agreement) will be disclosed in the respective Offering Supplement, in which case references to the 'Investment Manager' in the Prospectus (except in the foregoing paragraphs of this part 'Investment Manager') shall be construed as references to, or as including, such other or additional Investment Manager.

## **Depositary**

Pursuant to a custody agreement (the "Depositary Agreement") entered into between the Company in respect of each Fund, the Investment Manager and the Depositary, the Company has appointed the latter as the custodian of its Funds.

The Depositary is incorporated in Malta as a private limited liability company with the registration number C 57936. The Depositary is licensed by the MFSA, inter alia, to act as custodian of all types of collective investment schemes. The Depositary's registered office is situated at Palazzo Spinola, 46 St Christopher Street, Valletta, Malta. The Depositary forms part of the Swissquote Group, with its parent Swissquote Group Holding Ltd listed on the SIX Swiss Exchange.

In terms of the Depositary Agreement, the Depositary will act as custodian of the Funds, responsible for the safekeeping, oversight and cash monitoring services of the respective assets of the Funds. The Depositary will in particular, in accordance with and subject to the provisions of the Depositary 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 Funds which can be physically delivered to the Depositary, 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 Depositary; and which satisfy the criteria set out in the Depositary Agreement (the "Instruments"); and
- (b) in relation to other assets (as defined in the Depositary Agreement) 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) and (b) above, as defined and of the type described in the Depositary Agreement, and which are not in the countries and markets listed in the Depositary Agreement, at any time.

The Depositary has agreed, in accordance with the provisions of the Depositary Agreement, to hold or procure to be held to its order, the assets of the Company and its Funds, separately identifiable from its own and any other assets, to collect all payments in respect of the assets, and to perform a supervisory role as required by the UCITS Directive and applicable law, rules and regulations.

The Depositary shall also be responsible for supervising the operation of the Company to ensure that the Investment Manager complies with the investment objectives, policies and restrictions of the Funds. Furthermore, the Depositary shall ensure that any performance fee payable to the Investment Manager of the Fund or other persons as per a Fund's Offering Supplement is payable in accordance with the Investment Services Act (Performance Fees) Regulations, 2011 (S.L. 370.12).

The Administrator is responsible for the calculation of the NAV of the Funds. However, the Depositary shall ensure that the NAV of the Funds is calculated in accordance with the Articles and/or the Prospectus. The Depositary will also:

- (a) ensure that the sale, issue, repurchase and cancellation of Investor Shares effected by or on behalf of the Company are carried out in accordance with the applicable law, the Prospectus and the Articles;
- (b) ensure that in connection with transactions involving securities and other assets that payment is received for the account of the relevant Fund within the customary time limits in the context of a particular transaction;
- (c) ensure that all income collected shall be applied in accordance with the provisions of the Articles and the Prospectus; and
- (d) 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 Funds in terms of the applicable law, rules and regulations from time to time.

The Depositary shall also ensure that the cash flows of the Company are properly monitored and that payments made by, or on behalf of, investors upon the subscription of units of the Company have been received and that all cash of the Company has been booked in cash accounts, as stipulated by the UCITS Directive and the Investment Services Act (Custodians of Collective Investment Schemes) Regulations, 2016.

The Depositary may delegate all or part of its services, functions and duties under the Depositary 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 Depositary Agreement and subject to applicable law, rules and regulations.

The Depositary Agreement contains provisions whereby the Depositary shall be liable to the Company and the investors, for the loss of instruments held in custody by the Depositary or a sub-custodian to whom the custody of such instruments in accordance with the Depositary Agreement has been delegated. In the case of such a loss of an instrument held in custody, the Depositary 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 Depositary 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 Depositary shall also be liable to the Company and the investors for all other losses, suffered by them as a result of the Depositary'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 Depositary as mentioned above directly or indirectly through the Company, provided that this does not lead to a duplication of redress or to unequal treatment of the investors. The Depositary'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 Depositary in respect to the matters above, in respect of other matters the Depositary 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 Depositary or any of its delegates in connection with the subject matter of the Depositary Agreement or in the provision of the services under or pursuant to the Depositary Agreement, save and to the extent that the Company suffers any loss or prejudice arising from the gross negligence, willful default or fraud on the part of the Depositary.

The Depositary, its delegates and other companies within its group and its officers, agents and major shareholders are or may be involved in other financial, brokering, investment or other related professional activities, which in the course of their business may on occasion give rise to conflicts of interest with the Company. In such circumstances, the duty to act in the best interests of the Company is incumbent on the Depositary in the performance of its duty as Depositary under the Depositary Agreement.

The Depositary, the Company and the Investment Manager are entitled to terminate the Depositary Agreement by giving three (3) months' prior notice in writing at any time. The Depositary Agreement may also be terminated forthwith upon the occurrence of specified events therein mentioned, including insolvency and the material breach of obligations under the Depositary Agreement. In the event of termination of the Depositary Agreement, such termination will not take effect until the earlier of the appointment of a successor custodian or the liquidation of the Company and its Funds as set out in the Articles.

The Depositary 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 customary agency charges paid by the Depositary to any sub-custodian as more fully described in the Depositary Agreement.

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

The Depositary does not act as a guarantor or offeror of the Investor Shares or any underlying investment. Moreover, the Depositary is not responsible for any trading or investment decisions of the Company and/or the Investment Manager, or the effect of such trading decisions on the performance of the Company.

The Depositary is not responsible for the preparation or issue of this Prospectus other than with respect to information concerning the Depositary including the above summary details.

According to the Depositary Agreement, Swissquote Bank Ltd., a company established under the laws of Switzerland with registration number CH-550.1.020.415-9 and registered office at Ch. De La Cretaux 33, Gland CH-1196, Switzerland shall be appointed as sub-custodian. In specific circumstances, Swissquote Bank Ltd. may be appointed as paying agent to the Company, upon separate terms and conditions being agreed to between Swissquote Bank Ltd. and the Company.

### **Administrator**

The Company has appointed **BOV Fund Services Limited** as administrator of the Company's Funds pursuant to the Administration Agreement.

The Administrator is a limited liability company registered in Malta with its registered office situated at the address shown in the 'Directory' above. The Administrator is recognised (and regulated) by the MFSA to provide fund administration services (including registrar and transfer agency services) to CISs. The Administrator forms part of the Bank of Valletta Group.

The Administrator provides administration services to various other funds and entities in and / or outside Malta.

In terms of the Administration Agreement, the Administrator is responsible for, *inter alia*, the general administration of the Company and the relevant Funds in accordance with the terms of the Administration Agreement and with such reasonable directions as may be given by the Company or its duly authorised delegates, which includes keeping the register of Shareholders, keeping and safe-keeping of the records, financial statements and accounts of the Company, accounting and financial reporting services, calculating the Net Asset Value, arranging for the issue and redemption of Investor Shares, transfer agency services, co-ordination of payments (including payments from or to Investors and payments of fees and remuneration due to service providers (as defined in the Administration Agreement) of the Fund/s). The Administrator does not assume any responsibilities for activities not explicitly provided for in the Administration Agreement.

The Administration Agreement stipulates that the Administrator is not required and is under no obligation to value underlying assets in calculating the NAV and/or verify pricing information. Accordingly, in calculating the NAV, the Administrator shall rely in absolute terms upon the Company, its delegates or the relevant service providers (as defined in the Administration Agreement) for the purpose of providing the valuation of the underlying assets of the Fund/s. In calculating the NAV, the Administrator will (in the absence of fraud, gross negligence or wilful default on the part of the Administrator) not be liable for any loss suffered by the Company, the Investment Manager, the Depositary or any Shareholder and/or third party by reason of any error thereto resulting from any inaccuracy or incorrectness in the information provided to the Administrator by the Company or any delegate thereof.

The Administrator is a service provider to the Company and in such capacity it does not act as guarantor of the Investor Shares, has no responsibility or authority to make trading or investment decisions, or render investment advice, with respect to the assets of any Fund, and has no responsibility for the effect of trading or investment decisions made by others on the performance of any Fund or the Company. The Administrator is not responsible for, and accepts no responsibility or liability for any losses suffered by the Company and/or the Investment Manager or any Investors in the Company as a result of any failure by the Company and/or the Investment Manager to adhere to the applicable investment objectives, policies, restrictions, or operating guidelines.

The Administration Agreement contains provisions to the effect that the Administrator shall not be liable for any error of judgment of, or loss suffered by the Company or any Shareholder in connection with the subject matter of the Administration Agreement, or any matter or thing done or omitted to be done by the Administrator in pursuance thereof howsoever any such loss may have occurred, unless such loss or disadvantage arises from fraud, willful default, gross negligence, including unjustifiable failure of the Administrator or persons designated by it to perform in whole or in part their obligations under the Administration Agreement or any breach thereof, or where such loss or disadvantage arises from breach by the aforesaid persons of any applicable laws. It should be noted that by referring to gross negligence of the Administrator, the Administration Agreement is effectively exonerating the Administrator from liability for ordinary negligence of the Administrator.

The Company has also agreed to indemnify and hold harmless the Administrator against all liabilities, damages, actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Administrator, by reason of the performance of its obligations or functions under the terms of the Administration Agreement, except such as shall arise from fraud, willful default or negligence including unjustifiable failure of the Administrator or persons designated by it to perform in whole or in part their obligations under the Administration Agreement or any breach thereof, or where the Administrator or persons designated by it, are in breach of any applicable laws.

In terms of the Administration Agreements, the Administrator may, subject to the approval of the Company and to the extent permitted by applicable laws (and subject to the prior approval by the MFSA, as may be required), delegate the whole or part of its functions under the Administration Agreement to any person, firm or company. However, the Administrator shall, notwithstanding that the Company has approved such delegation, retain full responsibility for the acts of any persons whom the Administrator delegated or authorised to carry out its functions under the Administration Agreement, and shall retain full responsibility for the performance of its obligations under the Administration Agreement.

The Administrator and the Company are entitled to terminate the Administration Agreement by giving three (3) months' notice to the other party in writing. The Administration Agreement may also terminate or be terminated upon the occurrence of specified events, for example, the insolvency of any party or in case of material breach of obligations by the other party.

The Administration Agreement is governed by the laws of Malta and disputes, controversies or claims arising out of or in relation to the Administration 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.

In consideration of its services to each Fund, the Administrator is entitled to receive fees from the assets of the relevant Fund as well as reimbursement of expenses, as set out under the section 'Fees, Charges and Expenses' below and in the respective Offering Supplement.

In respect of any Fund, the Company may, with the prior approval of MFSA, appoint a different Administrator, the details whereof (including details of the respective terms of appointment under the respective Administration Agreement) will be disclosed in the respective Offering Supplement, in which case references to the 'Administrator' in the Prospectus (except in the foregoing paragraphs of this part 'Administrator') shall be construed as references to such other Administrator.

### **Conflicts of Interests**

The Directors and other officers of the Company, the various Service Providers, counterparties to the Company, and their respective directors, officers, shareholders, members, employees, principals, agents, sub-contractors, group or affiliated companies and connected parties (collectively the "Connected Parties") of any persons mentioned above, are or may be involved or interested in other financial, brokerage, investment and professional activities, transactions and relationships which may give rise to various conflicts of interests with those of the Company and/or the Funds, and may cause any of the above-mentioned persons who have contracted with or otherwise owe duties to the Company to have actual or potential conflicts of interests in relation to their respective duties towards the Company.

These activities may include managing or advising or servicing other funds or entities including underlying companies and undertakings, issuers and counterparties in or with which any Fund may invest or transact business, purchases and sales of securities and other assets and trades for own account and/or for the account of other customers, investment management services, valuation of securities, sponsoring or promoting or establishing other collective investment schemes and serving as directors, officers, advisers, service providers or agents of other funds or entities, including underlying companies and undertakings, issuers and counterparties as aforesaid. The aforesaid persons may at any time also be offering their services to one or more Investors in the Funds.

Subject to their duties at law and applicable MFSA Rules and under any contract with the Company, and subject to what is provided in this Prospectus and the relevant Offering Supplement/s thereto, such persons shall remain at liberty to undertake such business and activities independently of their involvement (direct or indirect) with the Company or any Fund and may also buy or sell investments to or from the Company or any Fund (provided that the Company / any Fund will enter into such dealings if effected on normal commercial terms negotiated on an arm's length basis) and may also hold shares and other interests therein, without being liable to account to or share with the Company or any Fund for any profit, benefit or other advantage derived therefrom.

The above-mentioned persons are also not required to devote substantially all their time to the Company's or the relevant Fund's business. Therefore, each of these persons will also have conflicts of interests in allocating management time, services and functions among the various entities for which they provide services.

The Investment Manager, Depositary and other Service Providers, and sub-managers, sub-custodians, brokers, advisers or agents appointed by them or assisting them (if any) and other respective Connected Parties may trade for accounts which are not the accounts of the relevant Fund (whether their own or of other customers) and may utilize trading / investment strategies and formulae in trading for such accounts which are the same or different from the ones they will utilize in making trading / investment decisions for the relevant Fund. In particular, these may be involved in advising or managing or servicing other investment funds or other clients which have similar or overlapping investment objectives to or with the relevant Fund and such clients could thus compete for the same trades or investments. Subject to their duties at law and applicable MFSA Rules and under any contract with the Company these will be under no obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, and whilst available investment opportunities are generally expected to be allocated to each client in a manner believed to be equitable, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed of. Subject as aforesaid, they may also take positions different than or opposite to those of the relevant Fund and each may trade ahead of the relevant Fund.

Furthermore, the Directors, Authorised Distributors and other Service Providers and their respective Connected Parties (in or with which the Directors may be interested or connected) may sell or be interested in the sale of 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 relevant Fund as attributable to such Investor Shares. Thus, to the extent of such purchases, such persons may have a conflict between the interests of Investors in limiting expenses of the relevant Fund and their own interest in receiving such fees and/or commissions.

In such circumstances as aforesaid, where conflicts of interest may arise, the persons who have contracted with or otherwise owe duties to the Company will have appropriate regard to their respective obligations at law and under applicable MFSA Rules or under the agreements appointing them to act in the best interests of the Company, so far as practicable having regard to their obligations to other clients, when potential conflicts of interests may arise. Should a conflict of interests arise, the Directors will endeavour to ensure that it is resolved fairly and that Investors shall not be disadvantaged. The Company will also establish, implement and maintain, as required by MFSA Rules, a conflicts of interest policy and procedures for the identification, prevention or management of conflicts or potential conflicts of interests entailing a risk of damage to the interests of the Company.

Any Director of the Company who has an interest in any contract, transaction, arrangement or other matter with or involving the Company or any Fund or in which the latter may be interested must disclose his interest to the Company as required by law and the Articles and, save as otherwise permitted or provided by law and the Articles, he may not vote on any such matter and on any resolution concerning same.

Some of the current members of the Investment Committee (namely Mr. Jesmond Mizzi and Dr. Mark Azzopardi), are involved as directors and/or have a beneficial ownership interest 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.

The Offering Supplement in respect of any Fund may disclose other relevant connections or relationships.

### **Liability and Indemnification**

#### **Liability of or in respect of Directors, Officers, Service Providers and others:**

Save as otherwise provided mandatorily by law or applicable Licence Conditions or in the respective agreement appointing them or as otherwise described herein, in the relevant Offering Supplement/s and/or the Articles:

- neither the Directors and officers of the Company, its auditors and legal advisors, the various Service Providers and their respective Connected Parties, will be liable or accountable in damages or otherwise to the Company or to any Shareholder or any other person for any act or omission performed or omitted to be performed honestly and in good faith and in a manner reasonably believed to be within the scope of their authority, and in accordance with their obligations; and
- neither the Company, the Funds nor any Service Provider will be liable or accountable in damages or otherwise to any Shareholder for the acts or omissions of any (other) Service Provider, provided they were selected with due care, nor for default by counterparties to transactions entered into by or on behalf of any Fund.

Moreover, the respective terms of appointment or agreement appointing any of the above-mentioned persons may limit their liability to a specified maximum amount and may contain other limitations of liability, including generally the restriction of liability solely to acts or omissions resulting from fraud, wilful default or gross negligence on the part of such person, which means that such agreements may *inter alia* exclude or limit liability for acts or omissions resulting from ordinary negligence (as opposed to gross negligence).

#### **Indemnification:**

Pursuant and subject to the Articles and/or the respective agreements appointing them, the Company has agreed or may agree to indemnify any present and past Director, officer and employee of the Company and any person who serves at the Company's request as director, officer or employee of another company or entity, to the fullest extent permitted by law, against any liability and against all expenses reasonably incurred or paid by him in connection with any debt, claim, action, demand, suit, proceeding, judgement, decree, liability or obligation of any kind in which he becomes involved as a party or otherwise by virtue of his being or having been a director, officer or employee as aforesaid and against amounts paid or incurred by him in the settlement thereof, except where any of the foregoing is attributable to any fraud, wilful default, breach of duty or negligence on his part or otherwise in respect of which he may be guilty in relation to the Company or any Fund, including however indemnification against liabilities incurred by him in defending any proceedings in which judgement is given in his favour or in which he is acquitted. Expenses may be paid by the Company in advance of the final disposition

of any such action if the indemnified person agrees to reimburse the Company in the event indemnification is not permitted.

The Company may also purchase and maintain insurance in relation to any such Directors or other officers or employees against any liabilities asserted against them (which insurance may also be taken out and/or paid by the Company in respect of liability for which the relevant person would not be entitled to be indemnified by the Company).

In addition, pursuant and subject to the respective agreements appointing them, the Company has granted or may grant indemnities to any Service Provider and any agent of the Company, to the extent permitted by law and applicable MFSA Rules, in respect of actions brought against them in their respective capacities. See the descriptions on respective indemnities given under the section titled 'Investment Manager, Depositary, Administrator and their Delegates' above (and descriptions of indemnities granted to any Fund-specific Service Provider under the respective Offering Supplement).

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## **Investment Objectives, Policies and Restrictions**

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### **Objectives and Policies**

The Company aims to provide, over time, a choice of Funds investing in a range of securities, collective investments schemes, money market instruments, derivatives, and other permissible investments. The investment objectives and policies of each Fund is set out in the respective Offering Supplement.

The pursuit of the investment objectives and policies of any Fund must be in accordance with the general limits and restrictions set out under the part 'Restrictions' below and other restrictions applicable specifically to such Fund (if any) as stated in the respective Offering Supplement. Each Fund may engage in various portfolio strategies. These strategies may include the use of FDIs, indices and financial instruments. The asset value of a Fund may also seek to be protected and enhanced through hedging strategies consistent with the Fund's objectives by utilising permissible techniques and instruments, including derivatives. In addition, each Fund may hold on an ancillary basis liquid assets, irrespective of its investment objectives and policies.

Investors' and prospective investors' attention is drawn to the fact that all investments involve risk and there can be no guarantee against loss resulting from an investment in any Fund, nor can there be any assurance that a Fund's investment objectives will be attained, and no guarantee is given as to the performance or any future return of or from any Fund or Investor Shares therein.

### **Restrictions**

The Directors shall, based upon the principle of risk spreading, have power to determine the investment policies for the investments for each Fund. Except to the extent that more restrictive rules are provided for in connection with a specific Fund in the respective Offering Supplement, the investments and investment policies shall comply with the rules and restrictions set out below, as these arise from, and are further supplemented by, the MFSA Rules and Licence Conditions. These are, however, subject to the qualifications and certain exemptions contained in the MFSA Rules and in the Licence Conditions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, including in order to comply with the laws and regulations of the countries to which Shareholders are subject or where the Shares of the Company are offered or sold.

For the avoidance of doubt, each Fund shall be regarded as a separate UCITS for the purposes of this section.

### **Investment Restrictions**

#### **Part A - Permitted Investments**

Subject to the limits for each type of permitted asset class as stated in Part B below, investments of a Fund shall consist solely of any or all of the following, as specified in the Offering Supplement of the relevant Fund and the investment objective and policies of such Fund stated therein (which Offering Supplement, objective and policies may, for the avoidance of doubt, limit the permissible investments of that particular Fund to one or some of the following):

- A1. Transferable Securities and Money Market Instruments which are admitted to or dealt on a MiFID Regulated Market, and/or are dealt in on an Other Regulated Market in a Member State, and/or are admitted to or dealt on an Approved Regulated Market in a non-Member State.
- A2. Recently Issued Transferable Securities.
- A3. Units of other CIS 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 (wherever situated), which other than the requirement that they be harmonised in terms of the UCITS Directive satisfy the definition of a UCITS

(as reproduced under the section 'Definitions and Interpretation' above) and the following additional requirements:

- i. such other CISs are authorised under laws which provide that they are subject to supervision considered by MFSA to be equivalent to that laid down in EU law, and that co-operation between competent authorities is sufficiently ensured;
- ii. 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;
- iii. 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;
- iv. no more than 10% of the assets of the other CIS whose acquisition is contemplated, can, according to their prospectus/fund rules or instruments of incorporation, be invested in aggregate in units of other UCITS or other CISs.

A5. Deposits with Approved Credit 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 a Permissible Regulated Market or dealt in over-the-counter ("**OTC FDIs**") provided that:

- i. the underlying of the derivative consists of instruments covered by this Part A, financial indices, interest rates, foreign exchange rates or currencies, in which the relevant Fund may invest according to its investment objectives as stated in this Prospectus and/or the respective Offering Supplement;
- ii. the counterparties to OTC FDI transactions are Approved Counterparties; and
- iii. the OTC FDIs are subject to 'reliable and verifiable valuation' (as such term is understood by MFSA Rules) on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their 'fair value' (as such term is understood by MFSA Rules) at the Company's initiative.

A7. Money Market Instruments not dealt in on a Regulated Market, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings and provided that they are:

- i. 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
- ii. issued by an undertaking any securities of which are dealt in on a Permissible Regulated Market; or
- iii. 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
- iv. 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 (i), (ii) or (iii) above and provided that the issuer:
  - 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 Directive 78/660/EEC;
  - 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

- is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- A8. A Fund may invest up to 10% of its assets in Transferable Securities and Money Market Instruments other than those referred to in paragraphs A1 to A7.
- A9. A Fund may hold ancillary liquid assets (irrespective of its investment objectives and policies) but may not acquire precious metals or certificates representing them. The Company may acquire movable and immovable property which is essential for the direct pursuit of its business.

### **Part B – Investment Limits and Restrictions**

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

#### ***Risk Diversification Rules***

##### Transferable Securities and Money Market Instruments

- B1. A 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 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 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. In particular, 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 Fund invests more than 5% of its assets in these bonds issued by one issuer, the total value of these bond investments in which it holds more than 5% of its assets may not exceed 80% of the value of the assets of the 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 Member State or its local authorities, by a non-Member State or by a public international body to which one or more Member States belong.
- 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 Fund may not invest more than 20% of its assets in deposits made with the same body.

##### Transactions in FDIs

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

The risk exposure of a 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 Credit Institution. The exposure per counterparty of an OTC FDI shall not be measured on the basis of the notional value of the OTC FDI

but on the basis of the maximum potential loss incurred by the Fund if the counterparty defaults.

The exposure to one counterparty in an OTC FDI may be reduced where the counterparty provides the Fund with Approved Collateral. Furthermore, the Company may, in respect of a Fund, net the mark-to-market value of its OTC FDI positions with the same counterparty, thus reducing the Fund's exposure to its counterparty, provided that the Company has in respect of that 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 FDI transactions.

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

- i. is backed by an appropriate performance guarantee;
- ii. is characterised by a daily mark-to-market valuation of the derivative positions; and
- iii. is subject to at least daily margining.

#### Overall Single Issuer Exposure / Combined Limits

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

- i. investments in Transferable Securities or Money Market Instruments issued by;
- ii. deposits made with;
- iii. counterparty risk exposures arising from OTC FDIs undertaken with; and
- iv. 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 in total 35% of the assets of a 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 Fund may be applied to investment in Transferable Securities and Money Market Instruments within the same group.

B12. Notwithstanding the limits stated above, the MFSA may authorise a Fund to invest in accordance with the principle of risk spreading up to 100% of its assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any Member State or one or more of its local authorities, or a non-Member State, or a public international body to which one or more Member States belong, provided that:

- i. the Company is satisfied that Investors in the relevant Fund have protection equivalent to that of unit-holders in a UCITS complying with the other limits laid down in the foregoing paragraphs of this Part B;
- ii. the relevant Fund shall hold securities from at least six different issues; and
- iii. the securities from any one issue shall not exceed 30% of the assets of the FUND.

Where a 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 such Fund shall:

- state the names of the States, local authorities or public international bodies issuing or guaranteeing securities in which such Fund intends to invest more than 35% of its assets; and

- include a prominent statement drawing attention to such authorization of MFSA and indicating the States, local authorities 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 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.

Investment in CISs referred to in paragraph A4 shall not, in aggregate, exceed 30% of the assets of a Fund.

B14. When a 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 or redemption fees on account of the Fund's investment in the units of such other CISs.

B15. Where a commission (including a rebated commission) is received by the Investment Manager or an Investment Advisor by virtue of an investment in the units of another CIS, this commission must be paid into the property of the relevant Fund.

B16. Where a Fund invests a substantial proportion of its assets in other CISs, the Offering Supplement relating to such Fund shall disclose the maximum level of the management fees that may be charged both to the Fund and to the other CISs in which it intends to invest.

#### Investments to Track an Index

B17. Without prejudice to the limits laid down in and to the provisions of paragraphs B19 to B21, and notwithstanding the limits laid down in the foregoing paragraphs of this Part B, a 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 the Fund, as stated in the respective Offering Supplement, is to 'replicate the composition of a certain stock or debt securities index' (as such term is understood by MFSA Rules) which is recognised by the MFSA on the basis of the criteria set out below (as such criteria are further supplemented and explained by MFSA Rules and the Licence Conditions):

- its composition is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers; and
- 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 Company or of the Investment Manager and subject to the prior approval of the MFSA, this is justified by exceptional market conditions, as described in the Offering Supplement of the relevant Fund. The investment up to this limit is only permitted for a single issuer.

#### ***Limitations on Control***

B19. The Company, or the Investment Manager acting in connection with all of the UCITS such Investment Manager 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 Fund may acquire no more than:

B20.1 10% of the non-voting shares of any single issuing body;

- B20.2 10% of the debt securities of any single issuing body;
- B20.3 25% of the units of any single CIS falling under paragraphs A3 and A4 above;
- B20.4 10% of the Money Market Instruments of any single issuing body.

The limits laid down in B20.2, B20.3 and B20.4 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. Paragraphs B19 and B20 shall not be applicable to:

- B21.1. Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- B21.2. Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;
- B21.3. Transferable Securities and Money Market Instruments issued by public international bodies to which one or more Member States belong;
- B21.4. shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that non-Member State, where under the legislation of that non-Member State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that non-Member State. This waiver is applicable only if in its investment policies, the company from the non-Member State complies with the limits laid down in B2 to B10, B13, B14, B16, B19 and B20 and where these limits are exceeded paragraphs B27 and B28 below and the provisions of the part titled 'Breaches of Investment Restrictions' below shall apply mutatis mutandis;
- B21.5 shares held by a Fund (and/or other Funds of the Company and/or other CISs) in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on its or their behalf.

### ***Uncovered Sales***

B22. A Fund may not carry out uncovered sales of:

- B22.1. Transferable Securities;
- B22.2. Money Market Instruments;
- B22.3. units of CIS; or
- B22.4. FDIs.

However, in the case of FDIs, as provided in the MFS Rules and the Licence Conditions:

- when a Fund holds an FDI which automatically or at the Company's discretion, requires cash settlement on maturity or exercise, the Fund does not necessarily have to hold the underlying instrument as cover, and such cover may be satisfied by other categories of liquid assets and instruments as indicated in, and subject to the rules and conditions set out in, the MFS Rules and the Licence Conditions;
- when a Fund holds an FDI which automatically or at the counterparty's discretion, requires the physical delivery of the underlying financial instrument on maturity or exercise, the Fund should as a rule hold the underlying instrument as a cover at all times, but, in case where the relevant underlying financial instrument is highly liquid, the Fund may alternatively cover the exposure with sufficient liquid assets, as provided and subject to the rules and conditions set out in, the MFS Rules and the Licence Conditions.

### ***Financial Derivative Instruments (FDIs) – Further Exposure Rules and Limits and Leverage***

- B23. Where a Fund invests in FDIs as part of its investment policies and within the limits established by paragraphs B10 and B11 above, the exposure to the underlying assets when combined (where relevant) with positions resulting from direct investments, may not exceed in aggregate the investment limits included in paragraphs B2 to B11.
- B24. Where a Fund invests in index based FDIs, the requirements of paragraph B23 shall not apply and accordingly these investments need not be combined for the purposes of the limits included in paragraphs B2 to B11, provided the underlying index is one which meets the criteria set out in paragraph B17.
- B25. Where a Transferable Security or Money Market Instrument 'embeds a derivative' (as such term is understood by MFSA Rules), the latter shall be taken into account for the purposes of complying with the requirements of paragraphs B23, B24, B26, Part C and the part titled 'Risk Management Process' below.
- B26. A Fund's global exposure relating to FDIs shall not exceed 100% of the NAV of that Fund, so that the Fund's overall risk exposure does not exceed 200% of NAV on a permanent basis (without prejudice to what is provided under the part titled 'Borrowing and Lending Restrictions' below). The exposure is calculated taking into account:
- the current value of the underlying asset;
  - the counterparty risk;
  - future market movements; and
  - 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 Fund arising out of its FDI positions as set out in the Offering Supplement relating to such Fund.

The risk exposures to a counterparty arising from the OTC FDI transactions and efficient portfolio management techniques referred to in Part C below shall be combined when calculating the limits prescribed under paragraphs B2 to B10.

### ***Allowances***

- B27. A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of its assets.
- B28. The MFSA has agreed that recently authorised Funds of the Company may derogate from the provisions of paragraphs B2 to B14, B16 to B18 for six months following the date of their authorisation, provided each Fund observes the principle of risk spreading.

The above allowances shall be without prejudice to the provisions of the part titled 'Breaches of Investment Restrictions' below.

### ***Part C – Efficient Portfolio Management***

- C1. If so provided in the Offering Supplement of the relevant Fund, the Company on behalf of a Fund may employ techniques and instruments relating to Transferable Securities and/or Money Market Instruments for efficient portfolio management purposes. Provided that such techniques and instruments shall fulfil the following criteria:
- C1.1 they are economically appropriate in that they are realised in a cost-effective way;
  - C1.2 they are entered into for one or more of the following specific aims:

- reduction of risk; or
- reduction of cost; or
- generation of additional capital or income for the relevant Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules laid down in paragraphs B2 to B11;

C1.3 their risks are adequately captured by the risk management process of the Company applicable to the relevant Fund.

C2. The operations referred to in paragraph C1 may concern the use of FDIs. Additionally, these techniques and instruments may also include 'inter alia' (and without limitation) collateral under the provisions of Directive 2002/47/EC on financial collateral arrangements, guarantees received, repurchase / reverse repurchase and stock borrowing / stock lending agreements, subject to the relevant rules and conditions set out in the MFS Rules and the Licence Conditions.

C3. Under no circumstance shall those operations cause the Fund to diverge from its investment objectives as laid down in the respective Offering Supplement or the Articles.

**Part D – Eligible Investments (Further Defined)**

For the purposes hereof:

D1. Transferable Securities referred to in paragraphs A1, A2 and A8 shall be understood as a reference to financial instrument which fulfil the following criteria:

- i. the potential loss which the Fund may incur with respect to holding those instruments limited to the amount paid for them;
- ii. their liquidity does not compromise the ability of the Fund to comply with its obligation to be able to purchase or redeem Investor Shares accordance with this Prospectus;
- iii. reliable valuation is available for them as follows:
  - a. in the case of securities referred to in paragraphs A1 and A2 above, in the form of accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
  - b. in the case of other securities as referred to in paragraph A8 above, in the form of a valuation on a periodic basis which is derived from information from the issuer of the security or from competent investment research;
- iv. appropriate information is available for them as follows:
  - a. in the case of securities referred to in paragraphs A1 and A2 above, in the form of regular, accurate and comprehensive information to the market on the security or, where relevant, on the portfolio of the security;
  - b. in the case of other securities as referred to in paragraph A8 above, in the form of regular and accurate information to the Company or the Investment Manager on the security or, where relevant, on the portfolio of the security;
- v. they are negotiable;
- vi. their acquisition is consistent with the investment objectives or the investment policies, or both, of the relevant Fund, pursuant to the UCITS Directive;
- vii. their risks are adequately captured by the risk management process of the Company applicable to the relevant Fund.

Unless there is information available to the Company or the Investment Manager that would lead to a different determination, Transferable Securities described in paragraph A1 above shall be presumed to satisfy D1 (ii) and (v).

- D2. Transferable Securities shall be taken to include units in closed end funds (CIS), where those funds satisfy the criteria in D1 above and the requirements set out under the definition of "Transferable Securities" in the MFSA Rules.
- D3. Transferable Securities shall be taken to include financial instruments which are backed by, or linked to the performance of, other assets, which may differ from those referred to in Part A above, where those financial instruments satisfy the criteria in D1 above.
- D4. Where a financial instrument covered by D3 above contains an embedded derivative component (as referred to in paragraph B25 above and as understood in MFSA Rules), the requirements of paragraphs B23 to B26 and Part C above and of the part titled 'Risk Management Process' below shall apply to that component.
- D5. Money Market Instruments referred to in paragraphs A1 and A7 above shall be understood as a reference to financial instruments which fulfill the criteria set out under the MFSA Rules and the Licence Conditions for such instruments, setting out the standards required for such instruments to be considered as (i) normally dealt in on the money market, (ii) liquid (iii) instruments whose value can be accurately determined at any time. Unless there is information available to the Company or the Investment Manager that would lead to a different determination, Money Market Instruments described in paragraph A1 above shall be presumed to satisfy the said criteria falling under (ii) and (iii) above. Additionally, Money Market Instruments covered by paragraph A7 above shall be understood as a reference to financial instruments which fulfill the respectively applicable additional criteria set out under the MFSA Rules and the Licence Conditions relating to the requirements that (iv) there be appropriate information available for such instruments, including information which allows an appropriate assessment of the credit risks related to the investment in such instruments and (v) such instruments be freely transferable.
- D6. FDIs shall be taken to include instruments which fulfill the following criteria:
- i. they allow the transfer of the credit risk of the underlying (the permissible underlying in terms of paragraph A6(i)) independently from the other risks associated with that underlying;
  - ii. they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in paragraphs A1 to A8 above;
  - iii. they comply with the criteria for OTC FDIs laid down in paragraph A6 (ii) and (iii), and satisfy the criteria for 'reliable and verifiable valuation' and 'fair value' as set out under the MFSA Rules;
  - iv. their risks are adequately captured by the risk management process of the Company applicable to the relevant Fund.
- D7. The reference to 'liquid financial assets' in the objects of the Company as set out in the Articles (and in the definition of "UCITS") shall be understood, with reference to FDIs, as a reference to FDIs which fulfil the criteria in paragraph A6 (i) above and, in the case of OTC FDIs, the criteria set out in paragraph A6 (ii) and (iii) above. The reference to 'liquid financial assets' shall however exclude derivatives on commodities, but it shall include derivatives on commodity indices which fulfil the relevant requirements of MFSA Rules and the Licence Conditions.
- D8. FDIs in paragraph A6 above where the underlying is a financial index, that index must satisfy the criteria set out under paragraph B17 above, as such criteria are further supplemented and explained by MFSA Rules and the Licence Conditions, setting out the standards required for such indices to be considered sufficiently diversified, an appropriate benchmark for the relevant market, and published in an appropriate manner. Where the composition of the underlying index does not satisfy these criteria, the FDI must, where it complies with the criteria set out in paragraph A6, be regarded as an FDI based on a combination of assets referred to in paragraph A6 (i) (other than financial indices). Except to the extent otherwise provided in the MFSA Rules and the Licence Conditions, a Hedge Fund Index qualifies as an eligible underlying of an FDI in terms of paragraph A6 above if it complies with the aforesaid criteria set out under paragraph B17 above and if the methodology of the index provides for the selection

and the re-balancing of components on the basis of pre-determined rules and objective criteria.

- D9. Transferable Securities embedding derivatives shall be understood as a reference to financial instruments which fulfill the criteria set out in paragraph D1 above and which contain a component which fulfils the following criteria:
- i. by virtue of that component, some or all of the cash flows that otherwise would be required by the Transferable Security which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;
  - ii. its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - iii. it has a significant impact on the risk profile and pricing of the Transferable Security.
- D10. Money Market Instruments as described in paragraph D5 above and which satisfy the criteria falling under (i) to (iii) of such paragraph D5, and which contain a component which fulfils the criteria set out in paragraph D9 above shall be regarded as Money Market Instruments embedding a derivative.
- D11. A Transferable Security or a Money Market Instrument shall not be regarded as embedding a derivative where it contains a component which is contractually transferable independently of the Transferable Security or the Money Market Instrument. Such a component shall be deemed to be a separate financial instrument.

### **Borrowing and Lending Restrictions**

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

The Company may however acquire foreign currency for the account of a Fund by means of a back to back loan agreement(s).

Save as aforesaid, the Company shall not borrow.

Without prejudice to the powers of the Company, acting for the account of a Fund, to invest in Permitted Investments and carry out permitted activities (including efficient portfolio management techniques and instruments) as provided above in this section, and the power to acquire Transferable Securities, Money Market Instruments, units in CISs and FDIs which are not fully paid up, the Company may not lend cash, or act as guarantor on behalf of third parties.

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

### **Risk Management Process**

The Company will employ a risk management process, which is adapted to the relevant risk-profile of the Funds, enabling it to monitor, and measure and manage at any time as frequently as appropriate, all material risks relating to the Funds' respective positions and their contribution to the overall risk profile of each Fund, in accordance with and subject to the MFS Rules. The Company will employ a process for accurate and independent assessment of the value of OTC FDIs which are made use of. The Company has delegated some aspects of the risk management process to the Investment Manager. The Company or the Investment Manager will provide Investors, upon request, with supplementary information relating to the quantitative limits that apply in the risk management of the relevant Fund, the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields.

### **Breaches of Investment Restrictions**

Without prejudice to the provisions of paragraphs B27 and B28 ('Allowances') above, if the investment restrictions and limits laid down above under this section as applicable to a Fund are at any time contravened or exceeded



for reasons beyond the control of the Investment Manager or the Company, or as a result of subscription rights, the Investment Manager or the Company shall take such steps as are necessary to ensure a restoration of compliance with such restrictions and limits as soon as is reasonably practicable, taking due account of the interests of the Investors, but in any event (unless otherwise authorised by the MFSA), within a period of six (6) months from the date when such contravention or excess was discovered.

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

Any changes to the investment objectives or the investment policies and restrictions of any Fund which are approved by the Board shall require the consent in writing of the holders of a 51% majority in value (based on the respective NAV at the relevant time) of the issued Investor Shares of the relevant Fund (which consent can be obtained by the Company through a request for consents in writing in a circular sent to the Investors in such Fund), or the sanction of an Extraordinary Resolution passed at a separate general meeting of such holders in terms of the Articles.

Subject to the relevant provisions of the Prospectus (and save as may be otherwise provided therein), if the change of the investment objectives has been approved as aforesaid, Investors in the relevant Fund shall be notified thereof (which notification may be made in the same notice requesting consent or in the notice convening the meeting to pass the Extraordinary Resolution as aforesaid) with a notification period of at least twenty (20) Business Days, and the changes in investment objectives will only become effective after all pending redemption requests linked to the change in investment objectives and received during the notice period specified in the said notification have been satisfied. Any applicable redemption fee shall be waived accordingly.

Subject to the relevant provisions of the Prospectus (and save as may be otherwise provided therein), if the change of the investment policies and restrictions has been approved as aforesaid, Investors in the relevant Fund shall be notified thereof (which notification may be made in the same notice requesting consent or in the notice convening the meeting to pass the Extraordinary Resolution as aforesaid) in advance of the change.

**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 FUND MAY BE SUBJECT. NO ASSURANCE CAN BE GIVEN THAT ANY FUND'S INVESTMENT OBJECTIVES WILL BE REALISED. AN INVESTOR MAY LOSE SOME OR ALL OF HIS INVESTMENT.**

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## Risk Factors

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**THE FOLLOWING LIST IDENTIFIES VARIOUS RISKS WHICH MAY BE ASSOCIATED WITH INVESTING IN THE COMPANY AND IN INVESTOR SHARES THEREIN. THE RESPECTIVE OFFERING SUPPLEMENT FOR EACH FUND MAY ALSO LIST AND IDENTIFY ADDITIONAL RISKS WHICH MAY BE SPECIFICALLY ASSOCIATED WITH INVESTING IN SUCH FUND AND INVESTOR SHARES THEREIN, TO THE EXTENT THESE ARE NOT ALREADY MENTIONED HEREIN. INVESTORS AND PROSPECTIVE INVESTORS SHOULD AND ARE SPECIFICALLY RECOMMENDED AND DIRECTED TO CONSIDER THESE RISKS CAREFULLY PRIOR TO INVESTING OR PRIOR TO EXERCISING ANY RIGHTS OR ACTIONS IN CONNECTION WITH THEIR INVESTOR SHARES.**

**SUCH LISTS OF RISK FACTORS INCLUDED HEREIN AND IN THE RELEVANT OFFERING SUPPLEMENT ARE *INDICATIVE* OF THE MAIN RISKS INVOLVED IN INVESTING IN A FUND AND ARE *NOT INTENDED TO BE ALL-INCLUSIVE AND EXHAUSTIVE* AND THERE MAY BE OTHER CONSIDERATIONS THAT SHOULD BE TAKEN INTO ACCOUNT IN RELATION TO AN INVESTMENT. CONSIDERATIONS RELEVANT TO AN INVESTMENT IN THE INVESTOR SHARES OF A PARTICULAR FUND WILL DEPEND UPON A NUMBER OF MARKET, INDUSTRY, GEOGRAPHICAL, POLITICAL, ECONOMIC, TAX, LEGAL AND OTHER FACTORS AND MATTERS, INCLUDING THOSE WHICH ARE PERSONAL TO OR OTHERWISE CONNECTED TO THE INVESTOR'S SITUATION AND WHICH MAY NOT STRICTLY ARISE FROM THE NATURE, CHARACTERISTICS, STRUCTURE OR OPERATIONS OF THE COMPANY, THE FUND, THE INVESTMENT SHARES OR THE UNDERLYING INVESTMENTS. NO INVESTMENT SHOULD BE MADE IN THE INVESTOR SHARES IN A PARTICULAR FUND UNTIL CAREFUL CONSIDERATION OF ALL THOSE FACTORS HAS BEEN MADE. IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL FACTORS RELEVANT TO THE PROPOSED INVESTMENT AND CONSULT THEIR OWN ADVISORS ON LEGAL, TAX, INVESTMENT AND FINANCIAL MATTERS THAT ARE RELEVANT FOR THEIR SPECIFIC SITUATION AND TO THE SUITABILITY OR OTHERWISE OF THE INVESTMENT FOR THEM PRIOR TO INVESTING IN THE COMPANY OR IN ANY FUND.**

### **General**

All investments involve risk there can be no guarantee against loss resulting from an investment in any Fund, nor can there be any assurance that a Fund's investment objectives will be attained. Neither the performance nor any future return of the Company or any of its Funds is guaranteed, and therefore there are no assurances that appreciation or income generation or return will be generated for Investors, and the level of yields is subject to fluctuation and therefore not guaranteed. Each Fund's respective investments, assets and liabilities are subject to normal market fluctuations and other risks inherent in owning and assuming such assets and liabilities. The value of investments and income therefrom and therefore the value and obtainable price of and income from Investor Shares in a Fund may go down as well as up and past performance is not necessarily indicative of future performance, and Investors may not realise their initial investment. 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 Fund should be viewed as medium to long term. Investors should however note that inflation may occur over the duration of their investment. This may affect the future buying power of Investors' capital.

An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should recognise that Investor Shares may decline in value, and should be prepared to sustain a substantial or even a complete loss of their investment. 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.

## **Risks of Multi-Fund Structure**

The Company is formed as a multi-fund (umbrella) investment company with variable share capital and, in terms of the SICAV Regulations, the assets and liabilities of each individual distinct Fund comprised in the Company constitute for all intents and purposes of law a separate patrimony distinct and ring-fenced from the assets and liabilities of each other Fund of the Company and of the Company itself. Investors should, however, be aware that the Company is a single legal entity and no Fund in the Company constitutes a legal entity separate from the Company. Whilst it is the Company's policy to expressly indicate, in any agreement or transaction entered into by it, the specific Fund in respect and for the account of which such agreement or transaction is being entered into, as a distinct segregated sub-fund with ring-fenced assets and liabilities in terms of Maltese law, the Company is an entity that may operate and have assets and be subject to claims in other jurisdictions and may accordingly be subject to the jurisdiction of courts or other competent authorities in such jurisdictions, and these may not necessarily recognize and give effect to such segregation of the Funds (and their respective assets and liabilities). In these circumstances, there is a risk that the assets of one Fund may be applied to meet the liabilities of another Fund of the Company or of the Company, whose assets are exhausted.

## **Cross Class Liability**

A Fund may be constituted by two or more classes of Investor Shares in respect of which a separate class NAV is calculated and/or a separate attribution of assets and liabilities of the Fund is made, on the basis of such criteria as set out in the Prospectus and/or the respective Offering Supplement for internal accounting purposes and to determine the different allocation of rights of Investors of each class *inter se*. Although the assets and liabilities of each Fund as a whole patrimony will be "ring-fenced" from those of other Funds as aforesaid, no such ring-fencing status is granted by law to the different classes within a Fund. The assets attributed to each class of Investor Shares in a Fund may be therefore be applied to meet any claims by creditors of obligations and liabilities attributed to the other class/es of Investor Shares in such 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 Fund assets) and claim damages for any loss arising from such early termination. Notwithstanding that Maltese law caters for the insolvency of a Fund distinctly from that of the Company and its other Funds, so that the insolvency of any Fund does not affect the Company or its unaffected Funds, the commencement of such proceedings may result in the Company being dissolved and its assets (including the assets of all Funds) being realised and applied to pay the fees and expenses of the appointed liquidator or other insolvency officer, then in satisfaction of debts preferred by law and then in payment of the Company's liabilities, before any surplus is distributed to the Shareholders of the Company. In the event of proceedings being commenced, the Company may not be able to pay, 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 Funds.

## **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, or other transactions in, Investor Shares in a particular Fund. Such restrictions may have the effect of preventing the investor from freely subscribing for, holding, disposing and/or redeeming Investor Shares or rights thereto. In addition to the features described below, such restrictions may also be caused by specific requirements such as the minimum amount that may be invested or held in any particular class of Investor Shares.

## **Transfer Restrictions**

The registration of transfers of, or other transactions in, (including transmission *causa mortis* or transfer consequent to such transmission, transfer consequent to the enforcement of a pledge and in some cases the pledge itself of) Investor Shares will be subject to the Directors' discretion to refuse same in certain circumstances as provided in this Prospectus, the relevant Offering Supplement/s thereto and the Articles, and will be subject to the requirements detailed therein. In view of these restrictions, Investors may not be able to sell their

investments and therefore, would have to utilize the Company's redemption or repurchase program which itself may be subject to restrictions.

### **Limited Liquidity of Shares**

As at the date of this Prospectus, there is no secondary market for the Investor Shares and no secondary market is expected to develop to provide Investors in any Fund with liquidity of investment except through redemption or by way of transfer of the Investor Shares by the Investor to a willing buyer identified by the Investor, in both cases subject to the possible relevant restrictions dealing with redemptions and transfers.

### **Suspension or Deferral of Redemptions**

Redemption of Investor Shares in any Fund will be subject to the relevant terms and conditions of redemption as set out herein, in the respective Offering Supplement and/or in the Articles, including possible restrictions or suspensions or deferral of redemptions contemplated therein.

The Directors shall have the power to temporarily suspend redemption of Investor Shares (including those Investor Shares for which redemption requests have already been received) in exceptional circumstances, where circumstances so require, and when suspension is justified having regard to the interest of the Shareholders (including where they 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 relevant Fund at a time and in circumstances which are not appropriate and which may prejudice the interest of Investors in that Fund). Furthermore, the Company may be required by the MFSA to suspend redemptions where it is considered to be in the interest of Shareholders or of the public. Notice of the suspension of redemption will be given to any Investor tendering his Shares for redemption. The redemption will then normally take place on the first Redemption Day following the end of the suspension.

In the aforesaid cases, an Investor may be unable to redeem his Investor Shares in a Fund, or a portion of such Investor Shares which he wishes to redeem, within the normal timeframes described in this Prospectus.

### **Mandatory Redemptions and Total Redemptions**

The Company may mandatorily redeem Investor Shares of any Investor, and an Investor may be requested by the Company to transfer his Investor Shares or to request the Company to redeem such Shares, in the instances mentioned in the Articles, in this Prospectus and/or in the Offering Supplement of the relevant Fund. Furthermore, Investor Shares in a Fund may be subject to mandatory redemption when the Company decides to effect a total redemption of all the Investor Shares issued in the Fund, in such instances mentioned as aforesaid. Reference is made to the section titled 'Redemption of Shares' below.

### **Liquidity and Redemption Risk and Effect of Substantial Redemptions**

Redemptions of Investor Shares in any Fund will, unless cash resources (through new subscription monies or otherwise) are otherwise available to the Fund at the relevant time, be funded through sale of the underlying assets of the Fund and may result in erosion of capital.

The realisation of the underlying assets depends on factors affecting the relevant market at the relevant time as well as on several economic factors, all of which can significantly impinge on the targeted price of sale and/or on the time frame set for the sale. Illiquidity in certain markets could make it difficult to liquidate positions on favourable terms, thereby resulting in potential losses.

Furthermore, substantial redemption requests could require a Fund to liquidate its positions more rapidly than otherwise desired in order to obtain the cash necessary to fund the redemptions, which could adversely affect the value of the Investor Shares in that Fund. In these circumstances, the Company may defer redemptions as provided herein and in the relevant Offering Supplement. Substantial redemptions might cause the closure or liquidation of the relevant Fund or of the Company.

In these circumstances, the NAV of the Fund will be negatively affected, and this will be reflected in the redemption proceeds receivable by the redeeming Investor, and non-redeeming Shareholders in the relevant Fund will bear a disproportionate risk of any consequent decline in the value of the Fund's assets subsequent to the redemptions. Moreover, under such circumstances, it may be more difficult for the Fund to generate the same level of profits operating on a smaller capital base and the Company or the Investment Manager may find

it difficult to adjust its asset allocation and trading strategies to the suddenly reduced amounts of assets under management.

### **Redeeming Shareholders will be Creditors of the Relevant Fund**

Between the relevant Redemption Day as of which a redemption of Investor Shares in a Fund is processed and the date on which any redemption proceeds are paid to the redeeming Shareholder (which payment may be deferred in certain circumstances), the latter will be a creditor of the Fund and will be subject to the same risks as any other creditor of the Fund.

### **Lack of Operating History**

The Company has a limited operating history upon which prospective investors can evaluate the likely performance of the Company and any of its existing Funds. The past investment performance of the Investment Manager or any of its affiliates, or entities with which it has been associated, may not be construed as an indication of the future results of an investment in the Company.

### **Start-Up Periods**

A Fund may, during the start-up period thereof, incur certain risks relating to the initial investment of newly contributed assets. Moreover, the start-up period also represents a special risk in that the level of diversification of the general portfolio of the Fund may be lower than in a fully invested portfolio. The Company or the Investment Manager may employ different procedures for moving to a fully invested portfolio. These procedures will be based in part on market judgment. No assurance can be given that these procedures will be successful.

### **Success of Trading Strategies and Portfolio Construction**

The ability of any Fund to meet its investment objectives and the success of an investment program is dependent, to a substantial extent, upon the ability of the Investment Committee and the Investment Manager to set asset allocation criteria, implement successful investment strategies and to identify and exploit suitable investment opportunities for such Fund, to select investments and add value through active investment management, and to correctly assess and anticipate trends or trading patterns and the future course of price movements of investments. Although investment decisions will be based on carefully structured investment strategies and trading methods, there is no assurance that these will be successful and that the investment objectives will be met.

In any Fund, strategy related losses can result from excessive concentration in the same investment approach or in the general economic events that adversely affect particular strategies. Furthermore, strategies employed may evolve over time, and perhaps change materially, in ways that would be difficult (if not impossible) for the Company or the Investment Manager to detect or follow.

In particular, the value of investments and the outcome of any investment strategy used may be affected by uncertainties such as international, political and economic developments or changes in government policies, which could affect individual markets as well as all the markets comprised in a Fund's portfolio. In addition, markets experiencing random price fluctuations, rather than defined trends or patterns, may generate a series of losing trades or investments. There have been periods in the past when the markets have been subject to limited and ill-defined price movements, and such periods may recur.

### **Dependence on Key Entities and Individuals**

The success of the Fund depends largely upon the soundness of investment decisions made by, and the investment management abilities of, the Investment Committee, the Investment Manager and any sub-managers and/or advisors appointed to assist the same.

The Investment Manager of any Fund and the said sub-managers and advisors, as applicable, and each of their respective principals, affiliates, officers, employees and agents will not be required to devote the whole or a substantial part of their time to the relevant Fund's business. These are in turn dependent on the services of a limited number of key employees and other persons. If the services of any such key entities or persons were to become unavailable for any reason, this could adversely affect the performance of the relevant Fund.

## **Absence of Liability and Conflicts of Interests**

In terms of the Articles and the respective agreements appointing them and to the extent permitted by law, the liability of the Directors and officers of the Company, the Service Providers and their respective connected parties is or may be subject to limitations and such liability may be covered by insurance payable by the Company (out of the Funds' assets), and furthermore these are or may be indemnified by the Company in certain circumstances. As a result, there is a risk that the assets of the Funds or the relevant Fund/s (as appropriate) will be used to indemnify such persons or satisfy their liabilities as a result of their activities in relation to the Company or the Funds.

Such persons may also be involved or interested in activities, transactions and relationships which may give rise to various conflicts of interests with those of the Company and the Funds.

Reference is made to the section 'Conflicts of Interests and Indemnifications' above in this Prospectus.

## **Fee Structure**

Each Fund will bear exclusively, out of its own assets and as a liability of such Fund, any and all preliminary (organisational and formation) fees and expenses relating to it, all fees, remuneration and reimbursement of expenses payable to Services Providers and other persons in respect of services provided to it, as well as all other expenses and liabilities (initial or on-going) which are particular and specifically attributable to it and incurred in respect of its operations, as well as its due share of any expenses and liabilities specifically attributable to it and to one or more other particular Funds, but not to all Funds in the Company, in the proportion described herein under the section 'Fees, Charges and Expenses' below. Furthermore, save as may be otherwise provided herein, each Fund will bear, out of its own assets and as a liability of such Fund, its proportionate share all general expenses and liabilities of the Company which are not specifically attributable to one or more (but not all) Funds, as described under the section 'Fees, Charges and Expenses' below.

Furthermore, a Fund may, in terms of its respective Offering Supplement, charge and/or pay to third parties a subscription fee on or from amounts invested by Investors and/or a redemption fee from redemption proceeds payable to Investors and/or other money transfer, conversion and other fees, charges and expenses in respect of any such subscriptions and/or redemptions.

The deduction of subscription fees and redemption fees (where applicable) and other fees and expenses from investment amounts or subscription proceeds, and the accumulation of any other fees debited or attributable to a Fund as aforesaid, means that an Investor may not get back the subscription monies he invested into the Fund if the underlying investments made by the Fund do not generate sufficient yields to compensate for these deductions and/or the decrease in the NAV of the Fund resulting from the allocation of such fees and expenses.

## **Portfolio Turnover Risk**

Certain strategies employed in a Fund, or in investments made by a Fund, may require frequent changes in trading and investment positions and consequent portfolio turnover. This may involve brokerage commission, transactional and other expenses exceeding significantly those of other investments.

## **Performance Fees**

The Investment Manager of a Fund or other persons indicated in the respective Offering Supplement may be entitled to receive a performance fee (where applicable) from the assets of the Fund based on a percentage of profits, details of which will be set out in the respective Offering Supplement of such Fund. Performance fees may create an incentive for the Investment Manager or other persons entitled to the same to make investments that are riskier or more speculative than would be the case in the absence of such incentive compensation arrangements. Depending on the relevant provisions of such Offering Supplement, such performance fees may be paid (and calculated) on unrealized profits which may never be realized and / or the amount of the performance fee payable may not be subject to any cap or maximum amount. Furthermore, unless otherwise stated in the respective Offering Supplement, the Company will not operate an equalisation account or other method with respect to a Fund to ensure equal treatment of Investors for the payment of performance fees irrespective of the timing of the subscription or redemption of the Investor Shares in the relevant Fund, and in such event, when subscribing to and / or redeeming Investor Shares, Investors may indirectly underpay or overpay an under-performance accrual or an over-performance accrual, as the case may be.

## **Charging Expenses to Capital**

Where expenses in a Fund or a particular class of Investor Shares in a Fund are charged to the capital of the Fund, there is a greater chance that an Investor does not receive back the full amount invested on the redemption of Shares which would have the effect of lowering the capital value of the Investor's investment. Thus higher distributions will be achieved by foregoing the potential for future capital growth, and any such distributions must be understood as a type of capital reimbursement.

## **Different Attribution of Fees to Share Classes**

Different attributions of the management fees and incentive / performance related fees payable to the Investment Manager or other persons and different subscription, redemption and other fees and charges may apply with respect to the different classes of Investor Shares in a Fund. This will have the effect of a lower return to holders of Investor Shares of the respective class/es falling under the higher fee bands, and there may be no compensatory element or no sufficient compensatory element to the holders of such class/es for such lower return attributable to them.

## **Net Asset Value Considerations**

The NAV of a Fund and the NAV per Investor Share in such Fund is not audited (except at fiscal year-end) and based primarily upon the value of the Fund's underlying investments. In valuing those investments, reliance will in some cases need to be primarily made on non audited financial information procured from the relevant issuers, counterparties, market makers or other sources and/or on valuations procured from valuers or specialists engaged by the Company and other sources, which may not be audited valuations. If the information used to determine the NAV of any of the underlying investments is incomplete or inaccurate, the NAV of the Fund and per Investor Share may be adversely affected. Adjustments to the NAV of the Fund (where applicable) will generally be made to the then current NAV, not by adjusting the NAVs previously reported.

The NAV per Share in a Fund is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption, if the NAV per Share at the time of such redemption is less than the Subscription Price paid by such Shareholder or if there remain any unamortised costs and expenses of establishing the Company or the relevant Fund.

The Company's financial statements will be prepared in accordance with IFRS. IFRS restrict the amortisation of organisational costs. Notwithstanding this, the Directors may, for NAV and Share pricing purposes amortise the costs and expenses of establishing the Company / a Fund over a period of time. Where there is any conflict between IFRS and the valuation principles set out in the Articles and this Prospectus in relation to the calculation of NAV, the latter principles take precedence (for NAV and Share pricing purposes).

## **General Economic Conditions and Liquidity of Investments**

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and market prices and the liquidity of the markets. Certain market conditions, including unexpected volatility or illiquidity in the market in which any Fund directly or indirectly invests, could impair the Fund's ability to achieve its objectives and/or cause it to incur losses.

Generally, value or price movements in the markets in which a Fund may invest can be volatile and are influenced, among other things, by changing supply and demand relationships, speculation, government trade, fiscal and monetary policies and other policies affecting the relevant sector or market and changes in such policies, political and economic events, changes in laws and political and economic conditions, changes in general market conditions and changes in interest rates.

At various times, the markets for securities or other investments generally may be "thin" or illiquid, making purchases or sales of securities or assets at desired prices or in desired quantities difficult or impossible.

All of the above could adversely affect the profitability and liquidity of the relevant Fund and, consequently, of Investors in such Fund and may result in delays in the calculation of the Net Asset Value and/or payment of any redemption proceeds.

## **Recent Financial Markets Dislocation**

Recent developments in the global financial markets have illustrated that the current environment is one of extraordinary and possibly unprecedented uncertainty and instability for all market participants. Global financial markets and their participants and other financial institutions that a Fund may use, could have already been and/or may in the future be negatively affected by such market turmoil, and the consequent legal, regulatory, reputational and other risks, some of which may still be unknown and unforeseen. The impact of such risks on the markets in which any Fund will or may operate cannot be determined with precision but could adversely affect the business.

## **Currency Exchange Risk and Currency Hedging**

Exchange rates between different currencies are determined by supply and demand in the currency exchange markets, the international balance of payments and trades and changes therein, governmental and central bank intervention and control (usually directly by regulation in the currency markets to influence process directly) and trade, fiscal and monetary policies of governments, speculation, different countries' rates of inflation, international interest rates, international trade restrictions, currency devaluations and re-valuations and other economic and political conditions.

Currency fluctuations between the Reference Currency of a Fund and an Investor's currency of reference may adversely affect the value of the Investor's investment in the Fund and the yield derived therefrom.

At the level of the Fund itself, such Fund's assets and liabilities may be denominated in currencies different from its Reference Currency, or the Designated Currency of any class of Investor Shares therein, thereby exposing the Fund to currency exchange risk, and some investments of the Fund may in turn (in view of the currency denomination of their underlying investments or underlying reference) be exposed themselves (and indirectly expose the Fund) to additional currency exchange risks. The Fund may therefore be affected unfavourably by exchange control regulations or changes in the exchange rates between these different currencies, which may impact on the value of the underlying assets and investments in which the Fund invests as well as any income generated from them, and may accordingly have an adverse effect on the NAV.

A Fund may, subject to its investment policies and restrictions, engage in foreign currency transactions and instruments in order to hedge against currency exchange risk to which the Fund or any class of Investor Shares therein is exposed to. There is no guarantee that hedging or protection will be achieved in all cases. Whilst possibly protecting the Fund or Investors in the relevant class against a decrease in the value of the currency being hedged, this strategy may also preclude them from benefiting from an increase in the value of the currency.

With particular reference to Hedged Share Classes, gains, losses or expenses arising from hedging transactions specifically relating to such classes are generally attributed and borne by the respective Hedged Share Class.

Distributions paid out by a Hedged Share Class may be significantly reduced if the interest rate of the Designated Currency falls below the interest rate of the Reference Currency.

Given that there is no segregation of liabilities between different classes of Investor Shares, there is a remote risk that, under certain circumstances, currency hedging transactions in relation to one class could result in liabilities which might affect the Net Asset Value of the other classes of Investor Shares in the same Fund.

It is not possible to hedge fully or perfectly against any risk. There are instances where currency hedging may only be partially implemented, or not implemented at all, as in the case of small changes in value of the Investor Shares or small residual currency positions in the Fund, or where the currency hedging may be imperfect, as in the case where currencies cannot be traded or due to timing differences between the exposure of the Designated Currency and the transactions being entered into to hedge the currency exposure.

## **Interest Rate Risk and Fixed Income Securities**

A Fund may invest and take positions in fixed income securities and may invest in interest rate derivative instruments and other interest rate sensitive financial instruments. These may suffer in value and liquidity if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall (and liquidity decreases) when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.



Price changes in fixed interest securities are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors, speculation and governmental and central bank intervention.

The NAV of Shares in Funds invested in fixed income securities may therefore change in response to fluctuations in interest rates and also currency exchange rates.

Debt securities are subject to a number of other risks including, but not limited to, the risk of an issuer's inability to meet principal and interest payments on the obligation, market perception of the creditworthiness of the issuer and general market liquidity. See other risk factors outlined herein, in particular 'Credit Risk and Counterparty Risk' and 'General Economic Conditions and Liquidity of Investments'.

Investments in debt securities may include investments in debt securities paying principal or interest, the amount of which, for example, may be determined by reference to equity indices, variation of currency exchange rates, variation or differences between interest rates, insurance losses, credit risk, etc. and may therefore be subject to a greater degree of risk than interest rate risk.

Funds that invest in high yielding bonds have an increased risk of capital erosion through default or if the redemption yield is below the distribution yield. In addition, economic conditions and changes to interest rates levels may significantly impact the values of high yield bonds.

A Fund may invest some or all of its assets in government debt securities. There are increasing concerns regarding the ability of multiple sovereign states to continue to meet their debt obligations, which has led to the downgrading of the credit rating of certain governments, including those in developed economies. The consequences of the default of any sovereign state may be severe and far-reaching and could result in substantial losses to the Fund and the Investors.

A Fund may also invest in debt securities of financial institutions. These institutions may be adversely affected by market events and could be forced into restructurings, mergers, nationalized, be subject to government intervention or become insolvent. All of these events may have an adverse effect on a Fund and may result in the disruption or complete cancellation of payments to the Fund. A Fund's investments may include bonds and other debt securities that constitute subordinated obligations of such institutions. Upon the occurrence of any of the events outlined above the claims of any holder of such subordinated securities shall rank behind in priority to the claims of senior creditors of such institution.

### **Investments in Unlisted Securities**

Unlisted securities are for example shares and bonds that are not listed on a regulated market. Investments in unlisted securities bear a higher risk than investments in listed securities. Such investments are subject to an illiquidity risk and their price formation can be imperfect and lack transparency. There are fewer disclosure requirements placed on unlisted companies than there are on listed companies and there is generally less news and analytical data. The operations of these countries are therefore less transparent and risk increases since less information regarding their operations is publicised. The operations of unlisted companies are often considerably smaller than those of listed companies. Operations are therefore more vulnerable to changes in general economic development and / or political circumstances, which entail economic consequences.

### **Investment in Equity Securities**

A Fund may also invest in or have exposure to (directly or indirectly) equity securities and possibly securities of a share-like character, and will therefore be exposed to the risks typically associated with such investments, including the general risk of broad market declines and risks associated to issuers of securities. Experience has shown that equities may be subject to strong price fluctuations. That is why they offer the possibility of considerable price gains than debt securities, but also involve the corresponding higher risks, because the investment performance of equity securities depends upon factors which are more difficult to predict than debt securities. A fundamental risk associated with any equity portfolio is the risk that the value of the investments and income it holds might decrease in value and that investors may not get back the full amount of their investment. Share prices are influenced above all by the activities and profits or otherwise of individual enterprises and sectors and their response to general market and economic conditions, supply and demand

relationships, as well as macro-economic developments and political and market factors which determine the expectations of the securities markets and the movement of prices.

### **Investment in Start-up and Smaller Companies and Initial Public Offerings**

Funds which invest in smaller companies may fluctuate in value more than other Funds. Securities of smaller companies with a relatively small capitalization may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. Companies with new products or services could sustain significant losses if projected markets do not materialise. Further, start-up and small companies usually lack the financial strength, diversity and resources (including management depth) of larger companies, and will usually have limited product lines, markets and financial resources and be subject to intense competition from larger companies in the respective industry/ies, and accordingly they may find it more difficult to operate especially in periods of economic slowdown or recession. Consequently investment in new or smaller companies may involve more risk than investment in established or larger companies.

A Fund may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history, and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

### **Investments in Emerging Markets**

To the extent allowed by its investment objectives, policies and restrictions, a Fund may invest in or have an exposure to emerging or less developed countries or markets.

Emerging markets investments historically have been less liquid and more volatile and involve greater risks than comparable investments in developed markets and usually involve higher brokerage commissions and costs. Such securities markets are also typically subject to lower levels of government supervision and regulation than those in more mature economies. These markets may also be subject to significant custody and clearance risks and delays in settlement. The emerging markets may also have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability to make intended purchases or disposals due to settlement problems or delays could lead to the loss of attractive investment opportunities or losses due to subsequent declines in value of the relevant securities.

Investments in certain foreign securities may be subject to greater risks than investments in more established securities markets due to a variety of other factors including currency controls and currency exchange rates fluctuations and the non-availability of appropriate currency hedging transactions, changes in governmental administration or economic or monetary policy, political or social instability, changed circumstances in dealings between nations and diplomatic relations, expropriation, confiscatory taxation, potential restrictions on foreign investment and repatriation of capital and potential difficulties in enforcing contractual obligations. There may be less publicly available information about foreign issuers in certain countries and such issuers may not be subject to uniform accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those of issuers in more developed countries.

Emerging countries' economies may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have high levels of debt or inflation. Investors should be aware that any downturn in the economies of emerging countries might adversely affect the servicing and ultimate repayment of the investments of the Fund with exposure to such countries.

### **Investment in Funds**

Investments in the units of CISs (which may, in turn invest in a variety of financial instruments and other assets) may involve duplication of advisory fees and certain other expenses. By investing in a CIS, a Fund in its capacity as investor therein will bear its proportionate share of the fees and expenses of such CIS. As a result, Fund Investors indirectly bear their proportionate share of the fees and expenses paid by the Fund to the underlying CIS, in addition to those that such Fund Investors directly bear in connection with the Fund's own operations. Investors will however have the protections set out in paragraphs B14 to B16 under the part titled 'Restrictions' under the section 'Investment Objectives, Policies and Restrictions' above.

Directive, and must accordingly be subject to supervision equivalent to that laid down in EU law and offer an equivalent level of protection to the unit-holders (particularly in terms of diversification, assets segregation, and restrictions on borrowing, lending and uncovered sales) as provided under paragraph A4 of the said part titled 'Restrictions'. This notwithstanding, the underlying CISs in which a Fund may be invested, may employ strategies and techniques and may also invest in securities, financial instruments, assets, sectors or markets presenting risks higher than those generally employed by or invested in at the level of the Fund.

Furthermore, unless otherwise disclosed, the investment risks identified in this section 'Risk Factors' will apply whether a Fund invests directly, or indirectly through CISs, in the assets concerned.

### **Use of Derivatives and Hedging Strategies**

In accordance with and subject to its investment objectives, policies and restrictions (including those set out in the section 'Investment Objectives, Policies and Restrictions' above), a Fund may invest in FDIs, for investment purposes and to implement its investment policies and/or may use FDIs and other techniques and instruments for the purpose of hedging and efficient portfolio management.

FDIs and such techniques and instruments are subject to a number of risks, including market risk and the risk of mispricing or improper valuation. They also involve the risk that changes in the value of the derivative may not correlate with the underlying reference which can lead to the non-achievement of the intended hedging effect or to exposure to the risk of loss.

FDIs, especially when traded in large amounts, may not be liquid in all circumstances, and there is no assurance that a liquid secondary market will exist for such instruments in all circumstances, so that in certain markets the Fund may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the Fund may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Fund to the potential of greater losses. Furthermore, like all other securities exchanges, an exchange for FDIs would typically have the right to suspend or limit trading in certain circumstances, which suspension would render it impossible for a Fund to liquidate positions on exchange traded FDIs and, accordingly, expose the Fund to losses and delays in its ability to redeem Investor Shares.

The Fund may be exposed to risks of significant losses and could lose more than the principal amount invested in any derivative transaction (although stop-loss techniques and similar measures may be used to contain such losses). Derivative transactions may also expose the Fund to other risks, such as premature termination of the transaction, adverse changes in market conditions and substantial costs for creating and maintaining the transaction. Suitable derivative transactions may not be available in all circumstances.

Furthermore, if market conditions are analysed incorrectly, hedging strategies that are employed are not optimal, or other adverse conditions prevail, the Fund's hedging activities could result in a loss, regardless of the intent with which the positions were established. Moreover, a specific hedge may not be available in respect to a particular investment and, even if available, may not perfectly match the position which is sought to be hedged. Hedging techniques also may increase volatility.

### **Leverage Risk**

Due to the low margin deposits normally required in trading financial derivative instruments, a high degree of leverage is typical for trading in financial derivative instruments. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the investor in the derivative. Investment in derivative transactions may result in losses in excess of the amount invested.

### **Short Selling Risk**

A short sale involves the sale of a security that a Fund does not physically own in the expectation of purchasing the same security at a later date at a lower price to secure a profit. The investment restrictions in this Prospectus and in MFSA Rules currently prohibit the short selling of physical securities, but allow the creation of synthetic-short positions through the use of cash settled derivatives (contracts for difference), as long as any exposure created is covered by the assets of the relevant Fund, subject to the relevant MFSA Rules and Licence Conditions. The establishment and maintenance of a short position in securities can involve greater risks than would be the

case with a long position. These include the possibility of unlimited loss due to potentially unlimited price appreciation in the securities concerned, problems associated with the cost or availability of securities to borrow for the purposes of short selling and possible difficulties in purchasing securities to cover short positions in certain market conditions. The short selling of investments may also be subject to changes in regulations, which could impose restrictions that could adversely impact returns to investors.

### **Particular Risks of OTC Derivative Transactions**

If so authorized by the relevant Offering Supplement and subject to certain conditions (as set out under the section 'Investment Objectives, Policies and Restrictions' above) a Fund may purchase or sell OTC FDIs not traded on an exchange. The risk of non-performance by the counterparty to such an instrument may be greater and the ease with which the Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange traded instrument, because there is no exchange market on which to close out an open position. FDIs not traded on exchanges are typically not subject to the same type and level of government regulation and supervision as exchange traded instruments, and many of the protections afforded to participants in a regulated environment and on organized exchanges (such as the performance guarantee of an exchange clearing house) may not be available in connection with such transactions. This will increase counterparty default risk and whilst a Fund will only enter into such transactions counterparties which it believes to be creditworthy, and may reduce the exposure incurred through margin, collateral or other credit enhancement from certain counterparties, but there can be no assurance that a counterparty will not default or that the Fund will not sustain losses as a result. Instruments traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than instruments principally traded on exchanges. Such instruments may be less liquid than more widely traded instruments. From time to time, the counterparties with which a Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Fund might be unable to enter into the desired transaction or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. In addition, the prices of such instruments may include an undisclosed dealer mark-up which a Fund may pay as part of the purchase price. Consequently, significant disparities may exist between "bid" and "asked" prices for FDIs that are not traded on an exchange.

### **Futures, Options, Forward and Swaps**

If so provided in its Offering Supplement, a Fund may use options, futures, forward and swap contracts and transactions on currencies, securities, indices and interest rates for hedging and investment purposes, within the limits and under the conditions set out in MFSA Rules and those set out above under the section 'Investment Objectives, Policies and Restrictions' and such additional limits and conditions as may be prescribed in the respective Offering Supplement.

Transactions in futures may carry a high degree of risk. Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the current position with cash. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

A forward contract is an obligation to purchase or sell an underlying asset, including currency, for an agreed price at a future date, and may be settled in cash. Forward transactions, which are typically traded over-the-counter, have an increased counterparty risk. If a counterparty defaults, the Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

If so authorized in its Offering Supplement and subject to the applicable rules, limits and conditions prescribed herein, in the relevant Offering Supplement and in MFSA Rules and the Licence Conditions, a Fund may also engage in interest rate swaps, exchange rate swaps, equity swaps, total return swaps and other swap instruments, which require the Company or the Investment Manager to forecast, among other things, interest rate movements, currency fluctuations and other factors relevant to the swap contract in question. Such forecasting is inherently difficult and entails investment risk. The use of swaps involves investment techniques and risks different from those associated with traditional portfolio security transactions. In the event that the Fund enters into a swap transaction, there is no guarantee that the Fund will be able to eliminate its exposure under an outstanding swap by entering into an offsetting swap, and the Fund may not assign a swap without the consent of the counterparty to it. Swap agreements (often referred to as contracts for difference) are not traded on exchanges but rather banks and dealers act as principals by entering into an agreement to pay and receive certain cash flow over a certain time period, as specified in the swap agreement. Consequently, a Fund using swaps is subject to the risk of a swap counterparty's inability or refusal to perform according to the terms of the swap agreement. If the counterparty defaults, the Fund's only recourse will be to pursue contractual remedies against the counterparty and the Fund may be unsuccessful in such pursuit. The swap market is generally unregulated by any governmental authority. To mitigate the counterparty risk resulting from swap transactions, a Fund will seek to enter into such transactions only with highly rated, first class financial institutions with which it has established ISDA or similar industry standard / master agreements. In certain swaps, the buyer is potentially liable for more than the amount it paid on margin. The Company will therefore employ risk management techniques to ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from the relevant swaps and other techniques and instruments.

### **Funds Investing in Commodity Index Instruments**

Investments which grant an exposure to commodities involve additional risks than those resulting from traditional investments. More specifically, political, military and natural events, various macro economic factors (such as changing supply and demand relationships), weather conditions and agricultural, trade, fiscal, monetary and exchange control programs and government intervention and policies, may influence the production and trading of commodities and/or influence the price of commodities and, as a consequence, influence financial instruments which grant exposure to commodities. Furthermore, terrorism and other criminal activities may have an influence on the availability of commodities and therefore also negatively impact financial instruments which grant exposure to commodities.

### **Risk of Trading Credit Default Swaps ("CDS")**

The use of CDSs can be subject to higher risk than direct investment in transferable securities. The market for CDSs may from time to time be less liquid than transferable securities markets. To the extent that a counterparty defaults on its obligation and a Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Such risks will increase where the Fund uses only a limited number of counterparties. Moreover, the price at which a CDS trades may differ from the price of the CDS' referenced security. In adverse market conditions, the basis (difference between the spread on bonds and the spread of CDS) can be significantly more volatile than the CDS' referenced securities.

### **Warrants**

When the Fund invests in warrants (in accordance with and subject to its investment objective, policies and restrictions and applicable MFSA Rules and Licence Conditions), the values of these warrants are likely to fluctuate more than the prices of the underlying securities because of the greater volatility of warrant prices.

### **Structured Products**

Investments in structured products may involve additional risks than those resulting from direct investments in underlying assets. Funds investing in structured products are exposed not only to movements in the value of the underlying asset including but not limited to currency (or basket of currencies), equity, bond, commodity index or any other eligible index, but also to the risk that the issuer of the structured product defaults or becomes bankrupt. The relevant Fund may bear the risk of the loss of its principal investment and periodic payments expected to be received for the duration of its investment in the structured products. In addition, a liquid secondary market may not exist for the structured products, and there can be no assurance that one will develop.

The lack of a liquid secondary market may make it difficult for the Fund to sell the structured products it holds. Structured products may also embed leverage which can cause their prices to be more volatile and their value to fall below the value of the underlying asset.

### **Funds investing in Participation Notes**

Participation Notes are a type of equity-linked structured product involving an OTC transaction with a third party. Therefore Funds investing in Participation Notes are exposed not only to movements in the value of the underlying equity, but also to the risk of counterparty default, which may result in the loss of the full market value of the equity.

### **Funds Investing in Credit Linked Notes (CLNs)**

A CLN is a structured product that provides credit exposure to a reference credit instrument (such as a bond). A CLN assumes both credit risk of the relevant reference entity (or entities) and the issuer of the CLN. Therefore Funds investing in CLNs are exposed to the risk of the referenced credit being downgraded or defaulting and also to the risk of the issuer defaulting which could result in the loss of the full market value of the note. There is also a risk associated with the coupon payment; if a reference entity in a basket of credit linked notes suffers a credit event, the coupon will be re-set and is paid on the reduced nominal amount.

### **Funds Investing in Equity Linked Notes (ELNs)**

The return component of an ELN is based on the performance of a single security, a basket of securities or an equity index. Investment in these instruments may cause a capital loss if the value of the underlying security decreases. In extreme cases the entire capital may be lost. These risks are also found in investing in equity investments directly. The return payable for the note is determined at a specified time on a valuation date, irrespective of the fluctuations in the underlying stock price. There is no guarantee that a return or yield on an investment will be made. There is also the risk that a note issuer may default.

### **Asset-Backed Securities (ABS) and Mortgage-Backed Securities (MBS)**

Certain Funds may (in accordance with and subject to their respective investment objective, policies and restrictions and applicable MFSA Rules and Licence Conditions) have exposure to a wide range of asset-backed securities (including asset pools in mortgage and non-mortgage loans, such as credit card receivables, motor vehicle loans and sales installments, residential and commercial mortgage loans and leases, collateralized mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other debt securities such as government issued bonds.

ABS and MBS are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets, typically loans and receivables as aforesaid.

ABS and MBS are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cashflows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

### **Funds Investing in Real Estate Companies**

Investments in equity securities issued by companies which are principally engaged in the business of real estate will subject the strategy to risks associated with the direct ownership of real estate. These risks include, among others, possible declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds; changes in interest rates and costs of financing; overbuilding; extended vacancies of properties; increases in competition; property taxes and transaction, operating and foreclosure expenses; changes in planning and development laws; risks relating to environmental hazards and associated claims; casualty losses; uninsured damages from floods, earthquakes or other natural disasters and acts of terrorism; limitations on and variations in rents; and other real estate capital market influences.

## **Funds Investing in Technology Related Companies**

The equity securities of the technology related companies in which a Fund may invest are likely to be affected by world-wide scientific or technological developments, and their products or services may rapidly fall into obsolescence. In addition, some of these companies offer products or services that are subject to governmental regulation and may, therefore, be adversely affected by governmental policies. As a result, such investments made by a Fund may drop sharply in value in response to market, research or regulatory setbacks.

## **Asset, Industry, Regional Specific Risks and General Market Risks**

A Fund will be indirectly affected by financial, market-related, regional and other risks typically associated with the operations, industries, sectors, investments and assets of the securities issuers in which it directly or indirectly invests, which will have direct or indirect effect on the value of such securities, as well as by macro-economic risks affecting the markets or classes of markets generally, all of which will depend on several economic, political, social and other factors having varying and possibly considerable negative effects on volatility, price movements, marketability, liquidity, yield and other characteristics of the said securities.

## **Reverse Repurchase Agreements and sale with right of repurchase transactions in which a Fund acts as purchaser**

In the event of the failure of the counterparty with which cash has been placed, there is the risk that the value of the collateral received may be less than the cash placed out which may be due to factors including inaccurate pricing of the collateral, adverse market movements in the value of the collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Whilst a Fund entering into these transactions (in accordance with and subject to their respective investment objective, policies and restrictions and applicable MFSA Rules and Licence Conditions) will seek to ensure that it is able at any time to recall the full amount of cash placed, locking cash in transactions of significant size, delays in recovering cash placed out for any reason, or difficulty in realising collateral may restrict the ability of the Fund to meet redemption requests or fund security purchases. Furthermore the collateral received by the Fund may be subject to the risk of not being properly or fully perfected, and the repurchase agreement may be subject to the scrutiny of the courts in a jurisdiction which re-characterise the same as a loan or other type of contract which may reduce the ownership, possessory, priority or other rights of the Fund over the collateral.

## **Repurchase Agreements and sale with right of repurchase transactions in which a Fund acts as seller**

In the event of the failure of the counterparty with which collateral has been placed, there is the risk that the value of the collateral placed with the counterparty is higher than the cash originally received, which may be due to factors including that the value of the collateral placed usually exceeds the cash received, market appreciation of the value of the collateral, or an improvement in the credit rating of the issuer of the collateral. Whilst a Fund entering into these transactions (in accordance with and subject to their respective investment objective, policies and restrictions and applicable MFSA Rules and Licence Conditions) will seek to ensure that it is able at any time to recall any securities placed, locking investment positions in transactions of significant size, or delays in recovering collateral placed out for any reason, may restrict the ability of the Fund to meet delivery obligations under security sales or payment obligations arising from redemptions requests.

## **Securities Lending**

Whilst a Fund entering into securities lending transactions (in accordance with and subject to their respective investment objective, policies and restrictions and applicable MFSA Rules and Licence Conditions) will seek to ensure that it is able at any time to recall any securities lent or terminate the relevant securities lending agreement, securities lending may still involve counterparty risk, including the risk that the loaned securities may not be returned or returned in a timely manner and/or at a loss of rights in the collateral if the borrower or the lending agent defaults or fails financially. This risk is increased when a Fund's loans are concentrated with a single or limited number of borrowers. Should the borrower of securities fail to return securities lent by a Fund, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent out, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. A Fund may reinvest the cash collateral received from borrowers. There is a risk that the value or return of the reinvested cash collateral may decline below the amount owed to those borrowers, and those losses may exceed the amount earned by the Fund on lending the securities. Delays in the return of securities on loan may restrict the ability of the Fund to meet delivery obligations under security sales or payment obligations arising from redemption requests.

## **Suspension of Trading**

Despite the heavy volume of trading in securities, the markets for some securities may have limited liquidity and depth. Furthermore, each securities exchange market typically has the right to suspend or limit trading in all securities which it lists. Under certain trading conditions, therefore, it may be difficult or impossible to liquidate a position on a security. This may occur, for example, at time of rapid price movement if the price rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted. Placing a stop-loss order will not necessarily limit the Fund's losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

Such limited liquidity and lack of depth or suspension of trading could accordingly be a disadvantage to the Fund, both in the realization of the prices, which are quoted, and in the execution of orders at desired prices and could also expose the same to losses and affect its liquidity.

## **Market and Settlement Disruption Events**

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

## **Credit Risk, Counterparty Risk and Credit Ratings**

A Fund which invests in debt and other interest bearing securities, in derivatives instruments (including OTC FDIs), securities lending and other transactions will be subject to the risk of a decline in the credit of the issuer or the counterparty (including the broker/s, clearing houses, the market counterparties and other agents with or through whom it may undertake some of its investments and transactions as aforesaid) and the risk that the issuers or counterparties may not make payments or may default on such securities, instruments, investments or related transactions, whether due to insolvency, bankruptcy or other causes. If there is a failure or default by the issuer or counterparty, the Fund may not receive 100% of its contractual entitlement unless its payment rights and such transactions are adequately secured or collateralised. Transactions and securities entered into and invested in by the Fund may not be adequately secured or collateralised or secured or collateralised to any extent (save where otherwise required by the investment policies and restrictions of the particular Fund or the applicable MFSA Rules or Licence Conditions).

Furthermore, an issuer of debt or other securities and instruments or counterparty suffering an adverse change in its financial condition could lower the credit quality of a security or instrument, leading to greater price volatility of such security or instrument. A lowering of the credit rating of a security or instrument may also affect the security's or instrument's liquidity, making it more difficult to sell. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Fund owns securities of that 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. The Company or the Investment Manager considers whether a security is investment grade only at the time of purchase. A Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Investment Manager will consider whether the security continues to be an appropriate investment for the Fund. Some of the Funds will invest in securities which will not be rated by a recognised rating organisation, but the credit quality will be determined by the Investment Manager.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. 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 and do not necessarily reflect the issuer's current financial condition, and do not reflect an assessment of an investment's volatility and liquidity. Ratings may also be withdrawn or revised at any time. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.



### **Custody and Institutional Risks**

The assets of the Fund will be held under the custody of the Depository. The Depository is authorised to use sub-custodians to safe keep the Fund's assets. The Depository, sub-custodians and other institutions, including brokerage firms and banks, and clearing and settlement systems and central securities depositaries, with which the Fund (directly or indirectly) does business, or to which portfolio assets have been entrusted for safekeeping purposes, may encounter financial or operational difficulties and may expose the Fund to the respective institutional and operational and credit risks involved. The insolvency or default of any such entity involved with the transactions of the Fund, may lead to positions being liquidated or closed out without the Fund's consent. In certain circumstances, the Fund may not get back the actual assets which it lodged as collateral or otherwise and it may have to accept any available payment in cash.

The assets of any Fund will be identified in the Depository's books as belonging to the Fund. Securities of such Fund held by the Depository will be separately identified in the Depository's books, and will be segregated from other assets of the Depository and other clients. Securities may be held by the Depository or with a sub-custodian of the Depository or by a securities depositary or clearing system in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the relevant Fund may have to share that shortfall on a pro-rata basis. A Fund may invest in markets where custodial and/or settlement systems are not fully developed and where notwithstanding segregation of assets, such segregation may not or may no longer prove sufficient to protect against insolvency.

In the event of loss suffered by the Company as a result of the Depository's actions or omissions, the Company would generally, in order to bring a successful claim against the Depository, have to demonstrate that it has suffered a loss as a result of Depository's unjustifiable failure to perform its obligations or the Depository's fraud, willful default or negligence. The Depository is relieved from liability for the acts or defaults of its appointed sub-custodians in certain circumstances, provided that the Depository has complied with its duties, as well as for their insolvency.

### **Clearing house protections**

On many exchanges, the performance of a transaction by the Investment Manager (or the third party with whom the Investment Manager is dealing on the Fund's behalf) is "guaranteed" by the exchange or its clearing house. However, this guarantee is unlikely in most circumstances to cover the relevant Fund, and may not protect the Fund if the relevant transaction broker or another party defaults on its obligations to the Fund.

### **Borrowing Risks**

The facilities that may be granted by banks and other lenders to the Company in relation (and attributable) to a Fund (subject to the borrowing restrictions applicable to such Fund) may be terminated and/or called in by the bank or other lender in circumstances and for reasons outside the control of the Company or the Investment Manager. The Fund's performance may be negatively affected due to the possible constraints imposed on the Fund to sell off some of its underlying assets at less favourable prices in order to fund the repayment of any facilities. It may finance such repayments by selling off its more liquid assets, thus possibly increasing its concentration in less liquid assets.

### **Legal Restrictions on Portfolio Investments**

Each Fund is subject to regulations in Malta and its direct and indirect investments may be subject to regulations (including tax and exchange control regulations) in other countries. Each Fund may also be subject to regulations in countries where its Investor Shares are distributed.

In view of the said legal requirements which may be applicable to a Fund and the Investment Manager, the Fund may at times either need to limit, for other than investment reasons, the amount invested in a particular asset or with a particular counterparty or may not be able, for regulatory reasons, to invest at all in certain assets that would otherwise be appropriate (in view of restrictions on investments by foreign investors and otherwise). Such actions may affect the performance of the Fund and could limit the availability to the Fund of favourable investment opportunities. In addition, possible changes to the laws and regulations governing or affecting permissible activities of the Fund and the Investment Manager could restrict or prevent the Fund or the Investment Manager from continuing to pursue the Fund's investment objectives or policies or operate in the manner currently contemplated. In addition, some issuers or counterparties to transactions or markets in which

the Fund may invest may be subject to less effective regulation, supervision and standards and neither the Company nor the Investment Manager will be able to monitor legal and regulatory compliance by such issuers or counterparties.

### **Taxation Risks**

No assurance may be given that the manner in which any Fund will be managed and operated, or that the composition of its portfolio investments, will be tax efficient for any particular Investor or group of Investors in such Fund. A Fund's books and records could be audited by the tax authorities of countries where the Fund will be managed and operated, or where a portion of its investments are made, or where a particular Shareholder or group of Shareholders reside. Any such audits could subject the Fund to tax, interest and penalties, as well as incremental accounting and legal expenses, which will have a negative impact on the NAV of such Fund and of Investor Shares therein.

Investors should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp duties or any other kind of tax on distributions or deemed distributions of the relevant Fund, capital gains within the Funds, whether or not realised, income received or accrued or deemed received within the Fund etc., and this will be according to the laws and practices of the country where the Investor Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder. Taxes might be calculated based on income received and/or deemed to be received and/or accrued in the Fund in relation to the Fund's assets, whereas the performance of the Fund, and subsequently the return Investors receive after redemption of the Shares, might partially or fully depend on the performance of the assets' underlying/s. This can have the effect that the Investor has to pay taxes for income and/ or a performance which he does not, or does not fully, receive.

### **Sustainable Finance Risk**

In line with the SFDR, more specifically Article 6, financial market participants are required to include descriptions within pre-contractual agreements around the manner in which sustainability risks are integrated into investment decisions of a company as well as the results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products that are available. The scope of including these pre-contractual disclosures is to enable investors to make informed investment decisions.

For the purposes of Article 6, while the Company considers investment decisions to be carried out in favour of products which promote environmental, social and corporate governance (ESG) criteria, the Company presently does not fully take into consideration sustainability risks in the decision-making processes adopted. The Company has reached this conclusion in view of the fact that it is currently impossible for it and/or its Investment Manager to obtain the relevant data and information to carry out the analyses required pursuant to the SFDR. The Company also notes that data which must be considered would rely on data of the underlying products, which data is not always readily available for all investments made by the Fund.

The Company is currently taking action to set up policies and procedures on the matter in line with the obligations of sustainable finance, and to adopt such policies and procedures in a structured manner in the coming months. In addition to this, the Company plans to adopt a sustainable responsible investing approach which aims to combine financial performance and social/environmental impact by supporting companies which contribute towards sustainable development.

The Company commits to update this Prospectus in the future, following any final considerations on the implementation of sustainability finance, in line with its obligations pursuant to the SFDR.

### **General Tax and Legal Risks**

The tax consequences to the Company and any Fund and Investors in any Fund, the ability of any 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 such Fund, are based on existing laws and regulations and are subject to change through legislative, judicial, administrative or regulatory action in the various jurisdictions in which the Company or the Fund or Service Providers invest or operate. There can be no guarantee that income tax and other fiscal legislation and laws or regulations governing the Company's or any Fund's operations and investments

in general will not be changed in a manner that may adversely affect, even substantially, such Fund and/or its Investors.

### **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.

### **Nominee Arrangements**

Where Investor Shares in a Fund are held by a nominee service provider on behalf of an investor, and/ or an investor holds interests in the Investor Shares of any 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 Register of the Company, 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 payments due to be made to Shareholders (as applicable), the circulation of documents to Shareholders, the dispatch of notices to and the attendance and voting by Shareholders at any meetings of Shareholders, and all other rights of Shareholders attributable to the Shares. None of the Company, the Directors, the Service Providers 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 law.

**General**

Each Fund can be constituted by multiple classes of Investor Shares. Each class represents an interest in the Fund's portfolio, but may have its own characteristics, such as fee structure, Minimum Initial Investment, Minimum Additional Investment, Minimum Holding, dividend policy or Designated Currency, details of which will be set out in the Offering Supplement of the relevant Fund.

The Investor Shares in the Funds may only be issued, subscribed, exchanged, acquired, resold, transferred, transmitted, held, pledged and redeemed in accordance with, and subject to the relevant provisions and restrictions of, this Prospectus, the respective Offering Supplement of the relevant Fund and the Articles.

**Subscription of Investor Shares****Application Procedure**

Applications for subscription of Investor Shares in any Fund must be made in writing using the respective standard form determined and provided by the Company from time to time (the "Subscription Application"), which must be duly completed and signed by the applicant or on his behalf by his duly authorised agent.

Subscription Applications are to be addressed to the Company and must be received at the offices of the Administrator. A copy of the Subscription Application should be retained by the applicant for the applicant's personal reference and records.

Apart from the Subscription Application, an applicant must also submit the documentation specified in such Subscription Application, and such other documents or information (including undertakings, declarations, warranties and representations) which may be requested by the Company or the Administrator at the relevant time for legitimate purposes, and must procure the payment for and in respect of the subscription as provided below, and the application will not be accepted until the Company has so received the same: provided that the Company may, in its absolute discretion, process and accept the relevant Subscription Application and issue the Investor Shares to the relevant Investor notwithstanding that not all supporting documentation or information stated above has been received, but in such case no redemptions will be allowed until such pending documents or information are received by the Company.

Without prejudice to any other declarations, representations and warranties which are or are deemed to be given by the applicant to the Company (see in particular the section titled 'Terms and Conditions of Issue and Holding' below and Appendix III hereof), by signing and submitting a Subscription Application the applicant warrants and undertakes (and will be deemed to warrant and undertake) in favour of the Company that the subscription of Investor Shares by him is in compliance with the provisions, terms and conditions of this Prospectus, the relevant Offering Supplement and the Articles (including any investment eligibility requirements applicable thereunder) and does not violate applicable laws, regulations and requirements of any jurisdiction or governmental or other competent authority. The Company shall be entitled to request an express undertaking in writing to this effect before accepting the Subscription Application.

The Offering Supplement of the relevant Fund may prescribe specific eligibility requirements to be met by applicants and holders of Investor Shares or any class of Investor Shares in such Fund.

**Payment in respect of Subscriptions**

Subscription Applications will only be accepted as of a particular Subscription Day if the subscription monies are received in Cleared Funds into the Designated Account of the relevant Fund by not later than the Subscription Payment Cut Off specified in the respective Offering Supplement, unless the Company, in its absolute discretion, decides otherwise. Settlement details in respect of an application for Investor Shares in any Fund are set out in the respective Subscription Form.

A subscription fee or initial charge may apply and be payable by the applicant in respect of the subscription, details of which will be found in the relevant Offering Supplement. To the extent expressly permitted in the relevant Offering Supplement, the Company may also 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. Unless otherwise specified in the relevant Offering Supplement, such fee, charge and/or Levy will be deducted from the subscription monies paid by the applicant, subject to the Minimum Initial Investment requirement or (as the case may be) the Minimum Additional Investment requirement.

Payment should be made in the Designated Currency of the relevant class of Investor Shares and/or in such other currency prescribed or allowed by the respective Offering Supplement and/or Subscription Application for the relevant Fund, provided that if payment is received in a currency other than the said Designated Currency or other prescribed or permitted currency, the Company may at its discretion accept such payment and may in such case convert or arrange for the conversion thereof into the Designated Currency or other prescribed or permitted currency, in which case it shall be entitled to deduct from such payment all expenses incurred in the conversion. Bank or other charges and expenses in connection with the transfer of funds shall be at the charge of the applicant, and the applicant shall give clear instructions to this effect ('all charges for remitter') to the remitting bank, and in any case the Company shall be entitled to deduct or recover all such charges and expenses otherwise incurred by it from the subscription monies received. Any bank interest accrued by the Fund in its Designated Account from the receipt of the subscription monies until the relevant Subscription Day, shall be for the exclusive benefit of the Fund.

Joint applicants for subscription of Investor Shares shall be liable, jointly and severally, in respect of all subscription monies due to the Company in respect of the Investor Shares jointly applied for, and also for the production of such information and documentation and other obligations which may be due to the Company in connection with their application.

The Company shall be entitled to receive cash from an applicant for Investor Shares, without prejudice to what is provided under the part titled 'Subscriptions *in specie*' below.

#### **Minimum Initial and Additional Investment Requirements**

The subscription monies so paid in connection with a Subscription Application must:

- a. in the case of an initial subscription by a prospective investor, satisfy the Minimum Initial Investment (if any) specified in the relevant Offering Supplement; and
- b. in the case of a subsequent subscription by an existing Investor, satisfy the Minimum Additional Investment (if any) specified in the relevant Offering Supplement:

provided that the Directors may waive the Minimum Initial Investment or the Minimum Additional Investment at their discretion.

Unless otherwise specified in the Offering Supplement of the relevant Fund:

- (i) the said Minimum Initial Investment and Minimum Additional Investment shall apply net of any subscription fee or initial charge or Dilution Levy applicable, and net of any expenses which the Company is entitled to deduct or recover from subscription payments as detailed in the part titled 'Payment in respect of Subscriptions' above, and should the subscription monies paid the applicant be insufficient to cover the said applicable Minimum amount and the applicable fee, charge and/or Levy, the applicant will be required to pay the shortfall additionally, before accepting his application;
- (ii) the said Minimum Initial Investment and Minimum Additional Investment shall apply on a per class basis, such that an investor wishing to subscribe to Investor Shares of more than one class in a Fund must satisfy the full applicable Minimum amount in respect of each such class;
- (iii) should the relevant Offering Supplement provide that the respective Minimum amount applies on a per Fund basis (i.e. on an aggregate basis between all classes of Investor Shares in respect of which the Subscription Application is made), and if the different classes of Investor Shares in the Fund have a different respective Minimum amount, the higher of such Minimum amounts shall apply;
- (iv) such Minimum amounts apply only at the time of the relevant subscription and not on an on-going basis thereafter, subject to any Minimum Holding requirement which may be applicable;

- (v) in the case of joint applicants for Investor Shares, the applicable respective Minimum amounts shall remain the same (and shall not apply for each joint applicant).

### **Periodic Investment Plans**

Subscriptions of any class/es of Investor Shares in a Fund by an Investor may be made in accordance with a periodic (monthly, quarterly or otherwise) investment plan agreed to in advance between the Company and the relevant Investor, if and as may be provided and in accordance with the rules set out in the Offering Supplement of the relevant Fund.

### **Processing of Subscription Applications and Subscription Price**

Subject to the right of the Company to reject the same or to any closure of offerings, suspensions or deferrals of subscriptions at the relevant time as referred to herein (see the part titled 'Refusal or Suspension of Subscriptions' below), Subscription Applications will be processed and accepted as of the first Subscription Day of the relevant class of Investor Shares available after the Company (i) has received the Subscription Application and supporting documents and information as provided herein with due satisfaction of the applicable Subscription Application Cut Off requirement and (ii) has received the subscription monies as provided above with due satisfaction of the applicable Subscription Payment Cut Off, provided that the Company may, in its absolute discretion, waive any such cut off requirements and process and accept a Subscription Application as of a Subscription Day notwithstanding that such application or any documents or information or the respective payments have been received after the cut off (deadline) applicable with respect to such Subscription Day.

Unless otherwise provided in the Offering Supplement of the relevant Fund and save for any adjustments which may be applicable or permitted:

- (i) Subscription Applications received at any time during the Initial Offer Period ("IOP Subscription Applications") shall be processed as of the first Subscription Day following the Closing Date;
- (ii) subscriptions of Investor Shares pursuant to accepted IOP Subscription Applications referred to in paragraph (i) above will be processed at a Subscription Price equivalent to the Initial Offer Price;
- (iii) subscriptions of Investor Shares pursuant to accepted Subscription Applications other than IOP Subscription Applications referred to in paragraph (i) above will be processed at a Subscription Price equivalent to the relevant NAV per Share as calculated with reference to the Valuation Day falling on the relevant Subscription Day or, if no Valuation Day falls on such Subscription Day, the Valuation Day immediately preceding the relevant Subscription Day – see the rules on the calculation of NAV set out under the section titled 'Net Asset Value Calculation' below;
- (iv) generally the Company adopts a Forward-Pricing Policy, for the determination of Subscription Prices on any Subscription Day.

The Investor Shares will be issued with effect from the Subscription Day as of which the relevant Subscription Application is accepted. Fractional Shares may be issued up to three (3) decimal places.

Contract notes containing relevant details of the investment will be issued as soon as practicable following the relevant Subscription Day, and unless otherwise specified in the relevant Offering Supplement, will be issued within one (1) Business Day following such Subscription Day.

Title to the Shares will be evidenced by entries on the Register as of the relevant Subscription Day. Shares will be issued in registered form only and no share certificates will be issued.

Details of the Subscription Days, Valuation Days, Subscription Application Cut Off, Subscription Settlement Cut Off, Initial Offer Period, Closing Date, Initial Offer Price, Minimum Initial Investment (if any) and Minimum Additional Investment (if any) as applicable in respect of any Fund or any class of Investor Shares in any Fund will be found in the respective Offering Supplement.

The Directors reserve the right (subject to any approval required from MFSA) to end the Initial Offer Period at any time before its expiry or to extend the same on one occasion (and by a period not exceeding its original term) by resolution of the Directors, provided that any such extension can only occur by not later than three (3)

Business Days before the then applicable Closing Date and any such extension or earlier termination shall be notified to investors who have already submitted their Subscription Application and/or shall be advertised in the relevant newspapers.

### **Refusal or Suspension of Subscriptions**

Without prejudice to the other instances of rejection mentioned above and herein, the Company reserves the right to reject any Subscription Application for any reason, without being obliged to disclose the reason and without being held liable for any loss arising as a result of such rejection. Where a Subscription Application is rejected for any reason whatsoever the Company shall inform the applicant without unnecessary delay and, in such case, the applicant shall only be entitled to a reimbursement of the amounts paid by him (if any) together with or in connection with his application, which reimbursement shall be made, without interest, as soon as practicable after the refusal decision as provided under the section 'Payments to Shareholders' below, at the risk of the applicant. The applicant shall not be entitled to any other payment or reimbursement.

The Company is also entitled to close the offering for Investor Shares in a Fund, or any class of Investor Shares in a Fund, for such period or periods as it may in its sole discretion determine, in which case no applications for subscription of Investor Shares of such Fund, or of such class, will be accepted during the relevant period/s. Such closure will be notified to Shareholders in such Fund or in such class and/or shall be advertised in the relevant newspapers.

No subscription of Investor Shares will take place during any period when the calculation of the Net Asset Value of the relevant Fund is suspended. Reference is made to the section titled 'Net Asset Value Calculation' below. The Offering Supplement of any Fund may contain other instances where subscriptions or processing of Subscription Applications will or may be suspended. Notice of any suspension in force at the relevant time will be given to any applicant tendering his Subscription Application, but Subscription Applications, once made, are irrevocable – see the part titled 'Irrevocability of Applications' below in this section. When subscriptions are suspended, Subscriptions Applications received will normally take place on the first Subscription Day following the end of the suspension.

### **Subscriptions *in specie***

Unless otherwise stated in the relevant Offering Supplement, the Company shall, at its option, be entitled to receive non-cash assets from a prospective Investor for the issue of Investor Shares in any Fund in accordance with the provisions of the Articles and in accordance with applicable law, where the Directors are satisfied that the terms of any such issue shall not be such as are likely to result in any material prejudice to the Investors in the relevant Fund.

The Subscription Application in such case shall be in such specific form determined and provided by the Company for subscriptions *in specie* or may also consist of an *ad hoc* subscription agreement between the Company and the applicant.

Assets to be transferred in relation to a subscription in specie shall be valued by the Administrator, other than those assets comprised in paragraph (3) and (4) under the section "Valuation of Assets" under the heading "Net Asset Value Calculation", which shall be valued by an Independent Valuer.

The Administrator and Independent Valuer, where applicable, shall each draw up a valuer's report, solely in relation to those assets valued by them. Such report shall include (a) a description of the assets comprising the consideration; (b) the value of each asset and a description of the method of valuation used; and (c) a confirmation that the value of the consideration is at least equal to the applicable Subscription Price of the Shares to be issued in return for such consideration.

The Company shall only issue Investor Shares in the relevant Fund once the assets referred to in the Administrator's and/or Independent Valuer's reports have been transferred in favour of the relevant Fund to the satisfaction of the Depositary.

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

Unless otherwise provided in the relevant Offering Supplement, the costs of any valuation of assets offered as consideration *in specie* for the subscription of Investor Shares and any other costs and expenses arising in connection with the vesting of such non-cash assets in the Fund are to be borne by the relevant applicant.

Additional requirements may apply in respect of any particular Fund and reference is made to the respective Offering Supplement for each Fund.

### **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, subject to the relevant provisions hereof and of the Articles.

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

### **Exchange / Switching of Investor Shares**

A holder of any class of Investor Shares in a Fund (the "Outgoing Fund") may exchange all or part of such holding (the "Original Shares") into Investor Shares in another Fund (the "Receiving Fund") or in a different class of Investor Shares of the same Fund (the "New Shares") as provided and under such terms and conditions prescribed below, unless expressly prohibited in the respective Offering Supplement of either the Outgoing Fund or the Receiving Fund or (as the case may be) of the relevant Fund within which the relevant classes are comprised.

Save where and to the extent otherwise stated in the respective Offering Supplement/s, switching shall take place in accordance with the procedure set out below.

The Investor shall send an irrevocable request in writing for switching duly completed and signed by him or on his behalf by his duly authorised agent, using the respective standard form determined and provided by the Company from time to time or otherwise in a form acceptable to the Company (the "Switching Application") which is to be addressed to the Company and must be received at the offices of the Administrator of the Receiving Fund. The Administrator of the Receiving Fund will forward the Switching Application and liaise with the Administrator of the Outgoing Fund (if different), and the Administrator/s shall process the same. The Switching Application shall include full registration details together with the number and class of Original Shares to be switched (quoting the number of the respective contract note representing such Original Shares) and an indication of the class of New Shares into which the Original Shares are to be switched and (where applicable) the Receiving Fund. The Investor must also submit such information and documents specified in the Switching Application and such additional documents and information (including undertakings, declarations, warranties and representations) which may be requested by the Company or the Administrator at the relevant time for legitimate purposes.

An irrevocable Switching Application shall be construed as being a request for the redemption of the stated number of Original Shares (save that the redemption proceeds shall not be released to the Investor) and a simultaneous request for the proceeds from such redemption to be applied in the subscription of New Shares of the indicated class. Accordingly, save as modified by the provisions of this part or of the relevant Offering Supplement/s the provisions dealing with redemptions and subscriptions of Shares under this section 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' and under the section 'Terms and Conditions of Issue and Holding' below and other sections of this Prospectus and in the relevant Offering Supplement/s (including, without limitation, those dealing with the Company's rights of refusal and to request information, the Investor's contractual obligations, warranties and undertakings, closure of offerings, suspensions or deferrals of dealings in Shares, Minimum Investment, Minimum Holding, fees and permissible deductions) shall respectively apply *mutatis mutandis* in respect of such redemption of Original Shares and subscription of New Shares occurring pursuant to the switching.

Subject to the right of the Company to reject the same and to any closure of offerings, suspensions or deferrals as may be applicable at the relevant time and without prejudice to the right of the Company to waive any cut off



requirements in its discretion: (i) the redemption of the Original Shares shall occur on the first Redemption Day of the class of Shares of which the Original Shares form part (the "Original Shares Class") available after the Company has received the Switching Application and supporting documents and information as provided above with due satisfaction of the Redemption Application Cut Off requirement applicable to such Original Shares Class; and (ii) the subscription of the New Shares shall occur on the first Subscription Day of the class of Shares of which the New Shares form part (the "New Shares Class") available on or after the applicable Redemption Day mentioned in (i) above and after the Company has received the Switching Application and supporting documents and information as provided above with due satisfaction of the Subscription Application Cut Off requirement applicable to such New Shares Class. When possible, the exchange of Investor Shares shall take place on the respective Redemption Day and Subscription Day which fall on the same day. However, should the respective Redemption Day and Subscription Day not fall on the same day, the redemption proceeds shall, as from the relevant Redemption Day of the Original Shares, be transferred into the clients' account held by the Outgoing Fund or (as the case may be) of the relevant Fund (where switching is to take place between classes of Investor Shares in the same Fund) with any interest or other yield accruing on such proceeds being retained exclusively by and for the benefit of the Original Shares Class, until the relevant Subscription Day of the New Shares, when the Company shall allocate the net redemption proceeds (or assets representing the same) to the New Shares Class as consideration for the subscription of the New Shares by the Investor. The redemption and subscription pursuant to the switching shall be processed at the Redemption Price / Subscription Price applicable on the relevant Redemption Day / Subscription Day.

The Company retains the right to be reimbursed from the relevant Investor and to deduct from the respective redemption proceeds any transaction costs incurred in the switching operation, which shall be attributed to and between the Original Shares Class and/or the New Shares Class as deemed fair and appropriate by the Directors. The relevant Offering Supplement/s may also provide for the payment of switching charges and/or fees. The redemption / exit fees and subscription fees / initial charges normally applicable with respect to the Original Shares Class or the New Shares Class shall apply to the extent so specified in the relevant Offering Supplement/s.

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:

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

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

where:-

- NS = the number of New Shares which will be issued;
- A = the number of Original Shares to be switched;
- B = the applicable Redemption Price per share of the Original Shares on the relevant Redemption Day;
- C = any transactions costs, fees (including subscription, redemption and switching fees and charges) or other deductions which may be applicable;
- D = the currency conversion factor to be applied for switching from and to Shares denominated in a different currency (if applicable), as determined by the Directors; and
- E = the Subscription Price per share of the New Shares as of the relevant Subscription Day.

If NS is not an integral number of New Shares, the Directors reserve the right to issue fractional New Shares or to return the surplus arising to the Investor.

The Company will dispatch contract notes as soon as practicable, and unless otherwise specified in the relevant Offering Supplement within one (1) Business Day, following the relevant Subscription Day when the order to exchange is fully effected.

Unless otherwise stated in the relevant Offering Supplement/s or unless waived by the Company (in its discretion), the subscription of New Shares pursuant to switching must meet the applicable Minimum Investment requirement, and where the Investor wants to switch only part of his holding of Investor Shares of the Original Shares Class, the remaining balance of such Investor Shares following switching must meet the applicable Minimum Holding requirement. See the parts titled 'Minimum Initial and Additional Investment Requirements' above and 'Minimum Holding Requirement' below in this section.

Switching to or from a Hedged Share Class involves currency risk. See the section titled 'Currency Exchange Risk and Currency Hedging' in the section titled 'Risk Factors' of this Prospectus.

### **Transfer / Transmission / Pledging of Investor Shares**

Transfers (including assignments) of Investor Shares under any title (including transfers of Investor Shares made by a person becoming entitled thereto pursuant to a transmission *causa mortis* or transfers or appropriation of Investor Shares pursuant to the enforcement of a pledge on such Investor Shares), transmission of Investor Shares *causa mortis* and pledging of Investor Shares are subject to any conditions contained in this Prospectus and in the Articles. Subject to such conditions, Investor Shares in any Fund may be transferred or transmitted *causa mortis* or pledged.

#### **Transfers or Transmissions *causa mortis***

All transfers of Investor Shares shall be effected by an instrument in writing in any usual or common form in Malta or any other form acceptable to the Directors, which shall be signed by or on behalf of the transferor and the transferee. The transferor shall be deemed to remain the holder of the Investor Shares until the name of the transferee is entered in the Register in respect thereof.

Transmissions *causa mortis* and their registration in the Register shall be dealt with as provided in the Articles. The Articles essentially provide that any person ("transmittee") entitled to Shares in consequence of the death, liquidation or other cessation of existence of a Shareholder ("the deceased Shareholder") shall, upon producing evidence of his title and other documentation requested by the Company, have the right either to be registered himself as the holder of the Shares or to make such transfer thereof as the deceased Shareholder could have made: provided that such transmittee or transferee complies with all other relevant requirements laid down in the Articles and herein; provided further that the Company shall, in either case, have the same right to refuse or suspend registration as they would have had in the case of a transfer of the Share by the deceased Shareholder before the death, liquidation or other cessation of existence of such Shareholder. The Directors may at any time by notice require any transmittee to elect either to be registered himself or to transfer the relevant Shares to another person and in the latter case to actually effect such transfer, and if the notice is not complied with within ninety (90) days, the Company may thereafter withhold payments of all monies payable or other advantages due in respect of the Shares until the notice has been complied with.

An application for the registration of a transfer of Investor Shares or for the registration of a transmittee as the holder of Investor Shares in the Register must be made in writing using the respective standard form determined and provided by the Company from time to time or otherwise in a form acceptable to the Company (the "Transfer Registration Application") and must be duly completed and signed by the transferee or (as applicable) by the transmittee electing to be registered himself as holder of the Shares (in his capacity as the applicant) or on his behalf by his duly authorised agent, and in the case of a transfer (and where so requested by the Company) it must also be counter-signed by the respective transferor (including, where applicable, the transmittee who elects to transfer the Shares to a third party). Such Application is to be addressed to the Company and must be received at the offices of the Administrator.

The Transfer Registration Application must include details of the number and class of Investor Shares being the subject of the application and quote the number of the respective contract note representing such Shares. The applicant must also submit such:

- (a) the information and documents specified in the Transfer Registration Application and such additional documents and information (including undertakings, declarations, warranties and representations) which may be requested by the Company or the Administrator at the relevant time for legitimate purposes; and
- (b) in the case of a transfer, the official instrument of transfer in original (or an authentic copy thereof).

Without prejudice to any other declarations, representations and warranties which are (or are deemed to be) given by the applicant to the Company (see the section titled 'Terms and Conditions of Issue and Holding' below and Appendix III hereof), by signing and submitting a Transfer Registration Application the transferee or transmittee agrees and undertakes (and will be deemed to agree and undertake) in favour of the Company to take and hold the relevant Investor Shares subject to the same conditions, warranties, obligations and restrictions

pursuant to which the said Shares were held by the transferor, or deceased Shareholder (as the case may be), and that the acquisition of Investor Shares by such transferee / transmittee is in compliance with the provisions, terms and conditions of this Prospectus, the relevant Offering Supplement and the Articles (including any investment eligibility requirements applicable thereunder) and does not violate applicable laws, regulations and requirements of any jurisdiction or governmental or other competent authority. The Company shall be entitled to request an express undertaking in writing to this effect before accepting the Transfer Registration Application.

The Directors may refuse to register a transfer or transmission of any Investor Share/s if: the manner, form or evidence of transfer or transmission is unacceptable or not registrable in accordance with the laws of Malta; if the declarations, information and documentation requested have not been supplied to the satisfaction of the Company or if the Company is not satisfied with information, declarations, representations and warranties which are (or are deemed to be) given; if the relevant Investor Share/s being transferred is/are subject to a pledge duly constituted and notified to and registered by the Company, unless the pledgee thereof has duly consented to such pledge (in which case the relevant Share/s shall continue to be subject to the pledge); or if the transfer or transmission and/or the registration thereof in the Register and/or the investment in the Fund by the transferee or transmittee may in the opinion of the Directors result in Investor Shares being owned (directly, indirectly or beneficially) by any person who does not satisfy any applicable investment eligibility requirements or may violate the applicable laws, regulations and requirements of any country or governmental or other competent authority or may otherwise be in contravention of any provisions, terms and conditions of this Prospectus, the relevant Offering Supplement or the Articles, or may result in the Company or the relevant Fund or Shareholders suffering a legal, regulatory, pecuniary, taxation, administrative or material disadvantage.

Unless otherwise stated in the relevant Offering Supplement, the Company may refuse a Transfer Registration Application if this would result in the relevant transferor or the relevant transferee/transmittee holding less than the applicable Minimum Holding, provided that the Directors may waive the Minimum Holding requirement at their discretion. See the part titled 'Minimum Holding Requirement' below in this section.

When the Company accepts a Transfer Registration Application, written confirmation will be sent to the applicant as soon as practicable thereafter. If the Company refuses to register a transfer or transmission of Investor Shares, the Company shall, within two (2) months of receipt of the Transfer Registration Form together with all the supporting documentation and information required or requested as aforesaid, send to the transferee or transmittee (as the case may be) a notice of the refusal, failing which the Company shall be deemed to have approved the registration of such transfer or transmission.

All transfers and transmissions the registration whereof is accepted will be recorded on the Register and neither the Company nor the Directors, Administrator or Authorised Distributors will be responsible to either the transferor or the transferee or transmittee for following their instructions in good faith as set out in the transfer agreement, Transfer Registration Application or other evidence produced.

The registration of transfers or transmissions *causa mortis* may be suspended at such times and for such periods as the Directors may determine from time to time, provided always that such registration shall not be suspended for more than thirty (30) days in any one calendar year.

The Articles do not confer pre-emption rights to existing Investors in respect of transfers of Investor Shares.

### **Pledges**

The pledge of Investor Shares shall be constituted by means of an instrument in writing entered into between the relevant Investor (as pledgor) and the pledgee and shall be made in accordance with and be subject to any relevant provisions of any applicable laws (in particular, but without limitation, Regulation 14 of the SICAV Regulations). Such pledge shall in all cases be subject to any provisions, restrictions and conditions contained in this Prospectus, the Offering Supplement of the relevant Fund and the Articles, and compliance with such provisions, restrictions and conditions by the relevant pledgor and by the pledgee, shall be and be deemed to be a pre-condition to the pledgeability of the Investor Shares and to the validity of the pledge instrument entered into between the pledgor and the pledgee and the pledge constituted thereby, such that the entry into of a pledge instrument or the granting of a pledge of Investor Shares or the exercise of rights thereunder or pursuant thereto by the pledgee which is to any extent inconsistent with the said provisions, restrictions and conditions shall, for the purposes of Regulation 14(2) of the SICAV Regulations render such pledge as a pledge which is not

permissible under the Articles of the Company and/or under the terms and conditions of issue of such Investor Shares, and the Company shall not recognise the same or its effects nor record the same in the Register.

The pledgor and/or the pledgee requesting the registration of a pledge of Investor Shares must submit to the Company (and the same must be received at the offices of the Administrator), an appropriate notice of pledge in terms of law (which shall constitute the request for registration) signed by (or on behalf of) both the pledgor and the pledgee, accompanied by the signed pledge instrument in original or an authentic copy thereof, and must also submit such information and documentation (including undertakings, declarations, warranties and representations) as the Company or the Administrator may require at the relevant time for legitimate purposes.

In addition, the pledgee must agree and undertake in favour of the Company, in the notice of pledge or under a separate document signed by him: (i) to exercise any rights which in terms of the relevant pledge instrument vest in him during the subsistence of the pledge before the enforcement thereof, and to eventually exercise the right to transfer the pledged Investor Shares to a third party or to request the Company to redeem the pledged Investor Shares (pursuant to an enforcement of the pledge), subject to the same conditions, warranties, obligations and restrictions pursuant to which the said rights and transfer or redemption were or could have been exercised, made or requested by the pledgor, (ii) that in the case of an eventual enforcement of the pledge through appropriation of the Investor Shares by the pledgee, the pledgee will comply fully with the procedures, terms and conditions set out herein and in the Articles relating to a transfer of Investor Shares (as if he was a transferee for all intents and purposes) and to take and hold the relevant Investor Shares subject to the same conditions, warranties, obligations and restrictions pursuant to which the Investor Shares were held by the pledgor; and (iii) that he shall not enforce or attempt to enforce the pledge through an appropriation, transfer to a third party or through a request to the Company to redeem the pledged Investor Shares if and to the extent that such appropriation / transfer/ redemption would result in the pledgee, the transferee or the pledgor holding less than the applicable Minimum Holding, unless such Minimum Holding requirement is waived by the Directors in their discretion (see the part titled 'Minimum Holding Requirement' below in this section).

For the avoidance of doubt:

- (i) in case of an enforcement of a pledge on Investor Shares by appropriation thereof by the pledgee or by the transfer thereof to a third party, this will be deemed to be a separate transfer of the Investor Shares (distinct from the original pledge itself) for the purposes of the part 'Transfers or Transmissions *causa mortis*' above and of other relevant parts of this Prospectus and the Articles, and shall be subject to the rules, procedures, terms and conditions contained therein dealing with a transfer of Investor Shares and the pledgee and/or (as the case may be) the third party transferee will need to comply therewith; and
- (ii) the pledgee may not validly enforce the pledge (and a pledge of Investor Shares may only be validly given will be registered by the Company under the express understanding and condition that the pledgee may not validly enforce the pledge), whether by appropriation, transfer to a third party or through a redemption by the Company of the pledged Investor Shares if and to the extent that such appropriation / transfer/ redemption would result in the pledgee, the transferee or the pledgor holding less than the applicable Minimum Holding as aforesaid, unless the Directors waive the same in their discretion: it being provided that a pledge on Investor Shares may be made and subsist, until it is enforced as aforesaid, on Investor Shares the number or value of which do not satisfy the applicable Minimum Holding.

The Company may refuse to register a pledge of any Investor Shares in the same instances in which it can refuse to register a transfer of Investor as set out under the part 'Transfers or Transmissions *causa mortis*' above, which shall apply *mutatis mutandis* to a pledge.

The Company shall inform the pledgee of an acceptance or refusal of the request for registration as soon as possible and practicable after receipt of the notice of pledge together with all the relevant documentation and information requested as aforesaid.

All pledges the registration whereof is accepted will be recorded on the Register and neither the Company nor the Directors, Administrator or Authorised Distributors will be responsible to either the pledgor or the pledgee for following their instructions in good faith as set out in the pledge instrument, notice of pledge or other evidence produced.

## **Redemptions**

### **Application Procedure for Voluntary Redemptions**

Subject to the restrictions mentioned herein, in the relevant Offering Supplement and/or in the Articles, an Investor may cause all or part of his Investor Shares in a Fund to be redeemed by the Company in accordance with the following procedures (and as may be further provided in the relevant Offering Supplement).

Applications for redemption of Investor Shares in any Fund must be made in writing using the respective standard form determined and provided by the Company from time to time (the "Redemption Application"), and containing details of the number or value and class of Shares to be redeemed and the number of the contract note received when the Shares were subscribed or acquired. The Redemption Application must be duly completed and signed by the applicant or on his behalf by his duly authorised agent, and must be addressed to the Company and received at the offices of the Administrator. The Investor must also submit such information and documents specified in the Redemption Application and such additional documents and information (including undertakings, declarations, warranties and representations) which may be requested by the Company or the Administrator at the relevant time for legitimate purposes.

A request for partial redemption by an Investor (i.e. of part only of his investment) which would result in the Investor holding less than the applicable Minimum Holding (see the part titled 'Minimum Holding Requirement' below in this section) or which is for less than any applicable Minimum Redemption (see the part titled 'Minimum Redemption Requirement' below in this section), will not be processed by the Company as submitted by the Investor, and the Directors may accordingly, at their discretion: (i) reject the redemption request; or (ii) reduce the same *pro rata* by such amount as is necessary to enable the relevant Investor to satisfy the Minimum Holding requirement after such redemption; or (iii) increase the same *pro rata* by such amount as is necessary to satisfy the Minimum Redemption requirement; or (iv) redeem the entire holding of the Investor. The said Minimum Holding and/or Minimum Redemption requirement/s may however be waived by the Directors at their discretion.

A request for redemption may also be subject to suspensions or deferrals of processing or of payment of redemption proceeds as provided below – see the part titled 'Suspension and Deferral of Redemptions and of Redemption Payments' below.

In the case of marketing of the Units in other jurisdictions, the Prospectus as published there may give specific / additional information concerning arrangements for redemption of units in respect of that jurisdiction.

### **Minimum Redemption Requirement**

A Redemption Application must be made in respect of such number or value of Investor Shares that satisfies the Minimum Redemption (if any) specified in the Offering Supplement of the relevant Fund, provided that the Directors may waive such Minimum Redemption at their discretion.

Unless otherwise specified in the Offering Supplement of the relevant Fund:

- (i) the said Minimum Redemption shall apply on a per class basis, such that an Investor wishing to redeem Investor Shares of more than one class in a Fund must satisfy the full applicable Minimum Redemption in respect of each such class;
- (ii) should the relevant Offering Supplement provide that the respective Minimum Redemption applies on a per Fund basis (i.e. on an aggregate basis between all classes of Investor Shares in respect of which the Redemption Application is made), and if the different classes of Investor Shares in the Fund have a different respective Minimum Redemption amount, the higher of such Minimum amounts shall apply.

### **Processing of Redemption Applications and Redemption Price**

Subject to the right of the Company to reject the same or to any suspensions or deferrals of redemptions at the relevant time as referred to herein (see the part titled 'Suspension and Deferral of Redemptions and of Redemption Payments' below), Redemption Applications will be processed and accepted as of the first Redemption Day of the relevant class of Investor Shares available after the Company has received the Redemption Application and supporting documents and information as provided herein with due satisfaction of the applicable Redemption Application Cut Off requirement, provided that the Company may, in its absolute

discretion, waive such cut off requirement and process and accept a Redemption Application as of a Redemption Day notwithstanding that such application or any documents or information have been received after the cut off (deadline) applicable with respect to such Redemption Day.

Unless otherwise provided in the Offering Supplement of the relevant Fund and save for any adjustments which may be applicable or permitted:

- (i) redemptions of Investor Shares pursuant to accepted Redemption Applications will be processed at a Redemption Price equivalent to the relevant NAV per Share as calculated with reference to the Valuation Day falling on the relevant Redemption Day or, if no Valuation Day falls on such Redemption Day, the Valuation Day immediately preceding the relevant Redemption Day – see the rules on the calculation of NAV set out under the section titled 'Net Asset Value Calculation' below;
- (ii) generally the Company adopts a Forward-Pricing Policy for the determination of Redemption Prices on any Redemption Day.

The Investor Shares will be redeemed with effect from the Redemption Day as of which the relevant Redemption Application is accepted.

Contract notes containing relevant details of the redemption will be issued as soon as practicable following the relevant Redemption Day, and unless otherwise specified in the relevant Offering Supplement, will be issued within one (1) Business Day following such Redemption Day.

Details of the Redemption Days, Valuation Days, Redemption Application Cut Off and Minimum Redemption (if any) as applicable in respect of any Fund or any class of Investor Shares in any Fund will be found in the respective Offering Supplement.

### **Payment in respect of Redemptions**

Unless otherwise provided in the Offering Supplement of the relevant Fund and subject to any deferral of redemption payments which may be applicable, payment of redemption proceeds (consisting of the Redemption Price, after deducting or accounting for any applicable redemption or exit fee or Dilution Levy (if any), as well as all accrued fees, including fees due to Service Providers, expenses and other liabilities of the relevant Fund attributable to the Investor Shares being redeemed, as well as any other permissible adjustments and deductions) will be made in the manner described under the section titled 'Payments to Shareholders' below (including the possibility of payments *in specie* in certain circumstances), as soon as practicable after the relevant Redemption Day and unless otherwise specified in the relevant Offering Supplement, within five (5) Business Days following such Redemption Day. No interest will be paid on any redemption proceeds between the approved Redemption Day and the date of payment (notwithstanding any deferral of redemption payments as may be allowed).

A redemption or exit fee may apply and be payable by the redeeming Investor in respect of the redemption, details of which will be found in the relevant Offering Supplement. To the extent expressly permitted in the relevant Offering Supplement, the Company may also charge a redeeming Investor a Dilution Levy if considered appropriate by the Directors, in order to ensure fairness between existing and new Investors. Unless otherwise specified in the relevant Offering Supplement, such fee, charge and/or Levy will be automatically deducted from the redemption monies due to such Investor.

### **Reserve for Contingencies**

The Directors may at times have reason to believe, on the basis of current or threatened events, that a Fund may have potential or current liabilities or other financial obligations the existence and/or value of which cannot be confirmed or accurately determined before the processing of Redemption Applications and/or at the time of paying redemption proceeds. In order to prudently provide for such potential or current liabilities the Directors may decide to withhold up to five per cent (5%) of the redemption proceeds due to any redeeming Investor and to remit the balance to such Investor within such time limits as provided in this Prospectus / the relevant Offering Supplement. The portion so withheld will be placed in a reserve (the "Contingency Reserve"), and funds placed in such Contingency Reserve will not remain invested in the relevant Fund but will be deposited in a bank account of the Company in relation to the Fund until any contingent obligations or liabilities are ascertained. The Contingency Reserve will not be taken into account for the calculation of the NAV of the Fund. As soon as the extent of the obligations or liabilities is determined to the satisfaction of the Company and the necessary

adjustments are made to the calculation of the redemption proceeds due to the redeeming Investor, any funds remaining in the Contingency Reserve to the credit of such redeeming Investor (excluding any bank interest accrued which will remain for the benefit of the Fund) will be remitted to him in final settlement of the redemption proceeds due to him. To the extent commercially practicable the Administrator will provide relevant information on the Contingency Reserve upon request from an affected Investor.

### **Suspension and Deferral of Redemptions and of Redemption Payments**

Unless otherwise provided in the Offering Supplement of the relevant Fund, the Directors shall have the general power (whether or not specified in the relevant Offering Supplement) to temporarily suspend redemption of Investor Shares (including those Investor Shares for which Redemption Applications have already been received) in exceptional circumstances, where circumstances so require, and when suspension is justified having regard to the interest of the Shareholders (including where they 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 relevant Fund at a time and in circumstances which are not appropriate and which may prejudice the interest of Investors in that Fund).

Accordingly, based on the above principles and without prejudice to the generality of the foregoing:

- (a) no redemption of Investor Shares will take place during any period when the calculation of the Net Asset Value of the relevant Fund is suspended - reference is made to the section titled 'Net Asset Value Calculation' below;
- (b) the Offering Supplement of any Fund may specify other instances in which requests for redemption of Investor Shares therein may be suspended.

Based on the above principles, the Offering Supplement of any Fund may also grant a power to the Company to defer redemption requests, for example by limiting the number of Investor Shares in any Fund to be redeemed on any Redemption Day (other than at the specified maturity date, were applicable) to a stated percentage of the total NAV of that Fund on such Redemption Day and, when redemption requests exceed such limitation on any Redemption Day (the "Relevant Redemption Day"), the Company will have the right to pro rata limit the number of Investor Shares redeemed by any Shareholder on such Relevant Redemption Day pursuant to such requests and to defer the unsatisfied portion of the redemption requests to the next Redemption Day/s (until satisfaction of such requests in full), so that all Shareholders wishing to have Investor Shares in that Fund redeemed on that Relevant Redemption Day will have their redemption requests scaled down and deferred proportionately.

Redemption of Investor Shares will also be suspended when required by the MFSA.

Notice of any suspension in force at the relevant time will be given to any applicant tendering his Redemption Application, but Redemption Applications, once made, are irrevocable – see the part titled 'Irrevocability of Applications' below in this section. When redemptions are suspended, Redemption Applications received will normally take place on the first Redemption Day following the end of the suspension.

Unless otherwise provided in the Offering Supplement of the relevant Fund, the instances of suspension of the calculation of the NAV and/or of suspension or deferral of redemptions which may be applicable at the relevant time, shall also constitute instances for deferral of payment of redemption proceeds. Accordingly, the Company reserves the right, at its discretion, to delay payment of redemption proceeds to Investors whose Redemption Applications have been processed and accepted on or as at a date prior to any such suspension or deferral, until after the suspension or deferral is lifted or no longer exists. The Offering Supplement of any Fund may contain other instances where the Company may delay or defer redemption payments. The Company intends to exercise such right only in extraordinary circumstances, such as when the Directors (or the Administrator) believe that to make such payment during the period of suspension or deferral would materially and adversely affect or prejudice the interest of Shareholders.

### **Mandatory Redemptions**

If it shall come to the notice of the Directors or if they shall have reason to believe that any Investor Shares in any Fund are held by or on behalf of:

- (i) any person in breach of any laws, regulations or requirement of any country or governmental or other authority; or
- (ii) any U.S. Person or any person who does not satisfy any applicable investment eligibility requirements; or
- (iii) any person in contravention of this Prospectus, the relevant Offering Supplement or the Articles, including (without limitation) the Minimum Holding requirement, or by any person who contravened any of his obligations thereunder, including (without limitation) any declaration, representation or warranty given and made or deemed to be given and made by him to the Company; or
- (iv) any person in circumstances which in the opinion of the Directors may result in the Company or the relevant Fund or Shareholders suffering a legal, regulatory, pecuniary, taxation, administrative or material disadvantage,

or in such other circumstances (if any) as may be set out in the relevant Offering Supplement, then the Directors may send a notice in writing (the "Mandatory Redemption Notice") to the holder of the relevant Investor Shares requiring him to transfer such Investor Shares to a person who is eligible to hold or own the same or to request in writing the redemption thereof by the Company.

If the Mandatory Redemption Notice is not complied with within thirty (30) calendar days of the date thereof, then the Company may at any time thereafter (whilst the relevant circumstance as sated above still subsists) compulsorily redeem such Investor Shares at the Redemption Price applicable on the relevant Redemption Day chosen by the Company for such compulsory redemption (which day shall be notified to the relevant Investor prior to the relevant Valuation Day as of which such Redemption Price is to be determined). Unless otherwise stated in the Offering Supplement of the relevant Fund, all redemption or exit fees or other charges and deductions normally applicable to redemption of Investor Shares of the same class shall also apply on such compulsory redemption.

### **Total Redemptions in a Fund**

The Company may at any time effect a total redemption of all the outstanding Investor Shares in a Fund/s and subsequently close such Fund/s and thereafter surrender the respective Licence/s to the MFSA, and/or a total redemption of all the outstanding Investor Shares of a particular class/es in a Fund, as provided under the part titled 'Closure' under the section 'Description of the Company and Share Capital' above, and subject to such consent or Extraordinary Resolution of Investors as mentioned in paragraph (e) of the part titled 'Voting Rights of Investor Shares' under the said section, saving the instances referred to under paragraphs (a) to (e) under the part titled 'Unrestricted Powers of Closure or Liquidation' under the said section, where the total redemption and/or closure can be effected solely by resolution of the Directors. Saving the instance mentioned under paragraph (e) under the part titled 'Unrestricted Powers of Closure or Liquidation' under the said section (namely the total redemption and closure of a Fund on the expiry of its definite duration, where applicable, in which case no redemptions will be effected as from the date of expiry of such term), the Directors shall give at least fifteen (15) calendar days' notice before the relevant Redemption Day chosen for such total redemption, and the Company may suspend redemptions for such period before and until such Redemption Day as stated in such notice (this being deemed to be warranted by circumstances and in the interests of Shareholders, to allow the orderly preparation of a statement of the assets and liabilities of the relevant Fund / class, the settlement of such liabilities and the distribution of the net assets and an orderly closure of the Fund / class), but such suspension shall not be for a period longer than twenty (20) Business Days before the chosen Redemption Day. Between the date of the notice referred to above and the commencement of the period of suspension (if there is any such intervening period), Investors may continue to redeem their Shares through the normal procedures.

### **Cancellation of Shares on redemption**

Any Investor Shares in any Fund which have been redeemed (in any way and in any circumstances) by the Company shall be cancelled as provided by the Companies Act.

### **Minimum Holding Requirement**

The holding of Investor Shares by an Investor in a Fund at any time (on an on-going basis) after the subscription or acquisition of such Investors Shares by him must satisfy the Minimum Holding (if any) specified in the relevant



Offering Supplement. The Directors may decide not to apply a Minimum Holding in respect of a Fund or a class of Investor Shares in a Fund even where a Minimum Initial Investment applies to it. The applicable Minimum Holding (if any) may be equal to or different from (less than) the respective Minimum Initial Investment. The Directors may also waive such Minimum Holding which may be otherwise applicable, at their discretion.

Unless otherwise specified in the Offering Supplement of the relevant Fund:

- (i) the Minimum Holding shall not be deemed to be breached if this is solely the result of a fall in the Net Asset Value;
- (ii) the said Minimum Holding shall apply on a per class basis, such that an Investor holding Investor Shares of more than one class in a Fund must satisfy the full applicable Minimum Holding in respect of each such class;
- (iii) should the relevant Offering Supplement provide that the respective Minimum Holding applies on a per Fund basis (i.e. on an aggregate basis between all classes of Investor Shares held by an Investor in the same Fund), and if the different classes of Investor Shares in the Fund have a different respective Minimum Holding amount, the higher of such Minimum amounts shall apply.

## **General**

### **Applications**

Applications or requests for subscription, exchange or redemption of or for the registration of transfers, transmissions *causa mortis* or pledge of Investor Shares, which should be addressed to the Company and be received at the offices of the Administrator as provided above, may be sent by the applicants directly to the offices of the Administrator, or through Authorised Distributors. These must be so sent either by personal delivery or by post in original, or even by facsimile or through electronic means of communication, which should however be followed promptly by the original by post, and until the receipt of such original the relevant application or request will not be accepted, unless the Company permits otherwise in its absolute discretion.

As provided above, apart from the documents specified in the relevant application form, the applicant must also submit such additional information and documentation (including undertakings, declarations, warranties and representations) which may be requested by the Company or the Administrator at the relevant time for legitimate purposes. These must be submitted in such form and medium (and whether in original or in certified or simple copy or otherwise) as so specified or requested. The legitimate purposes for which these are requested may include *inter alia* verification of the title, right and capacity of the applicant to the relevant Investor Shares and to make the respective application or request, ensuring compliance with applicable prevention of money laundering legislation or other applicable laws, and ensuring compliance with the provisions of this Prospectus, the relevant Offering Supplement and the Articles. The Company and the Administrator retain the right to request such additional documents and information at the time of application / request, and also on an on-going basis thereafter for such legitimate purposes, and the relevant applicant / Investor shall promptly comply with such requests.

Applications or requests will not be accepted until the Company is satisfied with the information, declarations, representations and warranties which are (or are deemed to be) given or included (expressly or by reference) in or together with the respective application or request forms and that the formalities required under applicable prevention of money laundering legislation have been complied with. Reference is made to the section titled 'Prevention of Money Laundering and Data Protection' below.

Applications or requests as aforesaid will be processed by the Administrator.

### **Irrevocability of Applications**

Investors should be aware that (without prejudice to the Company's rights to reject the same as provided herein) an application for subscription, exchange or redemption of Investor Shares in any Fund, once made, is irrevocable by them even before it becoming a legally binding contract with the Company by the acceptance thereof by the Company (as provided under the section titled 'Terms and Conditions of Issue and Holding' below) or if the Company later revokes or rejects the same in part as provided herein and even if at the time or after the submission thereof there is a suspension or deferral of subscriptions or redemptions: provided that the Directors

may, in their absolute discretion, permit that an applicant who has submitted any such application later revokes or withdraws the same before it has been processed. Notice of any suspension of subscriptions or redemptions existing at the time of submission of the relevant application will be given to the relevant applicant (and also to applicants who have submitted such applications before the suspension) and if the application is still submitted by the applicant, then it will be irrevocable as aforesaid. Investors are not protected by and are not entitled to cancellation rights.

### **Documents and Information provided to the Company**

Any future change to the details of an applicant and other information originally supplied or given at the time of application or thereafter must be notified to the Company or the Administrator immediately.

Investors should note that to the extent permitted by law (including data protection laws) the Company shall have the right to retain applications and any documents and information supplied by applicants or Investors from time to time, even where the respective application is rejected and even after redemption of the respective investment, for record-keeping purposes and to ensure compliance and evidence of compliance by the Company with applicable law. The Company may make the same available to its agents and Service Providers for the purposes of their respective functions and duties, and may also be required by law or MFSA Rules to make the same available to competent authorities or other persons.

### **Responsibility to Verify Details on Contract Notes**

Upon the processing of an application, the Company will issue a contract note of the transaction within the time limits referred to herein. It is the responsibility of the applicant / 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.

### **Cut Off Periods**

The Directors may at any time extend or limit the cut off period and time for accepting subscriptions or redemptions and will notify Shareholders if and when a new period and time takes effect either by sending a notice or by advertising in the relevant newspapers. Any such extension or limitation shall not affect applications already submitted.

### **Dealing Prices**

The Net Asset Value per Investor Share and the Subscription / Redemption Prices per Investor Share will be available from the Company's registered office or the Administrator as soon as possible following the relevant Dealing Day. These may also be obtained from the website of the Investment Manager: [www.jesmondmizzi.com](http://www.jesmondmizzi.com), and may also be published on other sources from time to time, such as local newspapers in Malta and/or in other jurisdictions where the Units are marketed and/or global internet sites, and are provided for information only. It is not an invitation to subscribe for, redeem or exchange Shares as at that Net Asset Value per Share. Neither the Company nor the Directors, Service Providers or Authorised Distributors accept responsibility for any error in publication or for non-publication of prices.

Unless otherwise provided in the Offering Supplement of the relevant Fund, the Company generally adopts a Forward-Pricing Policy for the determination of Dealing Prices as of any Dealing Day, in order to reduce the possibility of abusive short-term or frequent trading practices or market-timing trading practices.

### **Frequent Trading**

The Company seeks to discourage abusive investment fund market timing practices (an arbitrage strategy that involves dealing in a fund to exploit discrepancies between the issue price of the fund and general market movements) which can be detrimental to the Company and the relevant Fund, as well as abusive excessive and/or short term trading into and out of a Fund which can (particularly in large amounts) disrupt or impair portfolio investment strategies and is likely to unnecessarily increase expenses and might negatively impact investment returns for all Shareholders in such Fund, including long term Shareholders who do not generate these expenses. The Company seeks to decrease the incidence of these and similar abusive practices, including through the adoption of the Forward-Pricing Policy (where deemed appropriate in respect of a Fund) and also through techniques which seek to establish the market value of an asset (or liability) for which a market price cannot be determined because there is no open trading market on any given day for such asset (or liability). Although there

can be no assurance that all such practices will be identified or prevented, the Company will monitor Shareholder transactions to identify patterns of abusive market timing or short-term trading and may take any measures it deems appropriate to prevent the same. The Directors reserve the right to reject any redemption, subscription or exchange requests delivered by any Investor or group of Investors if the Directors believe that such redemption, purchase or exchange requests disrupt or impair the trading activity in the portfolio(s) and accounts(s) of a Fund.

**Anti-Money Laundering**

The Company is a 'subject person' in terms of the Prevention of Money Laundering Act (Chapter 373 of the Laws of Malta) and the Prevention of Money Laundering and Funding of Terrorism Regulations (Legal Notice 180 of 2008, as amended from time to time). The Company is required to ensure full compliance with all applicable Maltese and international prevention of money laundering and funding of terrorism legislation.

As part of the Company's responsibility for the prevention of money laundering and funding of terrorism, the Company, the Directors, the Administrator of the relevant Fund/s and any other person responsible will have duties and will fully comply with their obligations under, and will implement any and all procedures prescribed by the aforesaid Act and Regulations and other applicable laws in Malta. Such obligations include the identification and verification of identity of prospective or existing Investors (including transferees, transmittes and pledgees of Investor Shares) and their beneficial owners (where applicable) and ultimate beneficial owners of the monies invested, verification of the source of funds / wealth, the retention of the relevant identification and transaction documentation and the reporting of transactions suspected of involving money laundering or financing of terrorism and transfer of relevant data to the relevant competent authorities, in particular (but without limitation) the Financial Intelligence Analysis Unit ("FIAU") in Malta.

In this regard, the Company will establish appropriate internal procedures to fulfil these obligations and will appoint a Money Laundering Reporting Officer ("MLRO"). The day-to-day anti-money laundering procedures would be conducted by the Administrator however the MLRO will retain responsibility for ensuring compliance with the anti-money laundering obligations of the Company and in this regard will monitor the Administrator through regular visits to the Administrator.

Similar legal obligations and reporting requirements of other jurisdictions and/or of international organisations may also apply to the Company, the Administrator or Authorised Distributors or other authorised intermediaries through whom the applicant submits his application or request for subscription or other transactions or registration of transactions relating to Shares.

In fulfilment of the said obligations the Company, the MLRO, the Administrator, and Authorised Distributors or intermediaries, may require a detailed verification of the identity of a prospective or existing Investor, their beneficial owners and on the source of funds. This will include the production of the documentation specified in the respective Subscription, Transfer Registration or Redemptions Applications (as applicable). Such documents are only by way of example and the Company any of the persons mentioned above may request such additional information and documentation as is considered necessary for the above-mentioned purposes and/or to comply with their respective anti-money laundering obligations. Each applicant shall also be required to make such declarations, representations and warranties as may be required by the Directors or other persons as aforesaid in connection with anti-money laundering programs (see below).

In the event of delay or failure by the applicant to produce any information and documents required as aforesaid, the Company will refuse to accept the respective application or request (and, where applicable, the subscription monies relating thereto) until proper information and documents have been provided, and may also indefinitely reject the relevant application or request in such circumstances.

It must also be noted that the remittance of redemption or other monies to an Investor may be suspended until all documents requested have been received, and the failure of production of documents by an Investor may also lead to a compulsory redemption of his Shares by the Company.

Depending on the circumstances of each application or request, a detailed identification procedure may not be required by the Company / Administrator in terms of applicable prevention of money laundering and funding of terrorism legislation. Furthermore, in the case of prospective or existing Investors submitting their applications through an Authorised Distributor or another appropriately authorised intermediary or other entity satisfying such eligibility, registration and other requirements prescribed by applicable prevention of money laundering and funding of terrorism legislation, the Company or the Administrator may, subject to ongoing compliance with the requirements of such legislation, rely on the aforesaid persons or entities to fulfill the customer due diligence required by such legislation.

Investment monies paid returnable on refusal of the application, and redemption and other payments due to Investors are generally paid into the account of remittance of the relevant investment monies, except in exceptional circumstances where agreed to by the Company / Administrator. The Company / Administrator shall in particular be entitled to refuse remittance of redemption proceeds and other payments to an account which is not in the name of the Investor, and where they exceptionally agree to do so, this will be under the express condition that they are provided with full details and information requested to verify the identity of the owner of the account, its relationship with the Investor, the reason for the request of payment into such account and all other information necessary to ensure compliance with applicable prevention of money laundering and funding of terrorism legislation.

The Company / Administrator also reserve the right to refuse to make any redemption payment or other payment or distribution to a Shareholder, if any of the Directors or the Administrator, Authorised Distributor or other authorised intermediary is advised that such payment or distribution to such Shareholder might result in a breach or violation of any applicable prevention of money laundering and funding of terrorism legislation, including the laws, regulations, sanctions and executive or judicial orders of, issued or administered by the FIAU, the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), the equivalent offices / agencies in any other relevant jurisdictions, the competent courts or adjudicating authorities in any relevant jurisdiction, or international organisations or agencies thereof charged with the function of combating money laundering and funding of terrorism (collectively, "AML Laws / Orders").

Without prejudice to any other declarations, representations and warranties which are (or are deemed to be) given by the applicant to the Company (see the section titled 'Terms and Conditions of Issue and Holding' below and Appendix III hereof), each applicant on an application for subscription, exchange, registration of transfers or other transactions in Shares will be required to make and give such declarations, representations and undertakings as the Company, the Administrator, Authorised Distributor or other authorised intermediary may require in connection with applicable AML laws / Orders, and by signing and submitting their respective application they will be representing (and will be deemed to be representing) *inter alia* that such applicant is not:

- (a) an individual or entity or member of an entity named on any available lists of known or suspected terrorists, terrorist organisations or of other sanctioned persons issued by the United Nations, the EU, other international or regional organisations, the United States government and the governments of any jurisdictions in which the Company is doing business, including the UN List of Suspected Terrorist Organizations and Individuals and the List of Specially Designated Nationals and Blocked Persons administered by OFAC (as such lists may be amended from time to time);
- (b) an individual or entity otherwise prohibited by the United Nations, EU or OFAC sanctions programs;
- (c) an individual who is 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, save as may have been otherwise fully disclosed in writing to the Company (and in such case the application will only be entertained if so approved by senior management);
- (d) a prohibited foreign shell bank<sup>3</sup>,

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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.

as well as representing that amounts (or assets in kind) contributed by it to the Company were not directly or indirectly derived from activities that may contravene AML Laws and Orders.

Each applicant and each existing Investor agrees that the representations given by him as aforesaid are so given on a continuing basis and agrees to notify the Company / Administrator promptly in writing should it become aware of any change in the information included in its representations.

Prospective and existing Investors should note that the Company may be obliged by law to freeze the account or assets of the applicant or Investor, either by prohibiting additional investments from him, declining any withdrawal requests from him, suspending payments (including payments of withdrawal proceeds) to him, and/or segregating the assets in the account in compliance with AML Laws and Orders.

The Company, the Directors, the MLRO, the Administrator, the Investment Manager, Authorised Distributors and other authorised intermediaries will not be liable for any loss or prejudice suffered by an applicant or Investor as a result of any action or omission on their part in pursuance of and in compliance with AML Laws and Orders (including any such action or omission as mentioned above).

Finally, since AML Laws and Orders are subject to change, any additional requirements imposed on the Company or the Administrator or any other relevant person by virtue of any such change will be reflected in disclosure and other requirements imposed on the applicant for subscription or other transactions or registration of transactions relating to Shares.

### **Data Protection**

Prospective and existing Investors (including pledgees) should note that by completing and submitting their respective application or request for subscription or other transactions or registration of transactions in Shares and the supporting documentation and information and by providing such other forms, documentation and information to the Company or other authorised persons from time to time as may be required in terms of this Prospectus, they may be providing personal information, which may constitute personal data within the meaning of the General Data Protection Regulation (EU) 2016/679) ('GDPR') and the Company may be a controller of such personal data and will process the same in such capacity in terms of the said Act and any relevant guidelines that may be issued from time to time.

Personal data so provided by or on behalf of applicants or Investors and personal data otherwise collected by or on behalf of the Company will be processed for the following purposes: (i) to perform the service being requested by the applicant or the Investor including processing of applications, identification and verification of identity of the applicant / Investor and its eligibility to hold or exercise Investor Shares or rights thereto, (ii) to comply with any applicable legal or regulatory requirements (including, but not limited to, Licence conditions and applicable prevention of money laundering and funding of terrorism legislation and requirements applicable to the Company and/or Service Providers), (iii) to protect the Company's legitimate interests and those of third parties including but not limited to administering, monitoring and managing the Company's relationship with the applicant, statistical analysis and market research. Such personal data may also be used for other specific purposes in respect of which the relevant data subject (the applicant / Investor or other individual to whom such personal data relates) has given his specific consent.

Processing of personal data may validly take place, even without the consent of the relevant data subject, in the circumstances and for the purposes mentioned in the GDPR.

Personal data may be processed by the Company and may be disclosed to and processed by persons authorized by the Company in that respect, in particular (but without limitation) the Administrator, the Investment Manager and other Service Providers, and their or the Company's duly authorised agents and any of their respective group companies and affiliates wherever located (including outside the EU and also in countries which are not deemed to have equivalent data protection legislation in place). Personal data may also be disclosed to and processed by third parties, including regulatory bodies and tax authorities (including outside the EU). Personal data may be shared in a number of circumstances.

An applicant's/Investor's personal data may be transferred outside of the EEA, if that country ensures an adequate level of protection, or otherwise with the applicant's/Investor's specific consent.

Personal data can be collected directly from the applicant/Investors, but also from third parties such as the Company's service providers, companies within its group and publicly available information.

Processing of data may take place before, during and after the time that the applicant/Investor holds Shares or rights to Shares and even in the event that the application / request is rejected by the Company. Personal data shall be held throughout the period an applicant/Investor deals with the Company or for such longer period of time as may be required by law.

A data subject has the right to request the Company to provide him with information about the processing of his personal data and access to such data, to request its rectification or deletion, to request that its processing be restricted or to object to its processing. Applicant can also request data portability.

The data subject may at any time, revoke his consent to the processing of personal data where his consent is necessary for such processing.

An applicant/Investor may also file a complaint with the Company or the Office of the Information and Data Protection Commissioner in case of an alleged infringement in processing his/her personal data.

The Company is obliged to provide applicants/Investors with a privacy notice regarding the processing of their data. The Company's privacy notice is contained in the Company's Data Protection and Privacy Policy, which can be found <http://www.merillfunds.com/en/privacy-policy.htm>. Applicants/Investors are requested to read the Company's Data Protection and Privacy Policy. Alternatively the applicant/Investor may ask for a copy of the said policy. Entity applicants/Investors are requested to ensure that they pass a copy of the said policy to relevant underlying individuals whose data is being processed by the Company.

The Service Providers and entities marketing the Units and collecting and/or processing information in respect of applications may also be subject to and comply with data protection legislation in the relevant jurisdiction.

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## Terms and Conditions of Issue and Holding

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The full contents of this Prospectus, including the Offering Supplement of the relevant Fund, as well as of the Articles and of the relevant Subscription / Switching / Transfer Registration / Redemption Application, exhaustively set out and contain the terms and conditions of offering, issue, subscription, resale, transfer, acquisition, exchange, holding, pledging and redemption of Investor Shares in any of the Company's Funds. By signing and submitting the relevant application / request form, the applicant (and in the case of joint applications, each individual applicant) will be entering into a legally binding contract with the Company (which shall become binding on the Company if and when such application / request is accepted by the Company):

- (a) whereby the applicant acknowledges, declares and agrees (and will be deemed to be acknowledging, declaring and agreeing) that he has made the application / request solely on the basis of, and that he shall at all times be bound by and comply with, and shall be subscribing, acquiring and/or holding the relevant Investor Shares on the basis of, such contents, terms and conditions (as applicable to him);
- (b) whereby he makes and gives (and will be deemed to be making and giving) to the Company the declarations, representations and warranties contained in Appendix III hereof (if and to the extent applicable) and/or other relevant declarations, representations, warranties and undertakings contained herein and/or in the relevant Offering Supplement and/ or in the relevant application / request form (as applicable); and
- (c) which contract, any non-contractual matter arising out of or in connection with it, shall be governed by and construed in all respects in accordance with the laws of the Republic of Malta.



### **Allocation of Income**

The Company shall determine and allocate the income of each of its Funds and classes of Investor Shares therein (including the application of income equalisation methods) in accordance with the relevant rules as set out in the Articles and the MFSA Rules (as and to the extent the same are applicable to the relevant Fund/s and classes of Investor Shares). Income allocation dates shall be such dates determined by the Directors which fall within two (2) months following the Accounting Period or (as the case may be) following the interim period in respect of which the relevant income allocation is to be made.

### **Dividend Policy**

The Directors intend to declare dividends with respect to certain classes of Investor Shares (distribution classes) as specified in the Offering Supplement of the relevant Fund, so that all classes of Investor Shares will have one of the following general distribution policies. The dividend policy which will be applicable to each class is set out in the relevant Offering Supplement.

**Dividend Accumulation:** the class/es of Investor Shares in a Fund which are specified as accumulation shares ("Dividend Accumulation Shares") will not normally pay dividends and the net income of the assets of the Fund attributable to such class/es will accordingly be reflected in the Net Asset Value per Share of the respective class/es, unless otherwise provided in the relevant Offering Supplement.

**Dividend Distribution:** the class/es of Investor Shares in a Fund which are specified as distribution shares ("Dividend Distribution Shares") will normally pay dividends according to and to the extent specified in the respective specific distribution policy of such class as set out in the relevant Offering Supplement and subject to the powers of the Directors stated herein and in such Offering Supplement and in the Articles.

Dividends shall in all cases be distributed out of income (not capital) allocated and attributed to the relevant class/es in terms of, and which is available for distribution in terms of, the relevant rules set out herein and in the Articles and under applicable laws and MFSA Rules.

In respect of certain classes of Investor Shares, the Company may pursue a full distribution policy (i.e. a policy of distributing the full amount available for distribution on those classes respectively in terms of the income allocation and other relevant rules set out herein and in the Articles and under applicable laws and MFSA Rules) while in respect of other classes it may adopt a restricted or fixed distribution policy. Furthermore, in respect of certain classes, the Company may pay yearly dividends, while in the case of other classes it may pay a dividend more frequently, on fixed distribution dates during the year or otherwise allow for interim distributions to be made by and in the discretion of the Directors from time to time (when such interim dividends appear to the Directors to be justified by the income of the relevant Fund / class available for distribution). Dividends will normally be declared within six (6) weeks of the end of the relevant period in respect of which they are declared and will normally be paid to the persons entitled thereto (in terms hereof) as soon as practicable following the relevant date of declaration, and unless otherwise specified in the relevant Offering Supplement, will be paid within two (2) weeks following such date of declaration. Details of the specific distribution policies applicable and distribution dates will be found in the relevant Offering Supplement. In all cases, the dividends declared and paid shall not exceed the maximum amounts available for distribution in the relevant Fund / class of Investor Shares in terms of applicable laws and MFSA Rules. If for any reason permissible dividends are not paid to any extent on any class of Dividend Distribution Shares (whether as a result of a restricted dividend policy being adopted in respect of the relevant class or because the Directors decide not to declare dividends for some permissible reason, or otherwise), the income earned by the relevant Fund attributable to the relevant class will be accrued within the Net Asset Value of such class.

Where expenses are charged to capital rather than income in order to allow a Fund to pay a higher dividend, this will have the effect of lowering the capital on Investor Shares and any dividends distributed by any such Fund are to be understood as a type of capital reimbursement.

Dividends are in all cases declared by the Directors as deemed appropriate by them in accordance with the provisions hereof, of the relevant Offering Supplement and of the Articles.

Unless otherwise stated in the relevant Offering Supplement, the following general rules shall apply in respect of dividends payable in respect of any class of Dividend Distribution Shares in any Fund:

1. dividends will be declared according to the specific distribution policy applicable to the relevant class, but the Directors have discretion and reserve the right not to declare a dividend or to reduce the amount of dividend otherwise payable in respect of any year or any other relevant period (and may retain the relevant distributable income attributable to the relevant class in any such period and accrue it to the NAV of the relevant class) when they believe that the payment of such dividend would not be in the best interests of all the Shareholders collectively in the relevant class and/or when they deem it prudent to keep such distributable amounts to make good for any expected or contingent future liabilities;
2. payment of dividends will generally be made in the manner described under the section titled 'Payments to Shareholders' below (including the possibility of payments *in specie* in certain circumstances);
3. any dividend declared on a Share shall be allocated and paid to the person registered as the holder of such Share in the Register (or, in case of joint holders to the joint holder first named on the Register as holder of such Share) at the close of the last day of the period in respect of which the dividend is declared according to his respective entitlement at the close of such day, subject to the terms of any pledge on such Share duly constituted and notified to and registered by the Company (and without prejudice to the rights in respect of such allocation of dividends of transferors and transferees or pledgors and pledgees of such Share *inter se*);
4. no dividend shall bear interest against the Company or the relevant Fund / class.

To the extent expressly stated in the relevant Offering Supplement, the holders of Dividend Distribution Shares in any Fund may be entitled to request the reinvestment of their dividends or part thereof (less any withholding tax deductible upon payment thereof) in further Shares (credited as fully paid up) of the same Fund and class, in which case the following rules shall apply unless otherwise stated in the relevant Offering Supplement:

- (a) such request shall be made by standing instruction made in the Subscription / Switching Application pursuant to which the relevant Dividend Distribution Shares were subscribed; provided that if any holder of Dividend Distribution Shares wishes to alter his instructions regarding the reinvestment of dividends, he should provide the Administrator with written instructions to this effect at least seven (7) Business Days prior to the expiry of the relevant period in respect of which such dividends are to be paid;
- (b) the Directors shall not be obliged to comply with such request, and may opt to pay the dividend in cash;
- (c) the Shares (including fractional Shares) to be issued in lieu of any amount of dividend pursuant to such request shall be so issued as of the Subscription Day of the relevant class of Shares falling on the day when such dividend is paid or, if such date of payment of the dividend is not a Subscription Day of the relevant class, on the Subscription Day next following the date of payment, and the number of Shares (including fractional Shares) to be so issued shall be equal in value to the amount of such dividend on the basis of the Subscription Price (Net Asset Value) of such Shares prevailing on the applicable Subscription Day (without any interest accruing to the benefit of the relevant Investor in any intervening period between the date of payment of the dividend and the relevant Subscription Day);
- (d) the Directors may do all acts and things considered necessary or expedient to give effect to any such reinvestment by the issue of further Shares, with full power to issue fractional Shares insofar as necessary;
- (e) no subscription fee / initial charge will be levied in respect of the issue of such Shares into which the dividends are reinvested;
- (f) the Directors may on any occasion determine that rights of requesting reinvestment as aforesaid shall not be made available to any Shareholder with registered address in a territory where the circulation or grant of an offer of rights of requesting reinvestment would or might be unlawful (or would or might be so unlawful in the absence of a registration statement or other special formalities), and in such event the provisions of the relevant Offering Supplement generally granting such rights to holders of the relevant class of Dividend Distribution Shares shall be read and construed subject to such determination.

The Directors reserve the right (at their own initiative and without the right of the relevant Shareholder to object) to effect the payment of a dividend to any Shareholders which is less than euro twenty (€20) (gross) by reinvestment in further Shares (credited as fully paid up) of the same Fund and class as that in respect of which such dividend is declared, and in this case the rules in paragraphs (c) to (e) above shall apply.

Shareholders should note that the NAV per Share of Dividend Distribution Shares may decrease over time as the Company declares and pays dividends to the holders of such Shares.

Dividends may be treated as taxable income and/or be subject to tax in Malta (see the section titled 'Taxation' below) and/or in other relevant jurisdictions. Shareholders should seek their own professional tax advice. The Company will in all cases pay such dividends net of any taxes which it is compelled by any applicable law to deduct or withhold from such dividends.

Dividends remaining unclaimed for twelve (12) years after the dividend payment date will be forfeited and will accrue for the benefit of the relevant Fund (or of the Company, if such Fund no longer exists then).

### **General Provisions**

Save as otherwise provided in the relevant Offering Supplement or in the respective application forms, the following provisions shall apply generally to payments (whether of dividends, redemption proceeds, liquidation proceeds) made by the Company / any Fund to any Shareholders (and shall also apply *mutatis mutandis* with respect to the return of subscription monies on refusal of application).

Payment will generally be made in cash, subject to what is provided under the part titled 'Payments *in specie*' below.

Payment should be made in the Designated Currency of the relevant class of Investor Shares and/or in such other currency prescribed or allowed by the respective Offering Supplement and/or the respective application form for the relevant Fund (provided that in case of return of monies on refused subscriptions, this will generally be made in the same currency in which the monies were received).

Payments shall be made (without interest) in the form of an electronic transfer or other means of settlement determined by the Company or its delegates authorised to this effect, at the risk and cost of the Shareholder, at such bank account as set out in the most recent payment instructions received from the Shareholder as at the relevant time (whether via *ad hoc* instructions at the relevant time or the appropriate instructions given by the Shareholder in the Subscription Application, Transfer Registration Application or Redemption Application, as applicable) or in the absence of such instructions or if not possible to follow such instructions because of applicable anti-money laundering restrictions or other good reason, at the bank account from which the Shareholders' subscription funds were originally received, as may be deemed appropriate by the Company or its delegates and in compliance with applicable anti-money laundering laws and requirements, and in all such cases such payment shall be a good discharge to the Company / the relevant Fund. In the case of a return of subscription monies following refusal of an application, such reimbursement will almost invariably be made at the account of remittance. The Company and its delegates shall not be responsible for any loss or delay in transmission. Bank or other charges and expenses in connection with the transfer of funds shall be at the charge of the Shareholder, and the Company or its delegates on its behalf shall be entitled to give clear instructions to this effect ('all charges for recipient') to the bank or financial institution wiring or transferring the funds, and in any case the Company or its delegates on its behalf shall be entitled to deduct or recover all such transfer charges and expenses otherwise incurred by it from the monies due. References herein to the Company or its delegates shall, in case of payment of liquidation proceeds, be deemed to include a reference to the appointed liquidator as appropriate.

In case of joint holders of the relevant Shares, payment to the joint holder first named on the Register shall be deemed sufficient payment to all joint holders and shall be a good discharge to the Company.

In the case of marketing of the Units in other jurisdictions, the Prospectus as published there may give specific / additional information concerning arrangements for making payments to Investors in respect of that jurisdiction.

All payments are subject in all cases to any pledge (duly constituted and notified to and registered by the Company) of the relevant Shares in respect of which payment is made and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Company in respect of Shares shall be made net of any amount which the Company is compelled by any applicable law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of any government or other authority.

### **Payments *in specie***

Unless otherwise stated in the Offering Supplement of the relevant Fund, the Company may, at its discretion, effect any distributions or payments to be made by any Fund to its Investors or any of them, whether on a distribution of dividends, payment of redemption proceeds, distribution of liquidation proceeds or otherwise, in whole or in part by the transfer to them/him of assets of the Fund 'in specie' as provided in the Articles: provided that, except in the case of compulsory redemptions referred to under the part 'Mandatory Redemptions' under the section 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' above, such power shall be exercised only:

- (i) in exceptional circumstances where the Company deems this to be in the interest of the relevant Fund or the Shareholders (for example because it is deemed inappropriate or prejudicial to sell assets in the current market conditions or at the relevant time); or
- (ii) where such payment *in specie* is requested or agreed to by the relevant Investor/s (it being provided, for the avoidance of doubt, that the Company shall not be obliged to accede to any request by an Investor to receive payments or distributions in kind).

Such payments or distributions by the Company in kind shall always be made in consultation with the Depositary, except for distributions on final liquidation of the Fund, which shall be subject to the relevant provisions of law and the Articles. Such payments or distributions in kind shall be made by transferring to the relevant Investor that portion of the assets of the relevant Fund (as attributable to the relevant class of Investor Shares in such Fund) which is equal to the amount of the payment or distribution to be made in kind. The nature of the assets and the type of the assets to be transferred to that Investor shall be determined by the Company on such basis as the Company, in consultation with the Depositary (except for distributions on final liquidation), shall deem equitable and not prejudicial to the interests of both the remaining and outgoing Investors.

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

- (a) a description of each of the non-cash assets constituting the payment or distribution;
- (b) the value of each asset and a description of the method of valuation used; and
- (c) a confirmation that the value of the non-cash assets is equal to the payment or distribution to be made in kind.

The value of the assets shall be determined on the same basis used in calculating the Net Asset Value.

No Investor may be compelled to accept any asset in respect of which there is a liability.

In the case of payment of liquidation proceeds in kind in circumstances of a liquidation of the Fund in respect of which a liquidator has been appointed as required by law (and to the extent that in terms of law the functions of the Directors are to vest in such liquidator), the foregoing provisions of this part shall be construed accordingly as if references therein to decisions or actions of the Directors were references to decisions or action of such liquidator.

**General Expenses of the Company****Remuneration and Expenses of Directors**

The Directors of the Company shall receive for their services as Directors such remuneration (which may include benefits in kind) as may be determined by the Company in general meeting from time to time, which remuneration may be waived (in whole or in part) by any one or more Directors. Accordingly, the remuneration due to each Director may vary and may change from time to time. For the avoidance of doubt, such remuneration shall not include (and shall be separate from and in addition to) any remuneration payable to a Director for holding any executive office or employment under the Company or for any services other than those arising from his office as Director, which remuneration shall, in terms of the Articles, be decided by the Board.

The Directors will be entitled to be repaid by the Company reasonable out of pocket expenses (such as travelling, hotel and other incidental expenses) properly incurred by them in attending meetings of the Directors or of any committee thereof and general meetings of the Company and in attending to other business of the Company and otherwise in the performance of their duties.

**Remuneration and Expenses of Investment Committee members**

The Investment Committee members may receive, for the performance of their respective investment management services pursuant to the terms of reference adopted by the Board, a fee which shall be fixed by the Board from time to time, which fee may be waived (in whole or in part) by any one or more of such members. Accordingly, the remuneration due to each member of the Investment Committee may vary and may change from time to time. However, as at the date of this Prospectus such fee is fixed at euro ten thousand (€10,000) per annum, for each of Mr. Jesmond Mizzi, Dr. Mark Azzopardi and Mr Marc Amor El-Lazidi, who have however waived the same for the time being until further notice to the Company, and euro two thousand five hundred (€2,500) per annum for Mr. Gianmarco Guadalupi.

The Investment Committee members will be entitled to be repaid by the Company reasonable and properly documented out-of-pocket expenses incurred in connection with their investment management services (including those incurred in travelling on business of any of the Funds, and fees, commissions and reimbursements paid to third party experts appointed by them pursuant to the terms of reference), provided that such expenses are authorised by the Board.

**Remuneration Policy**

The Company has an established remuneration policy in place applicable for its senior management and risk takers whose activity may impact materially the Company's risk profiles (the "Remuneration Policy").

The Remuneration Policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Company. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company and of the investors in the Company, and includes measures to avoid conflicts of interest.

The Remuneration Policy is adopted by the board of directors and is reviewed annually by the said board of directors who also see to its implementation including the award of any increases in salary or any variable part of the remuneration pursuant to the Remuneration Policy.

The fixed part of the salary to be paid to senior management and risk takes will fall within salary bands. Annual increments will be made within those bands, unless a person is promoted to another band. Salary bands are benchmarked against industry practise. The variable part of a salary in the form of a performance bonus is discretionary, and is based on competence and results benchmarked against pre-set performance indicators and targets. This is budgeted for on a yearly basis in the beginning of a year and paid at the end of the year.

Details of the up-to-date Remuneration Policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits and the composition of the Remuneration Committee, are available on the website [www.jesmondmizzi.com](http://www.jesmondmizzi.com). A paper copy of the Remuneration Policy is available at the registered office 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. Audit and legal fees may be negotiated on a time-spent basis. Audit and legal fees will be paid out of the property of the Company.

## **Company Secretary and Registered Office**

As at the date of this Prospectus, the Company is liable to pay a fee in respect of company secretarial and registered office services, as currently provided by the Administrator, in the amount of euro seven thousand (€7,000) per annum (exclusive of VAT). In the event the Company holds board meetings or general meetings in excess of an agreed number, the Company will incur further stipulated fees.

The Administrator, in its capacity as Company Secretary and provider of registered office services, will also be reimbursed for out of pocket expenses incurred by it in the performance of its duties and previously authorised by the Company.

## **Company Organisational Expenses**

The general expenses incurred in connection with the formation, structuring and organisation of the Company as a whole (including, without limitation, the fees payable to authorities in connection with registration and licensing of the Company, the costs incurred in connection with the preparation and distribution of this Prospectus, and legal, financial and other consultancy professional fees in connection with the above), by whomsoever the same have been advanced, as well as any VAT or other tax payable in respect thereof, have been or will be borne and reimbursed by and attributable to the Company in accordance with applicable law (save to the extent waived by any person advancing same), but will be attributed and allocated to and between Funds as provided under 'Allocation of General Expenses and Liabilities between Funds' below. The said general organisational expenses of the Company (as allocated to the Funds) will, for Fund pricing purposes, be amortised over a period of five (5) years, or such shorter period as the Directors may determine: provided that for purposes of the Company's accounts, which are prepared in accordance with IFRS, those organisational expenses shall be accounted for as incurred and written off in the first Accounting Period.

## **Other General Expenses and Liabilities**

The Company shall or may from time to time incur also other general expenses and liabilities (in addition to those mentioned above) that are not specific to any particular Fund, including the following:

- (i) all expenses incurred in connection with the preparation, publication and/or supply of information to the Shareholders generally or otherwise relating to the Company generally and, in particular, without prejudice to the generality of the foregoing, the cost of and professional fees incurred in preparing, amending, printing and distributing the Prospectus, the Articles, the Annual and Half-Yearly Reports, any other reports to the MFSA or any other regulatory authority, the costs of publishing or disclosing quotations of prices and notices in the press or otherwise to Investors generally, translation costs in respect of the above, and all stationery, printing and postage costs relating to the above;
- (ii) on-going governmental and competent authorities' licensing, registration, filing and other fees and charges, as are payable in Malta and/or in any other jurisdiction where the Company is registered or marketed, and associated legal costs;
- (iii) any costs and fees incurred in having the Company or its Shares in general listed or dealt on any stock exchange or any other regulated market;
- (iv) the costs and expenses (including interest) incurred in connection with obtaining and servicing permitted borrowings or other financings for the Company;
- (v) all other expenses and liabilities incurred in connection with the operation, promotion and management of the Company, including, without limitation to the generality of the foregoing, accounting fees and expenses, all costs incurred in organising Directors' and Shareholders' meetings and in obtaining proxies

in relation to such meetings, fees, wages, remuneration and reimbursement of expenses due to the officers and any employees of the Company, costs of insurance taken out by the Company for the benefit or in respect of such officers or employees, fees and expenses due to consultants and other persons providing services to the Company, promotional costs, and other ordinary expenses and liabilities and all non-recurring and extraordinary items of expenditure and liabilities as may arise in respect of the Company; and

- (v) any VAT or other tax which may be or become payable in respect of any of the expenses mentioned above in this part titled 'General Expenses of the Company' and other general expenses of the Company.

#### **Allocation of General Expenses and Liabilities between Funds**

To the extent that the general expenses and liabilities of the Company (whether or not mentioned above) are not specific to any particular Fund or Funds, and save to the extent that such general expenses and liabilities may be waived or otherwise discharged by any person other than the Company, such general expenses and liabilities shall, unless otherwise provided herein or the Offering Supplements of the relevant Funds, be allocated and attributed to and constitute a liability of, and be paid exclusively by and out of the assets of, all the Funds of the Company established at the relevant time of payment, in the following proportions:

- (a) *pro rata* to the respective latest available Net Asset Value of such Funds applicable at the time of payment thereof; or
- (b) in such other proportions and on such other basis as the Directors may, in consultation with the Depositary, in any particular case or cases deem to be reasonable and equitable in the circumstances (for example when they deem that the particular expense or liability, whilst a general expense or liability of the Company, relates to a service or other matter which benefits or which relates more to a particular Fund/s than others; or, in case of the Company's general organisational expenses, to take into account the addition of and timing of creation of additional Funds during the period of amortisation of such expenses).

The above strictly relates to general expenses and liabilities of the Company which are not specific to any Fund or Funds, and should any such expenses and liabilities relate solely to one or more specific Funds, but not to all Funds of the Company existing at the relevant time, such expenses and liabilities shall be solely allocated and attributed to, and constitute a liability of, and be paid exclusively by and out of the assets of, the relevant Fund/s, and if such relevant Funds are more than one, the said expenses and liabilities shall be so allocated and attributed to them *pro rata* to their respective latest available Net Asset Value of the relevant Funds at the time of payment thereof or in such other proportions and on such other basis as the Directors may, in consultation with the Depositary, in any particular case or cases deem to be reasonable and equitable in the circumstances.

Reference is also here made to the section titled 'Net Asset Value Calculation' below.

#### **Fees and Expenses of, or relating to, a Fund**

Any and all operating and other expenses and liabilities incurred in connection with or otherwise specifically relate to a Fund, shall be solely allocated to, and constitute a liability of, and be paid exclusively by and out of the assets of, such Fund.

In addition, each Fund will also have allocated to it and be liable to pay out of its assets:

- (a) its portion of the general expenses and liabilities of the Company which are not specific to any particular Fund or Funds (including those mentioned under the part 'General Expenses of the Company' above) as provided under the part titled 'Allocation of General Expenses and Liabilities between Funds' above; and
- (b) its portion of the expenses and liabilities of the Company which specific to more than one Fund (including the Fund in question) but not to all the Funds of the Company existing at the relevant time of payment, as provided under the part titled 'Allocation of General Expenses and Liabilities between Funds' above.

#### **Fees, Remuneration and Expenses due to Service Providers**

Details of the fees and other remuneration (whether fixed or variable / performance-related) payable to Service Providers in terms of the respective agreement/s regulating their appointment, including the amount and manner



of calculation and payment thereof, as these apply in respect of (and are payable out of the assets of) each Fund, will be found in the Offering Supplement of the relevant Fund. These Service Providers are also generally entitled to be reimbursed for out-of-pocket expenses incurred by them in the performance of their duties and services, in terms of and as provided in the respective agreements regulating their appointment.

Different fees and remuneration may apply in respect of different Funds and also in respect of different classes of Investor Shares within the same Fund.

The aforesaid fees, remuneration and expenses reimbursements will be attributed and allocated to and be paid exclusively out of the assets of the relevant Fund to which they apply, as a liability of such Fund (to the exclusion of other Funds). When different fees and remuneration apply in respect of different classes of Investor Shares within the same Fund, these will be attributed and allocated to such different classes for the purposes of calculation of the NAV per class and NAV per Share of each class.

Subject to applicable MFSA Rules, the Investment Manager and each other Service Provider reserves the right to waive or allocate or pay any of the fees or other amounts payable to him to any Investor and other third parties, whether or not associated with him, including persons with whom it has contracted for services rendered to him or to the Fund or otherwise.

The Investment Manager has established a remuneration policy according to law.

### **Charges and Expenses on target CISs**

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

Reference is also made to paragraphs B14 and B15 under the part titled 'Restrictions' under the section 'Investment Objectives, Policies and Restrictions' above, regarding the obligations of the Investment Manager with respect to non-charging of subscription / redemption fees on account of a Fund's investment in other CISs managed by it or by a company linked to it and its obligations to pay to the Fund any commission received by it on account of the Fund's investment in another CIS.

### **Costs arising from Efficient Portfolio Management Techniques**

All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to a Fund. Such direct and indirect operational costs shall not include hidden revenue.

The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, or other financial institutions or intermediaries and may be parties related to the Depositary or its delegates.

The revenues arising from such efficient portfolio management techniques for the relevant reporting period, together with the direct and indirect operational costs and fees incurred and the identity of the counterparty(ies) to these efficient portfolio management techniques, will be disclosed in the annual and half-yearly reports of the Funds.

### **Fees and Charges on account of Subscriptions, Switching, Redemptions of Shares**

Details of fees and charges which may be payable to the Fund or other persons in relation to subscription, switching, redemption or other transactions in Investor Shares will be found in the Offering Supplement of the relevant Fund. These are usually payable by the relevant Investor or prospective Investor, but some of these fees and charges may also be payable out of the assets attributable to the Fund or the relevant class of Investor Shares in the Fund.

Different fees and charges may apply in respect of different Funds and also in respect of different classes of Investor Shares within the same Fund, and when these fees and charges are paid into or out of the assets attributable to the Fund or the relevant class of Investor Shares therein, they will be allocated accordingly to the respective NAV.

### **Fund Organisational Expenses**

Save to the extent that the same are payable by any other person or waived by the person advancing the same, each Fund will be exclusively liable to pay out of its assets any and all expenses which specifically relate to the formation, structuring and organisation of such Fund. Unless otherwise stated in the relevant Offering Supplement, such organisational expenses will, for Fund pricing purposes, be amortised over a period of five (5) years, or such shorter period as the Directors may determine: provided that for purposes of the Company's accounts, the same be accounted for and written off as required by IFRS.

### **Other Fund Expenses and Liabilities**

Save as otherwise provided herein or in the relevant Offering Supplement and save to the extent that the same may be waived or otherwise discharged by any other person, each Fund shall also have allocated to it and be exclusively liable to pay out of its assets, any and all operating and other expenses and liabilities incurred from time to time in connection with or otherwise specifically relating to such Fund, including the following:

- (i) all fees, taxes, charges and expenses which may be incurred in connection with the acquisition and disposal of the assets of the Fund and its business transactions, including brokerage fees, valuation fees, distribution commissions and fees, bank transaction charges and costs and expenses (including interest) incurred in connection with obtaining and servicing permitted borrowings or other financings for the Fund;
- (ii) all taxes which may be payable on or in respect of the assets or income of the Fund as well as any VAT or other taxes on fees payable to Service Providers or other persons by the Fund and on other expenses chargeable to the Fund;
- (iii) all expenses incurred in connection with the preparation, publication and/or supply of information to the Investors of the Fund or otherwise relating specifically to the Fund, and in particular, without prejudice to the generality of the foregoing, the cost of and professional fees incurred in preparing, amending, printing and distributing the relevant Offering Supplement, any report to the MFSA or any other regulatory authority that is specific to the Fund, the costs of preparing, delivering, publishing or disclosing contract notes, quotations of prices and notices specific to the Fund in the press or otherwise to Investors, translation costs in respect of the above, and all stationery, printing and postage costs relating to the above;
- (iv) on-going governmental and competent authorities' licensing, registration, filing and other fees and charges relating specifically to the Fund, as are payable in Malta and/or in any other jurisdiction where the Fund or Units therein are registered or marketed, and associated legal costs;
- (v) any costs and fees incurred in having the Fund or its Shares listed or dealt on any stock exchange or any other regulated market;
- (vi) to the extent not already covered above, all other expenses and liabilities incurred in connection with the operation, promotion and management of the Fund, including ordinary expenses and liabilities and all non-recurring and qualified items of expenditure and liabilities as may arise specific to the Fund.

### **Charging of Expenses to Capital or Income**

The expenses of a Fund may be charged (in whole or part) to the capital of the Fund rather than to its income. This is done to enable the Fund to pay a larger distribution amount and/or in circumstances where there is insufficient income being received by the Fund and/or as an efficient and accurate method of ensuring that expenses incurred at a share class level are apportioned to the relevant share classes.

In circumstances where expenses are charged to capital, there may be a lack of potential for capital growth meaning the capital value of an Investor's investment may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by forgoing the potential for future capital growth. Dividends paid in circumstances where expenses are charged to capital should be understood as a type of capital reimbursement.

### **Separate Records**

The Company shall on an on-going basis keep proper accounting records of all expenses and liabilities and dates when these are incurred, as well as of the allocation, attribution, apportionment and charging of expenses and

liabilities to each of the Funds and their respective assets, which shall be kept in such manner as to constitute appropriate evidence that the rules on payment of expenses and liabilities mentioned herein have been duly followed.

### **Alterations to the Fees**

Subject to the protection afforded to Investors in case all the Directors and the holder/s of the majority (in number) of the Founder Shares are conflicted (see paragraph (d) of the part titled 'Voting Rights of Investor Shares' under the section 'Description of the Company and Share Capital' above), the Directors may, at their sole discretion, agree to any changes to the fees and expenses applicable to the Company or any Fund, provided that notice of any material alterations to the fees payable to Service Providers or the fees and charges payable in respect of subscriptions, switching and redemptions of Investor Shares, as may apply to or in respect of a Fund or a class of Investor Shares thereof, and the date when the said alterations shall come into force, shall be given to the holders of Investor Shares in the particular Fund or (as the case may be) in the particular class thereof within fifteen (15) days from the date of the Directors' decision.

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## **Net Asset Value Calculation**

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### **Determination of Net Asset Value on Valuation Days**

The Net Asset Value of the Investor Shares of each class within a Fund is determined with reference to each respective Valuation Day by dividing the net assets attributable to each such class by the number of Shares of such class then outstanding, rounded to the nearest four (4) decimal places. The net assets of each class of Investor Shares are made up of the value of the assets attributable to such class less the total liabilities attributable to such class, such values of assets and liabilities being calculated as provided herein with reference to the respective Valuation Day and such attribution of assets and liabilities to each class being made in accordance with the allocation rules set out herein. When a Fund is made up of only one class of Investor Shares, the above rules shall continue to apply, as if references therein to the relevant class of Shares and to the NAV of such class were references to the Fund and the NAV of such Fund respectively. The NAV per Investor Share and of each class is determined in the Reference Currency of the Fund and the price per Investor Share is then converted into the Designated Currency of the relevant class (if different from the Reference Currency of the Fund).

The Net Asset Value per Investor Share will be published as provided under the part titled 'Dealing Prices' under the section 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' above.

### **Allocation of Assets and Liabilities**

Save where otherwise or additionally expressly provided herein or in the Offering Supplement of the relevant Fund, there shall be established a pool of assets and liabilities for each Fund in the following manner and the assets and liabilities shall be allocated among the Funds as follows:

- (i) the proceeds from the issue of each Share of each Fund shall be applied in the books of the Company to the pool of assets established for such Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such pool/Fund subject to the provisions hereof;
- (ii) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same pool/Fund as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value shall be applied to the relevant pool/Fund;
- (iii) where the Company incurs a liability which relates to any asset of or attributable to a particular pool/Fund or to any action taken in connection with an asset of or attributable to a particular pool/Fund or which otherwise arises from a matter or is otherwise imposed in respect of or attributable to a particular pool/Fund, such a liability shall be allocated and attributed to the relevant pool/Fund;
- (iv) in the case where any asset or liability of the Company cannot be considered as being attributable to a particular pool/Fund, but as attributable to all the existing Funds of the Company at the relevant time, or to two or more pools/Funds but not to all the existing Funds of the Company at the relevant time, such asset or liability shall be allocated to all such Funds or (as the case may be) to all the relevant pools/Funds, *pro rata* to their respective latest available Net Asset Values, or in such other proportions and on such other basis as the Directors may, in consultation with the Depositary, in any particular case or cases deem to be reasonable and equitable in the circumstances (provided that no consultation with the Depositary shall be necessary in case of allocation according to the general rule, namely allocation *pro rata* to the respective latest available Net Asset Values); it being provided, for the avoidance of doubt, that the foregoing provisions of this paragraph (iv): (a) shall not apply to the general assets of the Company (essentially consisting of the capital contributed by the Founder Shareholders and any bank interest or other yield thereon) which will remain for the benefit of the holders of Founder Shares and any creditors of general liabilities of the Company which have not been attributed to the Funds in terms hereof (if any); and (b) shall apply to all general expenses and liabilities of the Company which have been attributed to the Funds as provided under the part titled 'Allocation of General Expenses and Liabilities between Funds' under the section 'Fees, Charges and Expenses' above;
- (v) upon the payment of dividends to the holders of Shares in any Fund, the Net Asset Value of such Fund shall be reduced by the amount of such dividends.

The Directors may, in consultation with the Depositary, transfer and allocate any assets to and from Funds if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise (and in case the relevant court or other adjudicating authority does not recognise the allocation of assets and liabilities prescribed herein and/or the segregated / separate patrimony status of the different Funds within the Company), a liability would be borne in a different manner from that in which it would have been borne under paragraph (iv) and other paragraphs above or under the allocation rules set out elsewhere in this Prospectus, the relevant Offering Supplement/s or the Articles.

In terms hereof and of the Articles, the Board of Directors may decide to create within each Fund two or more classes of Investor Shares whose assets will be commonly invested pursuant to the specific investment objectives and policies of the Fund concerned but where a specific subscription / initial, switching and redemption fee / charge structure, Service Provider fees' structure, Minimum Initial Investment / Minimum Additional Investment and/or Minimum Redemption amounts, hedging policy, dividend policy or other variable factors may be applied to each such class. In such cases, a separate Net Asset Value, which will differ as a consequence of these variable factors, will be calculated for each class of Investor Shares. If two or more classes of Investor Shares have been created within the same Fund, the allocation rules set out above shall apply *mutatis mutandis* to such classes. In such case the Directors may make such adjustments to the number of undivided parts of the relevant assets to which each Investor Share in the relevant class shall be entitled as may be determined by the Directors so as to give effect to the different basis of attribution and will, for class NAV calculation and pricing purpose, separately account for the class specific income and expenses as appropriate to reflect the different basis attribution.

Reference is here also made to the risk warning entitled 'Cross Class Liability' under the section titled 'Risk Factors' above.

### **Valuation of Assets**

Save where otherwise or additionally stated herein and in the relevant Offering Supplement, the value of the assets comprised in each of the Funds shall be ascertained on the following basis:

- (1) the value of any cash at hand or on deposit, bills, demand and promissory notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received (save where this is included in the quoted price of the relevant investment) and similar property shall be valued at their face value (together with accrued interest) unless, in the opinion of the Directors or other delegate, any adjustment should be made (because such face value is unlikely to be paid or received or otherwise) to reflect the true value thereof;
- (2) the value of securities and/or FDIs which are admitted to or dealt in on any stock exchange or dealt in on some other Regulated Market shall be based on what appears to the Directors to be the latest available price on the relevant stock exchange or Regulated Market which is in the opinion of the Directors the principal market for such assets and/or through prices made available by valuation systems independent from the security/FDI issuers such as, but not limited to Thomson Reuters Pricing Services (TPRS), Bloomberg BVAL and BGN, and SIX;
- (3) for non-quoted securities or securities not traded or dealt in on any stock exchange or other Regulated Market, as well as quoted or non-quoted securities on such exchange or market for which no valuation price is available, or securities for which the quoted prices are not, in the opinion of the Directors, representative of their fair market value, the value thereof shall be determined prudently and in good faith by the Directors and/or other Independent Valuer on the basis of foreseeable sales prices;
- (4) FDIs which are not listed on any official stock exchange or traded on any other Regulated Market, as well as those which are so listed or traded but for which no valuation price is available or the available quoted prices thereof are not, in the opinion of the Directors, representative of their fair value, will be valued by the Directors or other Independent Valuer appointed by the Directors, in a reliable and verifiable manner on a daily basis, at their fair value (which for the purposes hereof shall mean the amount for which the relevant asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) which does not only rely on market quotations by the counterparty and which fulfils the following criteria:
  - a. the basis for the valuation is either a reliable up -to-date market value of the instrument, or, if such a value is not available, a pricing model using an adequate recognised methodology;

- b. verification of the valuation is carried out by an appropriate third party which is independent from the counterparty of the OTC-derivative, at an adequate frequency and in such a way that the Company or its delegate is able to check it;
- (5) currency swaps and currency forwards are to be valued at their fair value based on the underlying securities (at close of business) as well as on the characteristics of the underlying commitments through valuation systems such as Bloomberg and Reuters;
- (6) units or shares of UCITS or other open-ended CISs shall be valued at their last determined and available net asset value as determined by such UCITS / other CISs, or if such price is not in the opinion of the Directors representative of the fair market value of such units / shares, then the value shall be determined by the Directors / other delegate on a fair and equitable basis;
- (7) liquid assets and Money Market Instruments not listed or dealt in on any stock exchange or other Regulated Market may be valued at nominal value plus any accrued interest or on an amortised cost basis;
- (8) all other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Directors or their delegates appointed to that effect.

The Directors / other delegate may consider it in the interests of the relevant Investors (or potential Investors) to value securities at either their bid or offer prices (where bid and offer prices are quoted), given the prevailing market conditions and/or the level of subscriptions or redemptions relative to the size of the relevant Fund. Normally, but without prejudice to the aforesaid, where bid and offer prices are quoted, the middle quotation will be applied.

The Directors / Administrator / other delegate shall not be under any liability by reason of the fact that a value reasonably believed by them to be the latest available price or, as the case may be, the bid / ask / middle quotation for the time being, or otherwise to be the correct value of an asset, may subsequently be found not to be such.

For the purposes of the asset valuation rules included in paragraphs (1) to (8) above, where the Company entrusts the valuation of particular assets to a third party delegate, such third party delegate shall be:

- (i) an independent person from the Company, its officials, or any Service Providers of the relevant Fund;
- (ii) of good standing with recognised and relevant qualifications and an authorised member of a Recognised Professional Body in the jurisdiction of the assets (such as, but without limitation, a recognised auditor or auditing firm); and
- (iii) appointed by the Directors in consultation with the Auditor.

### **Further Rules on Inclusion of Assets and Liabilities and on Valuation**

Save where otherwise or additionally stated herein and in the relevant Offering Supplement, the following rules shall also apply in determining the Net Asset Value of a Fund as of any relevant Valuation Day and in determining the assets and liabilities of such Fund:

- (a) where, in consequence of any Redemption Application duly submitted to and accepted by the Company, a reduction of any 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 out of the assets of the Fund in pursuance of such reduction shall be deducted;
- (b) where any investment or other asset has been agreed to be acquired or realised and title, rights and obligations thereto or in respect thereof have passed to or from the Company (on account of the relevant Fund), as the case may be, but such acquisition or disposal has not been fully completed by payment of the respective consideration, such investment or other asset shall be included or excluded, as the case may be, and the gross acquisition or net disposal consideration excluded or included, as the case may require, as if such acquisition or disposal had been duly completed, subject to such adjustments or

allowances as the Directors or their delegate consider appropriate if such consideration is payable or receivable, as the case may be, at some future date subsequent to the relevant Valuation Day;

- (c) there shall be included in the assets all cash at hand or on deposit, bills, demand and promissory notes and accounts receivable, as well as all dividends and distributions and interest declared or accrued on investments of the relevant Fund and not yet received (save where this is included in the quoted price of the relevant investment), and all other assets of every kind and nature including pre-paid expenses;
- (d) there shall also 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 (which shall be included in the liabilities);
- (e) there shall be included in the liabilities an appropriate provision for any taxes (based on capital and income to the relevant Valuation Day) or contingencies, as estimated and determined from time to time by the Directors (or their delegate), and other reserves, if any, authorised and approved by the Directors;
- (f) there shall also be included in the liabilities all amounts accrued or payable under the various agreements with the relevant Service Providers or other persons providing professional or other services (as appropriate and attributable to each class of Shares) as well as all other accrued or payable administrative or other expenses;
- (g) there shall be further included in the liabilities the total amount (whether actual or estimated by the Directors or their delegate) of any other known liabilities attributable to the relevant Fund (or to the relevant class of Shares, as applicable), including outstanding borrowings and accrued interest on borrowings (if any) and all other matured contractual obligations for payments of money or property, including also the amount of any unpaid dividends declared on Shares, but excluding liabilities already taken into account in paragraph (b) above;
- (h) the Company may calculate and recalculate administrative and other expenses of or attributable to a Fund (or to the relevant class of Shares, as applicable) which are of a regular or recurring nature on an estimated figure for yearly or other periods in advance and may accrue the same in equal proportions on Valuation Days over any such period;
- (i) the value of all assets or liabilities not expressed in the Reference Currency of the Fund shall be converted into such Reference Currency at such rate of exchange determined as at the relevant Valuation Day in good faith and in accordance with procedures established by the Directors (or their delegate).

#### **Suspension of Determination of the Net Asset Value**

Subject to the provisions on suspension contained elsewhere herein and in the MFS Rules, the Directors (or the relevant delegate empowered to do so) may at any time temporarily suspend the determination of the Net Asset Value and the subscription, switching and redemption of Shares in any Fund, and may also defer payment of redemption proceeds due, in the following instances:

- (i) during any period when any market in which the Fund (directly or indirectly) invests a significant portion of its assets is closed (other than holiday or customary weekend closings), or in which trading thereon is restricted or suspended; or
- (ii) during the existence of any state of affairs which, in the opinion of the Directors, constitutes an emergency or is otherwise outside the control of the Company as a result of which disposal or valuation of assets of the Fund is restricted, or is not reasonably practicable or would be seriously prejudicial to the Fund or holders of Investor Shares therein; or
- (iii) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Fund or the current price or values on any stock exchange, or during any period when for any reason the prices or values of investments of the Fund cannot be reasonably, promptly or accurately ascertained; or
- (iv) if there is a delay in or restriction on the repatriation or receipt or remittance of monies involved in the realisation or acquisition of the Fund's investments or of funds needed to satisfy redemption requests, or

other restrictions (including exchange restrictions) affecting the transfer of funds which render transactions on behalf of the Company (on account of the relevant Fund) impracticable; or

- (v) if repatriation, receipt or remittance of funds involved in the realisation or acquisition of the Fund's investments or involved in subscription or redemption of Investor Shares cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or
- (vi) during any period when the proceeds of sale or redemption of Investor Shares in the Fund cannot be transmitted to or from the relevant account held for the Fund for any other reason whatsoever; or
- (vii) following any decision to dissolve and liquidate the Company or the relevant Fund, or following any notice for convening a general meeting of the Company or a meeting of any class/es of Shares or an application made to the competent court to decide on such dissolution and liquidation; or
- (viii) following any decision to effect a total redemption of all the Investor Shares in the relevant Fund and to subsequently close such Fund and/or a total redemption of all the Investor Shares of a particular class/es in the Fund (provided that such suspension shall not be for a period longer than twenty (20) Business Days before the chosen Redemption Day).

The Offering Supplement of any Fund may contain other instances of suspension of the calculation of the NAV in respect of such Fund.

No subscriptions, exchange or redemptions of Investor Shares in any Fund will take place (and redemption payments may be deferred) during any period when the calculation of the Net Asset Value is suspended, and unless otherwise provided in the relevant Offering Supplement, such transactions will normally resume and will take place on the first respective Dealing Day following termination of the suspension and resumption of calculation of the NAV.

Notice of any applicable suspension will be given to the relevant Investors in the relevant Fund as well as to any applicant tendering or who has already submitted his application for subscription, switching and redemption of Investor Shares, but applications, once made, are irrevocable – see the part titled 'Irrevocability of Applications' under the section 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' above.

Where possible, the Company will take all reasonable steps to bring any period of suspension to an end as soon as possible.

### **General**

Where applicable, additional rules or conditions relating to the calculation of the NAV or the valuation of any assets or liabilities of any particular Fund (or those attributable to any class of Investor Shares therein) will be found in the respective Offering Supplement.

Notwithstanding what is stated above in this section, the Directors (or other authorised delegate) may, after consultation with the Depositary, adjust the value of any investment or other asset or permit some other method of valuation to be used in respect of certain or all of the assets or liabilities attributable to a Fund or class of Investor Shares therein, if they consider that in the circumstances (including, without limitation, a material volume of subscription or redemptions requests being received in respect of the relevant Fund, or the marketability of the investments or other assets, or such other circumstances as they deem appropriate) such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments, assets or liabilities.

The Company has delegated the function of calculating the Net Asset Value on each Valuation Day to the Administrator in accordance with the rules and principles set out herein, after making the necessary consultations with the Directors and the Investment Manager (where appropriate) and after receiving information or valuations of the respective assets and liabilities from valuers, other persons and/or other sources (as applicable or appropriate in each case) as provided herein. The Directors may also delegate other Service Providers or other persons or committees with specific functions relating to valuation of assets and liabilities and NAV calculation.

Subject to MFSA Rules, in calculating the Net Asset Value and Net Asset Value per Share, the Directors, the Administrator or other authorised delegate may rely upon such automatic pricing services as they shall determine or, with the approval or upon instruction of the Directors, they may use information provided by Independent



Valuer, particular pricing services, brokers, market makers or other intermediaries (at the expense of the relevant Fund), and the Company, the Directors, the Administrator or other authorised delegate involved in the NAV calculation shall not, in the absence of fraud, negligence or wilful default on their part, be liable for any loss by reason of any error in the calculation of the Net Asset Value and Net Asset Value per Share resulting from any inaccuracy in the information provided by any such persons, entities or services as aforesaid and from reliance on such information.

Each of the Company, the Directors, the Administrator and other authorised delegates shall also not be responsible for any error in calculating the Net Asset Value or the value of assets and liabilities (howsoever occurring) if it has acted in good faith when making such calculations and, subject to what is and save as otherwise provided herein and in the Offering Supplement of the relevant Fund and in the MFSA Rules or otherwise reasonably determined by the Directors at the relevant time: (i) no adjustments shall be made to the values of any assets or liabilities unless the valuation error is material (i.e. exceeds 0.5% (half a percentage point) of the Net Asset Value) in which case it shall be adjusted or otherwise handled as appears to the Directors, the Administrator or any such authorised delegate to be reasonable and appropriate in the circumstances; and (ii) generally adjustments to the NAV (where applicable) will be made to the then current NAV, not by adjusting the NAV/s previously reported / published and if an adjustment is made after any Valuation Day, the Administrator and the Directors will not be required to revise or recalculate the NAV on the basis of which subscriptions, switching or redemptions of Shares of that Fund may have been previously accepted.

In the absence of wilful misconduct or manifest error, and subject to what and save as otherwise provided herein and in the relevant Offering Supplement, every decision taken by the Directors, the Administrator or any other authorised delegate in calculating the Net Asset Value shall be final and binding on the Company and on present, past or future Shareholders.

### **General Tax Considerations and Warnings**

**The following is a summary of the anticipated tax treatment applicable to the Company and to Investors in so far as taxation in Malta is concerned. It does not deal with such tax treatment under the laws of any other jurisdiction. The information given below refers only to Investors who do not deal in securities in the course of their normal trading activity.**

**This information does not constitute legal or tax advice and does not purport to be exhaustive and is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances, and professional tax advice in this respect should be sought accordingly.**

**The information given below is based on an interpretation of relevant Maltese tax law and practice as known to the Company at the date of this Prospectus, in respect of a subject on which no official guidelines exist. Potential and existing Investors are reminded that tax law and practice and their interpretation as well as the levels of tax applicable to the Company and the Investors may change from time to time.**

**Potential and existing Investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of their proposed or actual investment in Shares, including the subscription, acquisition, exchange, holding and disposal of such Shares, as well as any distributions or other income or gains derived from such Shares or made on their disposal.**

**The Company and its Directors shall not be held responsible for any tax consequences to an Investor from its investment in any Fund.**

### **Malta**

#### **The Company - Income Tax**

The tax regime for collective investment schemes is based on the classification of funds into "prescribed funds" or "non-prescribed funds" in terms of the Collective Investment Schemes (Investment Income) Regulations, 2001 (Legal Notice 55 of 2001 as amended). In general, a prescribed fund is defined as a resident fund which has declared that the value of its assets situated in Malta amount to at least eighty-five per cent (85%) of the value of the total assets of the fund. On the basis of this definition, and unless otherwise stated in the relevant Offering Supplement, the Company and its Funds are classified as **non-prescribed funds** for tax purposes.

In respect of Funds which are classified as non-prescribed funds, a tax exemption at the Fund level applies on all the income/capital gains (except for income from immovable property situated in Malta, if any).

"Investment income" (other than investment income paid by another licensed collective investment scheme) as defined in the Income Tax Act (Chapter 123 of the Laws of Malta) received by a prescribed Fund is subject to a withholding tax and such income cannot be received by the Fund gross of tax. The applicable rate of withholding tax is currently 15% on local bank interest and 10% on investment income other than local bank interest. The Company (whether in respect of prescribed or non-prescribed Funds) is not entitled to a credit or to a refund of any tax at source deducted from income received by the Company. Other income and capital gains (except for income from immovable property situated in Malta, if any) remain exempt in the hands of prescribed Funds.

In respect of both prescribed and non-prescribed Funds, capital gains, dividends, interest and any other income from non-Maltese securities or other investments and assets held by the Company may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Company or its Shareholders.

#### **The Company - 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 – Income Tax**

### ***(a) Capital gains realised by non-Maltese resident Shareholders***

Capital gains (or gains) realised on transfers or redemptions by non-Maltese-residents of Shares in any Fund (whether prescribed or non-prescribed Funds) are exempt from Maltese income tax. For such an income tax exemption to apply, the gains must be derived by a person (whether corporate or otherwise) who is not resident in Malta, and the beneficial owner of the gain must be a person (whether corporate or otherwise) not resident in Malta and such person must not be owned and controlled by, directly or indirectly, nor act on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta.

### ***(b) Capital gains realised by Maltese resident Shareholders***

Capital gains realised by Maltese-resident Shareholders of the Company on the redemption, liquidation, or cancellation of Shares in resident non-prescribed Funds may be subject to a 15% final withholding tax and the obligation to deduct such tax at source lies on the Company. However the resident Shareholder has the option to request the Company not to effect the deduction of such withholding tax in which case the Shareholder would be required to declare the gains in his income tax return and will be subject to tax at the normal rates.

Switching of Shares from a non-prescribed Fund to another Fund (whether prescribed or non-prescribed) of the Company constitutes a taxable transfer for income tax purposes. However no tax is chargeable at the point of the switch. When switched securities are eventually disposed of, the calculation of the taxable gains in the hands of Maltese-resident Shareholders will take into account any chargeable gains or allowable losses arising from all intermediate switches as well as from the final transfer.

Capital gains realised by Maltese-resident Shareholders on direct transfers (if any) of Shares in non-prescribed Funds to third parties must be declared by the transferor in his tax return and tax is charged thereon at normal rates, so however that on an eventual redemption, the gain on redemption is calculated without reference to the direct intermediate transfer.

Capital gains realised by resident Shareholders by way of a transfer or redemption of Shares in prescribed Funds would be exempt if the Shares are listed on the Malta Stock Exchange.

### ***(c) Dividends paid by the Company to non-Maltese resident Shareholders***

Distributions of dividends by the Company to non-Maltese resident Shareholders (whether such dividends are reinvested or otherwise) should not be liable to any Maltese tax, whether by way of withholding or otherwise, as long as such non-Maltese resident Shareholders are not owned and controlled by, directly or indirectly, nor act on behalf of, an individual who is ordinarily resident and domiciled in Malta.

### ***(d) Dividends paid by the Company to Maltese resident Shareholders***

In terms of the Income Tax Act, dividends from Malta source taxed profits, Malta source profits which are exempt from tax up to the level of the ultimate shareholder, or profits received by the Company from the foreign income account of another Maltese company should *inter alia* not be subject to a withholding tax or to further tax in the hands of the Maltese resident Shareholders. In the case of distributions from the Company's Final Tax Account (income allocated to such an account would include *inter alia* "investment income" as defined in the Income Tax Act received by a prescribed Fund) the Shareholders would not be entitled to claim a credit or refund of any tax directly or indirectly paid on such profits.

Distributions from the Company's foreign source profits allocated to the Company's Untaxed Account to a Maltese resident person (other than a company) or to a non-resident person who is owned and controlled by, directly or indirectly, or who acts on behalf of a person who is ordinarily resident and domiciled in Malta, should *inter alia* be subject to a withholding tax of 15%. The withholding tax should be deducted by the Company and the dividend would be passed on to the Shareholders net of the tax. The Maltese resident Shareholder (other than a company) may opt to declare such dividends paid from the Untaxed Account of the Company in the income tax

return and in that case the 15% withholding tax would be available as a credit (or refund, as the case may be) against the Shareholder's tax liability.

Distributions from the Company's equalisation reserve are treated as dividends for income tax purposes and are likely to be subject to a withholding tax of 15% when paid to a Maltese resident person (other than a company). The Maltese resident Shareholder (other than a company) has the option to declare such a dividend in the income tax return with the 15% withholding tax being available as a credit (or a refund, as the case may be) against the Shareholder's tax liability.

### **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**

The Council of the EU has, on 3 June 2003, adopted Council Directive 2003/48/EC on taxation of savings income in the form of interest payments ("the Directive"). Under the Directive, Member States of the EU will be required to provide the tax authorities of another EU Member State with information on payments of interest or other similar income (which includes certain payments made by collective investment undertakings such as the Company) paid by a paying agent (as defined by the Directive) within its jurisdiction to an 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. Austria and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments, and the rate of withholding tax increased to 35% with effect from 1 July 2011.

Malta has implemented the Directive into its national laws. Broadly speaking, if the paying agent is in Malta, for income distributions, if the Company (or the relevant Fund) has invested any of its assets directly or indirectly in debt claims (as defined by the Directive) and, for capital distributions, if the Company has invested more than 25% of its assets directly or indirectly in debt claims, the income or capital distributions made by the Company to the Shareholder would be subject to reporting obligations.

### **Foreign Account Tax Compliance Act ("FATCA")**

The Foreign Account Tax Compliance provisions (generally known as FATCA) of the Hiring Incentives to Restore Employment Act ("HIRE Act") of the United States generally impose a new expansive reporting regime enacted by the United States aimed at ensuring that US persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to a foreign financial institution ("FFI") unless the FFI enters directly into a contract ("**FFI agreement**") with the US Internal Revenue Service ("**IRS**"). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Company could fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Maltese and US Governments signed a Model 1 reciprocal intergovernmental agreement ("**Maltese IGA**") towards the end of 2013.

The Maltese IGA is intended to reduce the burden for Maltese FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Maltese IGA, information about relevant US investors will be provided on an annual basis by each Maltese FFI (unless the FFI is exempted from the FATCA requirements) directly to the Maltese Government (the Maltese Inland Revenue Department), who will then provide such information annually on a reciprocal basis to the IRS without the need for the FFI to enter into a FFI agreement with the IRS.

Without prejudice to the general disqualification of U.S. Persons from investing in the Company as set out herein (see in particular the section 'Important Information' above), to the extent the Company does suffer US

withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an Investor's investment in the Company to ensure that such withholding is economically borne by the relevant Investor whose failure to provide the necessary information or failure to become a FATCA compliant financial institution gave rise to the withholding.

Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation, including any tax reporting and certification requirements thereunder associated with an investment in the Company.

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## **General Information**

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### **Register of Shares**

A Register of Shares will be kept on behalf of the Company by the Administrator at the registered office of such Administrator and/or at any other place as may be determined by the Company and specified in the Articles, wherein there will be entered the names and addresses of the Shareholders and particulars of the Shares held by them respectively, as well as pledges of any Shares recognized by the Company (subject to the relevant provisions of this Prospectus and the Articles), and such other particulars as may be required by the Articles or by law. A copy of such register will at all reasonable times during business hours, upon notice of at least two (2) Business Days, be open to inspection of the Shareholders without charge. The Register may be kept on magnetic tape or in electronic form or in accordance with some other appropriate mechanical or electronic system or on some other medium, provided that legible evidence can be produced therefrom to satisfy the requirements of applicable law and of the Articles.

Any change to the personal details of any person entered in the Register must be notified to the Company or the Administrator immediately in writing. The Company and the Administrator reserve the right to request indemnity or verification before accepting such notification.

The Company may close the Register, if any, for any time or times not exceeding, in total, thirty (30) days in each calendar year.

### **Annual and Half-Yearly Reports**

The Accounting Reference Date of the Company is the 31<sup>st</sup> July.

The financial statements of the Company are prepared in the Reference Currency of the Company in accordance with IFRS and are audited annually at the Company's expense by the Auditors. The Company will also issue unaudited half-yearly financial statements covering the first six months of each Accounting Period.

The Annual Report (including the audited annual financial statements and prepared in accordance with MFSA Rules) will be published and submitted to MFSA within 4 months after the end of the Accounting Period. The Half-Yearly Report (including the half-yearly unaudited financial statements and prepared in accordance with MFSA Rules) will be published and submitted to MFSA within 2 months of the end of the period covered by them. Copies of the Annual and Half-Yearly Reports can be obtained free of charge by Shareholders at any time upon request from the registered office of the Company and from the respective offices of the Administrator or the Investment Manager.

### **Availability of Documents and Access to Information**

Copies of the following documents will be available for inspection by prospective and existing Investors at the registered office of the Company, or at the respective offices of the Administrator or the Investment Manager:

- Memorandum & Articles of Association, and Certificate of Registration of the Company
- The latest Prospectus, and Offering Supplements for all Funds
- The Key Investor Information Documents (KIIDs)
- Investment Management Agreement
- Depositary Agreement
- Administration Agreement
- Investment Services Act of Malta
- The latest Annual and Half Yearly Reports of the Company
- The Company's Remuneration Policy

The Agreements referred to above shall be so available for inspection as may have been amended up to the relevant time.

A copy of the updated relevant KIID will be provided to a prospective Investor free of charge before committing to invest. A copy of the updated Prospectus and the latest Annual and Half-Yearly Reports of the Company may

be obtained free of charge from the registered office of the Company, or at the respective offices of the Administrator or the Investment Manager. These may also be obtained from the website of the Investment Manager: [www.jesmondmizzi.com](http://www.jesmondmizzi.com).

Additional information is made available by the Company at its registered office upon request, or will be sent to Shareholders, as required by and in accordance with the provisions of Maltese law and MFSA Rules. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights attached to investments of the Funds and actions taken on the basis of such strategy, the policy for placing orders to deal on behalf of the Company (for the Funds) with other entities (and material changes thereto), the best execution policy (and material changes thereto), the arrangements relating to the fee, commission or non-monetary benefit (inducements) in relation with the investment management and administration of the Company (for its Funds), and situations where the arrangements for management of conflicts of interest are not sufficient to ensure prevention of the risks of damage to the interests of the Company (or the relevant Fund) and its Shareholders and reasons for the decision taken by senior management of the Company in this respect to ensure that the Company acts in the best interests of its Shareholders and details of the depositary and a complete list of all sub-depositaries and conflicts of interest that any such appointment may give rise to.

Access to the Register may be obtained as provided under the part titled 'Register of Shares' above and the Net Asset Value per Investor Share and the Subscription / Redemption Prices per Investor Share will be available and/or published as provided under the part titled 'Dealing Prices' under the section 'Purchase, Exchange, Transfer, Pledging and Redemption of Shares and Prices' above.

Any other information intended for the Shareholders will be provided to them by appropriate notice.

On an on-going basis, information concerning the Company and the relevant Funds and other documents, notices and information required to be sent or provided to Investors, may (subject to applicable law and MFSA Rules) be made available to Investors as determined by the Company or its delegates authorised to this effect, in particular through printed or other durable medium or electronic form or web-enabled online sources: provided that a paper copy of the relevant KIID, of the Prospectus and of the relevant Offering Supplement shall always be provided, free of charge, upon request.

A Shareholder's address, telefax number or electronic mail address as appearing on the Register and/or on the Subscription / Switching / Transfer Registration Form submitted by him at the time of his investment in the relevant Fund shall always be deemed to be a valid address or number for notification purposes, unless and until such Shareholder has duly notified the Company of a different postal address, telefax number or electronic mail address with a request to send all future notices to such Shareholder at such address or number.

All prospective Investors may communicate with the Directors, the Administrator, the Investment Manager and Authorised Distributors to obtain access to information about the Company and the relevant Fund (on the basis of the Prospectus, the relevant Offering Supplement and KIID) for their consideration in determining whether to invest in the Company and such Fund. The Company or its representatives will also answer enquiries from prospective or existing Investors concerning matters relating to the Company.

In the case of marketing of the Units in other jurisdictions, the Prospectus as published there may give specific / additional information concerning arrangements for making available information concerning the Company and the relevant Fund/s in respect of that jurisdiction.

### **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 revert in the English language. This Prospectus, the Offering Supplements, the Articles of the Company, the Annual and Half-Yearly 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 Regulations.

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**Appendix I – Funds established by the Company**

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***Name of the Fund******Licence Issue Date***

Merill Total Return Income Fund  
Merill High Income Fund  
Merill Global Equity Income Fund  
Merill Balanced Strategic Fund

16<sup>th</sup> October 2015  
26<sup>th</sup> January 2017  
26<sup>th</sup> January 2017  
4<sup>th</sup> October 2019



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## Appendix II – Approved Regulated Markets

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

- 1 (a) any Regulated Market which is:
  - located in a Member State; or
  - located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States of America; or
  
- (b) any Regulated Market 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:

- The market organised by the International Capital Market Association;
- The (i) market conducted by banks and other institutions regulated by the FSA and subject to the Inter-Professional Conduct provisions of the FSA'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 FSA and the Bank of England;
- The market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the U.S. Securities and Exchange Commission;
- The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the 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);
- KOSDAQ;
- NASDAQ;
- SESDAQ;
- TAISDAQ/Gretai Market;
- The Chicago Board of Trade;
- The Chicago Mercantile Exchange;
- The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;
- 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 exchange or market on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is

- i. located in a Member State,
- ii. located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States,
- iii. the Channel Islands Stock Exchange, or
- iv. listed at 1(c) above.

The Regulated Markets described above are set out herein in accordance with the requirements of the MFSA.

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### Appendix III – Declarations, Representations and Warranties made by Applicant

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As set out under the part titled 'Terms and Conditions of Issue and Holding' of the Prospectus (to which this Appendix III is attached and of which it forms an integral part), by signing and submitting the relevant Subscription / Switching / Transfer Registration Application (hereinafter in this Appendix referred to as the "Application") in respect of Investor Shares in any of the Company's Funds, the applicant (and in the case of joint applications, each individual joint applicant) will be entering into a legally binding contract with the Company (which shall become binding on the Company if and when such Application is accepted by the Company) whereby he/she/it makes and gives (and will automatically be deemed to be making and giving) to the Company the following declarations, representations and warranties, as applicable to him/her/it:

- I acknowledge and confirm that I have received, read and understood the contents of the Prospectus and the Offering Supplement currently applicable in respect of the offer of Investor Shares to which this Application relates (hereinafter referred to as "Fund Shares") as well as the latest Annual and Half-Yearly Reports of the Company (where applicable). I hereby irrevocably apply to subscribe for and be registered in the Register as holder of or (as the case may be) to be registered in the Register as transferee or transmittee 'causa mortis' and holder of, and irrevocably agree to accept, the number of Fund Shares which may be allotted to me or which may be registered in my name in the Register as holder thereof (as applicable) pursuant to the Application, and thereafter to hold them in accordance with the terms of and subject to the provisions of the Application, the Prospectus and the Offering Supplement regarding the relevant Fund of which the Fund Shares form part (the "Fund") and of the Articles. I hereby further acknowledge that if and when the Application is accepted by the Company (until which time it shall not be revocable by me) it shall constitute a legally binding contract between me and the Company.
- I recognise that an investment in the Fund may involve a high degree of risk and I declare that I have taken full cognisance of and understand all of the risk factors related to the purchase of Fund Shares, including but not limited to those set forth in the Prospectus under the section 'Risk Factors' and such other specific risk factors that may be set out in the Offering Supplement of the relevant Fund. I hereby also declare and warrant that I have the knowledge, experience, and expertise in financial matters to evaluate and understand the relevant Fund's investment policy and the method by which the assets of the Fund are held and traded, as described in the Prospectus and the Fund's Offering Supplement, and I am aware of and capable of assessing and understanding the merits and risks inherent in investing in the Fund Shares and can bear the risk of loss of my entire investment. I hereby further declare and warrant that where and to the extent that I am not capable of understanding and assessing such matters in my own right, I have duly consulted and taken advice from professional advisors of my choice and engaged by me as to the legal, tax, financial or other consequences of and matters relevant to an investment by me in the Company and the Fund and as to the suitability of such investment for me, and as to any questions concerning the contents of the Prospectus, the Offering Supplement of the Fund or other information supplied to me by or on behalf of the Company in connection with Fund Shares, the Company or the Fund. I hereby also acknowledge that any information so supplied to me as aforesaid does not constitute and was not relied upon by me as recommendations by the Company, its Directors or representatives that I should acquire any Fund Shares or any interests therein or should, after acquiring same, exercise any rights in respect thereof to which I may become entitled, and does not constitute and was not relied upon by me as legal, tax or financial advice as aforesaid.
- I acknowledge that due to anti-money laundering requirements the Company may, even through the Administrator processing the Application, or the Investment Manager or other Authorised Distributors placing or selling the Fund Shares, or other Service Providers or other persons delegated with this function (the "Delegates"), and the Delegates themselves in their personal capacity may, require further proof of identity (including, without limitation, proof of identity of my ultimate beneficial owners (where applicable) or of the proposed ultimate beneficial owners or beneficiaries of the Fund Shares which may be issued pursuant to the Application) as well as information about provenance of funds, the purpose and intended business relationship with the Company, and other relevant matters before the Application can be processed and I

hereby accept and undertake to comply with any such requests for further information and with the due diligence and anti-money laundering procedure described in the Prospectus and the Offering Supplement regarding the Fund prior to the Application being accepted. I hereby agree that the Company and the Delegates shall hereby be held harmless and indemnified by me against any loss arising as a result of a failure to process the Application if such information which has been requested as aforesaid has not been provided or properly provided by me. I hereby also undertake to provide the Company and the Delegates such further information and documentation which may be requested from time to time by them or on their behalf in terms of applicable laws, the Prospectus, the Offering Supplement regarding the Fund, the Articles or otherwise in connection with the subject-matter of the Application, and to notify the Company of any subsequent changes to the information and documentation provided. I hereby also authorise the Company and the Delegates to, and hereby acknowledge that in terms of applicable anti-money laundering legislation the Company and the Delegates are or may be entitled (without the need of any authorisation from me as aforesaid) to, obtain verification of any information provided by or on my behalf in respect of the Application. I hereby warrant that the funds or other contribution (including assets in kind, where applicable) being paid or contributed for the investment contemplated in the Application (in the case where the Application consists of a Subscription Application) emanate from a good, clean and legal source, and are not, in whole or in part, the proceeds of drug trafficking or any other criminal activity or activities that may contravene AML Laws and Orders (as such term is defined under the section titled 'Prevention of Money Laundering and Data Protection' of the Prospectus), nor do they represent, in whole or in part, directly or indirectly, such proceeds. I hereby consent to the release by the remitting bank or financial institution to the Company and its Delegates of all evidence of my identity and on the source of funds which the said bank or financial institution shall have retained. I hereby also agree that the contract notes and other documents and any monies payable or returnable to me may be retained pending clearance of my remittance and any verification of identity or other procedures as required by anti-money laundering legislation and that such monies will not bear interest in my favour.

- I hereby consent to the use, release, disclosure, processing and transfer by the Company as well as any Delegates as aforesaid of any information provided by me to the relevant anti-money laundering or other competent authorities or other persons as required by applicable laws and also to any Service Providers or other functionaries, advisors or agents of the Company or the Fund to enable same to meet their respective obligations under applicable laws. I further consent to the recording of any telephone call/s made between me and the Company's representatives, advisors, the Fund's Service Providers or other authorised persons, which recording/s shall be used for the purpose of verifying information, record keeping and/or security. Furthermore, I hereby also consent to the processing of personal data for any purposes, by such persons, before, during and after the time that I hold Fund Shares and even in the event that the Application is rejected, as set out in the Prospectus under the part titled 'Data Protection' under the section 'Prevention of Money Laundering and Data Protection' and in accordance with the Company's Data Protection and Privacy Policy referred to therein.
- I hereby acknowledge and accept that the Company shall have a right to reject this Application in any of the circumstances specified in (and in accordance with the provisions and subject to the terms of) the Application, the Articles and/or the Prospectus and the Offering Supplement regarding the Fund (including, in the case where the Application consists of a Subscription or a Switching Application, for any reason whatsoever, without the company being obliged to disclose the reason), without being held liable for any loss arising as a result of such rejection.
- I hereby undertake to observe and be bound by the provisions of the Articles and apply and consent to be entered in the Register as the holder of the Fund Shares which may eventually be issued / registered in my name pursuant to the Application.
- I hereby confirm and agree that in the case the Application is made by two or more joint applicants, the joint applicant nominated by me and the other joint applicants or, failing such nomination, the joint applicant whose name is inserted first in the field giving details of the applicant/s on the Application, shall be

entered first on the Register, and that such joint applicant first named in the Register shall for all intents and purposes be deemed to be and be treated as the single registered holder of the relevant Fund Shares held jointly (except for such purposes as may be mentioned in the Articles and in the Prospectus): it being provided and agreed that I and the other joint applicants shall be liable, jointly and severally, in respect of all subscription monies due to the Company / the Fund in respect of the Fund Shares jointly applied for (in the case of an Application consisting of a Subscription Application) and that while the Fund Shares are held jointly as aforesaid, I and the other joint holders shall be liable, jointly and severally, in respect of all obligations which may be due by the holder of Fund Shares to the Company / the Fund.

- I hereby agree that all documents in connection with or pursuant to the Application and otherwise which need or may be sent to me by or on behalf of the Company from time to time while I am the holder of Fund Shares, will be sent at my risk at my address as appears on the Register or on the Application or the address subsequently notified by me, without any liability for the Company. Furthermore, I hereby agree that any payments (whether of dividends, redemption monies, liquidation proceeds or otherwise) becoming due to me at any time in respect of my investment in the Fund will be made at such time, as provided or permitted and subject to the terms and conditions of the Prospectus (including, without limitation, the provisions of the section titled 'Payments to Shareholders'), the Offering Supplement regarding the Fund, the Articles and the Application, without any liability of the Company or its Delegates for any loss or delay in transmission, and such payments shall in all cases be a good discharge to the Company.
- I hereby confirm that I have read, understood and accepted the full contents of the Application, the Articles, the Prospectus and the Offering Supplement regarding the Fund (including the risk warnings included therein) which, I hereby acknowledge and agree, constitute the terms and conditions of the offering, issue, subscription, resale, transfer, acquisition, exchange, holding, pledging and redemption of the Fund Shares, and I hereby declare and agree that I am making the Application solely on the basis of, and shall at all times be bound by and comply with, such contents, terms and conditions.
- I hereby confirm and declare that I have not based and will not base my decision to make and submit the Application and to invest in or otherwise be registered as holder of the Fund Shares (as applicable) and thereafter to exercise any rights in respect thereof, on any document, advertisements, representations or information (written or oral) other than those contained in the current Prospectus and the current Offering Supplement regarding the Fund and the current Articles and (when published) the most recent audited Annual Report or (unaudited) Half-Yearly Report of the Company (if more recent than such Annual Report) and, if any other document, advertisements, representations or information is given or made or supplied to me by any person, I hereby acknowledge and agree that these have not been authorised by, and will not result in any liability or responsibility for, the Company (or the Fund) or any of its officers or representatives.
- I agree that I will not dispose in any manner of any of the Fund Shares held from time to time by me, if as a result of such disposal either I or the person to whom the same are disposed of will hold less than the applicable Minimum Holding (as defined in the Prospects and the Offering Supplement regarding the Fund), if any, and I hereby undertake to continue to satisfy the Minimum Holding requirement on an on-going basis throughout the term of my investment as required by the Prospectus and the Offering Supplement regarding the Fund, unless and to the extent that such applicable Minimum Holding requirement is waived by the Company, in its discretion. I hereby also acknowledge and agree to comply with the Minimum Initial Investment, Minimum Additional Investment and Minimum Redemption requirements which may be applicable to the Fund and Fund Shares therein as outlined in the Prospectus and the Fund's Offering Supplement, unless and to the extent that these are waived by the Company in its discretion.
- I warrant that I am a person duly qualified and eligible to own the Fund Shares in terms of and as provided in the Articles, the Prospectus and the Offering Supplement regarding the Fund as well as in

terms of applicable laws (including those relating to minimum age requirement to validly make such investment), and that I am not making the Application on behalf of or for the benefit of any person or entity which is not so duly qualified and eligible to own the same as aforesaid. Without prejudice to the generality of the foregoing I hereby warrant that I am (and that I am not making the Application on behalf of or for the benefit of any person or entity which is not) a person who satisfies all relevant eligibility criteria and requirements applicable in terms of the Prospectus and the Offering Supplement regarding the Fund; that I am not (and that I am not making the Application on behalf of or for the benefit of any person or entity which is) a U.S. Person; and that I am not making the Application (whether on my behalf or on behalf of or for the benefit of any person or entity) in circumstances (hereinafter the "Relevant Circumstances") which might violate the applicable laws, regulations and requirements of any jurisdiction or governmental or other competent authority or might otherwise infringe the restrictions set out in the part titled 'Restricted Offer and Distribution' under the section 'Important Information' of the Prospectus or otherwise in breach of such Prospectus, the Offering Supplement regarding the Fund or the Articles. I further hereby warrant that I will not at any time offer, sell resell, transfer, assign or deliver any of such Fund Shares directly or indirectly in the United States or to or for the account or benefit of any person who is not qualified and eligible to own the same as aforesaid, or who is a U.S. Person (without the Directors' prior specific consent) or in the Relevant Circumstances mentioned above.

- I acknowledge that the Company may (without incurring any loss or liability to me) mandatorily redeem my Fund Shares, and that I may be required to transfer my Fund Shares to a person duly qualified or entitled to own the same or to request the Company to redeem my Fund Shares, in certain circumstances as laid down in the Prospectus and the Offering Supplement regarding the Fund, and I hereby undertake to comply with any notice or request to this effect made by the Company in such circumstances, in which case I shall be entitled to receive redemption proceeds as provided, in the manner and subject to the terms of the Prospectus and the Offering Supplement regarding the Fund.
- I warrant that I have the right, capacity (including minimum age requirement in terms of applicable laws) and authority to make the Application and the relevant investment in Fund Shares and to be registered as holder thereof in the Register and to enter into the transaction leading to the Application, that I will hold the Fund Shares in my own name and on my behalf and benefit (except (i) in the case of a trust arrangement of which I am a trustee holding the same for the benefit of beneficiaries of which I have made full disclosure to the Company or (ii) as may otherwise have been fully disclosed by me to the Company; subject to the provisions of the paragraph below) and that I will not thereby be in breach of, and have complied and will continue to comply on an on-going basis with, applicable laws, regulations and requirements of any relevant jurisdiction or governmental or other competent authority with respect to such investment and transaction (including, without limitation any applicable consents, formalities, tax, exchange control and anti-money laundering requirements) and I hereby undertake to indemnify the Company (and the Fund) and any of its officers, representatives, Service Providers and Authorised Distributors appointed in respect of the Fund and Shareholders for any loss or liability suffered by them as a result of this warranty/representation not being true in every respect.
- Where I am acting on behalf or for the benefit of another person or entity (as aforesaid), I warrant and undertake that: (i) I am duly authorised in writing by the person or entity on whose behalf or in whose benefit I am acting (the "principal"), and (save where otherwise expressly permitted) have produced the original or a duly certified copy of the relevant power of attorney or other instrument granting such authority; (ii) I have established and verified the identity of my principal; (iii) where the principal is a body corporate, a body of persons, or any other form of legal entity or arrangement, in addition to verifying the legal status of the principal, I have identified all directors and, where such principal does not have directors, all such other persons vested with its administration and representation, and established the ownership and control structure; (iv) in addition to point (iii) (and save where otherwise expressly permitted), I have disclosed, and shall disclose any changes in relation to, the identity of the beneficial owners, the principal and the trust settlor, as the case may be (where the person or entity on whose behalf or in whose benefit I am acting (the principal) is a body corporate, a body of persons, trust or any other form of legal entity or arrangement in which there is a shareholding, or any other form of ownership

interest or assets held under a trustee or any other fiduciary arrangement, or where I am acting as a trustee or under any fiduciary arrangement); (v) (save where otherwise expressly permitted) I have produced the relevant authenticated identification documentation in relation to point (iv), as the case may be, and shall produce the same in case of any changes in beneficial ownership or principal: it being declared and acknowledged that the provisions of this paragraph and the immediately following two paragraphs are to be construed in the context of the requirements and definitions (including, without limitation, the reference to 'beneficial owner' therein) of applicable anti-money laundering legislation (including, without limitation, the Maltese Prevention of Money Laundering and Funding of Terrorism Regulations, Legal Notice 180 of 2008, as amended from time to time).

- I represent that I have carried out thorough due diligence (as required by law) to establish the identities and status of my beneficial owner/s, and in the case of any such beneficial owner being a body corporate, trust or similar legal arrangement, their ownership and control structure, and hold evidence of such identities, status, and ownership and control structure, and will maintain such information for at least five years or the minimum period required by applicable laws (whichever is the higher) from the date of redemption or disposal or cessation of the totality of the investment in the Fund being made pursuant to the Application. I undertake that I have made or will make available to the Company (or to the Delegates) such information and any additional information that may be required upon request.
- I hereby declare and represent that I am not and (where this Application is made by or on behalf of an applicant who is not a natural person) any of my directors or similar officers or ultimate beneficial owners are not (i) an individual or entity or member of an entity named on any available lists of known or suspected terrorists, terrorist organisations or of other sanctioned persons issued by the United Nations, the EU, other international or regional organisations, the United States government and the governments of any jurisdictions in which the Company is doing business, including the UN List of Suspected Terrorist Organizations and Individuals and the List of Specially Designated Nationals and Blocked Persons administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") (as such lists may be amended from time to time); (ii) an individual or entity otherwise prohibited by the United Nations, EU or OFAC sanctions programs; (iii) an individual who is a current or former senior foreign political figure or politically exposed person (both such terms as defined under the section titled 'Prevention of Money Laundering and Data Protection' of the Prospectus), or an immediate family member or close associate of such an individual, save as may have been otherwise fully disclosed in writing to the Company (and in such case I hereby acknowledge that the acceptance of the Application by the Company shall require the prior approval of the Directors or other senior management of the Company and that enhanced customer due diligence measures will apply, as may be required by applicable laws; (iv) a prohibited foreign shell bank (as such term is defined under the section titled 'Prevention of Money Laundering and Data Protection' of the Prospectus).
- I hereby agree that the declarations, representations and warranties and the undertakings, indemnities and covenants given or made by me herein (and in any supporting documentation provided together or in connection with the Application) shall be deemed to be continuing (and to be repeated) until redemption or disposal or cessation of the totality of the investment in the Fund being made pursuant to the Application, with reference to the facts and circumstances subsisting at the relevant time and from time to time. Without prejudice to the aforesaid I agree to expressly provide or re-confirm the said declarations, representations and warranties and undertakings, indemnities and covenants to the Company at such times as the Company may request and to provide on request such certificates, documents or other evidence as the Company may reasonably require to substantiate the same.
- I warrant that the declarations, representations and warranties are true, accurate and complete in all respects and agree to notify the Company immediately if I become aware that any of the declarations, representations and warranties is/are no longer true, accurate and complete in all respects and agree immediately to sell (to a person duly qualified to or entitled to own the same) or to tender to the Company for redemption (at the Company's request made in its absolute discretion) my Fund Shares or (where

applicable) a sufficient number of Fund Shares to allow the relevant declaration, representation or warranty to continue to be made as true, accurate and complete.

- I hereby confirm that the Company, its officers, representatives, Service Providers and Authorised Distributors appointed in respect of the Fund are each authorised and instructed to accept and execute any instructions in respect of the Fund Shares to which the Application relates given by me by facsimile or electronic mail.
- If instructions are given by me by facsimile or electronic mail, I undertake to confirm them separately by means of an original letter by personal delivery or by post, but hereby agree that the Company, its officers, representatives, Service Providers and Authorised Distributors appointed in respect of the Fund shall be entitled (but not obliged) to act on such instructions without waiting for and even if I fail to send the original letter confirmation. I hereby agree that the Company and the persons aforesaid shall not incur any liability to me for, and agree to indemnify them and to keep each of them indemnified, against any loss of any nature whatsoever arising as a result of any of them acting on facsimile or electronic mail instructions or for not acting on such instructions until I send the original letter confirmation. The Company and each of such persons aforesaid may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other document or instrument believed, in good faith, to be genuine or to be signed by properly authorised persons.
- I agree that neither the Company nor any of its officers, representatives, Service Providers and Authorised Distributors appointed in respect of the Fund shall incur any liability in respect of any action taken on the basis of, or in consequence of their relying on: (i) any information supplied by me or on my behalf; (ii) any declaration, representation, warranty, undertaking or covenant made or given by me herein or otherwise; (iii) any notice, consent, request, instruction or other document or instrument believed, in good faith, to be genuine or to be signed by properly authorised persons on my behalf, including any document or instrument transmitted by facsimile or electronic mail. I further agree that neither the Company nor any of the above-mentioned persons shall incur any liability in respect of any action taken by any of them as authorised, empowered or required to do in terms of or as otherwise disclosed in the Articles, the Prospectus, the Offering Supplement regarding the Fund, the Application and/or applicable laws and MFSA Rules (including anti-money laundering laws and the provisions of the section titled 'Prevention of Money Laundering and Data Protection' of the Prospectus).
- I agree to indemnify and hold harmless the Company, its officers, representatives, Service Providers and Authorised Distributors appointed in respect of the Fund against any loss, cost or expense or other liability (including without limitation attorneys' fees, taxes and penalties) which may result, directly or indirectly, from any misrepresentation by me or my agents, or any breach of any declaration, representation, warranty, undertaking, condition, covenant or agreement set forth herein or in any other document delivered by or otherwise provided by me or my agents (including those included in any declarations, statements and information which I have provided to the Company or to them together with or in connection with the Application).
- I hereby agree that the agreement constituted by virtue of the Application (if and when the Application is accepted by the Company), and any non-contractual matter arising out of or in connection with it, shall be governed and construed in all respects in accordance with the laws of the Republic of Malta. I hereby further agree that the courts of Malta shall have sole jurisdiction (to the exclusion of any other courts in any other jurisdiction) to settle any dispute arising out of or in connection with such agreement, or any non-contractual matter arising out of or in connection with such contract (including a dispute regarding the existence, validity, breach or termination of such agreement) and, accordingly, I hereby submit to the jurisdiction of the courts of Malta in case of any such dispute.



Unless otherwise expressly defined herein or the context otherwise requires, terms defined in the Prospectus (including the Offering Supplement regarding the Fund) bear the same meaning when used in this Appendix III or in the Subscription Application / Switching Application / Transfer Registration Application.