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

This extract prospectus is for distribution to investors in Switzerland only and it does not constitute a prospectus for the purposes of Irish applicable law. This extract prospectus is a consolidation of the prospectus of the Company dated 28 May 2024, the first supplemental prospectus dated 22 August 2024, the second supplemental prospectus dated 8 October 2024, the third supplemental prospectus dated 7 November 2024, the fourth supplemental prospectus dated 10 February 2025 and the fifth supplemental prospectus dated 24 February 2025. The Company has other sub-funds which have been approved by the Central Bank of Ireland but which are not authorised for offer in Switzerland.

GMO FUNDS PLC

(an investment company with variable capital
incorporated with limited liability in Ireland
with registered number 351477)

AN UMBRELLA FUND WITH SEGREGATED LIABILITY BETWEEN SUB-FUNDS

EXTRACT PROSPECTUS FOR SWITZERLAND

GMO Quality Investment Fund

Dated 4 March 2025

PURSUANT TO AN EXEMPTION FROM THE U.S. COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO "QUALIFIED ELIGIBLE PERSONS", AN OFFERING MEMORANDUM FOR THESE POOLS IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE U.S. COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE U.S. COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THESE POOLS.

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

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.

Certain terms used in this Prospectus are defined in the section entitled "Definitions".

Authorisation of the Central Bank
The Company has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Authorisation of the Company by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company or of any Fund. The Company is an umbrella fund with segregated liability between Funds.

Investment Risks
There can be no assurance that each Fund will achieve its investment objective. It should be appreciated that the value of Shares may go down as well as up. An investment in a Fund involves investment risks, including possible loss of the entire amount invested. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. Investors' attention is drawn to the specific risk factors set out in the section of this document entitled "Risk Factors". The Funds may invest extensively in a wide variety of exchange-traded and OTC derivatives as described in this Prospectus for investment purposes and/or efficient portfolio management purposes, including the derivatives referred to in the section entitled "Descriptions and Risks of Fund Investments". It is recommended that for retail investors an investment in any of the Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. To protect existing investors, a dilution adjustment may, at the absolute discretion of the Investment Manager, be made on a Dealing Day and reflected in the Net Asset Value per Share at which subscriptions and repurchases of Shares are effected. For details on the dilution adjustment, please refer to the section entitled "Administration of the Company – Dilution Adjustments". Therefore, the difference at any one time between the sale and repurchase prices of these Shares means that an investment in the Funds should be viewed as medium to long-term.

Investments in other Collective Investment Schemes
Certain Funds may invest in excess of 20 per cent. of its Net Asset Value in other collective investment schemes as set out in the section entitled "Investment Objectives and Policies of the Funds". Investors' attention is drawn to the risks associated with such investments set out in the section entitled "Risk Factors – Risks associated with Investment in Other Collective Investment Schemes".

Selling Restrictions
The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, incorporation or domicile.

Before investing in a Fund an investor shall be required to confirm whether the investor is an Irish Resident for tax purposes. Please refer to the section entitled "Taxation" for further information in relation to Irish tax considerations.

The Shares have not been and will not be registered under the 1933 Act, or any U.S. state securities laws, and neither the Funds nor the Company has been or will be registered under the 1940 Act. Except as otherwise described herein, such Shares may not be offered or sold, directly or indirectly to, or for the benefit of, any U.S. Person. For this purpose, a U.S. Person has the meaning set forth in the section entitled "Definitions". The Directors may authorise the offer and sale of Shares to a limited number or category of U.S. Persons, in such a manner that will not require the registration of the Company, any Fund, or the Shares under the securities laws of the United States, or any state thereof.

Marketing Rules

Shares are offered only on the basis of the information contained in the current Prospectus and the latest audited annual accounts and any subsequent half-yearly report. Investors should note that the auditor's report on the Company's annual accounts is made only to the Company and the Shareholders as a body at the date of the auditor's report.

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

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

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

COMMODITY FUTURES TRADING COMMISSION NOTICE

ALL SHARES IN THE COMPANY AND THE FUNDS ARE OFFERED ONLY TO "ACCREDITED INVESTORS" UNDER THE 1933 ACT AND "QUALIFIED PURCHASERS" OR "KNOWLEDGEABLE EMPLOYEES" UNDER THE 1940 ACT OR REGULATIONS THEREUNDER, OR TO NON-U.S. PERSONS. PURSUANT TO AN EXEMPTION FROM THE

U.S. COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO "QUALIFIED ELIGIBLE PERSONS," THE OFFERING MEMORANDUM FOR THIS POOL WILL NOT BE REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE U.S. COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE U.S. COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

GMO FUNDS PUBLIC LIMITED COMPANY

Board of Directors
Mr. David Bohan
Ms. Eimear Cowhey
Mr. Arron Day
Mr. John Fitzpatrick

Registered Office of the Company
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Manager
Waystone Management Company (IE) Limited
35 Shelbourne Road, 4th Floor
Ballsbridge, Dublin
D04 A4E0
Ireland

Distributor and UK Facilities Agent
GMO UK Limited
No.1 London Bridge
London SE1 9BG
England

Distributor
GMO Netherlands B.V.
Gustav Mahlerplein 109-115
26th floor
1082 MS Amsterdam
The Netherlands

Administrator
State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Company Secretary
Bradwell Limited
10 Earlsfort Terrace
Dublin 2
Ireland

Investment Manager
Grantham, Mayo, Van Otterloo & Co. LLC
53 State Street, 33rd Floor, Boston
Massachusetts 02109
U.S.A.

Depositary
State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Auditors
PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Legal Advisers
Arthur Cox LLP
10 Earlsfort Terrace
Dublin 2
Ireland

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GMO FUNDS PLC

SUMMARY

Structure

The Company is an umbrella fund established as an open-ended, variable capital investment company incorporated with limited liability under the laws of Ireland. The Articles of Association provide for separate Funds, each representing interests in a defined portfolio of assets and liabilities, which may be issued from time to time with the approval of the Central Bank. The Subscriber Shares do not entitle the holders to participate in the assets of any Fund.

Investment Objectives and Policies

GMO Quality Investment Fund

The Fund seeks total return through investment in equities and equity-related securities the Investment Manager believes to be high quality. The Fund may make security investments in companies the stocks of which are listed or traded on Regulated Markets anywhere in the world. Investments in Emerging Market Countries will not exceed 20 per cent. of the Net Asset Value of the Fund.

The Fund does not seek to allocate its investments in line with, or seek to control risk relative to, the MSCI World Index, the MSCI ACWI Index, the S&P 500 Index, or any other securities market index or benchmark.

Taxation

As an investment undertaking within the meaning of section 739B (1) of the TCA, the Company is generally exempt from Irish tax on its income and gains and the Company will not be required to account for any Irish tax in respect of Shareholders who are not Irish Residents provided that the necessary signed declarations are in place. The Company may be required to account for tax in respect of Shareholders who are Irish Resident Shareholders. Shareholders who are not Irish Residents will not be liable to Irish tax on income from their Shares or gains made on the disposal of their Shares, provided that the Shares are not held directly or indirectly by or for a branch or agency in Ireland. Generally, no stamp duty or other tax is payable in Ireland on the subscription, issue, holding, redemption or transfer of Shares. Where any subscription for or redemption of Shares is satisfied by an in specie transfer of Irish securities or other Irish property, Irish stamp duty may arise on the transfer of such securities or property. A gift or inheritance of Shares may be liable to Irish capital acquisitions tax. The Company may be subject to, and/or accrue, withholding, capital gains, transaction-based and other taxes imposed by jurisdictions in which the Funds make investments. In addition, the Foreign Account Tax Compliance provisions of FATCA generally impose a U.S. federal reporting and withholding tax regime with respect to certain U.S. source income earned and gross proceeds from the sale or other disposal of property.

The Funds will not be managed to minimise taxes. Potential investors are advised to consult their own tax advisers as to the implications of an investment in the Funds. Please refer to the section entitled “Taxation” for further information.

Dividends

Please refer to the section entitled “Dividend Policy” for further information on the dividend policy of the Funds.

Subscriptions

The table below sets forth the minimum initial investment per Shareholder in each Fund.

Fund	Minimum Initial Investment per Shareholder (or currency equivalent thereof)
GMO Quality Investment Fund (except for classes listed below)	US$1,000,000
GMO Quality Investment Fund – C, D, and DH Classes	US$125,000,000
GMO Quality Investment Fund – J, JH, and Z Classes	US$5,000,000
GMO Quality Investment Fund – F, FH, FN, G, GH, JU, M, O, and OH Classes	US$ 300,000,000

Subscriptions of lesser amounts may be accepted at the absolute discretion of the Investment Manager or the Distributor.

It is intended that Shares in each Fund will be marketed to institutional investors and made available to investors meeting the minimum subscription requirements.

Fees and Expenses

Investors' attention is drawn to the details of the fees and expenses charged set out in the section entitled "Fees and Expenses".

Dealing Days

Shares may be issued or repurchased on a Dealing Day by sending an application form and a purchase order form or repurchase form, as appropriate, to the Distributor to arrive no later than 2.00 p.m. (Irish time) on the Business Day preceding the Dealing Day or, in exceptional circumstances which will be fully documented, such other time prior to the Valuation Point as may be agreed between the relevant investor and the Distributor (the exercise of such power having been delegated to the Distributor by the Manager). Each Business Day shall be a Dealing Day, except where the Net Asset Value determination has been temporarily suspended in the circumstances outlined in the section entitled "Administration of the Company - Temporary Suspension of Valuation of the Shares and of Sales and Repurchases".

Investor Restrictions

The Shares may not be offered or sold in any jurisdiction in which such offer or sale is not lawful or in which the person making such offer or sale is not qualified to do so or to anyone to whom it is unlawful to make such an offer or sale. Except as otherwise provided in this Prospectus, Shares may not be purchased or held by or for the account of any U.S. Person. Applicants and transferees will be required to certify whether or not they are Irish Residents.

Investment Risks

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

DEFINITIONS

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

"1933 Act"	means the U.S. Securities Act of 1933, as amended;
"1940 Act"	means the U.S. Investment Company Act of 1940, as amended;
"Administration Agreement"	means the agreement dated 6 November 2017 between the Company and the Administrator, as amended by a GDPR Data Processing Addendum dated 25 May 2018, and novated by a Novation and Amendment Agreement dated 1 January 2022 pursuant to which the Administrator was appointed by the Manager as administrator in respect of the Company, and as may be further amended from time to time;
"Administrator"	means State Street Fund Services (Ireland) Limited;
"ADRs"	means American Depositary Receipts;
"AIF"	means alternative investment fund;
"AIMA"	means the Alternative Investment Management Association;
"Articles of Association" or "Articles"	means the articles of association of the Company;
"A$" or "AUD"	means Australian Dollars, the lawful currency of the Commonwealth of Australia;
"Base Currency"	means the base currency of each Fund as specified in the section entitled "Investment Objectives and Policies of the Funds";
"Benchmarks Regulation"	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as such may be amended, supplemented or replaced from time to time;
"Business Day"	means, unless otherwise determined by the Manager and notified in advance to Shareholders, any day on which retail banks are open for business in Dublin and London and the New York Stock Exchange is open for regular trading. Retail banks are not typically open for business in Dublin on 27 December (or a replacement date if December 27 falls on a weekend); however, such day shall be a Business Day for the purposes hereof unless retail banks are also not open for business in London and the New York Stock Exchange is not open for regular trading, or the Manager determines otherwise and notify Shareholders in advance of the same;
"CAD"	means Canadian Dollars, the lawful currency of Canada;
"CBO"	means a collateralised bond obligation;
"CCP"	means central counterparty;

"CDO"	means a collateralised debt obligation;
"CEA"	means the U.S. Commodity Exchange Act;
"Central Bank"	means the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Company;
"Central Bank Act"	means the Central Bank (Supervision and Enforcement) Act 2013, as such may be amended, supplemented or replaced from time to time;
"Central Bank Regulations"	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, as such may be amended, supplemented or replaced from time to time;
"CFTC"	means the U.S. Commodity Futures Trading Commission;
"CHF"	means the Swiss franc, the lawful currency of Switzerland;
"class" or "Class"	means any class of Shares;
"Class A"	means, as the context requires, Class A AUD, Class A CHF, Class A EUR, Class A GBP, Class A JPY, Class A NOK, Class A SEK and/or Class A USD of a Fund;
"Class B"	means, as the context requires, Class B AUD, Class B CHF, Class B EUR, Class B GBP, Class B JPY, Class B NOK, Class B SEK and/or Class B USD of a Fund;
"Class C"	means, as the context requires, Class C GBP Distributing, Class C EUR Distributing, Class C USD Distributing of a Fund;
"Class D"	means, as the context requires, Class D USD of a Fund;
"Class DH"	means, as the context requires, Class DH NOK of a Fund;
"Class E"	means, as the context requires, Class E EUR, Class E GBP, Class E NOK, and/or Class E USD of a Fund;
"Class F"	means, as the context requires, Class F EUR, Class F USD, Class F EUR Distributing, Class F GBP Distributing, and/or Class F USD Distributing of a Fund;
"Class FH"	means, as the context requires, Class FH EUR of a Fund;
"Class FN"	means, as the context requires, Class FN USD and/or Class FN EUR of a Fund, none of which will seek to obtain certification as "reporting funds" under the U.K. Offshore Funds (Tax) Regulations 2009 for the purposes of taxation in the U.K.;
"Class Expenses"	means the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlements system and such other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in this Prospectus;
"Class G"	means, as the context requires, Class G USD and/or Class G EUR of a Fund;

"Class GH"	means, as the context requires, Class GH SGD and/or Class GH AUD of a Fund;
"Class H"	means, as the context requires, Class H SGD, Class H GBP, Class H NOK, and / or Class H EUR of a Fund;
"Class J"	means, as the context requires, Class J AUD, Class J EUR, Class J GBP, Class J HKD, Class J SGD and/or Class J USD of a Fund;
"Class JH"	means, as the context requires, Class JH EUR, Class JH SGD, Class JH AUD, and/or Class JH CHF of a Fund;
"Class JU"	means Class JU USD of a Fund;
"Class M"	means, as the context requires, Class M GBP, Class M USD Distributing and/or Class M GBP Distributing of a Fund;
"Class N"	means Class N USD of a Fund;
"Class O"	means Class O USD of a Fund;
"Class OH"	means, as the context requires, Class OH EUR, Class OH GBP, Class OH SGD, Class OH AUD, Class OH HKD and/or Class OH CHF of a Fund;
"Class R"	means, as the context requires, Class R EUR, Class R USD and/or Class R SGD of a Fund;
"Class RH"	means, as the context requires, Class RH AUD and/or Class RH SGD of a Fund;
"Class Z"	means, as the context requires, Class Z SGD and/or Class Z USD of a Fund;
"Class ZH"	means, as the context requires, Class ZH SGD of a Fund;
"Clearing Member"	means a member of a clearing house;
"CLO"	means a collateralised loan obligation;
"CMO"	means a collateralised mortgage obligation;
"Company"	means GMO Funds Public Limited Company, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Act 2014 and the UCITS Regulations;
"Connected Person"	means the Manager or the Depositary, and the delegates or sub-delegates of the Manager or the Depositary (excluding any non-group company sub-custodians appointed by the Depositary), and any associated or group company of the Manager, the Depositary, any delegate or sub-delegate;
"Contractual Settlement Arrangements"	means arrangements whereby the Depositary or an affiliate or another entity provides overdraft, temporary borrowing or similar facilities to pay for portfolio transactions entered into by a Fund pending receipt by the Fund of subscription monies or other expected cashflows;

“CPI”	means consumer price index;
“Dealing Day”	means, unless otherwise determined by the Manager and notified in advance to Shareholders, each Business Day provided that there shall be at least one Dealing Day per fortnight;
“Depositary”	means State Street Custodial Services (Ireland) Limited;
“Depositary Agreement”	means the agreement dated 6 November 2017 between the Company and the Depositary, as amended by a GDPR Data Processing Addendum dated 25 May 2018, pursuant to which the Depositary was appointed depositary of the Company, and as may be further amended from time to time;
“Depositary Receipts”	means ADRs, EDRs and GDRs;
“Directive”	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations, and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating or undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions, and as may be further amended, supplemented or replaced from time to time;
“Directors”	means the directors of the Company for the time being and any duly constituted committee thereof;
“Distributor”	means GMO UK Limited, GMO Netherlands B.V. or any other distributor appointed in respect of the Company from time to time;
“EDRs”	means European Depositary Receipts;
“EEA”	means the European Economic Area;
“Emerging Market Country”	means any country whose market is not treated as a “developed market” in the MSCI World Index or MSCI EAFE Index, and such other countries as the Investment Manager may from time to time deem to be emerging market countries;
“EMIR”	means Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as such may be amended, supplemented or replaced from time to time;
“ERISA”	means the Employee Retirement Income Security Act of 1974, as amended;
“ESG”	means environmental, social and governance;
“ESMA”	means the European Securities and Markets Authority;
“ETF”	means an exchange-traded fund, the units of which may, depending on the circumstances, be classified under the UCITS Regulations as units in a UCITS, units in an AIF or transferable securities. For the avoidance of doubt, for shares or units in an exchange-traded fund to constitute

	transferable securities within the meaning of the UCITS Regulations, the relevant fund must be closed-ended and the shares or units must fulfil the other criteria applicable to transferable securities under the UCITS Regulations;
"€" or "EUR" or "euro"	means the currency unit referred to in the Second Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro;
"EU"	means the European Union;
"Exchange"	means a national securities exchange;
"Fannie Mae"	means the Federal National Mortgage Association;
"FATCA"	means the U.S. Hiring Incentives to Restore Employment Act;
"FHLBs"	means Federal Home Loan Banks;
"Form ADV"	means the Investment Manager's most recent Form ADV submitted to the U.S. Securities and Exchange Commission;
"Freddie Mac"	means the Federal Home Loan Mortgage Corporation;
"Fund"	means any sub-fund from time to time established by the Company including any of the Funds that are the subject of this Prospectus, where appropriate;
"Fund Cash Account"	means a cash account in which Investor Monies are held that is not an Umbrella Cash Account;
"G7"	means the group of seven major industrialised nations, whose current member countries are Canada, France, Germany, Italy, Japan, the U.K. and the U.S.;
"GDRs"	means Global Depositary Receipts;
"Ginnie Mae"	means the Government National Mortgage Association;
"GMO Singapore"	means GMO Singapore Pte. Limited;
"HK$" or HKD"	means the Hong Kong Dollar, the lawful currency of Hong Kong;
"Initial Offer Period"	means the period determined by the Manager during which Shares in a Fund or class are first offered for subscription;
"Investment Manager"	means Grantham, Mayo, Van Otterloo & Co. LLC;
"Investment Management and Distribution Agreement"	means the investment management and distribution agreement dated 1 June 2014 between the Company and the Investment Manager, as amended from time to time and as novated by the Novation and Amendment Agreement dated 1 January 2022, pursuant to which the Investment Manager was appointed by the Manager as investment manager and distributor in respect of the Company;
"Investor Money	means the Central Bank (Supervision and Enforcement) Act 2013 Regulations" (Section 48(1)) Investor Money Regulations 2015 for

	Fund Service Providers, as such may be amended, supplemented or replaced from time to time;
"Investor Monies"	means subscription monies received from, and repurchase monies due to, investors in a Fund and, if applicable, dividend monies due to Shareholders of the Fund;
"IO/PO Strips"	means interest-only or principal-only STRIPS;
"IOSCO"	means the International Organization of Securities Commissions;
"IPO"	means an initial public offering;
"Irish Resident"	has the meaning set out in the section entitled "Taxation";
"IRS"	means the U.S. Internal Revenue Service;
"ISDA Agreements"	means International Swaps and Derivatives Association, Inc. Master Agreements;
"JPY"	means the Japanese Yen, the lawful currency of Japan;
"Key Information Document"	means a PRIIPs KID or a UCITS KIID, as applicable;
"Manager"	means Waystone Management Company (IE) Limited;
"Management Agreement"	means the agreement dated 1 January 2022 between the Company and the Manager as amended from time to time, pursuant to which the Manager was appointed as manager of the Company;
"Member State"	means a member state of the EU;
"MLP"	means a master limited partnership;
"Moody's"	means Moody's Investor Services, Inc., the rating agency;
"MSCI EAFE Index"	means the MSCI EAFE (Europe, Australasia, and Far East) Index (MSCI Standard Index Series, net of withholding tax), which is an independently maintained and widely published index comprised of international large and mid-capitalisation stocks;
"MSCI World Index"	means a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets. As of 1 October 2023, the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States;
"NASDAQ"	means the market regulated by the National Association of Securities Dealers in the U.S.;
"Net Asset Value" or "NAV"	means the Net Asset Value of the Company, a Fund or a class as appropriate, calculated as described herein;
"Net Asset Value	means in respect of any Shares the Net Asset Value attributable

per Share”	to the Shares issued in respect of a Fund or class divided by the number of Shares in issue in respect of that Fund or class;
“NOK”	means the Norwegian Krone, the lawful currency of Norway;
“NSD”	means the Russian National Settlement Depository;
“OECD”	means the Organisation for Economic Co-Operation and Development;
“Original Lender”	means an entity which, itself or through related entities, directly or indirectly, concluded the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised;
“Originator”	means an entity which: (a) itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised; or (b) purchases a third party’s exposures on its own account and then securitises them;
“OTC”	means over-the-counter;
“PRIIPs KID”	means a key information document issued in accordance with Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) and the Delegated PRIIPs Regulation (EU) 2021/2268, as such may be amended, supplemented or replaced from time to time;
“Regulated Market”	means any stock exchange or regulated market in the EU or a stock exchange or regulated market which is provided for in the Articles of Association and set forth in Schedule I;
“Reimbursable Expenses”	has the meaning set out in the section entitled “Fees and Expenses – Reimbursable Expenses”;
“REIT”	means a real estate investment trust or other pooled investment vehicle that invests primarily in income producing real property or real property related loans or interests;
“Revenue Commissioners”	means the Revenue Commissioners of Ireland;
“Rule 144A Securities”	means securities (i) which are issued with an undertaking to register with the U.S. Securities and Exchange Commission within one year of issue; and (ii) are not illiquid, meaning that they may be realised by the Company within seven days at the price, or approximately at the price, at which they are valued by the Company;
“SEC”	means the U.S. Securities and Exchange Commission;
“Securities Financing Transactions Regulation”	means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as such may be amended, supplemented or replaced from time to time;
“Securities Financing	means any of the following: a repurchase transaction, securities or

Transaction”	commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction and a margin lending transaction;
“Securitisation”	means a transaction or scheme, whereby the credit risk associated with an exposure or a pool of exposures is tranched, having all of the following characteristics: (a) payments in the transaction or scheme are dependent upon the performance of the exposure or of the pool of exposures; (b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme; (c) the transaction or scheme does not create exposures which possess all of the characteristics listed in Article 147(8) of Regulation (EU) No 575/2013;
“Securitisation Position”	means an exposure to a Securitisation;
“Securitisation Regulation”	means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as such may be amended, supplemented or replaced from time to time;
“Singapore Dollar” or “SGD”	means the Singapore Dollar, the lawful currency of Singapore;
“Sponsor”	means a credit institution, whether located in the EU or not, as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013, or an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU other than an Originator, that: (a) establishes and manages an asset-backed commercial paper programme or other securitisation that purchases exposures from third-party entities, or (b) establishes an asset-backed commercial paper programme or other securitisation that purchases exposures from third-party entities and delegates the day-to-day active portfolio management involved in that securitisation to an entity authorised to perform such activity in accordance with Directive 2009/65/EC, Directive 2011/61/EU or Directive 2014/65/EU;
“SEK”	means Swedish krona, the lawful currency of Sweden;
“Share” or “Shares”	means any share or shares in the Company, a Fund or a class, as the context so requires;
“Shareholder”	means a holder of Shares;
“Sterling” or “GBP” or “£”	means pounds sterling, the lawful currency of the United Kingdom;
“Stock Connect”	means Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the mutual market access programmes through which investors can deal in selected securities listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange, respectively, through the Stock Exchange of Hong Kong Limited and clearing house in Hong Kong (Northbound trading) and through which Chinese domestic investors can deal in select securities listed on the Stock Exchange of Hong Kong Limited through the Shanghai Stock Exchange and clearing house in Shanghai, and Shenzhen Stock Exchange and clearing house in Shenzhen,

	respectively (Southbound trading);
"STRIPS"	means Separate Trading of Registered Interest and Principal Securities;
"Sub-Advisory Agreement"	means the sub-advisory agreement dated 22 August 2014, as amended from time to time, between the Investment Manager and GMO Singapore;
"Subscriber Shares"	means the initial Share capital of 39,000 Shares of no par value subscribed for EUR39,000;
"Supplemental Prospectus"	means any supplemental prospectus issued by the Company in connection with a Fund from time to time in accordance with the requirements of the Central Bank;
"S&P"	means Standard & Poor's, the rating agency;
"Taxonomy Regulation"	means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended from time to time;
"TCA"	Taxes Consolidation Act 1997, as amended;
"UCITS"	means an undertaking or undertakings for collective investment in transferable securities established under the Directive;
"UCITS Equivalent Scheme"	means any of the following open-ended collective investment schemes: (a) schemes established in Guernsey and authorised as Class A Schemes; (b) schemes established in Jersey as Recognised Funds; (c) schemes established in the Isle of Man as Authorised Schemes; (d) retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations; (e) alternative investment funds authorised in a member state of the EEA, the U.K. (in the event the U.K. is no longer a Member State), the U.S., Jersey, Guernsey or the Isle of Man and which comply, in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations; and (f) such other schemes as may be permitted by the Central Bank and set out in this Prospectus;
"UCITS KIID"	means a key investor information document issued in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, Commission Regulation (EU) 583/2010 of 1 July 2010, all related European Securities and Markets Authority (ESMA) guidelines and the Central Bank Regulations, as such may be amended, supplemented or replaced from time to time;

"UCITS Regulations"	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as such may be amended, supplemented or replaced from time to time;
"U.K."	means the United Kingdom;
"Umbrella Cash Account"	means an umbrella cash account in the name of the Company;
"Underlying Funds"	means other investment funds in which a Fund may invest;
"U.S."	means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
"U.S. Code"	means the U.S. Internal Revenue Code;
"US$" or "U.S. Dollar" or "USD"	means U.S. Dollars, the lawful currency of the U.S.;
"U.S. Person"	means "U.S. Person" as defined in Regulation S under the 1933 Act;
"Valuation Point"	means 4.00 p.m. (Eastern Standard Time) on the Business Day preceding a Dealing Day;
"value bias"	means a bias by an investor towards value investments (i.e. investments with inherent fundamentals that are not reflected in the market valuation of these stocks). Value investors typically seek to find investments that are worth more than their current market valuations;
"VaR"	means value-at-risk.

INTRODUCTION

The Company is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014 and the UCITS Regulations. It is an umbrella fund with segregated liability between Funds. It was incorporated on 19 December 2001 under registration number 351477. Its sole object, as set out in Clause 2 of the Company's Memorandum of Association, is the collective investment in either or both transferable securities and other liquid financial assets of capital raised from the public and to operate on the basis of risk spreading.

The Company is organised in the form of an umbrella fund with segregated liability between sub-funds. The Articles of Association provide that the Company may offer separate classes of Shares, each representing interests in a Fund with each Fund comprising a separate and distinct, segregated portfolio of investments. The Company has obtained the approval of the Central Bank for the establishment of GMO Quality Investment Fund.

A Fund may issue one or more classes of Shares. A separate pool of assets for each class within a Fund will not be maintained.

Currently sixty-one classes of Shares may be issued in respect of GMO Quality Investment Fund which include the following: USD Class, Class C USD Distributing, Class D USD, Class E USD, Class F USD, Class F USD Distributing, Class FN USD, Class G USD, Class J USD, Class JU USD, Class M USD Distributing, Class N USD, Class O USD, Class R USD, Class Z USD, GBP Class, Class C GBP Distributing, Class E GBP, Class F GBP Distributing, Class H GBP, Class J GBP, Class M GBP, Class M GBP Distributing, Class OH GBP, EUR Class, Class C EUR Distributing, Class E EUR, Class F EUR, Class FN EUR, Class F EUR Distributing, Class FH EUR, Class G EUR, Class H EUR, Class J EUR, Class JH EUR, Class OH EUR, Class R EUR, Class DH NOK, Class E NOK, Class H NOK, SGD Class, Class GH SGD, Class H SGD, Class J SGD, Class JH SGD, Class OH SGD, Class R SGD, Class RH SGD, Class Z SGD, Class ZH SGD, AUD Class, Class GH AUD, Class J AUD, Class JH AUD, Class OH AUD, Class RH AUD, HKD Class, Class J HKD, Class OH HKD, Class JH CHF, and Class OH CHF (each of the H, DH, FH, GH, JH, OH, RH, and ZH classes will seek to hedge the currency exposure between the U.S. Dollar and the currency of denomination of that class).

INVESTMENT OBJECTIVES AND POLICIES OF THE FUND

Each Fund operates to achieve its investment objective, as set out below, while spreading investment risks through investment in transferable securities and liquid financial assets, including without limitation financial derivative instruments, in accordance with the UCITS Regulations. The transferable securities and liquid financial assets in which each Fund may invest generally must be quoted or traded on a Regulated Market, except that up to 10 per cent. of the Net Asset Value of a Fund may be invested in other securities that are not traded on a Regulated Market. The Regulated Markets in which the Funds' investments will be traded are set out in Schedule I.

Each Fund may, subject to the limits set out in Schedule II, be invested in collective investment schemes which are UCITS or UCITS Equivalent Schemes. Such investment in collective investment schemes includes investing in other Funds (i.e. other sub-funds of the Company). However, a Fund may not invest in another Fund which itself holds Shares in other Funds. Where a Fund invests in another Fund, the investing Fund may not charge an annual management and/or investment management fee in respect of the portion of its assets invested in the other Fund unless no such fees are paid by the Fund in respect of its investment in the other Fund.

Each Fund may hold ancillary liquid assets, particularly during periods of perceived uncertainty and volatility. Each Fund may invest in liquid financial assets traded on a Regulated Market. The liquid financial assets in which a Fund may invest will include securities such as government securities, commercial paper, certificates of deposit and bankers' acceptances all rated at least investment grade by a rating agency or deemed by the Investment Manager to have a rating of at least investment grade.

For further information on certain investments which may be made by a Fund where consistent with its investment objective and policies, see the section entitled "Descriptions and Risks of Fund Investments".

GMO Quality Investment Fund

The Fund seeks total return by investing in equities and equity-related securities the Investment Manager believes to be of high quality. A high quality company is generally one that the Investment Manager believes has an established business that will deliver a high level of return on past investments and that will utilise cash flows in the future by making investments with potential for high levels of return on capital or by returning cash to shareholders through dividends, share buybacks, or other mechanisms. The Fund may make security investments in companies the stocks of which are listed or traded on Regulated Markets anywhere in the world.

In selecting securities for the Fund, the Investment Manager uses a combination of investment methods, typically considering both systematic factors, based on profitability, profit stability, leverage, and other publicly available financial information, and judgmental factors, based on an assessment of future profitability, capital allocation, sustainability against competitive forces, and growth opportunities. The Investment Manager may also rely on valuation methodologies, such as discounted cash flow analysis and multiples of price to earnings, revenues, book value or other fundamental metrics. In addition, the Investment Manager may consider trading patterns, such as price movement or volatility of a security or groups of securities.

At times, the Fund may have substantial exposure to a single asset class, industry, sector, country, region, currency or issuer. The Fund may invest in securities of companies of any market capitalisation. The factors the Investment Manager considers and investment methods it uses can change over time. The Investment Manager does not manage the Fund to, or control the Fund's risk relative to, any securities index or securities benchmark.

The equity securities in which the Fund may invest shall include, without limitation, common stocks, depositary receipts (ADRs, EDRs or GDRs) and related securities such as convertibles, preferred stocks, income trusts, royalty trusts, MLPs, ETFs, REITs, private placements, rights and warrants. The Fund may invest in ETFs that are classified under the UCITS Regulations as transferable securities, some of which may hold derivatives such as futures, forwards, options, swaps or other instruments. In addition, the Fund may also invest in recently issued transferable securities which will be admitted to official listing on a Regulated Market within one year. The Fund reserves the right to make tactical allocations of up to 20 per cent. of its Net Asset Value to investments in cash and debt securities rated at least investment grade by a rating agency or rated lower than investment grade by the rating agencies or unrated but deemed by the Investment Manager, having analysed the safety of principal and interest payments on such debt securities, to be of at least investment grade. Such debt securities may be government or corporate securities and may be fixed or floating rate. Investments in Emerging Market Countries shall not exceed in aggregate 20 per cent. of the Net Asset Value of the Fund. Investments in REITs shall not exceed in aggregate 15 per cent. of the Net Asset Value of the Fund.

The Fund may hold shares in fewer than 100 companies. The Fund does not seek to control risk relative to any securities market index or benchmark.

The Fund may, where the Investment Manager deems it appropriate and for the purposes of gaining exposure to equities or otherwise pursuing the investment return objective of the Fund, invest in collective investment schemes. The Fund may, subject to the limits set out in Schedule II, invest up to 10 per cent. of its Net Asset Value in the aggregate in UCITS and UCITS Equivalent Schemes.

The Fund may, where the Investment Manager deems it appropriate in the context of the investment return objective of the Fund, invest in a wide variety of exchange-traded and OTC derivatives, including futures, forwards, options, swaps, contracts for differences, rights and warrants and securities embedding derivatives such as convertibles and engage in repurchase, reverse repurchase and stock-lending arrangements, each as described in the section entitled "Descriptions and Risks of Fund Investments" for efficient portfolio management purposes. In this context, efficient portfolio management purposes include: the reduction of risk, the reduction of cost and the generation of additional capital or income for the Fund with a level of risk that is consistent with the risk profile of the Fund. In particular, but without limitation, the Fund may also use derivatives and ETFs: (i) in an attempt to reduce investment exposures (which may result in a reduction below zero); and (ii) in an attempt to adjust elements of the Fund's investment exposure. Derivatives may also be used as an alternative to securities lending. The Fund may not be leveraged in excess of 100 per cent. of its Net Asset Value as a result of its use of derivatives.

The Base Currency of the Fund shall be U.S. Dollars.

There can be no assurance that the Fund will achieve its objective of total return.

LONG AND SHORT POSITION EXPOSURE

The Investment Manager expects that typically the Funds will hold short positions on equity and equity-related securities, debt securities, money market instruments, currencies, indices (including commodities indices) and/or interest rates, to the extent permitted by its investment policy. The Funds will not physically short assets but instead will hold any short positions exclusively through derivatives of the types referred to above. For the avoidance of doubt, the Investment Manager considers: "Debt Securities Exposure" to include direct bond holdings (excluding direct bond holdings with a maturity date of, or are subject to regular yield adjustments every, 397 days or less) and credit default derivatives; and "Interest Rate Exposure" to include interest rate futures, swaps, options and bond futures. It is anticipated that the net notional exposure of the Funds to long and short positions will generally be in the following ranges for the asset classes referred to:

Asset Class	**Anticipated Net Long (+) / Net Short (-) Exposure as a Percentage of NAV**
Long Equity Exposure	0 to +125 per cent.
Short Equity Exposure	-100 to 0 per cent.
Long Debt Securities Exposure	0 to +100 per cent.
Short Debt Securities Exposure	-100 to 0 per cent.
Long Commodity Exposure	0 to +100 per cent.
Short Commodity Exposure	-100 to 0 per cent.
Long FX Exposure	0 to +100 per cent.
Short FX Exposure	-100 to 0 per cent.
Long Interest Rate Exposure	0 to +100 per cent.
Short Interest Rate Exposure	-100 to 0 per cent.
Total Long Exposure	**0 to +150 per cent.**
Total Short Exposure	**-150 to 0 per cent.**

SUSTAINABLE FINANCE DISCLOSURES REGULATION

GMO Quality Investment Fund

The Fund is neither an Article 8 Fund nor an Article 9 Fund within the meaning of SFDR.

The Manager has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Investment Manager has integrated sustainability risks and opportunities as a sub-set of investment considerations that could cause an actual or potential material impact on the value of an investment as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

The Manager, acting through the Investment Manager as its delegate, does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Manager does not currently do so because, among other reasons, the Investment Manager is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data. In addition, the European Commission has requested advice from the European Supervisory Authorities on (i) streamlining and developing further the regulatory framework; (ii) potentially extending the lists of universal indicators for PAIs; and (iii) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics, and presentation. The Investment Manager's position on this matter will be reviewed as and when there is more regulatory certainty and at least annually.

Further information on the Investment Manager's approach to sustainability risks is available at GMO - SFDR framework.

TAXONOMY REGULATION

The Taxonomy Regulation establishes an EU-wide framework of criteria for environmentally sustainable economic activities in respect of six environmental objectives. The investments underlying GMO Quality Investment Fund do not take into account the EU criteria for environmentally sustainable economic activities.

CHANGES IN INVESTMENT OBJECTIVES OR POLICIES

Any change in the investment objective and any material change to the investment policies of a Fund will be subject to the approval of Shareholders of that Fund evidenced by a majority vote of such Shareholders in general meeting or by a resolution in writing signed by all of the Shareholders. In the event of a change in investment objective and/or a material change in investment policy of a Fund a reasonable notification period must be provided by the Fund to Shareholders to enable Shareholders to redeem their Shares prior to the implementation of the changes. Details of any non-material changes to the investment policies of the Fund will be disclosed to Shareholders in the periodic reports of the Fund.

PROFILE OF A TYPICAL INVESTOR

GMO Quality Investment Fund is considered to be suitable for institutional investors seeking capital growth over a 5 to 10 year period with a moderate level of volatility.

BORROWING POLICY

The Funds may not borrow money, except as follows:

(a) a Fund may borrow up to 10 per cent. of its Net Asset Value provided that such borrowing is on a temporary basis; and

(b) a Fund may acquire foreign currency by means of a “back to back” loan. Foreign currency obtained in this manner is not classified as borrowing for the purpose of Regulation 103 of the UCITS Regulations, provided that the offsetting deposit:

(i) is denominated in the Base Currency of the Fund; and

(ii) equals or exceeds the value of the foreign currency loan outstanding.

Each Fund may create a charge over its assets in order to secure borrowings. Credit balances (e.g., cash) may not be offset against borrowings when determining the percentage of borrowings outstanding.

DIVIDEND POLICY

The Company may issue distributing and non-distributing classes of Shares. Unless otherwise stated below, it is not the current intention of the Directors to declare a dividend in respect of any class of Shares in the Funds, but rather to reinvest all income and capital gains. However, the Directors may, upon advance notice to Shareholders, decide to change the dividend policy of, and declare a dividend in respect of, any class of Shares in a Fund. Should the Directors make such a determination, the details of such dividend policy (including details of dividend declaration and payment dates) shall be set out in a revised Prospectus or a Supplemental Prospectus. Where such dividend is declared, it may be paid out of dividend and net interest income earned plus net realised and net unrealised capital gains after the deduction of expenses in that accounting period attributable to the relevant Class.

It is proposed that the Company will declare dividends semi-annually in respect of the Classes listed below to Shareholders of record as of 31 March and 30 September in each year (or in the event that 31 March and/or 30 September in any year does not fall on a Business Day, the Business Day preceding that date) and will pay dividends within eight weeks of each ex-dividend date out of dividend and net interest income earned after the deduction of expenses (including taxes) in that accounting period attributable to the relevant class. The ex-dividend date is the first Business Day following each record date. Payment will be made to all Shareholders who held Shares at the record date of 31 March and 30 September in the relevant year (or in the event that 31 March and/or 30 September in any year does not fall on a Business Day, the Business Day preceding that date).

Fund	Class
GMO Quality Investment Fund	Class C EUR Distributing Class C GBP Distributing Class C USD Distributing Class F EUR Distributing Class F GBP Distributing Class F USD Distributing Class M GBP Distributing Class M USD Distributing

Shareholders in distributing Classes may agree with the Investment Manager to automatically re-invest dividends into the Fund. If automatic re-investment is not elected, dividend proceeds will be paid by bank transfer. Any dividend which is unclaimed six years from the date it became payable shall be forfeited and become the property of the relevant Fund.

The Company may be required to withhold tax on dividends paid to Shareholders at the applicable rate, unless it has received from the Shareholder declarations in the prescribed form. The Company reserves the right to repurchase such number of Shares held by such Shareholder as may be necessary to discharge any such tax liability that may arise. Please refer to the section entitled "Taxation" for further information. c

INVESTMENT RESTRICTIONS

Each of the Funds' investments will be limited to investments permitted by the UCITS Regulations, as set out in Schedule II. If the UCITS Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations but any such changes shall be in accordance with the Central Bank's requirements and Shareholders will be advised of such changes in the next succeeding annual or semi-annual report of the relevant Fund.

The Funds shall not invest in a Securitisation Position unless, where required by the Securitisation Regulation, the Originator, Sponsor or Original Lender retains on an ongoing basis a material net economic interest of not less than 5 per cent. in accordance the Securitisation Regulation. Where the Company is exposed to a Securitisation that no longer meets the requirements provided for in the Securitisation Regulation it shall, in the best interest of the Shareholders in the relevant Fund, act and take corrective action, if appropriate.

The section entitled "Investment Objectives and Policies of the Funds" sets out whether each Fund seeks performance in excess of a Benchmark, or whether the Fund does not seek to allocate its investments in line with, or seek to control risk relative to, any securities market index or benchmark. Each of the Funds may, however, have indices to which their performance is compared (the "Comparative Indices"). Details of the Fund's performance relative to any Comparative Indices is available in the Fund's Key Information Document and marketing materials, and will be presented for indicative and illustrative purposes only. The Benchmarks and Comparative Indices, as applicable, for each of the Funds is set out in the following table:

Fund	Benchmark	Comparative Indices
GMO Quality Investment Fund	None	MSCI World Index, MSCI ACWI Index, S&P 500 Index

Each of the Funds is actively-managed and, although a portion of a Fund's assets may from time to time be components of and have similar weightings to one or more of the Comparative Indices, the Investment Manager may or may not invest a significant proportion of the Fund in assets that are included in the Comparative Indices. In addition, these indices employ different investment guidelines and criteria than the Fund. As a result, the holdings in the Fund may differ significantly from the assets that comprise the indices and the volatility of the indices presented may be materially different from that of the performance of the Fund. There is no guarantee that the Fund's performance will match or exceed any particular index. Except where otherwise stated, the performance of the indices has not been selected to represent an appropriate benchmark to compare to the performance of the Fund, but rather is disclosed to allow for comparison of the Fund's performance to that of well-known and widely recognised indices.

DESCRIPTIONS AND RISKS OF FUND INVESTMENTS

Further information on certain investments that may be made by the Funds, and the risks associated with their use, is set out below. In particular, the Investment Manager may, where the Investment Manager deems it appropriate in order to pursue the investment return objective of a Fund, employ investment techniques and instruments listed below for efficient portfolio management purposes subject to the conditions and within the limits from time to time laid down by the Central Bank (see Schedule III). A list of the Regulated Markets on which derivative instruments (other than OTC derivative instruments) may be quoted or traded is set out in Schedule I. Furthermore, new techniques and instruments may be developed which may be suitable for use by a Fund in the future and a Fund may employ such techniques and instruments in accordance with the requirements of the Central Bank. The Investment Manager employs a risk management process which assists it in measuring, monitoring and managing the various risks associated with derivatives used by the Funds. Any derivatives not included in the risk management process of a Fund will not be utilised until such time as a revised risk management process has been cleared by the Central Bank.

Where a Fund invests in Underlying Funds, the Fund will be indirectly exposed to the investment practices of the Underlying Funds in which it invests, and is therefore subject to all risks associated with the practices of the Underlying Funds. **UNLESS OTHERWISE NOTED HEREIN, THE INVESTMENT PRACTICES AND ASSOCIATED RISKS DETAILED BELOW ALSO INCLUDE THOSE TO WHICH THE FUNDS INDIRECTLY MAY BE EXPOSED THROUGH ITS INVESTMENT IN THE UNDERLYING FUNDS. ANY REFERENCES TO INVESTMENTS MADE BY THE FUNDS INCLUDE THOSE THAT MAY BE MADE BOTH DIRECTLY BY THE FUND AND INDIRECTLY BY THE FUND (E.G., THROUGH ITS INVESTMENTS IN THE UNDERLYING FUNDS OR THROUGH ITS INVESTMENTS IN DERIVATIVES OR SYNTHETIC INSTRUMENTS).**

References in this section to a "Fund" refer to GMO Quality Investment Fund. References in this section to actions undertaken or investments held by a "Fund" refer to those by or in respect of GMO Quality Investment Fund.

Portfolio Turnover

Based on the Investment Manager's assessment of market conditions, the Investment Manager may trade a Fund's investments more frequently at some times than at others, resulting in a higher portfolio turnover rate. The Investment Manager has not placed any limit on the rate of portfolio turnover and portfolio assets may be sold without regard to the time they have been held. High portfolio turnover rates may create additional taxable income for investors. A high rate of portfolio turnover involves correspondingly greater expenses (such as brokerage commissions and transaction costs) than a lower rate, may act to reduce a Fund's investment profits, or create a loss for investors and may result in increased tax costs for investors depending on the tax provisions applicable to such investors. The after-tax impact of portfolio turnover is not considered when making investment decisions for a Fund. Please refer to the section entitled "Taxation" for further information.

Accelerated Transactions

For a Fund to take advantage of certain available investment opportunities, the Investment Manager may need to make investment decisions on an expedited basis. In such cases, the information available to the Investment Manager at the time of an investment decision may be limited. The Investment Manager may not, therefore, have access to the detailed information necessary for a full analysis and evaluation of the investment opportunity.

Securities Lending

Each Fund may make secured loans of its portfolio securities amounting to not more than 100 per cent. of its total assets. For these purposes, total assets include the collateral received from such loans. The risks in lending portfolio securities, as with other extensions of credit, consist of the possible delay in the recovery of the securities or possible loss of rights in the collateral should the borrower fail financially, including possible impairment of the Fund's ability to vote the securities. However, securities loans will be made to brokers that have a credit rating by an agency registered and supervised by ESMA, and that rating shall be taken into account by the Fund in the credit assessment process. Where the broker is downgraded to A-2 or below (or comparable rating) by the relevant credit rating agency, this shall result in a new credit assessment being conducted of the counterparty by the Fund without delay. Securities loans are made to brokers pursuant to agreements requiring that the loans be continuously collateralised by cash, liquid securities, letters of credit, shares of other investment companies with a value at least equal at all times to the market value of the loaned securities (marked to market daily) plus a premium. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled on the following business day. If a loan is collateralised by government or other securities, the Fund may receive a fee from the borrower. If a loan is collateralised by cash, the Fund typically invests the cash collateral for its own account in one or more money market funds (in which case the Fund will bear its pro rata share of such money market fund's fees and expenses), or directly in interest-bearing, short-term securities, and typically pays a fee to the borrower. The Investment Manager may retain lending agents on behalf of the Fund that would be compensated based on a percentage of the Fund's return on its securities lending. The Fund also may pay various fees in connection with securities loans, including shipping fees and custodian fees.

As with other extensions of credit, the Fund bears the risk of delay in the recovery of loaned securities and of loss of rights in the collateral should the borrower fail financially. The Fund also bears the risk that the value of investments made with collateral may decline. The Fund bears the risk of total loss with respect to the investment of collateral. Any income or gains and losses from investing and reinvesting any cash collateral delivered by a borrower pursuant to a loan generally are at the Fund's risk, and to the extent any such losses reduce the amount of cash below the amount required to be returned to the borrower upon the termination of any loan, the Fund may be required by the securities lending agent to pay or cause to be paid to such borrower an amount equal to such shortfall in cash, possibly requiring it to liquidate other portfolio securities to satisfy its obligations.

New regulations require certain bank-regulated counterparties and certain of their affiliates to include in certain financial contracts, including many securities lending agreements, terms that delay or restrict the rights of counterparties, such as the Funds, to terminate such agreements, foreclose upon collateral, exercise other default rights or restrict transfers of credit support in the event that the counterparty and/or its affiliates are subject to certain types of resolution or insolvency proceedings. It is possible that these new requirements, as well as potential additional government regulation and other developments in the market, could adversely affect a Fund's ability to terminate existing securities lending agreements or to realise amounts to be received under such agreements in the event the counterparty or its affiliate becomes subject to a resolution or insolvency proceeding.

Voting rights or rights to consent with respect to the loaned securities pass to the borrower. The Fund has the right to call loans at any time on reasonable notice or to exercise voting rights associated with the security and will do so if both (i) the Investment Manager receives adequate notice of a proposal upon which shareholders are being asked to vote, and (ii) the Investment Manager believes that the benefits to the Fund of voting on such proposal outweigh the benefits to the Fund of having the security remain out on loan. However, the Fund bears the risk of delay in the return of the security, impairing the Fund's ability to vote on such matters. The Investment Manager may use third-party service providers to assist it in identifying and evaluating proposals, and to assist it in recalling loaned securities for proxy voting purposes.

Depositary Receipts

Each Fund may invest in Depositary Receipts if issues of such Depositary Receipts are available that are consistent with the relevant Fund's investment objective. Depositary Receipts generally evidence an ownership interest in a corresponding security on deposit with a financial institution. Transactions in Depositary Receipts usually do not settle in the same currency as the underlying securities are denominated or traded. Generally, ADRs are designed for use in the U.S. securities markets and EDRs are designed for use in European securities markets. GDRs may be traded in any public or private securities market and may represent securities held by institutions located anywhere in the world. GDRs and other types of Depositary Receipts are typically issued by foreign banks or trust companies, although they may be issued by financial institutions, and evidence ownership interests in a security or pool of securities issued by a corporation.

Because the value of a Depositary Receipt is dependent upon the market price of an underlying security, Depositary Receipts are subject to most of the risks associated with investing in securities directly. Depositary Receipts may be issued as sponsored or unsponsored programs. See the section entitled "Descriptions and Risks of Fund Investments – Risks Related to the Jurisdiction of Investments". Depositary Receipts also may be subject to illiquidity risk.

Convertible Securities

A convertible security is a security (a bond or preferred stock) that may be converted at a stated price within a specified period into a specified number of shares of common stock of the same or a different issuer. Convertible securities are senior to common stock in a corporation's capital structure, but are usually subordinated to senior debt obligations of the issuer. Convertible securities provide holders, through their conversion feature, an opportunity to participate in increases in the market prices of their underlying securities. The price of a convertible security is influenced by the market price of the underlying security, and tends to increase as the market price rises and decrease as the market price declines. The Investment Manager regards convertible securities as a form of equity security.

A Fund's investments in convertible securities may include "broken" or "busted" convertibles, which are convertible securities for which the market price of the common stock has fallen significantly below the conversion price of the convertible and, as a result, the conversion feature holds little market value.

Each Fund may acquire convertibles either actively or passively (e.g., as a result of corporate actions). Each Fund may use convertibles to obtain exposure to an issuer or to acquire the equity securities of such issuer consistent with the Fund's investment policies. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, as in the case of "broken" or "busted" convertibles, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption or conversion under specified circumstances and/or at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party.

Preferred Stocks

Each Fund may invest in preferred stocks, including convertible and non-convertible preferred and preference stocks that are senior to common stock. Preferred stocks are equity securities that are senior to common stock with respect to the right to receive dividends and a fixed share of the proceeds resulting from the issuer's liquidation. Some preferred stocks also entitle their holders to receive additional liquidation proceeds on the same basis as holders of the issuer's common stock, and thus represent an ownership interest in the issuer. Depending on the features of the particular security, holders of preferred stock may bear the risks disclosed in this Prospectus regarding equity or fixed income securities.

Investment in preferred stocks involves certain risks. Certain preferred stocks contain provisions that allow an issuer under certain conditions to skip or defer distributions. If the relevant Fund owns a preferred stock that is deferring its distribution, it may be required to report income for tax purposes despite the fact that it is not receiving current income on this position. Preferred stocks often are subject to legal provisions that allow for redemption in the event of certain tax or legal changes or at the issuer's call. In the event of redemption, the Fund may not be able to reinvest the proceeds at comparable rates of return. Preferred stocks are subordinated to bonds and other debt securities in an issuer's capital structure in terms of priority for corporate income and liquidation payments, and therefore will be subject to greater credit risk than those debt securities. Preferred stocks may trade less frequently and in a more limited volume and may be subject to more abrupt or erratic price movements than many other securities, such as common stocks, corporate debt securities, and government securities.

Income Trusts

Each Fund may invest in income trusts. Income trusts are investment trusts that hold income-producing assets and distribute income generated by such assets to the "unitholders" of the trust, which are entitled to participate in the trust's income and capital as its beneficiaries.

Income trusts generally invest in assets that provide a return to the trust and its unitholders based on the cash flows of an underlying business. Such assets may include equity and debt instruments, royalty interests or real properties. The income trust can receive interest, royalty or lease payments from an operating entity carrying on a business, as well as dividends and a return of capital.

Income trusts also may include royalty trusts, a particular type of income trust whose securities are listed on a stock exchange and which controls an underlying company whose business relates to, without limitation, the acquisition, exploitation, production and sale of oil and natural gas.

Investments in income trusts (including royalty trusts) are subject to operating risk based on the income trust's underlying assets and their respective businesses. Such risks may include lack of or limited operating histories. Income trusts are particularly subject to interest rate risk and increases in interest rates offered by competing investments may diminish the value of trust units. Changes in the interest rate also may affect the value of future distributions from the income trust's underlying assets or the value of the underlying assets themselves. Interest rate risk is also present within the income trusts themselves because they often hold very long-term capital assets, and much of the excess distributable income is derived from a maturity (or duration) mismatch between the life of the asset and the life of the financing associated with it. In an increasing interest rate environment, the income trust's distributions to its unitholders may decrease. Income trusts also may be subject to additional risk, including, without limitation, limited access to debt markets.

Income trusts do not guarantee minimum distributions or returns of capital to unitholders. The amount of distributions paid on a trust's units will vary from time to time based on production levels, commodity prices, royalty rates and certain expenses, deductions and costs, as well as on the distribution payout ratio policy adopted. The reduction or elimination of distributions to unitholders may decrease the value of trust units. Income trusts generally pay out to unitholders the majority of the cash flow that they receive from the production and sale of underlying assets. As a result of distributing the bulk of their cash flow to unitholders, the ability of a trust to finance internal growth is limited. Therefore, income trusts typically grow through acquisition of additional assets, funded through the issuance of additional equity or, where the trust is able, additional debt. Because an income trust may make distributions to unitholders in excess of its net income, unitholder equity may decline over time.

Warrants and Rights

Each Fund may purchase or otherwise receive warrants or rights. Each Fund may use warrants and rights to obtain exposure to, or acquire, the underlying equity or other securities of an issuer consistent with the relevant Fund's investment policies. Each Fund may receive rights passively (e.g., as a result of corporate actions) because of the Fund's existing holdings in equity or other securities issued by the rights issuer. However, each Fund may also acquire or dispose of rights on the secondary market.

Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. A Fund typically uses warrants and rights in a manner similar to its use of options on securities, as described in the section entitled "Descriptions and Risks of Fund Investments – Options, Futures, and Forward Contracts" below. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognised clearing agency. In addition, the terms of warrants or rights may limit the Fund's ability to exercise the warrants or rights at such time, or in such quantities, as the Fund would otherwise wish.

Options, Futures, and Forward Contracts

Each Fund may use options, futures contracts (or "futures"), and forward contracts for investment purposes and for efficient portfolio management purposes. See the section entitled "Risk Factors – Derivatives Risk" for more information regarding the various derivatives strategies the Fund may employ using options, futures, and forward contracts. The use of options contracts, futures contracts, forward contracts, and options on futures contracts involves risk. Thus, while a Fund may benefit from the use of options, futures, forward contracts, and options on futures, unanticipated changes in interest rates, securities prices, currency exchange rates, or other underlying assets or reference rates may adversely affect the Fund's performance.

Options on Securities, ETFs and Indices. Each Fund may purchase and sell put and call options on equity, fixed income, or other securities, ETFs, or indices in standardised exchange-traded contracts. An option on a security, ETF, or index is a contract that gives the holder of the option, in return for a premium, the right (but not the obligation) to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option (or the cash value of the index underlying the option) at a specified price. Upon exercise, the writer of an option on a security has the obligation to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. Upon exercise, the writer of an option on an ETF or index is required to pay the difference between the cash value of the ETF or index and the exercise price multiplied by the specified multiplier for the ETF or index option.

Call options may be purchased for speculative purposes (to increase a Fund's return), to provide exposure to increases in the market (e.g., with respect to temporary cash positions) or to hedge against an increase in the price of securities, currencies, or other investments that a Fund intends to purchase (in the future) or has sold short. Similarly, put options may be purchased for speculative purposes (to increase a Fund's return) or to hedge against a decrease in the market generally or in the price of securities or other investments held by a Fund. Buying options may reduce a Fund's returns, but by no more than the amount of the premiums paid for the options. A Fund may seek to increase its return by selling ("writing") put and call options, for which it receives a premium. In particular, a Fund may write options on securities in circumstances where the Investment Manager believes such options can be sold at a rate of return that is attractive relative to the risks being taken. A Fund also may purchase options where the Investment Manager believes such options can be purchased at an attractive rate of return.

Purchasing Options on Securities and Indices. Among other reasons, each Fund may purchase a put option to hedge against a decline in the value of a portfolio security or other asset. If such a decline occurs, the put option will permit the relevant Fund to sell the security or other asset at the higher exercise price or to close out the option at a profit. By using put options in this manner, the Fund will reduce any profit it might otherwise have realised in the underlying security or other asset by the amount of the premium paid for the put option and by its transaction costs. In order for a put option purchased by the Fund to be profitable, the market price of the underlying security or other asset must decline sufficiently below the exercise price to cover the premium paid by the Fund and transaction costs.

Among other reasons, each Fund may purchase call options to hedge against an increase in the price of securities or other assets the Fund anticipates purchasing in the future. If such a price increase occurs, a call option will permit the Fund to purchase the securities or other assets at the exercise price or to close out the option at a profit. The premium paid for the call option, plus any transaction costs, will reduce the benefit, if any, that the Fund realises upon exercise of the option and, unless the price of the underlying security or other asset rises sufficiently, the option may expire worthless to the Fund. Thus, for a call option purchased by the Fund to be profitable, the market price of the underlying security or other asset must rise sufficiently above the exercise price to cover the premium paid by the Fund to the writer and transaction costs.

In the case of both call and put options, the purchaser of an option risks losing the premium paid for the option plus related transaction costs if the option expires worthless.

Writing Options on Securities, ETFs, and Indices. Because a Fund receives a premium for writing a put or call option, each Fund may seek to increase its return by writing call or put options on securities, ETFs, or indices. The premium the Fund receives for writing an option will increase the Fund's return in the event the option expires unexercised or is closed out at a profit. The size of the premium the Fund receives reflects, among other things, the relationship of the market price and volatility of the underlying security, ETF, or index to the exercise price of the option, the remaining term of the option, supply and demand, and interest rates.

Each Fund may write a call option on a security or other instrument held by the relevant Fund (commonly known as "writing a covered call option"). In such case, the Fund limits its opportunity to profit from an increase in the market price of the underlying security above the exercise price of the option. Alternatively, a Fund may write a call option on securities or other instruments in which it may invest but that are not currently held by the Fund (commonly known as "writing a naked call option"). During periods of declining securities prices or when prices are stable, writing these types of call options can be a profitable strategy to increase the Fund's income with minimal capital risk. However, when securities prices increase, the Fund is exposed to an increased risk of loss, because if the price of the underlying security or instrument exceeds the option's exercise price, the Fund will suffer a loss equal to the amount by which the market price exceeds the exercise price at the time the call option is exercised, minus the premium received. Calls written on securities or other instruments that the Fund does not own are riskier than calls written on securities or other instruments owned by the Fund because there is no underlying security or other instruments held by the Fund that can act as a partial hedge. When such a call is exercised, the Fund must purchase the underlying security or other instruments to meet its call obligation or make a payment equal to the value of its obligation in order to close out the option. Calls written on securities or other instruments that the Fund does not own have speculative characteristics and the potential for loss is theoretically unlimited. There is also a risk, especially with less liquid preferred and debt securities, that the securities or other instruments may not be available for purchase.

Each Fund also may write a put option on a security, ETF, index or other instrument. In so doing, the relevant Fund assumes the risk that it may be required to purchase the underlying security or other instrument for an exercise price higher than its then-current market price, resulting in a loss on exercise equal to the amount by which the market price of the security or other instrument is below the exercise price minus the premium received.

OTC Options. Each Fund also may invest in OTC options. OTC options differ from exchange-traded options in that they are two-party contracts, with price and other terms negotiated between the buyer and seller, and generally do not have as much market liquidity as exchange-traded options.

Closing Options Transactions. The holder of an option may terminate its position in a put or call option it has purchased by allowing it to expire or by exercising the option. If an option is American-style, it may be exercised on any day up to its expiration date. In contrast, a European-style option may be exercised only on its expiration date.

In addition, a holder of an option may terminate its obligation prior to the option's expiration by effecting an offsetting closing transaction. In the case of exchange-traded options, the Fund, as a holder of an option, may effect an offsetting closing sale transaction by selling an option of the same series as the option previously purchased. The Fund realises a loss from a closing sale transaction if the premium received from the sale of the option is less than the premium paid to purchase the option (plus transaction costs). Similarly, a Fund that has written an option may effect an offsetting closing purchase transaction by buying an option of the same series as the option previously written. The Fund realises a loss from a closing purchase transaction if the cost of the closing purchase transaction (option premium plus transaction costs) is greater than the premium received from writing the option. If the Fund desires to sell a security on which it has written a call option, it will effect a closing purchase prior to or concurrently with the sale of the security. There can be no assurance, however, that a closing purchase or sale can be effected when the Fund desires to do so.

Risk Factors in Options Transactions. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. The market price of an option also may be adversely affected if the market for the option becomes less liquid. In addition, since an American-style option allows the holder to exercise its rights any time before the option's expiration, the writer of an American-style option has no control over when it will be required to fulfill its obligations as a writer of the option. (The writer of a European-style option is not subject to this risk because the holder may only exercise the option on its expiration date.)

A Fund's ability to use options as part of its investment program depends on the liquidity of the options market. In addition, that market may not exist when the Fund seeks to close out an option position. If the Fund were unable to close out an option that it had purchased on a security, it would have to exercise the option in order to realise any profit or the option may expire worthless. As the writer of a call option on a portfolio security, during the option's life, the Fund foregoes the opportunity to profit from increases in the market value of the security underlying the call option above the sum of the premium and the strike price of the call but retains the risk of loss (net of premiums received) should the price of the underlying security decline. Similarly, as the writer of a call option on a securities index, the Fund foregoes the opportunity to profit from increases in the index over the strike price of the option, though it retains the risk of loss (net of premiums received) should the price of the Fund's portfolio securities decline. If a Fund writes a call option and does not hold the underlying security or instrument, the amount of the Fund's potential loss is theoretically unlimited. See Schedule III, paragraph 21 for details of situations in which the Fund may seek to cover exposure under a call option (written by the Fund) other than by holding the underlying asset.

An exchange-traded option may be closed out by means of an offsetting transaction only on an Exchange, which provides a secondary market for an option of the same series. If a liquid secondary market for an exchange-traded option does not exist, a Fund might not be able to effect an offsetting closing transaction for a particular option. Reasons for the absence of a liquid secondary market on an Exchange include the following: (i) insufficient trading interest in some options; (ii) restrictions by an Exchange on opening or closing transactions, or both; (iii) trading halts, suspensions, or other restrictions on particular classes or series of options or underlying securities; (iv) unusual or unforeseen interruptions in normal operations on an Exchange; (v) inability to handle current trading volume; or (vi) discontinuance of options trading (or trading in a particular class or series of options) (although outstanding options on an Exchange that were issued by the Options Clearing Corporation should continue to be exercisable in accordance with their terms). In addition, the hours of trading for options on an Exchange may not conform to the hours of trading the underlying securities, creating a risk of significant changes in the prices of underlying securities that are not immediately reflected in the options markets.

The Exchanges generally have established limits on the maximum number of options an investor or group of investors acting in concert may write. These limits could restrict the Fund's ability to purchase or write options on a particular security.

Barrier Options. A barrier option is an option that can be either activated (knocked in) or terminated (knocked out) under conditions specified in the options contract. The premium paid for barrier options is less expensive than that for their vanilla counterparts because there is a chance that they will either be knocked out or never knocked in, as the case may be.

Knock-Out Options. A knock-out option is most often structured as a European vanilla option (i.e. an option that can only be exercised at the end of its life) with an American barrier (i.e. the barrier may be tripped at any time during the life of the option). If the barrier condition is not tripped during the life of the option, then the option is exercisable as though it were a vanilla option. However, if the barrier is tripped, the underlying vanilla option becomes void. Knock-outs can be structured in a couple of different ways. An out-of-the-money knock-out call option has a barrier below both the underlying asset price and the strike price. Conversely, an out-of-the-money knock-out put option has a barrier above both the underlying asset price and the strike price. An in-the-money knock-out call option has a barrier that is above the strike price, but below the underlying asset price. An in-the-money knock-out put option has a barrier that is below the strike price, but above the underlying asset price. In both cases the option is either already out of the money, or losing value when it is knocked out. A knock-out option is less expensive than a similar vanilla option without a knock-out barrier; however, it does have the potential risk that it can knocked out before it becomes profitable.

Knock-in Options. A knock-in option works in a similar fashion as a knock-out option, but in reverse. If the predetermined barrier condition is satisfied, then the option is exercisable as though it were a vanilla option. If the barrier is not satisfied the underlying option is not exercisable. Similar to knock-out options, knock-in options can be structured as either out-of-the-money knock-ins, or in-the-money knock-ins. Knock-in options are less expensive than their corresponding vanilla options, but carry the additional risk that they could expire before reaching the barrier and becoming exercisable. This is especially true of in-the-money calls and puts where the barrier is between the strike price and the underlying asset price.

Best-of Options. Best-of options are composed of a basket of either calls or puts with different underlying assets, but all with the same expiration date. At expiration, only the best performing option in the basket may be exercised, and only if it is in the money. The best performing option is the option with the greatest percentage move from the option's price at the time of purchase over the option's lifecycle. A best-of option offers the investor the opportunity to benefit from the best payout among a group of options at a lower cost than purchasing all of the options individually. However, the upside is much more limited as the investor has only the potential to receive a payout from one option included in the basket.

Worst-of Options. Worst-of options are composed of a basket of either calls or puts with different underlying assets, but all with the same expiration date. At expiration, only the worst performing option in the basket may be exercised, and only if it is in the money. The worst performing option is the option with the least percentage move from the option's price at the time of purchase over the option's lifecycle. Worst-of options are cheaper than best-of options, but they carry additional risk as well. For example, in a hedging scenario, a worst-of option will only provide protection against the least severe outcome and will not shield exposure to the most severe outcomes.

Digital Options. Digital options (also known as binary options) are options that have a predetermined fixed payout provided predetermined conditions are satisfied. The conditions for payout are defined in terms of one or two triggers. If the condition(s) are met, and the barrier condition is satisfied, then the payout is made at expiration. If the specified conditions are not satisfied, the digital option is worthless. Digital options are less expensive than similarly structured vanilla options without a barrier; however, their upside is capped at the amount of the fixed payment.

Additional Risks. Exotic options are typically, but not always, traded over-the-counter. OTC contracts are not exchange-traded and therefore a liquid market may not exist for trading or pricing these options. The illiquidity of these markets can be exacerbated in times of market stress. Each Fund may incur substantial costs entering into and exiting positions which could have a material impact on performance. Additionally, OTC options are typically contracts between the Fund and the dealer and, consequently, the Fund will take on counterparty risk.

Exotic options may be subject to a higher degree of pricing risk as demonstrated by instances in which different counterparties in the market employ different valuation and pricing methodologies to the same exotic option. Because exotic options can often be highly customised, there is lower visibility with respect to the pricing and valuation of these instruments.

Exotic options may be subject to high levels of price volatility. For example, in the case of barrier options, as the price of the asset underlying the option trades closer to a barrier level, the delta of the option (i.e. the ratio of the change in the price of the underlying asset to the corresponding change in the price of the option) and the gamma of the option (i.e. the rate of change of the delta with respect to the underlying asset's price) may become very high.

Exotic options may be subject to higher levels of model risk than commonly traded options because standard models such as Black Scholes are not able to adequately capture or predict the risks associated with the exotic options.

Exotic options may be "path dependent". This means that their terminal value (at exercise or expiration) depends upon the value of the underlying asset, not only at the time of exercise or expiration, but also at prior points in time. In this sense, the option's terminal value depends upon the "path" taken by the underlying asset over the life of the option. For example, a barrier option's value at expiration depends upon both the value of the underlying asset at expiration and whether the past value of the underlying asset ever satisfied a barrier condition. In contrast, a vanilla option (e.g., a call option) is not path dependent. Its value at exercise or expiration depends on the value of the underlying asset only at that point in time. The additional features incorporated by exotic options require additional judgments regarding the likelihood of certain conditions being satisfied, any one of which can result in loss if made incorrectly.

An OTC option may be closed or a position transferred only with the consent of the counterparty, although either party may engage in an offsetting transaction that puts that party in the same economic position as if it had closed out the option with the counterparty; however, the exposure to counterparty risk may differ. OTC options generally involve greater credit and counterparty risk than exchange-traded options. For further details of these and other risks associated with OTC options, please see below the section entitled "Risk Factors – Derivatives Risk".

Purchasing and writing put and call options are highly specialised activities and entail greater than ordinary market risks.

No guarantee exists that the Fund will be able to effect a closing purchase or a closing sale with respect to a specific option at any particular time. See the section entitled "Descriptions and Risks of Fund Investments - Swap Contracts and Contracts for Differences – Risk Factors in Swap Contracts, OTC Options, and Other Two-Party Contracts" for a discussion of counterparty risk and other risks associated with investing in OTC options.

Currency Options and Quantity-Adjusting ("Quanto") Options. Each Fund may purchase and sell options on currencies. Options on currencies possess many of the same characteristics as options on securities and generally operate in a similar manner. Funds that are permitted to invest in securities denominated in foreign currencies may purchase or sell options on currencies. In addition, each Fund may purchase and sell quanto options, which are cash-settled options in which the underlying asset (often an index) is denominated in a currency other than the currency in which the option is settled. See the section entitled "Descriptions and Risks of Fund Investments - Currency Transactions" for more information on the Fund's use of currency options.

Futures. To the extent consistent with applicable law and its investment restrictions, each Fund is permitted to invest in futures contracts on, among other things, financial instruments (such as a government security or other fixed income security), individual equity securities ("single stock futures"), securities indices, interest rates, currencies, inflation indices, commodity index-related derivatives and commodities indices. Futures contracts on securities indices are referred to herein as "Index Futures." The purchase of futures contracts can serve as a long hedge, and the sale of futures contracts can serve as a limited short hedge. The purchase and sale of futures contracts also may be used for speculative purposes.

Certain futures contracts are physically settled (i.e. involve the making and taking of delivery of a specified amount of an underlying security or other asset). For instance, the sale of futures contracts on currencies or financial instruments creates an obligation of the seller to deliver a specified quantity of an underlying currency or financial instrument called for in the contract for a stated price at a specified time. Conversely, the purchase of such futures contracts creates an obligation of the purchaser to pay for and take delivery of the underlying currency or financial instrument called for in the contract for a stated price at a specified time. In some cases, the specific instruments delivered or taken, respectively, on the settlement date are not determined until on or near that date. That determination is made in accordance with the rules of the exchange on which the sale or purchase was made.

Some futures contracts are cash settled (rather than physically settled), which means that the purchase price is subtracted from the current market value of the instrument and the net amount, if positive, is paid to the purchaser by the seller of the futures contract and, if negative, is paid by the purchaser to the seller of the futures contract. In particular, Index Futures are agreements pursuant to which two parties agree to take or make delivery of an amount of cash equal to the difference between the value of a securities index at the close of the last trading day of the contract and the price at which the index contract was originally written. Although the value of a securities index might be a function of the value of certain specified securities, no physical delivery of these securities is made.

The purchase or sale of a futures contract differs from the purchase or sale of a security or option in that no price or premium is paid or received. Instead, an amount of cash, government securities, or other liquid assets equal in value to a percentage of the face amount of the futures contract must be deposited with the broker. This amount is known as initial margin. The amount of the initial margin is generally set by the market on which the contract is traded (margin requirements on exchanges may be different than those on European exchanges). Subsequent payments to and from the broker, known as variation margin, are made on a daily basis as the price of the underlying futures contract fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as "marking to the market." Prior to the settlement date of the futures contract, the position may be closed by taking an opposite position. A final determination of variation margin is then made, additional cash is required to be paid to or released by the broker, and the purchaser realises a loss or gain. In addition, a commission is paid to the broker on each completed purchase and sale.

Although some futures contracts call for making or taking delivery of the underlying securities, currencies, or other underlying instrument, in most cases futures contracts are closed before the settlement date without the making or taking of delivery by offsetting purchases or sales of matching futures contracts (i.e. with the same exchange, underlying financial instrument, currency, or index, and delivery month). If the price of the initial sale exceeds the price of the offsetting purchase, the seller is paid the difference and realises a gain. Conversely, if the price of the offsetting purchase exceeds the price of the initial sale, the seller realises a loss. Similarly, a purchase of a futures contract is closed out by selling a corresponding futures contract. If the offsetting sale price exceeds the original purchase price, the purchaser realises a gain, and, if the original purchase price exceeds the offsetting sale price, the purchaser realises a loss. Any transaction costs must also be included in these calculations.

Funds that invest in futures contracts may be subject to risks related to rolling. When investing in futures contracts, a Fund will generally seek to "roll" its futures positions rather than hold them through expiration. In some circumstances, the prices of futures contracts with near-term expirations are lower than the prices of similar futures contracts with longer-term expirations, resulting in a cost to "roll" the futures contracts. The actual realisation of a potential roll cost will depend on the difference in prices of futures contracts with near- and longer-term expirations, and the rolling of futures positions may result in losses to a Fund.

In some jurisdictions, for example the United States, futures contracts are traded only on regulated commodity exchanges or boards of trade, known as "contract markets", and must be executed through a futures commission merchant or brokerage firm that is a member of the relevant market. The Fund also may purchase futures contracts on other exchanges or similar entities, which are not regulated and may not be subject to the same degree of regulation as regulated contract markets. See the section entitled "Risk Factors – Additional Risks of Options on Securities, Futures Contracts, and Options on Futures Contracts

Traded on Exchanges".

In order to purchase and sell futures contracts and certain swaps the Investment Manager and/or a Fund will be required to file notices and financial and/or other statements with the CFTC, the National Futures Association ("NFA") and/or other relevant regulatory agencies, and to make certain of their books and records available to these and other U.S. agencies.

Index Futures. To the extent consistent with applicable law and its investment restrictions, each Fund may purchase or sell Index Futures. A Fund may close open positions on a contract market on which Index Futures are traded at any time up to and including the expiration day. In general, all positions that remain open at the close of business on that day must be settled on the next business day (based on the value of the relevant index on the expiration day). Additional or different margin requirements as well as settlement procedures may apply to stock Index Futures.

Interest Rate Futures. Each Fund may engage in transactions involving the use of futures on interest rates. These transactions may be in connection with investments in government securities and other fixed income securities.

Inflation-Linked Futures. Each Fund may engage in transactions involving inflation-linked futures, including CPI futures, which are exchange-traded futures contracts that represent the inflation on a notional value of $1,000,000 for a period of three months, as implied by the CPI. Inflation-linked futures may be used by the Fund to hedge the inflation risk in nominal bonds (i.e. non-inflation-indexed bonds) thereby creating "synthetic" inflation-indexed bonds. Each Fund also may combine inflation-linked futures with U.S. Treasury futures contracts to create "synthetic" inflation-indexed bonds issued by the U.S. Treasury. See the section entitled "Descriptions and Risks of Fund Investments - Indexed Investments – Inflation-Indexed Bonds" for a discussion of inflation-indexed bonds.

Currency Futures. A Fund is permitted to invest in securities denominated in foreign currencies may buy and sell futures contracts on currencies. See the section entitled "Descriptions and Risks of Fund Investments - Currency Transactions" for a description of the Fund's use of currency futures.

Options on Futures Contracts. Options on futures contracts give the purchaser the right in return for the premium paid to assume a long position (in the case of a call option) or a short position (in the case of a put option) in a futures contract at the option exercise price at any time during the period of the option (in the case of an American-style option) or on the expiration date (in the case of European-style option). Upon exercise of a call option, the holder acquires a long position in the futures contract and the writer is assigned the opposite short position. In the case of a put option, the holder acquires a short position and the writer is assigned the opposite long position in the futures contract. Accordingly, in the event that an option is exercised, the parties will be subject to all the risks associated with the trading of futures contracts, such as payment of initial and variation margin deposits.

Each Fund may use options on futures contracts in lieu of writing or buying options directly on the underlying securities or purchasing and selling the underlying futures contracts. For example, to hedge against a possible decrease in the value of its portfolio securities, a Fund may purchase put options or write call options on futures contracts rather than selling futures contracts. Similarly, the Fund may hedge against a possible increase in the price of securities the Fund expects to purchase by purchasing call options or writing put options on futures contracts rather than purchasing futures contracts. In addition, the Fund may purchase and sell interest rate options on U.S. Treasury or Eurodollar futures to take a long or short position on interest rate fluctuations. Options on futures contracts generally operate in the same manner as options purchased or written directly on the underlying investments. See the section entitled "Descriptions and Risks of Fund Investments - Currency Transactions" for a description of the Fund's use of options on currency futures.

Each Fund is also required to deposit and maintain margin with respect to put and call options on futures contracts written by it. Such margin deposits may vary depending on the nature of the underlying futures contract (and the related initial margin requirements), the current market value of the option, and other futures positions held by the Fund.

A position in an option on a futures contract may be terminated by the purchaser or seller prior to expiration by effecting a closing purchase or sale transaction, subject to the availability of a liquid secondary market, which is the purchase or sale of an option of the same type (i.e. the same exercise price and expiration date) as the option previously purchased or sold. The difference between the premiums paid and received represents the Fund's profit or loss on the transaction.

In order to purchase and sell futures contracts and certain swaps, the Investment Manager and/or the Fund will be required to file notices and financial and/or other statements with the CFTC, the National Futures Association and/or other relevant regulatory agencies, and to make certain of their books and records available to these and other agencies.

Commodity Index Futures and Options on Commodity Index Futures. Each Fund may have direct or indirect exposure to futures contracts on commodities indices ("commodity futures") and options on commodity futures. Futures contracts on commodities indices operate in a manner similar to Index Futures.

Forward Contracts. A forward contract is a contract to buy or sell an underlying security or currency at a pre-determined price on a specific future date. The initial terms of the contract are set so that the contract has no value at the outset. Forward prices are obtained by taking the spot price of a security or currency and adding to it the cost of carry. No money is transferred upon entering into a forward contract and the trade is delayed until the specified date when the underlying security or currency is exchanged for cash. Subsequently, as the price of the underlying security or currency moves, the value of the contract also changes, generally in the same direction.

Forward contracts involve a number of the same characteristics and risks as futures contracts but there also are several differences. Forward contracts are not market traded, and are not necessarily marked to market on a daily basis. They settle only at the pre-determined settlement date. This can result in deviations between forward prices and futures prices, especially in circumstances where interest rates and futures prices are positively correlated. Second, in the absence of exchange trading and involvement of clearing houses, there are no standardised terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as desirable, which may vary from the standardised provisions available through any futures contract. Finally, forward contracts, as two party obligations for which there is no secondary market, involve counterparty credit risk not present with futures.

Recently finalised FINRA rules include mandatory margin requirements for the to be announced ("TBA") market with limited exceptions. TBAs have historically not been required to be collateralised. The collateralisation of TBA trades is intended to mitigate counterparty credit risk between trade and settlement, but could increase the cost of TBA transactions and impose added operational complexity.

Forward currency contracts are contracts between two parties to purchase and sell a specific quantity of a particular currency at a specified price, with delivery and settlement to take place on a specified future date. Currency transactions involve significant risk. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the foreign exchange markets, the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably as a result of intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments, including repatriation limitations. The Fund's exposure to foreign dollar currencies means that a change in the value of any such currency against the base currency will result in a change in the base currency value of the Fund's assets.

Risk Factors in Futures and Futures Options Transactions. Investment in futures contracts involves risk. A purchase or sale of futures contracts may result in losses in excess of the amount invested in the futures contract. If a futures contract is used for hedging, an imperfect correlation between movements in the price of the futures contract and the price of the security, currency, or other investment being hedged creates risk. Correlation is higher when the investment being hedged underlies the futures contract. Correlation is lower when the investment being hedged is different than the security, currency, or other investment underlying the futures contract, such as when a futures contract on an index of securities is used to hedge a single security, a futures contract on one security (e.g., government bonds) is used to hedge a different security (e.g., a mortgage-backed security) or when a futures contract in one currency is used to hedge a security denominated in another currency. In the case of Index Futures and futures on commodity indices, changes in the price of those futures contracts may not correlate perfectly with price movements in the relevant index due to market distortions. In the event of an imperfect correlation between a futures position and the portfolio position (or anticipated position) intended to be hedged, a Fund may realise a loss on the futures contract at the same time the Fund is realising a loss on the portfolio position intended to be hedged. To compensate for imperfect correlations, the Fund may purchase or sell futures contracts in a greater amount than the hedged investments if the volatility of the price of the hedged investments is historically greater than the volatility of the futures contracts. Conversely, the Fund may purchase or sell fewer futures contracts if the volatility of the price of the hedged investments is historically less than that of the futures contract. The successful use of transactions in futures and related options for hedging also depends on the direction and extent of exchange rate, interest rate and asset price movements within a given time frame. For example, to the extent equity prices remain stable during the period in which a futures contract or option is held by the Fund investing in equity securities (or such prices move in a direction opposite to that anticipated), the Fund may realise a loss on the futures transaction, which is not fully or partially offset by an increase in the value of its portfolio securities. As a result, the Fund's total return for such period may be less than if it had not engaged in the hedging transaction.

All participants in the futures market are subject to margin deposit and maintenance requirements. Instead of meeting margin calls, investors may close futures contracts through offsetting transactions, which could distort normal correlations. The margin deposit requirements in the futures market are less onerous than margin requirements in the securities market, allowing for more speculators who may cause temporary price distortions. Furthermore, the low margin deposits normally required in futures trading permit a high degree of leverage. Accordingly, a relatively small price movement in a futures contract can result in immediate and substantial losses. Trading hours for certain stock Index Futures may not correspond perfectly with the trading hours of the exchange to which a particular stock Index Future relates. As a result, the lack of continuous arbitrage may cause a disparity between the price of certain stock Index Futures and the value of the relevant index.

Each Fund may purchase futures contracts (or options on them) as an anticipatory hedge against a possible increase in the price of a currency in which securities the relevant Fund anticipates purchasing is denominated. In such instances, the currency may instead decline. If the Fund does not then invest in those securities, the Fund may realise a loss on the futures contract that is not offset by a reduction in the price of the securities purchased.

A Fund's ability to engage in the futures and options on futures strategies described above depends on the liquidity of those instruments. Trading interest in various types of futures and options on futures cannot be predicted. Therefore, no assurance can be given that the Fund will be able to utilise these instruments at all or that their use will be effective. In addition, a liquid market may not exist at a time when the Fund seeks to close out a futures or option on a futures contract position, and that Fund would remain obligated to meet margin requirements until the position is closed. The liquidity of a secondary market in a futures contract may be adversely affected by "daily price fluctuation limits" established by commodity exchanges to limit the amount of fluctuation in a futures contract price during a single trading day. Once the daily limit has been reached, no trades of the contract may be entered at a price beyond the limit, thus preventing the liquidation of open futures positions. In the past, prices have exceeded the daily limit on several consecutive trading days. Short (and long) positions in Index Futures or futures on commodities indices may be closed only by purchasing (or selling) a futures contract on the exchange on which the Index Futures or commodity futures, as applicable, are traded.

As discussed above, if a Fund purchases or sells a futures contract, it is only required to deposit initial and variation margin as required by relevant regulations and the rules of the contract market. The Fund's Net Asset Value will generally fluctuate with the value of the security or other instrument underlying a futures contract as if it were already in the Fund's portfolio. Futures transactions can have the effect of investment leverage. Furthermore, if the Fund combines short and long positions, in addition to possible declines in the values of its investment securities, the Fund will incur losses if the index underlying the long futures position underperforms the index underlying the short futures position. For further details of these and other risks associated with futures transactions, please see below under the section entitled "Risk Factors – Derivatives Risk".

In addition, if a futures broker of a Fund becomes bankrupt or insolvent, or otherwise defaults on its obligations to the Fund, the Fund may not receive all amounts owing to it in respect of its trading, despite the futures clearing house fully discharging all of its obligations. In the event of the bankruptcy of a futures broker, the Fund could be limited to recovering only a pro rata share of all available funds segregated on behalf of the futures broker's combined customer accounts. Also, in contrast to the treatment of margin provided for cleared derivatives, the futures broker does not typically notify the futures clearing house of the amount of margin provided by the futures broker to the futures clearing house that is attributable to each customer. Therefore, the Fund is subject to the risk that its margin will be used by the futures clearing house to satisfy the obligations of another customer of its futures broker. In addition, in the event of the bankruptcy or insolvency of a clearing house, the Fund might experience a loss of funds deposited through its futures broker as margin with the clearing house, a loss of unrealised profits on its open positions, and the loss of funds owed to it as realised profits on closed positions. Such a bankruptcy or insolvency might also cause a substantial delay before the Fund could obtain the return of funds owed to it by a futures broker who was a member of such clearing house. Furthermore, if a futures broker does not comply with the applicable regulations or its agreement with the Fund, or in the event of fraud or misappropriation of customer assets by a futures broker, the Fund could have only an unsecured creditor claim in an insolvency of the futures broker with respect to the margin held by the futures broker.

Additional Risks of Options on Securities, Futures Contracts, and Options on Futures Contracts Traded on Exchanges. Options on securities, futures contracts, options on futures contracts, and options on currencies may be traded on exchanges in other jurisdictions, including jurisdictions outside the EU. Such transactions may not be regulated as effectively as similar transactions in the EU and may be subject to greater risks than trading on EU exchanges. For example, some exchanges in such jurisdictions may be principal markets so that no common clearing facility exists and a trader may look only to the broker for performance of the contract. The lack of a common clearing facility creates counterparty risk. When a counterparty's obligations are not fully secured by collateral, then the Fund is essentially an unsecured creditor of the counterparty. If a counterparty defaults, the relevant Fund will have contractual remedies against that counterparty(whether or not the obligation is collateralised), but there is no assurance that a counterparty will be able to meet its obligations pursuant to such contracts or that, in the event of default, the Fund will succeed in enforcing those remedies. Counterparty risk still exists even if a counterparty's obligations are secured by collateral because the Fund's interest in collateral is not perfected or additional collateral is not posted promptly as required. When seeking to enforce a contractual remedy, the Fund also is subject to the risk that the parties may interpret contractual terms (e.g., the definition of default) differently. Counterparty risk is greater for derivatives with longer maturities where events may intervene to prevent settlement. Counterparty risk is also greater when the Fund has entered into derivatives contracts with a single or small group of counterparties as it sometimes does as a result of its use of swaps and other OTC derivatives. If a dispute occurs, the cost and unpredictability of the legal proceedings required for the Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims against the counterparty. The Fund thus assumes the risk of being unable to obtain payments owed under such futures contracts or that those payments being delayed or made only after the Fund has incurred the costs of litigation. To the extent that the Investment Manager's view with respect to a particular counterparty change adversely (whether due to external events or otherwise), the Fund's existing transactions with that counterparty will not necessarily be required to be terminated or modified. In addition, each Fund may enter into new transactions with a counterparty that the Investment Manager no longer considers a desirable counterparty if the transaction is primarily designed to reduce the Fund's overall risk of potential exposure to that counterparty (e.g., re-establishing the transaction with a lower notional amount or entering into a countervailing trade with the same counterparty). In addition, unless the Fund hedges against fluctuations in the exchange rate between the currencies in which trading is done on these exchanges and other currencies, any profits that the Fund might realise in trading could be offset (or worse) by adverse changes in the exchange rate. The value of options and futures in these jurisdictions also may be adversely affected by other factors unique to investing outside the EU. See the sections entitled "Risk Factors – Counterparty Risk" and "Descriptions and Risks of Fund Investments - Risks Related to the Jurisdiction of Investments."

Swap Contracts and Contracts for Differences

Each Fund may use swap contracts (or "swaps") and other two-party contracts for the same or similar purposes as options, futures, and forward contracts. See the section entitled "Risk Factors – Derivatives Risk" for more information regarding the various derivatives strategies the Fund may employ using swap contracts and other two-party contracts.

Swap Contracts. Each Fund may directly or indirectly use various different swaps, such as swaps on securities and securities indices, total return swaps, interest rate swaps, basis swaps, currency swaps, credit default swaps, variance swaps, commodity index swaps, inflation swaps, municipal swaps, dividend swaps, volatility swaps, correlation swaps, and other types of available swap agreements. Swap contracts are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to a number of years. Under a typical swap, one party may agree to pay a fixed rate or a floating rate determined by reference to a specified instrument, rate, or index, multiplied in each case by a specified amount ("notional amount"), while the other party agrees to pay an amount equal to a different floating rate multiplied by the same notional amount. On each payment date, the parties' obligations are netted, with only the net amount paid by one party to the other.

Swap contracts are typically individually negotiated and structured to provide exposure to a variety of different types of investments or market factors. Swap contracts may be entered into for hedging or non-hedging purposes and therefore may increase or decrease the Fund's exposure to the underlying instrument, rate, asset or index. Swaps can take many different forms and are known by a variety of names. A Fund is not limited to any particular form or variety of swap agreement if the Investment Manager determines it is consistent with the relevant Fund's investment objective and policies.

Each Fund may enter into swaps on securities, baskets of securities or securities indices. For example, the parties to a swap contract may agree to exchange returns calculated on a notional amount of a security, basket of securities, or securities index (e.g., S&P 500 Index). Additionally, each Fund may use total return swaps, which typically involve commitments to pay amounts computed in the same manner as interest in exchange for a market-linked return, both based on notional amounts. Each Fund may use such swaps to gain investment exposure to the underlying security or securities where direct ownership is either not legally possible or is economically unattractive. To the extent the total return of the security, basket of securities, or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Fund will receive a payment from or make a payment to the counterparty, respectively.

In addition, each Fund may enter into interest rate swaps (including municipal swaps) in order to protect against declines in the value of fixed income securities held by the Fund. In such an instance, a Fund may agree with a counterparty to pay a fixed rate (multiplied by a notional amount) and the counterparty pay a floating rate multiplied by the same notional amount. If interest rates rise, resulting in a diminution in the value of the Fund's portfolio, the Fund would receive payments under the swap that would offset, in whole or in part, such diminution in value. Each Fund also may enter into swaps to modify its exposure to particular currencies using cross-currency swaps. For instance, the Fund may enter into a cross-currency swap between the U.S. Dollar and the Japanese yen in order to increase or decrease its exposure to each such currency. Cross-currency swaps are contracts between two counterparties to exchange interest and principal payments in different currencies. The Fund entering into a cross-currency swap is exposed to both interest rate risk and foreign currency exchange risk. Each Fund may also enter into basis swaps in order to limit interest-rate risk as a result of the difference between borrowing and lending rates. Basis swaps are interest rate swaps that involve the exchange of two floating interest rate payments and may involve the exchange of two different currencies.

Each Fund may use inflation swaps (including inflation swaps tied to the CPI), which involve commitments to pay a regular stream of inflation-indexed cash payments in exchange for receiving a stream of nominal interest payments (or vice versa), where both payment streams are based on a notional amount. The nominal interest payments may be based on either a fixed interest rate or variable interest rate, such as LIBOR. Inflation swaps may be used to hedge the inflation risk in nominal bonds (i.e. non-inflation-indexed bonds), thereby creating synthetic inflation-indexed bonds, or combined with U.S. Treasury futures contracts to create synthetic inflation-indexed bonds issued by the U.S. Treasury. See the section entitled "Descriptions and Risks of Fund Investments - Indexed Investments – Inflation-Indexed Bonds."

In addition, each Fund may directly or indirectly use credit default swaps to take an active long or short position with respect to the likelihood of default by a corporate or sovereign issuer of fixed income securities (including asset-backed securities). In a credit default swap, one party pays, in effect, an insurance premium through a stream of payments to another party in exchange for the right to receive a specified return in the event of default (or similar events) by one or more third parties on their obligations. For example, in purchasing a credit default swap, the Fund may pay a premium in return for the right to put specified bonds or loans to the counterparty, such as an issuer or basket of such issuers, upon issuer default (or similar events) at their par (or other agreed-upon) value. Rather than exchange the bonds for the par value, a single cash payment may be due from the protection seller representing the difference between the par value of the bonds and the current market value of the bonds (which may be determined through an auction). The Fund, as the purchaser in a credit default swap, bears the risk that the investment might expire worthless. It also would be subject to counterparty risk – the risk that the counterparty may fail to satisfy its payment obligations to the Fund in the event of a default (or similar event) (see the sections entitled "Risk Factors – Counterparty Risk" and "Descriptions and Risks of Fund Investments – Swap Contracts and Contracts for Differences - Risk Factors in Swap Contracts, OTC Options, and Other Two-Party Contracts"). In addition, as a purchaser in a credit default swap, the Fund's investment would only generate income in the event of an actual default (or similar event) by the issuer of the underlying obligation. The Fund also may invest in credit default indices, which are indices that reflect the performance of a credit default swap on a basket of underlying bonds.

Each Fund may also use credit default swaps for investment purposes by selling a credit default swap, in which case the Fund will receive a premium from its counterparty in return for the Fund's taking on the obligation to pay the par (or other agreed-upon) value to the counterparty upon issuer default (or similar events). As the seller in a credit default swap, the Fund effectively adds economic leverage to its portfolio because, in addition to its total net assets, the Fund is subject to investment exposure on the notional amount of the swap. If no event of default (or similar event) occurs, the Fund would keep the premium received from the counterparty and generally would have no payment obligations, with the exception of an initial payment made on the credit default swap or any margin requirements with the credit default swap counterparty. For credit default swap agreements, trigger events for payment under the agreement vary by the type of underlying investment (e.g., corporate and sovereign debt, asset-backed securities, and credit default swap indices) and by jurisdiction (e.g., United States, Europe and Asia).

Each Fund may use dividend swaps. Under a dividend swap, one party pays to the other party the dividends paid with respect to a notional amount of a security (or a basket or index of securities) during the term of the swap, in exchange for interest rate or other payments. To the extent the dividends paid on the security, basket of securities, or index underlying the transaction exceeds or falls short of the offsetting obligation, the Fund will receive a payment from or make a payment to the counterparty, respectively.

In addition, each Fund may use volatility swaps. Volatility swaps involve the exchange of forward contracts on the future realised volatility of a given underlying asset, and allow the Fund to take positions on the volatility of that underlying asset. The Fund also may use a particular type of volatility swap, known as a variance swap agreement, which involves an agreement by two parties to exchange cash flows based on the measured variance (volatility squared) of a specified underlying asset. One party agrees to exchange a "fixed rate" or strike price payment for the "floating rate" or realised price variance on the underlying asset with respect to the notional amount. At inception, the strike price chosen is generally fixed at a level such that the fair value of the swap is zero. As a result, no money changes hands at the initiation of the contract. At the expiration date, the amount paid by one party to the other is the difference between the realised price variance of the underlying asset and the strike price multiplied by the notional amount. A receiver of the realised price variance would receive a payment when the realised price variance of the underlying asset is greater than the strike price and would make a payment when that variance is less than the strike price. A payer of the realised price variance would make a payment when the realised price variance of the underlying asset is greater than the strike price and would receive a payment when that variance is less than the strike price. This type of agreement is essentially a forward contract on the future realised price variance of the underlying asset.

Each Fund may use correlation swaps, which provide exposure to increases or decreases in the correlation between the prices of different assets or market rates. Correlation swaps involve receiving a stream of payments based on the actual average correlation between or among the price movements of two or more underlying variables over a period of time, in exchange for making a regular stream of payments based on a fixed "strike" correlation level (or vice versa), where both payment streams are based on a notional amount. The underlying variables may include, without limitation, commodity prices, exchange rates, interest rates and stock indices.

A Fund may have direct or indirect exposure to commodity swaps on one or more broad-based commodities indices (e.g., the commodity indices listed in the investment policy of the Fund).

Contracts for Differences. Contracts for differences are swap arrangements in which the parties agree that their return (or loss) will be based on the relative performance of two different groups or baskets of securities. Often, one or both baskets will be an established securities index. The Fund's return will be based on changes in value of theoretical long futures positions in the securities comprising one basket (with an aggregate face value equal to the notional amount of the contract for differences) and theoretical short futures positions in the securities comprising the other basket. The Fund also may use actual long and short futures positions and achieve similar market exposure by netting the payment obligations of the two contracts. The Fund will only enter into contracts for differences (and analogous futures positions) when the Investment Manager believes that the basket of securities constituting the long position will outperform the basket constituting the short position. If the short basket outperforms the long basket, the Fund will realise a loss – even in circumstances when the securities in both the long and short baskets appreciate in value. In addition, the Fund may use contracts for differences that are based on the relative performance of two different groups or baskets of commodities. Often, one or both baskets is a commodities index. Contracts for differences on commodities operate in a similar manner to contracts for differences on securities described above.

Each Fund may enter into swaps and contracts for differences for hedging, risk management and for investment leverage. When using swaps for hedging, a Fund may enter into a swap on either an asset-based or liability-based basis, depending on whether it is hedging its assets or its liabilities. For risk management or leverage purposes each Fund may also enter into a contract for differences in which the notional amount of the theoretical long position is greater than the notional amount of the theoretical short position.

Interest Rate Caps, Floors, and Collars. Each Fund may use interest rate caps, floors, and collars for the same or similar purposes as they use interest rate futures contracts and related options and, as a result, will be subject to similar risks. See the sections entitled "Descriptions and Risks of Fund Investments - Options, Futures, and Forward Contracts – Risk Factors in Options Transactions" and "Descriptions and Risks of Fund Investments - Options, Futures, and Forward Contracts – Risk Factors in Futures and Futures Options Transactions." Like interest rate swap contracts, interest rate caps, floors, and collars are two-party agreements in which the parties agree to pay or receive interest on a notional principal amount and are generally individually negotiated with a specific counterparty. The purchaser of an interest rate cap receives interest payments from the seller to the extent that the return on a specified index exceeds a specified interest rate. The purchaser of an interest rate floor receives interest payments from the seller to the extent that the return on a specified index falls below a specified interest rate. The purchaser of an interest rate collar receives interest payments from the seller to the extent that the return on a specified index falls outside the range of two specified interest rates.

Swaptions. An option on a swap agreement, also called a "swaption," is an OTC option that gives the buyer the right, but not the obligation, to enter into a swap on a specified future date in exchange for paying a market-based premium. A receiver swaption gives the owner the right to receive the total return of a specified asset, reference rate, or index (such as a call option on a bond). A payer swaption gives the owner the right to pay the total return of a specified asset, reference rate, or index (such as a put option on a bond). Swaptions also include options that allow one of the counterparties to terminate or extend an existing swap.

Risk Factors in Swap Contracts, OTC Options, and Other Two-Party Contracts. A Fund may only close out a swap, contract for differences, cap, floor, collar, or OTC option (including swaption) with its particular counterparty, and may only transfer a position with the consent of that counterparty. If a counterparty fails to meet or disputes its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Fund could miss investment opportunities or otherwise be forced to hold investments it would prefer to sell, resulting in losses for the Fund. If the counterparty defaults, the Fund will have contractual remedies, but there can be no assurance that the counterparty will be able to meet its contractual obligations or that the Fund will be able to enforce its rights. For example, because the contract for each OTC derivatives transaction is individually negotiated with a specific counterparty, the Fund is subject to the risk that a counterparty may interpret contractual terms (e.g., the definition of default) differently than the Fund. The cost and unpredictability of the legal proceedings required for the Fund to enforce its contractual rights may lead it to decide not to pursue its claims against the counterparty. Counterparty risk is greater for derivatives with longer maturities where events may intervene to prevent settlement. Counterparty risk is also greater when the Fund has concentrated its derivatives with a single or small group of counterparties as it sometimes does as a result of its use of swaps and other OTC derivatives. To the extent the Fund has significant exposure to a single counterparty, this risk will be particularly pronounced for the Fund. The Fund, therefore, assumes the risk that it may be unable to obtain payments the Investment Manager believes are owed under an OTC derivatives contract or that those payments may be delayed or made only after the Fund has incurred the costs of litigation. In addition, counterparty risk is pronounced during unusually adverse market conditions and is particularly acute in environments in which financial services firms are exposed (as they were in 2008) to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions. Fixed income investments are also subject to illiquidity risk. See the sections entitled "Risk Factors – Illiquidity Risk" and "Risk Factors - Counterparty Risk".

The credit rating of a counterparty can be expected to be adversely affected by greater-than-average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital.

To the extent that a Fund uses swap contracts, it is subject to the creditworthiness of the counterparties because some types of swap contracts have terms longer than six months (and, in some cases, decades). The creditworthiness of a counterparty may be adversely affected by greater than average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital.

Counterparty risk with respect to derivatives has been and will continue to be affected by new rules and regulations relating to the derivatives market. Some derivatives transactions are required to be centrally cleared, and a party to a cleared derivatives transaction is subject to the credit risk of the clearing house and the Clearing Member through which it holds its cleared position. Credit risk of market participants with respect to derivatives that are centrally cleared is concentrated in a few clearing houses, and it is not clear how an insolvency proceeding of a clearing house would be conducted and what impact an insolvency of a clearing house would have on the financial system. Also, the Fund might not be fully protected in the event of the bankruptcy of the Fund's Clearing Member because the Fund would be limited to recovering only a pro rata share of the funds held by the Clearing Member on behalf of customers for cleared derivatives. Although a Clearing Member is required to segregate assets from customers with respect to cleared derivatives positions from the Clearing Member's proprietary assets, if a Clearing Member does not comply with the applicable regulations, or in the event of fraud or misappropriation of customer assets by a Clearing Member, the Fund could have only an unsecured creditor claim in an insolvency of the Clearing Member with respect to the assets held by the Clearing Member.

Also, in the event of a counterparty's (or its affiliate's) insolvency, the possibility exists that the Fund's ability to exercise remedies, such as the termination of transactions, netting of obligations and realisation on collateral, could be stayed or eliminated under new special resolution regimes adopted in the EU, the United States, and various other jurisdictions. Such regimes provide government authorities with broad authority to intervene when a financial institution is experiencing financial difficulty. In particular, in the EU, governmental authorities could reduce, eliminate or convert to equity the liabilities to the Fund of a counterparty experiencing financial difficulties (sometimes referred to as a "bail in").

Additional Risk Factors in OTC Derivatives Transactions. OTC derivatives are also subject to documentation risk, which is the risk that ambiguities, inconsistencies, or errors in the documentation relating to a derivative transaction lead to a dispute with the counterparty or unintended investment results.

Additionally, participants in OTC derivatives markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of exchange-based markets and, therefore, OTC derivatives generally expose the Fund to greater counterparty risk than exchange-traded derivatives.

Among other trading agreements, a Fund may be party to ISDA Agreements or other similar types of agreements with select counterparties that generally govern OTC derivative transactions entered into by the Fund. The ISDA Agreements typically include representations and warranties as well as contractual terms related to collateral, events of default, termination events, and other provisions. Termination events may include the decline in the net assets of the Fund below a certain level over a specified period of time and entitle a counterparty to elect to terminate early with respect to some or all the transactions under the ISDA Agreement with that counterparty. Such an election by one or more of the counterparties could have a material adverse impact on the Fund's operations.

Additional Risk Factors in Cleared Derivatives Transactions. Under recently adopted rules and regulations, transactions in some types of swaps (including interest rate swaps and credit default swaps on North American and European indices) are required to be centrally cleared. In a transaction involving those swaps ("cleared derivatives"), a Fund's counterparty is a clearing house, rather than a bank or broker. Since the Fund is not a member of clearing houses and only Clearing Members can participate directly in the clearing house, the Fund holds cleared derivatives through accounts with Clearing Members. In cleared derivatives positions, the Fund makes payments (including margin payments) to and receive payments from a clearing house through its accounts with Clearing Members. Clearing Members guarantee performance of their clients' obligations to the clearing house.

In some ways, cleared derivative arrangements are less favourable to investment funds than those with respect to OTC derivatives (commonly referred to as "bilateral arrangements"), for example, by requiring that funds provide more margin for their cleared derivative positions. Also, as a general matter, in contrast to an OTC derivatives position, following a period of notice to the Fund, a Clearing Member at any time can require termination of an existing cleared derivative position. Clearing houses also have broad rights to increase margin requirements for existing positions or to terminate those positions at any time. Any increase in margin requirements or termination of existing cleared derivative positions by the Clearing Member or the clearing house could interfere with the ability of the Fund to pursue its investment strategy and an increase in margin requirements by a Clearing Member could expose the Fund to greater credit risk to its Clearing Member. Also, the Fund is subject to risk if it enters into a derivatives transaction that is required to be cleared (or that the Investment Manager expects to be cleared), and no Clearing Member is willing or able to clear the transaction on the Fund's behalf. In those cases, the position might have to be terminated, and the Fund could lose some or all of the benefit of the position, including loss of an increase in the value of the position and/or loss of hedging protection. In addition, the documentation governing the relationship between the Fund and its Clearing Members generally is less favourable to the Fund than the documentation for typical OTC derivatives. For example, documentation relating to cleared derivatives generally includes a one-way indemnity by the Fund in favour of the Clearing Member for losses the Clearing Member incurs as the Fund's Clearing Member. Also, such documentation typically does not provide the Fund any remedies if the Clearing Member defaults or becomes insolvent. While futures contracts entail similar risks, the risks likely are more pronounced for cleared swaps due to their more limited liquidity and market history.

Some types of cleared derivatives are required to be executed on an exchange or on a swap execution facility. A swap execution facility is a trading platform where multiple market participants can execute derivatives by accepting bids and offers made by multiple other participants in the platform. While this execution requirement is designed to increase transparency and liquidity in the cleared derivatives market, trading on a swap execution facility can create additional costs and risks for the Fund. For example, swap execution facilities typically charge fees, and if a Fund executes derivatives on a swap execution facility through a broker intermediary, the intermediary may impose fees as well. Also, a Fund may be required to indemnify a swap execution facility, or a broker intermediary who executes cleared derivatives on a swap execution facility on the Fund's behalf, against any losses or costs that may be incurred as a result of the Fund's transactions on the swap execution facility.

If a Fund wishes to execute a package of transactions that include a swap that is required to be executed on a swap execution facility as well as other transactions (e.g., a transaction that includes both a security and an interest rate swap that hedges interest rate exposure with respect to such security), the Fund may be unable to execute all components of the package on the swap execution facility. In that case, the Fund would need to trade some components of the package on the swap execution facility and other components in another manner, which could subject the Fund to the risk that some components would be executed successfully and others would not, or that the components would be executed at different times, leaving the Fund with an unhedged position for a period of time.

The U.S. government and the EU have adopted mandatory minimum margin requirements for OTC derivatives. These and other rules and regulations could, among other things, further restrict the Fund's ability to engage in, or increase the cost to the Fund of, derivatives transactions, for example, by making some types of derivatives no longer available to the Fund or otherwise limiting liquidity. The implementation of the clearing requirement has increased the costs of derivatives transactions for the Fund since the Fund has to pay fees to their Clearing Members and are typically required to post more margin for cleared derivatives than they have historically posted for OTC derivatives. The costs of derivatives transactions could increase further as Clearing Members raise their fees to cover the costs of additional capital requirements and other regulatory changes applicable to the Clearing Members, and when rules imposing mandatory minimum margin requirements on bilateral swaps become effective. While these rules and regulations and central clearing of some derivatives transactions are designed to reduce systemic risk (i.e. the risk that the interdependence of large derivatives dealers could cause them to suffer liquidity, solvency or other challenges simultaneously), there is no assurance that they will achieve that result.

Risks of Qualified Financial Contracts. Regulations adopted by federal banking regulators under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which took effect throughout 2019, require that certain qualified financial contracts ("QFCs") with counterparties that are part of U.S. or foreign global systemically important banking organisations (each a "covered counterparty") be amended to include contractual restrictions on close-out and cross-default rights. QFCs include, but are not limited to, securities contracts, commodities contracts, forward contracts, repurchase agreements, securities lending agreements and swaps agreements, as well as related master agreements, security agreements, credit enhancements, and reimbursement obligations. If a covered counterparty of a Fund or certain of the covered counterparty's affiliates were to become subject to certain insolvency proceedings, the Fund may be temporarily unable to exercise certain default rights, and the QFC may be transferred to another entity. These requirements may impact the Fund's credit and counterparty risks.

Use of Futures and Related Options, Interest Rate Floors, Caps and Collars, Certain Types of Swap Contracts and Related Instruments – Commodity Pool Operator Status

Each Fund is a commodity pool under the CEA, and the Investment Manager is registered as a "commodity pool operator" under the CEA with respect to the Fund. As a result, additional CFTC-mandated disclosure, reporting and recordkeeping obligations apply to the Fund and compliance with the CFTC's regulatory requirements could increase Fund expenses, adversely affecting the Fund's total return.

Merger Arbitrage Transactions

Some Funds engage in transactions in which the Fund purchases securities at prices below the value of the consideration the Investment Manager expects the Fund to receive upon consummation of a proposed merger, exchange offer, tender offer, or other similar transaction ("merger arbitrage transactions").

Merger arbitrage transactions focus on securities of companies that are targets of merger transactions in order to capture the difference in the value of the target company and its price in the marketplace. The Investment Manager typically employs a process-driven and quantitative approach to value complex merger offers and to measure and manage risk, though fundamental analysis may also be employed. Merger arbitrage transactions are generally affected by: (i) the risk-free rate of return at the time an investment position relating to the merger transaction is established; (ii) the likelihood a merger transaction is completed or fails, and the gains or losses associated with each outcome; (iii) market risk; and (iv) a merger arbitrage premium, which is the share price spread (i.e. the difference in the share price at which the Fund transacts) in the event of a successful merger for absorbing the risk that the transaction could have failed, or in the event of an unsuccessful merger for absorbing the risk that the transaction would be completed. See the section entitled "Risk Factors – Event-Driven Risk".

Currency Transactions

Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the currency exchange markets, trade balances, the relative merits of investments in different countries, actual or perceived changes in interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and other complex factors. Currency exchange rates also can be affected unpredictably as a result of intervention (or the failure to intervene) by governments, central banks, or supranational agencies such as the International Monetary Fund, or by currency or exchange controls or political and economic developments abroad. Currencies in which a Fund's assets are denominated, or in which the Fund has taken a long position, may be devalued against other currencies, resulting in a loss to the Fund. Similarly, currencies in which a Fund has taken a short position may increase in value relative to other currencies, resulting in a loss to the Fund.

In addition, some currencies are illiquid (e.g., currencies of Emerging Market Countries), and a Fund may not be able to convert these currencies into the Base Currency in which case the Investment Manager may have to purchase such currency at an unfavourable exchange rate. Exchange rates for many currencies (e.g., Emerging Market Country currencies) are affected by exchange control regulations.

Each Fund may invest in securities denominated in foreign currencies and may buy or sell foreign currencies or deal in forward foreign currency contracts, currency futures contracts and related options, and options on currencies. The Fund may use such currency instruments for hedging, investment, and/or currency risk management. Currency risk management may include taking overweighted or underweighted currency positions relative to both the securities portfolio of the Fund and the Fund's performance benchmark or index. The Fund also may purchase forward foreign currency contracts in conjunction with securities denominated in the Base Currency in order to create a synthetic foreign currency-denominated security that approximates desired risk and return characteristics when the non-synthetic securities either are not available in other markets or possess undesirable characteristics.

A Fund is not required to enter into such transactions with regard to its foreign currency denominated securities and will not do so unless deemed appropriate by the Investment Manager. By entering into the above hedging transactions, the Fund may be required to forego the benefits of advantageous changes in the exchange rates. When the Fund uses currency instruments for investment and currency risk management, the foreign currency exposure of the Fund may differ substantially from the currencies in which the Fund's investment securities are denominated. The Fund may therefore be subject to the risk of adverse currency movements.

Each Fund typically will not adjust its currency hedging positions daily, and does not seek to provide a "perfect hedge" back into its Base Currency. As a result, notwithstanding its hedging positions, the Fund may be "net short" (i.e. under-hedged) or "net long" (i.e. over-hedged) with respect to its respective Base Currency exposures. The Investment Manager is not obligated to hedge the currency exposure between the Base Currency and the currency of denomination of the share classes and such currency exposure may only be partially hedged. Where hedging is employed, although not intended, over-hedged and under-hedged positions may arise due to factors outside of the control of the Investment Manager. Over-hedged positions will not be permitted to exceed 105 per cent. of the Net Asset Value of the class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. This review will also incorporate a procedure to ensure that positions materially in excess of 100 per cent. will not be carried forward from month to month. A position shall be over-hedged where the currency forward or other derivative attributable to a specific class hedges an amount of the currency of denomination of that class in excess of the Net Asset Value of the class. Under-hedged positions will not be permitted to fall below 95 per cent. of the portion of the Net Asset Value of the class which is to be hedged, and any under-hedged position will be kept under review to ensure it is not carried forward from month to month. Class currency transactions will be clearly attributable to a specific class (therefore currency exposures of different currency classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate classes). Costs and gains/losses of the hedging transactions will accrue solely to the relevant class.

Forward foreign currency contracts are contracts between two parties to purchase and sell a specified quantity of a particular currency at a specified price, with delivery and settlement to take place on a specified future date. A forward foreign currency contract can reduce a Fund's exposure to changes in the value of the currency it will deliver and can increase its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to the effect of selling securities denominated in one currency and purchasing securities denominated in another currency. Contracts to sell a particular foreign currency would limit any potential gain that might be realised by the Fund if the value of the hedged currency increases. In addition, it is not always possible to hedge fully or perfectly against currency fluctuations affecting the value of the securities denominated in foreign currencies because the value of such securities also is likely to fluctuate because of independent factors not related to currency fluctuations. If a forward foreign currency contract is used for hedging, an imperfect correlation between movements in the price of the forward foreign currency contract and the price of the currency or other investment being hedged creates risk.

Forward foreign currency contracts involve a number of the same characteristics and risks as currency futures contracts (discussed below) but there also are several differences. Forward foreign currency contracts settle only at the pre-determined settlement date. This can result in deviations between forward foreign currency prices and currency futures prices, especially in circumstances where interest rates and currency futures prices are positively correlated. Second, in the absence of exchange trading and involvement of clearing houses, there are no standardised terms for forward currency contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a currency as desirable, which may vary from the standardised provisions available through any currency futures contract.

Each Fund also may purchase or sell currency futures contracts and related options. Currency futures contracts are contracts to buy or sell a standard quantity of a particular currency at a specified future date and price. However, currency futures can be and often are closed out prior to delivery and settlement. In addition, each Fund may use options on currency futures contracts, which give their holders the right, but not the obligation, to buy (in the case of a call option) or sell (in the case of a put option) a specified currency futures contract at a fixed price during a specified period. See the section entitled "Descriptions and Risks of Fund Investments - Options, Futures, and Forward Contracts – Futures" for more information on futures contracts and options on futures contracts.

Each Fund also may purchase or sell options on currencies. Options on currencies possess many of the same characteristics as options on securities and generally operate in a similar manner. They may be traded on an exchange or in the OTC markets. Options on currencies traded on exchanges may be subject to position limits, which may limit the ability of the Fund to reduce foreign currency risk using options. See the section entitled "Descriptions and Risks of Fund Investments - Options, Futures, and Forward Contracts – Currency Options and Quantity-Adjusting ("Quanto") Options" for more information on currency options.

Repurchase Agreements

Each Fund may enter into repurchase agreements with banks and brokers. A repurchase agreement is a contract under which the Fund acquires a security (usually an obligation of the government in the jurisdiction where the transaction is initiated or in whose currency the agreement is denominated) for a relatively short period (usually less than a week) for cash and subject to the commitment of the seller to repurchase the security for an agreed-upon price on a specified date. The repurchase price exceeds the acquisition price and reflects an agreed-upon market rate unrelated to the coupon rate on the purchased security. Repurchase agreements afford the Fund the opportunity to earn a return on temporarily available cash without market risk, although the Fund bears the risk of a seller's failure to meet its obligation to pay the repurchase price when it is required to do so. Such a default may subject the Fund to expenses, delays, and risks of loss including: (i) possible declines in the value of the underlying security while the Fund seeks to enforce its rights thereto; (ii) possible reduced levels of income and lack of access to income during this period; and (iii) the inability to enforce its rights and the expenses involved in attempted enforcement. Entering into repurchase agreements entails certain risks, which include the risk that the counterparty to the repurchase agreement may not be able to fulfill its obligations, as discussed above, that the parties may disagree as to the meaning or application of contractual terms, or that the instrument may not perform as expected. See the section entitled "Risk Factors – Credit Risk".

Reverse Repurchase Agreements and Similar Transactions

Each Fund may enter into reverse repurchase agreements and similar transactions with banks and brokers to enhance return. Reverse repurchase agreements involve sales by the Fund of portfolio securities concurrently with an agreement by the Fund to repurchase the same securities at a later date at a fixed price. During the reverse repurchase agreement period, the Fund continues to receive principal and interest payments on the securities and also has the opportunity to earn a return on the collateral furnished by the counterparty to secure its obligation to redeliver the securities.

Similar transactions into which a Fund may enter involve the Fund selling securities for delivery in the current month and simultaneously contracting to repurchase substantially similar (same type and coupon) securities on a specified future date. During the time period, the Fund foregoes principal and interest paid on the securities. The Fund is compensated by the difference between the current sales price and the forward price for the future purchase (often referred to as the "drop") as well as by the interest earned on the cash proceeds of the initial sale.

If the buyer in a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund's use of proceeds from the sale of its securities may be restricted while the other party or its trustee or receiver determines whether to honour the Fund's right to repurchase the securities. Furthermore, in that situation the Fund may be unable to recover the securities it sold in connection with a reverse repurchase agreement and as a result would realise a loss equal to the difference between the value of the securities and the payment it received for them. This loss would be greater to the extent the buyer paid less than the value of the securities the Fund sold to it (e.g., a buyer may only be willing to pay US$95 for a bond with a market value of US$100). The Fund's use of reverse repurchase agreements also subjects the Fund to interest costs based on the difference between the sale and repurchase price of a security involved in such a transaction. Additionally, repurchase agreements and reverse repurchase agreements entail the same risks as OTC derivatives. These include the risk that the counterparty to the reverse repurchase agreement may not be able to fulfill its obligations, as discussed above, that the parties may disagree as to the meaning or application of contractual terms, or that the instrument may not perform as expected. See the sections entitled "Risk Factors – Risks Related to the Jurisdiction of Investments", "Risk Factors – Derivatives Risk – Synthetic Short Selling" and "Risk Factors – Credit Risk". Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations respectively.

Illiquid Investments, Private Placements, Restricted Securities, and IPOs and Other Limited Opportunities

Subject to the UCITS Regulations and the Central Bank Regulations, the Fund may invest a portion of its net assets in illiquid investments. For this purpose, "illiquid investments" are investments that the Fund reasonably expects cannot be sold or disposed of under current market conditions within seven calendar days without the sale or disposition significantly changing the market value of the investment. In considering the Fund's ability to sell or dispose of an investment within seven days without significantly changing the investment's market value, the Fund considers the portion of the investment that the Fund reasonably anticipates selling in response to redemption requests. The determination that any investment is or is not an "illiquid investment" requires the Fund to make a number of market-based and other assumptions about future events and thus should not be viewed as a guarantee or an assurance that the Fund will be able to dispose of any portion of a particular investment within any particular period of time.

A repurchase agreement maturing in more than seven days is considered illiquid, unless it can be terminated after a notice period of seven days or less.

Private Placements and Restricted Investments. Illiquid securities include securities of private issuers, securities traded in unregulated or shallow markets, securities issued by entities deemed to be affiliates of a Fund, and securities that are purchased in private placements. Because relatively few purchasers of these securities may exist, especially in the event of adverse economic and liquidity conditions or adverse changes in the issuer's financial condition, a Fund may not be able to initiate a transaction or liquidate a position in such investments at a desirable price. Disposing of illiquid securities may involve time-consuming negotiation and legal expenses, and selling them promptly at an acceptable price may be difficult or impossible.

At times, the inability to sell illiquid securities can make it more difficult to determine their fair value for purposes of computing a Fund's Net Asset Value. The judgment of a competent person or other person responsible for the valuation of such securities normally plays a greater role in valuing these securities than in valuing publicly traded securities. The Fund may only invest in private placements and restricted investments that are eligible investments for UCITS.

Restricted securities are generally only sold to institutional investors in private sales from the issuer or from an affiliate of the issuer. These securities may be less liquid than securities registered for sale to the general public. The liquidity of a restricted security may be affected by a number of factors, including: (i) the credit quality of the issuer; (ii) the frequency of trades and quotes for the security; (iii) the number of dealers willing to purchase or sell the security and the number of other potential purchasers; (iv) dealer undertakings to make a market in the security; and (v) the nature of the security and the nature of marketplace trades. Also, restricted securities may be difficult to value because market quotations may not be readily available.

A Fund may have to bear the expense of registering restricted securities for resale and the risk of substantial delay in effecting registration. A Fund may be unable to sell restricted and other illiquid securities at the most opportune times or at prices approximating the value at which they purchased such securities. If it sells its securities in a registered offering, the Fund may be deemed to be an "underwriter" for purposes of applicable securities law. In such event, the Fund may be liable to purchasers of the securities under applicable securities law if the registration statement or equivalent document prepared by the issuer, or the prospectus forming a part of it, is materially inaccurate or misleading, although the Fund may have a due diligence defence. While the Fund typically will be indemnified by the issuer against such liabilities, the issuer may not have the financial resources to satisfy its indemnification obligations.

In addition, a debtor in a reorganisation case may be granted a trading restriction order by a bankruptcy court in order to protect such debtor's net operating losses and/or similar losses from a tax perspective (a "NOL Order"). Such an order may prohibit or severely restrict the ability of some creditors to sell their claims and interests in the debtor. A Fund's ability to transfer its interests in such a debtor may be impaired, delayed or prohibited as a consequence of a NOL Order. A Fund also may incur added expenses if it attempts to challenge or limit the scope of a NOL Order, and such an attempt may not be successful. Similarly, issuers with net operating losses sometimes adopt shareholder rights plans or similar arrangements in order to preserve the ability to utilise such net operating losses in the future; any such actions could also limit or otherwise adversely impact a Fund's ability to transfer or dispose of its interests in any such issuer.

IPOs and Other Limited Opportunities. Each Fund may purchase securities of companies that are offered pursuant to an IPO or other similar limited opportunities. The Fund may only invest in these securities where they are deemed to be eligible investments for UCITS. Although companies can be any age or size at the time of their IPO, they are often smaller and have a limited operating history, which involves a greater potential for the value of their securities to be impaired following the IPO. The price of a company's securities may be highly unstable at the time of its IPO and for a period thereafter due to factors such as market psychology prevailing at the time of the IPO, the absence of a prior public market, the small number of shares available, and limited availability of investor information. In the case of securities purchased by the Fund in IPOs, such securities shall be valued at the offering price until such time as the securities are listed or traded on a Regulated Market. Securities purchased in IPOs have a tendency to fluctuate in value significantly shortly after the IPO relative to the price at which they were purchased. These fluctuations could impact the Net Asset Value and return earned on the Shares. Investors in IPOs can be adversely affected by substantial dilution in the value of their shares, by sales of additional shares, and by concentration of control in existing management and principal shareholders. In addition, all of the factors that affect the performance of an economy or equity markets may have a greater impact on the shares of IPO companies. IPO securities tend to involve greater risk due, in part, to public perception and the lack of publicly available information and trading history.

Debt and Other Fixed Income Securities Generally

Debt and other fixed income securities include fixed and floating rate securities of any maturity. Fixed rate securities pay a specified rate of interest or dividends. Floating rate securities pay a rate that is adjusted periodically by reference to a specified index or market rate. Fixed and floating rate securities include securities issued by governments and related agencies, and by a wide range of private issuers, and generally are referred to as "fixed income securities." Indexed bonds are a type of fixed income security whose principal value and/or interest rate is adjusted periodically according to a specified instrument, index, or other statistic (e.g., another security, inflation index, currency, or commodity). See the sections entitled "Descriptions and Risks of Fund Investments - Adjustable Rate Securities" and "Descriptions and Risks of Fund Investments - Indexed Investments." In addition, the Fund may create "synthetic" bonds which approximate desired risk and return profiles. This may be done where a "non-synthetic" security having the desired risk/return profile either is unavailable (e.g., short-term securities of certain foreign governments) or possesses undesirable characteristics (e.g., interest payments on the security would be subject to withholding taxes). See, for example, the section entitled "Descriptions and Risks of Fund Investments - Options, Futures, and Forward Contracts – Inflation-Linked Futures" above.

Holders of fixed income securities are exposed to both market and credit risk. Market risk (or "interest rate risk") relates to changes in a security's value as a result of changes in interest rates. In general, the values of fixed income securities increase when interest rates fall and decrease when interest rates rise. Credit risk relates to the ability of an issuer to make payments of principal and interest. Obligations of issuers are subject to bankruptcy, insolvency and other laws that affect the rights and remedies of creditors. Fixed income securities denominated in foreign currencies also are subject to the risk of a decline in the value of the denominating currency.

Because interest rates vary, the future income of the Fund that invests in floating rate fixed income securities cannot be predicted with certainty. To the extent the Fund invests in indexed securities, the future income of the Fund also will be affected by changes in those securities' indices over time (e.g., changes in inflation rates, currency rates, or commodity prices).

Each Fund may invest in a wide range of debt and fixed income instruments, including, but not limited to, asset-backed and mortgage-backed securities, Brady bonds, Euro bonds, auction rate securities, government securities, structured notes and zero coupon securities, each of which is described below.

Cash and Other High Quality Investments

Each Fund may temporarily invest a portion of its assets in cash or cash equivalents pending other investments or to maintain liquid assets required in connection with its investments. These cash equivalents and other high quality debt securities may include money market instruments, such as government-issued securities, bankers' acceptances, commercial paper, and bank certificates of deposit. If a custodian holds cash on behalf of the Fund, the Fund may be an unsecured creditor in the event of the insolvency of the custodian. In addition, the Fund will be subject to credit risk with respect to such a custodian, which may be heightened to the extent the Fund takes a temporary defensive position.

CSDR Settlement Discipline Rules

Rules established pursuant to Regulation (EU) No 909/2014 ("CSDR") have established a settlement discipline regime which imposes rules concerning the settlement of transactions on their intended settlement date and obligations on central securities depositories ("CSDs") and market participants to prevent and address settlement fails. A settlement fail, under the CSDR, is the non-occurrence of settlement, or partial settlement of a securities transaction on the intended settlement date, due to a lack of securities or cash and regardless of the underlying cause. Within the settlement discipline regime, a cash penalties system has been established whereby the participant within a CSD that is responsible for a settlement fail must pay a cash penalty. Depending on the transaction and the participant responsible for a settlement fail, it is possible that these penalties and related costs may be borne by the Fund.

Government Securities

Each Fund may invest in all types of debt instruments. Government securities include securities issued or guaranteed by the U.S. or other governments or their authorities, agencies, or instrumentalities or by supra-national agencies. Different kinds of government securities have different kinds of government support. For example, some U.S. government securities (e.g., U.S. Treasury bonds) are supported by the full faith and credit of the United States. Other U.S. government securities are issued or guaranteed by federal agencies or government-chartered or -sponsored enterprises but are neither guaranteed nor insured by the U.S. government (e.g., debt securities issued by the Freddie Mac, Fannie Mae, and FHLBs). Similarly, some foreign government securities are supported by the full faith and credit of a foreign national government or political subdivision and some are not. Foreign government securities of some countries may involve varying degrees of credit risk as a result of financial or political instability in those countries or the possible inability of the Fund to enforce its rights against the foreign government. As with issuers of other fixed income securities, sovereign issuers may be unable or unwilling to satisfy their obligations to pay principal or interest payments.

The U.S. Federal Housing Finance Agency ("FHFA") and the U.S. White House have made public statements regarding plans to consider ending the conservatorships of Fannie Mae and Freddie Mac. In the event that Fannie Mae and Freddie Mac are taken out of conservatorship, it is unclear how the capital structure of Fannie Mae and Freddie Mac would be constructed and what effects, if any, there may be on Fannie Mae's and Freddie Mac's creditworthiness and guarantees of certain mortgage-backed securities. It is also unclear whether the U.S. Treasury would continue to enforce its rights or perform its obligations under the Senior Preferred Stock certificate. Should Fannie Mae's and Freddie Mac's conservatorship end, there could be an adverse impact on the value of their securities, which could cause losses to the Funds.

Supra-national agencies are agencies whose member nations make capital contributions to support the agencies' activities. Examples include the International Bank for Reconstruction and Development (the World Bank), the Asian Development Bank, and the Inter-American Development Bank.

As with other fixed income securities, government securities expose their holders to market risk because their values typically change as interest rates fluctuate. For example, the value of government securities may fall during times of rising interest rates. Yields on government securities tend to be lower than those of corporate securities of comparable maturities. Generally, when interest rates on short-term U.S. Treasury obligations equal or approach zero, a fund that invests a substantial portion of its assets in U.S. Treasury obligations will have a negative return unless the Investment Manager waives or reduces its management fees.

On 3 June 2019, under the FHFA's "Single Security Initiative," Freddie Mac and Fannie Mae have entered into a joint initiative to develop a common securitisation platform for the issuance of a "uniform mortgage-backed security" or "UMBS," in place of their separate offerings of "to be announced" (TBA)-eligible mortgage-backed securities. The Single Security Initiative seeks to generally align the characteristics of Freddie Mac and Fannie Mae mortgage-backed securities. The effects it may have on the market for mortgage-backed securities are uncertain and the issuance of UMBS may not achieve the intended results and may have unanticipated or adverse effects on the market for mortgage-backed securities.

In addition to investing directly in government securities, the Fund may purchase certificates of accrual or similar instruments evidencing undivided ownership interests in interest payments and/or principal payments of U.S. government securities and foreign government securities. The Fund also may invest in STRIPS, which are interests in separately traded interest and principal component parts of U.S. Treasury obligations that represent future interest payments, principal payments, or both, are direct obligations of the U.S. government, and are transferable through the federal reserve book-entry system. Certificates of accrual and similar instruments may be more volatile than other government securities.

Investment via Stock Connect

It is anticipated that certain Funds may have exposure to China "A" shares via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. In addition to the general investment- and equity-related risks of investments including, in particular, the Emerging Market Country risks, the following are certain of the risks that relate to investments via Stock Connect:

Regulatory Risks. Stock Connect is a securities trading and clearing linked program developed to achieve mutual stock market access between Mainland China (Shanghai and Shenzhen Stock Exchanges) and Hong Kong (Hong Kong Stock Exchange). The Funds and other overseas investors may have direct access to certain eligible China A-Shares under the Northbound Trading Link by routing orders to the Shanghai and Shenzhen Stock Exchanges. However, Stock Connect is novel in nature and is subject to regulations promulgated by regulatory authorities in Mainland China and Hong Kong and implementation rules made by the relevant stock exchanges. These regulations and rules are untested and there is no certainty as to how they will be applied. The current regulations and rules are also subject to change and there can be no assurance that Stock Connect will not be abolished. Investors should note that the Funds, which may invest in the Mainland Chinese markets through Stock Connect may be adversely affected as a result of such changes.

Recalling of Eligible Stocks and Suspension Risks. When a stock is recalled from the scope of eligible stocks for trading via Stock Connect, the stock can be sold, but is restricted from being purchased. This may affect the investment portfolio or strategies of a Fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks. In addition, investors should be aware of the risk that both the stock exchanges in Mainland China and Hong Kong reserve the right to suspend the trading link upon consent from relevant regulator if necessary for ensuring an orderly and fair market and that risks are managed prudently.

Differences in Trading Day, Quota and Foreign Shareholding Limitations. Stock Connect will only operate on days when both the Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. Trading is also subject to quotas. There are also limitations on the aggregate foreign investors' shareholding by all Hong Kong and overseas investors and on a single foreign investor's shareholdings. Investors should be aware that the differences in trading day, quotas and shareholding limitations may restrict a Fund's ability to make timely investments and pursue its investment strategies effectively.

Beneficial Owner of the Stock Connect Shares and Corporate Actions. The China A-Shares traded through Stock Connect are issued in scripless form and so the relevant Fund will not hold any physical China A-Shares and should maintain the shares via or with the brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on Hong Kong Stock Exchange). HKSCC in turn holds Stock Connect securities of all its participants through a "single nominee omnibus securities account" in its name registered with ChinaClear, the central securities depositary in Mainland China. HKSCC is only a nominee holder and the Fund remains the beneficial owner of the Stock Connect securities. The Fund's title or interests in, and entitlements to Stock Connect securities (whether legal, equitable or otherwise), will therefore be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. However, it is uncertain whether the Chinese courts would recognise the ownership interest of the Stock Connect investors to allow them standing to take legal action against the Chinese entities where disputes arise.

ESMA Guidelines on ETFs and other UCITS Issues - Disclosure

If a Fund invests in total return swaps or other derivative instruments with similar characteristics, the underlying asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. The counterparties to such transactions are typically banks, investment firms, broker-dealers, collective investment schemes or other financial institutions or intermediaries. The risk of the counterparty defaulting on its obligations under the total return swap and its effect on investor returns are set out above and further described in the section entitled "Risk Factors - Swap Contracts and Contracts for Differences – Risk Factors in Swap Contracts, OTC Options, and Other Two-Party Contracts".

It is not intended that the counterparties to total return swaps entered into by the Fund assume any discretion over the composition or management of the Fund's investment portfolio or over the underlying of the derivative instruments, or that the approval of the counterparty is required in relation to any portfolio transactions by the Fund.

Securities Financing Transactions Regulation - Disclosure

Each Fund may enter into the following transactions:

(i) total return swaps as set out in the section entitled "Descriptions and Risks of Fund Investments – Swap Contracts and Contracts for Differences";

(ii) repurchase agreements as set out in the section entitled "Descriptions and Risks of Fund Investments – Repurchase Agreements";

(iii) reverse repurchase agreements as set out in the section entitled "Descriptions and Risks of Fund Investments – Reverse Repurchase Agreements and Similar Transactions"; and

(iv) securities lending arrangements as set out in the section entitled "Descriptions and Risks of Fund Investments – Securities Lending".

Each Fund may enter into total return swaps for investment purposes and for efficient portfolio management purposes, and enter into other types of Securities Financing Transactions for efficient portfolio management purposes only. In this context, efficient portfolio management purposes include: the reduction of risk, the reduction of cost and the generation of additional capital or income for the Fund with a level of risk that is consistent with the risk profile of the Fund.

If a Fund invests in total return swaps or Securities Financing Transactions, the relevant asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. Subject to the investment restrictions laid down by the Central Bank as set out in Schedule III, and also any investment restrictions set out in the section entitled "Investment Objectives and Policies of the Fund", each Fund can invest up to 100 per cent. of its Net Asset Value in total return swaps and Securities Financing Transactions. It is anticipated that each Fund will generally invest in the range of 0 – 50 per cent. of its Net Asset Value in total return swaps and Securities Financing Transactions.

A Fund shall only enter into total return swaps and Securities Financing Transactions with counterparties that satisfy the criteria (including those relating to legal status, country of origin and minimum credit rating) as set out in paragraphs 6 and 39 of Schedule III and adopted by the Investment Manager.

The categories of collateral which may be received by a Fund is set out in Schedule III and includes cash and non-cash assets such as equities, debt securities and money market instruments. Collateral received by the Fund will be valued in accordance with the valuation methodology set out under the section entitled "Administration of the Company – Determination of Net Asset Value". Collateral received by the Fund will be marked-to-market daily and daily variation margins will be used.

Where a Fund receives collateral as a result of entering into total return swaps or Securities Financing Transactions, there is a risk that the collateral held by the Fund may decline in value or become illiquid. In addition, there can also be no assurance that the liquidation of any collateral provided to the Fund to secure a counterparty's obligations under a total return swap or Securities Financing Transaction would satisfy the counterparty's obligations in the event of a default by the counterparty. Where the Fund provides collateral as a result of entering into total return swaps or Securities Financing Transactions, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

For a summary of certain other risks applicable to total return swaps and Securities Financing Transactions, see the sections entitled "Descriptions and Risks of Fund Investments – Swap Contracts and Contracts for Differences", "Descriptions and Risks of Fund Investments – Repurchase Agreements", "Descriptions and Risks of Fund Investments – Reverse Repurchase Agreements and Similar Transactions", and "Descriptions and Risks of Fund Investments – Securities Lending".

A Fund may provide certain of its assets as collateral to counterparties in connection with total return swaps and Securities Financing Transactions. If the Fund has over-collateralised (i.e. provided excess collateral to the counterparty) in respect of such transactions, it may be an unsecured creditor in respect of such excess collateral in the event of the counterparty's insolvency. If the Depositary or its sub-custodian or a third party holds collateral on behalf of the Fund, the Fund may be an unsecured creditor in the event of the insolvency of such entity.

There are legal risks involved in entering into total return swaps or Securities Financing Transactions which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Subject to the restrictions laid down by the Central Bank as set out in paragraphs 35 to 36 of Schedule III, the Fund may re-invest cash collateral that it receives. If cash collateral received by the Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund.

Direct and indirect operational costs and fees arising from total return swaps or Securities Financing Transactions may be deducted from the revenue delivered to the Fund (e.g., as a result of revenue sharing arrangements). These costs and fees do not and should not include hidden revenue. All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Investment Manager or the Depositary.

Securitisation Regulation

On 17 January 2018, the new Securitisation Regulation (Regulation EU 2017/2402) (the "Securitisation Regulation") came into force and applies across the EU from 1 January 2019. The Securitisation Regulation replaces the existing sector-specific approach to securitisation regulation with a new set of rules that apply to all European securitisations. UCITS such as the Funds will be within scope of the Securitisation Regulation. Investors should be aware that there are material differences between the current EU risk retention requirements and the requirements which will apply under the Securitisation Regulation.

The definition of "securitisation" is intended to capture any transaction or scheme where the credit risk associated with an exposure or a pool of exposures is tranched. Essentially, the definition includes any investment with tranches or classes where payments in the transaction or scheme are dependent on the performance of the exposure or of the pool of exposures and the participation in losses differs between the tranches during the life of the transaction or scheme.

Institutional investors such as a Fund must ensure that the originator, sponsor or original lender of a securitisation retains at least a 5 per cent. net economic interest in the securitisation. These rules will mean that the Investment Manager or the sub-investment manager of the relevant Fund will need to conduct due diligence before an investment is made in a securitisation position and continue to perform due diligence during the period the investment continues in a securitisation. This new direct approach is intended to complement the existing due diligence requirements on institutional investors to verify before investing whether or not the securitising entity has retained risk. As a consequence, the new direct approach requires securitising entities established in the EU to retain risk even if the investors are located outside of the EU and are not institutional investors. The UCITS Directive has been amended to include a new provision stating that where UCITS are exposed to securitisation positions which do not meet the requirements of the Securitisation Regulation, the UCITS shall, "in the best interests of the investors in the relevant UCITS, act and take corrective action".

The Securitisation Regulation applies to securitisations the securities of which are issued on or after 1 January 2019 or which create new securitisation positions on or after that date. Pre-existing securitisations will be required to continue to apply the rules in place immediately prior to the effective date of the Securitisation Regulation unless new securities are issued or new positions created. Where a Fund wishes to invest in securities issued on or after 1 January 2019, and/or new securitisation positions created on or after that date, such securities and/or positions must comply with the requirements of the Securitisation Regulation.

European Benchmarks Regulation

Regulation (EU) 2016/1011 (the "Benchmarks Regulation") was published in the Official Journal of the EU on 29 June 2016 and entered into force on 30 June 2016. It is directly applicable law across the EU. The majority of its provisions are in force since 1 January 2018. The Benchmarks Regulation applies principally to "administrators" and also, in some respects, to "contributors" and certain "users" of "benchmarks". The Benchmarks Regulation, among other things: (i) requires benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and makes significant changes to the way in which benchmarks falling within scope of the Benchmarks Regulation are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors); and (ii) prevents certain uses of "benchmarks" provided by unauthorised administrators by supervised entities in the EU.

The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under, or the value or performance of, certain financial instruments traded on a trading venue, financial contracts and investment funds.

This could adversely affect the investments of the Funds that reference, either in whole or in part, a benchmark, if: (a) the underlying benchmark administrator does not obtain authorisation or, if based in a non-EU jurisdiction, the administrator is not otherwise recognised as equivalent; or (b) the methodology or other terms of the benchmark could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could (among other things) have the effect of reducing or increasing the rate or level, or affecting the volatility, of the published rate or level of the relevant benchmark.

The benchmark administrator for each Fund's Benchmark and any relevant Hurdle has: (a) been included in the register maintained by ESMA under the Benchmarks Regulation; or (b) has been exempted from this requirement. The Investment Manager will receive a performance fee in respect of certain Classes of Shares based upon the amount by which a Class out-performs its Hurdle. Hurdles and benchmarks may be discontinued if they do not comply with the requirements of the Benchmark Regulation, or if the administrator of the Hurdle or benchmark either fails to apply for authorisation or is refused authorisation by its home regulator. If advised by the Investment Manager that the Hurdle or benchmark will cease to exist or will change materially, the Directors will request that the Investment Manager identify a suitable replacement index for consideration and approval by the Board and instruct that the performance fee calculation methodology is amended as appropriate. If no suitable replacement is identified then the performance fee methodology will be amended to remove the reference as appropriate. Any changes to the performance fee methodology requires the approval of the Central Bank and, depending on the nature of the change (i.e. if the change would result in an increase in the performance fee payable), the approval of the Shareholders. If any proposed changes when implemented change the way in which a Hurdle is calculated, this could adversely affect the relevant Fund's profitability, Net Asset Value and Share price.

The Benchmark Regulation imposed conditions under which only compliant benchmarks may be used in new contracts after 2021. In July 2017, the head of the U.K.'s Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. LIBOR and other inter-bank lending rates and indices (such rates and indices which are deemed to be benchmark rates together with LIBOR, the "Benchmark Rates") and as of 31 December 2021, certain Benchmark Rates (all seven Euro and Swiss franc LIBOR tenors, overnight, one-week, two-month and 12-month sterling LIBOR, spot next, one-week, two-month and 12-month yen LIBOR, and one-week and two-month U.S. Dollar LIBOR) have been permanently discontinued. Publication of the overnight and 12-month U.S. Dollar LIBOR settings permanently ceased immediately after 30 June 2023. The U.S. federal banking agencies have issued guidance strongly encouraging banking organisations to cease using U.S. Dollar LIBOR as a reference rate in new contracts. It is uncertain whether or for how long LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what effect any such changes may have on the financial markets for LIBOR-linked financial instruments. Similar statements have been made by regulators with respect to the other Interbank Offered Rates (each, an "IBOR"). Regulators and market participants are working to develop successor rates and transition mechanisms to amend existing instruments and contracts to replace the IBORs with a new rate. For example, the Alternative Reference Rate Committee, a private-sector working group convened by the Federal Reserve Board and the Federal Reserve Bank of New York to identify alternative reference rates for LIBOR (the "ARRC"), and the International Swaps and Derivatives Association, Inc., a global trade association representing leading participants in the derivatives industry ("ISDA"), have taken significant steps toward the development of consensus-based fallbacks and alternatives to LIBOR, which appear constructive for end-users. In particular, the ARRC has published recommended fallback language for new issuances of several LIBOR-linked products. The ARRC fallback recommendations are intended to minimise disruptions when LIBOR is permanently discontinued or is no longer representative. In addition, ISDA has amended certain of its standard derivatives documentation to implement fallbacks for certain key IBORs and has published an ISDA protocol to facilitate amendments to existing derivatives documentation. The ISDA fallbacks will apply if the relevant IBOR is permanently discontinued or is determined to be no longer representative, based on defined triggers. There can be no assurance, however, that the alternative rates and fallbacks will be broadly adopted and/or effective at preventing or mitigating disruption as a result of the transition. The termination of LIBOR and IBORs could present other risks to a Fund. It is not possible at this point to identify those risks exhaustively but, in addition to the risks outlined above, they include the risk that an acceptable transition mechanism may not be found or may not be suitable for the Fund. Moreover, any alternative reference rate and any pricing adjustments required in connection with the transition from LIBOR or an IBOR could impose costs on, or may not be suitable for, the Fund, resulting in costs incurred to close out positions and enter into replacement trades. The Fund may undertake transactions in instruments that are valued using LIBOR rates or rates of an IBOR or enter into contracts that determine payment obligations by reference to LIBOR or an IBOR. Until their discontinuance, the Fund may continue to invest in instruments that reference LIBOR or IBORs.

In addition, as part of the transition to a replacement benchmark, parties may seek to adjust the spreads relative to such benchmarks in underlying contractual arrangements. It is not possible to predict the effect of any such changes, any establishment of alternative reference rates, or other reforms to the Benchmark Rates that may be enacted in the United States, UK or elsewhere.

Municipal Securities

Municipal obligations are issued by or on behalf of states, territories and possessions of the United States, including Puerto Rico, and their political subdivisions, agencies and instrumentalities and the District of Columbia to obtain funds for various public purposes. Municipal obligations are subject to more credit risk than U.S. government securities that are supported by the full faith and credit of the United States. The ability of municipalities to meet their obligations will depend on the availability of tax and other revenues, economic, political, and other conditions within the state and municipality, and the underlying fiscal condition of the state and municipality. As with other fixed income securities, municipal securities also expose their holders to market risk because their values typically change as interest rates fluctuate. The two principal classifications of municipal obligations are "notes" and "bonds."

Municipal notes are generally used to provide for short-term capital needs, such as to finance working capital needs of municipalities or to provide various interim or construction financing, and generally have maturities of one year or less. They are generally payable from specific revenues expected to be received at a future date or are issued in anticipation of long-term financing to be obtained in the market to provide for the repayment of the note.

Municipal bonds, which meet longer-term capital needs and generally have maturities of more than one year when issued, have two principal classifications: "general obligation" bonds and "revenue" bonds. Issuers of general obligation bonds, the proceeds of which are used to fund a wide range of public projects including the construction or improvement of schools, highways and roads, water and sewer systems and a variety of other public purposes, include states, counties, cities, towns and regional districts. The basic security behind general obligation bonds is the issuer's pledge of its full faith, credit, and taxing power for the payment of principal and interest.

Revenue bonds have been issued to fund a wide variety of capital projects including: electric, gas, water and sewer systems; highways, bridges and tunnels; port and airport facilities; colleges and universities; and hospitals. The principal security for a revenue bond is generally the net revenues derived from a particular facility or group of facilities or, in some cases, from the proceeds of a special excise or other specific revenue source.

Although the principal security behind these bonds varies widely, many provide additional security in the form of a debt service reserve fund whose monies also may be used to make principal and interest payments on the issuer's obligations. In addition to a debt service reserve fund, some authorities provide further security in the form of a state's ability (without obligation) to make up deficiencies in the debt reserve fund.

Securities purchased for the Fund may include variable/floating rate instruments, variable mode instruments, put bonds, and other obligations that have a specified maturity date but also are payable before maturity after notice by the holder. There are, in addition, a variety of hybrid and special types of municipal obligations as well as numerous differences in the security of municipal obligations both within and between the two principal classifications (i.e. notes and bonds). The Fund also may invest in credit default swaps on municipal securities. See the section entitled "Descriptions and Risks of Fund Investments – Swap Contracts and Contracts for Differences – Risk Factors in Swap Contracts, OTC Options and Other Two-Party Contracts."

Puerto Rico Municipal Securities. Municipal obligations issued by the Commonwealth of Puerto Rico or its political subdivisions, agencies, instrumentalities, or public corporations may be affected by economic, market, political, and social conditions in Puerto Rico. Puerto Rico currently is experiencing significant fiscal and economic challenges, including substantial debt service obligations, high levels of unemployment, underfunded public retirement systems, and persistent government budget deficits. These challenges and uncertainties have been exacerbated by hurricane Maria and the resulting natural disaster in Puerto Rico. These challenges may negatively affect the value of the Fund's investments in Puerto Rico municipal securities. Major ratings agencies have downgraded the general obligation debt of Puerto Rico to below investment grade and continue to maintain a negative outlook for this debt, which increases the likelihood that the rating will be lowered further. In both August 2015 and January 2016, Puerto Rico defaulted on its debt by failing to make full payment due on its outstanding bonds, and there can be no assurance that Puerto Rico will be able to satisfy its future debt obligations. Further downgrades or defaults may place additional strain on the Puerto Rico economy and may negatively affect the value, liquidity, and volatility of the Fund's investments in Puerto Rico municipal securities. In 2016, the Puerto Rico Oversight, Management, and Economic Stability Act, known as "PROMESA", was signed into law. Among other things, PROMESA established a federally-appointed Oversight Board to oversee Puerto Rico's financial operations and provides Puerto Rico a path to restructuring its debts, thus increasing the risk that Puerto Rico may never pay off municipal indebtedness, or may pay only a small fraction of the amount owed. Proceedings under PROMESA remain ongoing, and it is unclear at this time how those proceedings will be resolved or what impact they will have on the value of a Fund's investments in Puerto Rico municipal securities.

Auction Rate Securities

Each Fund may invest in auction rate securities. Auction rate securities consist of auction rate municipal securities and auction rate preferred securities sold through an auction process issued by closed-end investment companies, municipalities and governmental agencies. Provided that the auction mechanism is successful, auction rate securities usually permit the holder to sell the securities in an auction at par value at specified intervals. The dividend is reset by "Dutch" auction in which bids are made by brokers and other institutions for a certain amount of securities at a specified minimum yield. The dividend rate set by the auction is the lowest interest or dividend rate that covers all securities offered for sale. While this process is designed to permit auction rate securities to be traded at par value, there is the risk that an auction will fail due to insufficient demand for the securities. Since February 2008, numerous auctions have failed due to insufficient demand for securities and have continued to fail for an extended period of time. Failed auctions may adversely impact the liquidity of auction rate securities investments. Although some issuers of auction rate securities are redeeming or are considering redeeming such securities, such issuers are not obligated to do so and, therefore, there is no guarantee that a liquid market will exist for the Fund's investments in auction rate securities at a time when the Fund wishes to dispose of such securities.

Real Estate-Related Investments

Each Fund may invest in real estate-related investments such as securities of companies principally engaged in the real estate industry. Companies in the real estate industry and real estate-related investments may include, for example, entities that either own properties or make construction or mortgage loans, real estate developers, and companies with substantial real estate holdings. Each of these types of investments is subject to risks similar to those associated with direct ownership of real estate. Factors affecting real estate values include the supply of real property in particular markets, overbuilding, changes in zoning laws, casualty or condemnation losses, delays in completion of construction, changes in operations costs and property taxes, levels of occupancy, adequacy of rent to cover operating expenses, possible environmental liabilities, regulatory limitations on rent, fluctuations in rental income, increased competition, and other risks related to local and regional market conditions. The value of real estate-related investments also may be affected by changes in interest rates, macroeconomic developments, and social and economic trends. For instance, during periods of declining interest rates, certain real estate-related companies may hold mortgages that the mortgagors elect to prepay, which prepayment may diminish the yield on securities issued by those companies. Some real estate-related companies have relatively small market capitalisations, which can tend to increase the volatility of the market prices of their securities.

Real estate-related companies can be listed and traded on national securities exchanges or can be traded privately between individual owners. An exchange-traded company is generally more liquid than a company that is not traded on a securities exchange. The Fund may invest in both exchange-traded and privately-traded real estate-related companies.

In general, the value of a real estate-related company's shares changes in light of factors affecting the real estate industry, including changes in the value of the underlying property owned by the company and the quality of any credit extended. These companies are also subject to the risk of fluctuations in income from underlying real estate assets, poor performance by their manager and the manager's inability to manage cash flows generated by the company's assets, prepayments and defaults by borrowers, self-liquidation, and adverse changes in the tax laws.

By investing in real estate-related companies indirectly through the Fund, an investor will bear not only their proportionate share of the expenses of the Fund, but also, indirectly, similar expenses of such company. In addition, real estate-related companies depend generally on their ability to generate cash flow to make distributions to investors. Investments in these companies are subject to risks associated with the direct ownership of real estate.

In addition certain investments in real estate-related companies may cause adverse tax consequences for non-resident investors, including the Fund. For example, gain on the sale or other disposition of "U.S. real property interests," as defined in section 897 of the Code, will be taxed at a rate of 21 per cent. and potentially an additional 30 per cent. "branch profits" tax. Other jurisdictions, including Australia and

Canada, may treat dispositions of certain real property interests by non-resident investors in a similar manner.

Asset-Backed and Related Securities

The Fund may invest in asset-backed securities. An asset-backed security is a fixed income security that predominantly derives its creditworthiness from cash flows relating to a pool of assets. There are a number of different types of asset-backed and related securities, including mortgage-backed securities, securities backed by other pools of collateral (such as automobile loans, student loans, sub-prime mortgages, and credit card receivables). Investments in asset-backed securities are subject to all of the market risks for fixed income securities under the section entitled "Risk Factors – Market Risk – Fixed Income".

Mortgage-Backed Securities. Mortgage-backed securities are asset-backed securities backed by pools of residential and commercial mortgages, which may include sub-prime mortgages. Mortgage-backed securities may be issued by government agencies or instrumentalities (including those whose securities are neither guaranteed nor insured by the U.S. government, such as Freddie Mac, Fannie Mae, and FHLBs), or non-governmental issuers. Interest and principal payments (including prepayments) on the mortgage loans underlying mortgage-backed securities pass through to the holders of the mortgage-backed securities. Prepayments occur when the mortgagor on an individual mortgage loan prepays the remaining principal before the loan's scheduled maturity date. Unscheduled prepayments of the underlying mortgage loans may result in early payment of the applicable mortgage-backed securities held by the Fund. The Fund may be unable to invest prepayments in an investment that provides as high a yield as the mortgage-backed securities. Consequently, early payment associated with mortgage-backed securities may cause these securities to experience significantly greater price and yield volatility than traditional fixed income securities. Many factors affect the rate of mortgage loan prepayments, including changes in interest rates, general economic conditions, further deterioration of worldwide economic and liquidity conditions, the location of the property underlying the mortgage, the age of the mortgage loan, governmental action, including legal impairment of underlying home loans, changes in demand for products financed by those loans, the inability of borrowers to refinance existing loans (e.g., sub-prime mortgages), and social and demographic conditions. During periods of falling interest rates, the rate of mortgage loan prepayments usually increases, which tends to decrease the life of mortgage-backed securities. During periods of rising interest rates, the rate of mortgage loan prepayments usually decreases, which tends to increase the life of mortgage-backed securities.

Mortgage-backed securities are subject to varying degrees of credit risk, depending on whether they are issued by government agencies or instrumentalities (including those whose securities are neither guaranteed nor insured by those governments) or by non-governmental issuers. Securities issued by private organisations may not be readily marketable. When worldwide economic and liquidity conditions deteriorated in 2008, mortgage-backed securities became subject to greater illiquidity risk. These conditions may occur again. Also, government actions and proposals affecting the terms of underlying home loans, changes in demand for products (e.g., automobiles) financed by those loans, and the inability of borrowers to refinance existing loans (e.g., sub-prime mortgages), have had, and may continue to have, adverse valuation and liquidity effects on mortgage-backed securities. Although liquidity of mortgage-backed securities has improved, there can be no assurance that in the future the market for mortgage-backed securities will continue to improve and become more liquid. In addition, mortgage-backed securities are subject to the risk of loss of principal if the obligors of the underlying obligations default in their payment obligations, and to certain other risks described in "Other Asset-Backed Securities" below. The risk of defaults associated with mortgage-backed securities is generally higher in the case of mortgage-backed investments that include sub-prime mortgages. See the sections entitled "Risk Factors – Market Risk – Asset-Backed Securities" and "Risk Factors – Credit Risk" in the Prospectus for more information regarding credit and other risks associated with investments in asset-backed securities.

Mortgage-backed securities may include Adjustable Rate Securities as such term is defined in "Adjustable Rate Securities" below.

Other Asset-Backed Securities. Similar to mortgage-backed securities, other types of asset-backed securities may be issued by government agencies or instrumentalities (including those whose securities are neither guaranteed nor insured by the U.S. government), or non-governmental issuers. These securities include securities backed by pools of automobile loans, educational loans, home equity loans, and credit card receivables. The underlying pools of assets are securitised through the use of trusts and special purpose entities. These securities may be subject to risks associated with changes in interest rates and prepayment of underlying obligations similar to the risks of investment in mortgage-backed securities described immediately above. Similar to mortgage-backed securities, other asset-backed securities face illiquidity risk from worldwide economic and liquidity conditions as described above in the section entitled "Descriptions and Risks of Fund Investments – Asset-Backed and Related Securities - Mortgage-Backed Securities." The risk of investing in asset-backed securities has increased since 2008 because performance of the various sectors in which the assets underlying asset-backed securities are concentrated (e.g., auto loans, student loans, sub-prime mortgages, and credit card receivables) has become more highly correlated.

Payment of interest on asset-backed securities and repayment of principal largely depends on the cash flows generated by the underlying assets backing the securities and, in certain cases, may be supported by letters of credit, surety bonds, or other credit enhancements. The amount of market risk associated with asset-backed securities depends on many factors, including the deal structure (e.g., the amount of underlying assets or other support available to produce the cash flows necessary to service interest and make principal payments), the quality of the underlying assets, the level of credit support, if any, provided for the securities, and the credit quality of the credit-support provider, if any. Principal repayments of asset-backed securities are at risk if obligors of the underlying obligations default in payment of the obligations and the defaulted obligations exceed the securities' credit support. The issuance of underlying assets may be subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors. In addition, the existence of insurance on an asset-backed security does not guarantee that principal and/or interest will be paid because the insurer could default on its obligations. During the 2008 global financial crisis, a significant number of asset-backed security insurers have defaulted on their obligations.

The market value of an asset-backed security may be affected by the factors described above and other factors, such as the availability of information concerning the pool and its structure, the creditworthiness of the servicing agent for the pool, the originator of the underlying assets, or the entities providing the credit enhancement. The market value of asset-backed securities also can depend on the ability of their servicers to service the underlying collateral and is, therefore, subject to risks associated with servicers' performance. In some circumstances, a servicer's or originator's mishandling of documentation for underlying assets (e.g., failure to properly document a security interest in the underlying collateral) can affect the rights of the holders of those underlying assets. In addition, the insolvency of an entity that generated the assets underlying an asset-backed security is likely to result in a decline in the market price of that security as well as costs and delays.

Certain types of asset-backed securities present additional risks that are not presented by mortgage-backed securities. In particular, certain types of asset-backed securities may not have the benefit of a security interest in the related assets. For example, many securities backed by credit card receivables are unsecured. In addition, the Fund may invest in securities backed by pools of corporate or sovereign bonds, bank loans to corporations, or a combination of bonds and loans, many of which may be unsecured (commonly referred to as CDOs or CLOs) (see the section entitled "Descriptions and Risks of Fund Investments – Asset-Backed and Related Securities - Collateralised Debt Obligations"). Even when security interests are present, the ability of an issuer of certain types of asset-backed securities to enforce those interests may be more limited than that of an issuer of mortgage-backed securities. For instance, automobile receivables generally are secured by automobiles rather than by real property. Most issuers of automobile receivables permit loan servicers to retain possession of the underlying assets. In addition, because of the large number of underlying vehicles involved in a typical issue of asset-backed securities and technical requirements under applicable law, the trustee for the holders of the automobile receivables may not have a proper security interest in all of the automobiles. Therefore, recoveries on repossessed automobiles may not be available to support payments on these securities.

In addition, certain types of asset-backed securities may experience losses on the underlying assets as a result of certain rights provided to consumer debtors under applicable law. In the case of certain consumer debt, such as credit card debt, debtors are entitled to the protection of consumer credit laws, many of which give such debtors the right to set off certain amounts owed on their credit cards (or other debt), thereby reducing their balances due. For instance, a debtor may be able to offset certain damages for which a court has determined that the creditor is liable to the debtor against amounts owed to the creditor by the debtor on their credit card.

CMOs; Residuals and Strips. A CMO is a debt obligation backed by a portfolio of mortgages or mortgage-backed securities held under an indenture. The issuer of a CMO generally pays interest and prepaid principal on a monthly basis. These payments are secured by the underlying portfolio, which typically includes mortgage pass-through securities guaranteed by government agencies (e.g., in the U.S., Freddie Mac, Fannie Mae, or Ginnie Mae) and their income streams, and which also may include whole mortgage loans and private mortgage bonds.

CMOs are issued in multiple classes, often referred to as "tranches." Each class has a different maturity and is entitled to a different schedule for payments of principal and interest, including pre-payments.

In a typical CMO transaction, the issuer of the CMO bonds uses proceeds from the CMO offering to buy mortgages or mortgage pass-through certificates (the "Collateral"). The issuer then pledges the Collateral to a third party trustee as security for the CMOs. The issuer uses principal and interest payments from the Collateral to pay principal on the CMOs, paying the tranche with the earliest maturity first. Thus, the issuer pays no principal on a tranche until all other tranches with earlier maturities are paid in full. The early retirement of a particular class or series has the same effect as the prepayment of mortgage loans underlying a mortgage-backed pass-through security.

CMOs may be less liquid and may exhibit greater price volatility than other types of mortgages- or other asset-backed securities.

Each Fund also may invest in CMO residuals, which are issued by agencies or instrumentalities of the U.S. government or by private lenders of, or investors in, mortgage loans, including savings and loan associations, homebuilders, mortgage banks, commercial banks, and investment banks. A CMO residual represents excess cash flow generated by the Collateral after the issuer of the CMO makes all required principal and interest payments and after the issuer's management fees and administrative expenses have been paid. Thus, CMO residuals have value only to the extent income from the Collateral exceeds the amount necessary to satisfy the issuer's debt obligations on all other outstanding CMOs. The amount of residual cash flow resulting from a CMO will depend on, among other things, the characterisation of the mortgage assets (i.e. details of the underlying loans, for example, interest terms and maturity date(s)), the coupon rate of each class of CMO, prevailing interest rates, the amount of administrative expenses, and the pre-payment experience on the mortgage assets.

CMOs also include certificates representing undivided interests in payments of IO/PO Strips on the underlying mortgages.

IO/PO Strips and CMO residuals tend to be more volatile than other types of securities. If the underlying securities are prepaid, holders of IO/PO Strips and CMO residuals may lose a substantial portion or the entire value of their investment. In addition, if a CMO pays interest at an adjustable rate, the cash flows on the related CMO residual will be extremely sensitive to rate adjustments.

Collateralised Debt Obligations. The Fund may invest in CDOs, which include CBOs, CLOs, and other similarly structured securities. CBOs and CLOs are asset-backed securities. A CBO is an obligation of a trust or other special purpose vehicle backed by a pool of fixed income securities. A CLO is an obligation of a trust or other special purpose vehicle typically collateralised by a pool of loans, which may include senior secured and unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade, or equivalent unrated loans.

For both CBOs and CLOs, the cash flows from the trust are split into two or more portions, called tranches, which vary in risk and yield. The riskier portions are the residual, equity, and subordinate tranches, which bear some or all of the risk of default by the bonds or loans in the trust, and therefore protect the other, more senior tranches from default in all but the most severe circumstances. Since it is partially protected from defaults, a senior tranche from a CBO trust or CLO trust typically has higher ratings and lower yields than its underlying securities, and can be rated investment grade. Despite the protection from the riskier tranches, senior CBO or CLO tranches can experience substantial losses due to actual defaults (including collateral default), the total loss of the riskier tranches due to losses in the collateral, market anticipation of defaults, fraud by the trust, and the illiquidity of CBO or CLO securities.

The risks of an investment in a CDO largely depend on the type of underlying collateral securities and the tranche in which the Fund invests. The Fund may invest in any tranche of a CBO or CLO. Typically, CBOs, CLOs and other CDOs are privately offered and sold. As a result, certain investments in CDOs may be less illiquid, unless an active dealer market for a particular CDO allows the CDO to be purchased and sold. CDOs are subject to the typical risks associated with debt instruments including interest rate risk (which may be exacerbated if the interest rate payable on a structured financing changes based on multiples of changes in interest rates or inversely to changes in interest rates), default risk, prepayment risk, credit risk, illiquidity risk, market risk, structural risk, and legal risk. Additional risks of CDOs include: (i) the possibility that distributions from collateral securities will be insufficient to make interest or other payments; (ii) the possibility that the quality of the collateral may decline in value or default, due to factors such as the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans, or other assets that are being securitised, remoteness of those assets from the originator or transferor, the adequacy of and ability to realise upon any related collateral, and the capability of the servicer of the securitised assets; (iii) market and illiquidity risks affecting the price of a structured finance investment, if required to be sold, at the time of sale; and (iv) if the particular structured product is invested in a security in which the Fund is also invested, this would tend to increase the Fund's overall exposure to the credit of the issuer of such securities, at least on an absolute, if not on a relative basis. In addition, due to the complex nature of a CDO, an investment in a CDO may not perform as expected. An investment in a CDO also is subject to the risk that the issuer and the investors may interpret the terms of the instrument differently, giving rise to disputes.

The Fund may invest in covered bonds, which are debt securities issued by banks or other credit institutions that are backed by both the issuing institution and underlying pool of assets that compose the bond (a "cover pool"). The cover pool for a covered bond is typically composed of residential or commercial mortgage loans or loans to public sector institutions. A covered bond may lose value if the credit rating of the issuing bank or credit institution is downgraded or the quality of the assets in the cover pool deteriorates.

Some structured financing may have prepayment provisions or which are prepaid because underlying loans are prepaid earlier than expected or capital may otherwise be repaid earlier than expected. If the Investment Manager is unable to identify new accretive income producing assets that meet a Fund's investment objectives and policy, or are unable to do so in a timely manner, this could adversely affect the Fund's investment.

In many securitisations, CDO and CLO transactions, there are asset and counterparty performance requirements that must be met to ensure income is paid to all investors, rather than being retained in a lock-up or cash reserve as additional credit or liquidity support for senior investors. If a Fund takes subordinated positions in such transactions, if a diversion were to occur, it could result in an elimination, deferral or reduction of the income received by the Fund.

The underlying collateral in a loan portfolio or securitisation is not necessarily individually assessed prior to purchase. The manager of the loan portfolio is responsible for managing the collateral, but may not be able to prevent losses. Losses may occur not only because of default, but an adverse change in interest rates, poor servicing by a portfolio manager, prepayment occurring outside historical averages, adverse credit spread moves, basis risk movements and lower than assumed collateral recover rates, amongst others. Such losses within the collateral may adversely impact the loan portfolio or securitisation assets in which a Fund may invest.

A Fund may hold a minority position in structured finance transactions and have little or no capacity to influence the transaction and may result in the Investment Manager being forced to take an action which it believes is not in the best interest of the Fund.

Each loan portfolio is administered by a servicer whose role may include underwriting the loan portfolio, arranging its securitisation, administering cash flows and arrears, overseeing the realisation of security where a loan has gone into default. A Fund's investment and the return to the Fund may be adversely impacted where, among other things, the servicer (1) fails to follow best practices in realising any security values, or (2) fails to adequately administer the loans that fall into arrears or default. In the event that the servicer is unable to meet its administrative obligations, a substitute servicer will need to be appointed. There is a risk that a substitute servicer will not be available when required, that the substitute servicer will not be able to perform its duties with the requisite level of skill and competence or that it will require extra time to assume responsibility for the portfolio.

Adjustable Rate Securities

Each Fund may invest in adjustable rate securities. Adjustable rate securities are securities that have interest rates that reset at periodic intervals, usually by reference to an interest rate index or market interest rate. Adjustable rate securities include government securities and securities of other issuers. Some adjustable rate securities are backed by pools of mortgage loans. Although the rate adjustment feature may act as a buffer to reduce sharp changes in the value of adjustable rate securities, changes in market interest rates or changes in the issuer's creditworthiness may still affect their value. Because the interest rate is reset only periodically, changes in the interest rates on adjustable rate securities may lag changes in prevailing market interest rates. Also, some adjustable rate securities (or, in the case of securities backed by mortgage loans, the underlying mortgages) are subject to caps or floors that limit the maximum change in interest rate during a specified period or over the life of the security. Because of the rate adjustments, adjustable rate securities are less likely than non-adjustable rate securities of comparable quality and maturity to increase significantly in value when market interest rates fall.

Below Investment Grade Securities

Each Fund may invest some or all of its assets in securities or instruments rated below investment grade (that is, rated below Baa3/P-2 by Moody's or below BBB-/A-2 by S&P for a particular security/commercial paper, or securities unrated by Moody's or S&P that are determined by the Investment Manager to be of comparable quality to securities so rated) at the time of purchase, including securities in the lowest rating categories and comparable unrated securities ("Below Investment Grade Securities") (commonly referred to as "junk bonds" or "high yield debt") including distressed and defaulted debt securities, and having any maturity or duration. In addition, the Fund may hold securities that are downgraded to below investment grade status after the time of purchase by the Fund. The lower rating of Below Investment Grade Securities reflects a greater possibility that adverse changes in the financial condition of the obligor or in general economic, regulatory or other conditions (including, for example, a substantial period of rising interest rates or declining earnings) may impair the ability of the obligor to make payment of principal and interest. Many issuers of Below Investment Grade Securities are highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations. In addition, many issuers of Below Investment Grade Securities may be (i) in poor financial condition; (ii) experiencing poor operating results; (iii) having substantial capital needs or negative net worth; or (iv) facing special competitive or product obsolescence problems, and may include companies involved in bankruptcy or other reorganisations or liquidation proceedings. Compared to higher quality fixed income securities, Below Investment Grade Securities offer the potential for higher investment returns but subject holders to greater credit and market risk. The ability of an issuer of Below Investment Grade Securities to meet principal and interest payments is considered speculative. The Fund's investments in Below Investment Grade Securities are more dependent on the Investment Manager's own credit analysis than its investments in higher quality bonds. Certain of these securities may not be publicly traded, and therefore it may be difficult to obtain information as to the true condition of the issuers. Overall declines in the below investment-grade bond and other markets may adversely affect such issuers by inhibiting their ability to refinance their debt at maturity. Below Investment Grade Securities are often issued in connection with leveraged acquisitions or recapitalisations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. Below Investment Grade Securities have historically experienced greater default rates than has been the case for investment-grade securities.

Below Investment Grade Securities are often less liquid than higher rated securities. Reduced liquidity can affect the values of Below Investment Grade Securities, make their valuation and sale more difficult, and result in greater volatility. Because Below Investment Grade Securities are difficult to value and are more likely to be fair valued (see the section entitled "Administration of the Company – Determination of Net Asset Value"), particularly during erratic markets, the prices realised on their sale may differ from the values at which they are carried by a Fund. In addition, as with other types of investments, the market for Below Investment Grade Securities has historically been subject to disruptions that have caused substantial volatility in the prices of such securities. The market for Below Investment Grade Securities may be more severely affected than other financial markets by economic recession or substantial interest rate increases, changing public perceptions, or legislation that limits the ability of certain categories of financial institutions to invest in Below Investment Grade Securities. Consolidation in the financial services industry has resulted in there being fewer market makers for Below Investment Grade Securities, which may result in the further risk of illiquidity and volatility with respect to Below Investment Grade Securities held by a Fund, and this trend may continue in the future. Furthermore, Below Investment Grade Securities held by a Fund may not be registered under the Securities Act, and, unless so registered, the Fund will not be able to sell such Below Investment Grade Securities except pursuant to an exemption from registration under the Securities Act. This may further limit the Fund's ability to sell Below Investment Grade Securities or to obtain the desired price for such securities.

Below Investment Grade Securities are generally unsecured and may be subordinate to other obligations of the obligor, including obligations to senior creditors, trade creditors and employees.

Securities in the lowest investment-grade category (BBB or Baa) also have some speculative characteristics. Such characteristics relate to the assumption of risk in anticipation of gain but recognising the greater level of risk associated with such investment. Lower-rated securities are typically more speculative as there is potentially a higher rate of return from such investments but also a higher risk of loss.

Distressed or Defaulted Debt Securities

Each Fund may invest in distressed or defaulted debt securities for investment purposes. Distressed or defaulted securities are securities, claims, and obligations of issuers which are experiencing (or that are expected to experience) significant financial or business difficulties (including companies involved in bankruptcy or other reorganisation and liquidation proceedings). Each Fund may purchase distressed securities and instruments of all kinds, including equity and debt instruments and, in particular, claims held by trade or other creditors, bonds, notes, beneficial interests in liquidating trusts or other similar types of trusts, fee interests and financial interests in real estate, partnership interests and similar financial instruments, executory contracts and participations therein, many of which are not publicly traded and which may involve a substantial degree of risk.

Investments in distressed or defaulted debt securities generally are considered speculative and may involve substantial risks not normally associated with investments in higher quality securities, including adverse business, financial or economic conditions that can lead to payment defaults and insolvency proceedings on the part of their issuers.

In particular, defaulted obligations might be repaid, if at all, only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. The amount of any recovery may be adversely affected by the relative priority of the Fund's investment in the issuer's capital structure. The ability to enforce obligations may be adversely affected by actions or omissions of predecessors in interest that give rise to counterclaims or defences, including causes of action for equitable subordination or debt recharacterisation. In addition, such investments, collateral securing such investments, and payments made in respect of such investments may be challenged as fraudulent conveyances or to be subject to avoidance as preferences under certain circumstances.

Investments in distressed securities inherently have more credit risk than do investments in similar securities and instruments of non-distressed companies, and the degree of risk associated with any particular distressed securities may be difficult or impossible for the Investment Manager to determine within reasonable standards of predictability. The level of analytical sophistication, both financial and legal, necessary for successful investment in distressed securities is unusually high.

If the Investment Manager's assessment of the eventual recovery value of a defaulted debt security proves incorrect, a Fund is likely to lose a substantial portion or all of its investment or may be required to accept cash or instruments worth less than its original investment.

Investments in financially distressed companies domiciled in other jurisdictions involve additional risks. Bankruptcy law and creditor reorganisation processes may differ substantially from those in such jurisdictions, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganisation timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganisation remains highly uncertain.

Master Limited Partnerships

A master limited partnership ("MLP") generally is a publicly traded company organised as a limited partnership or limited liability company and treated as a partnership for U.S. federal income tax purposes. MLPs may derive income and gains from, among other things, the exploration, development, mining or production, processing, refining, transportation (including pipelines transporting gas, oil, or products thereof), or the marketing of any mineral or natural resources. MLPs generally have two classes of owners, the general partner and limited partners. The general partner of an MLP is typically owned by one or more of the following: a major energy company, an investment fund, or the direct management of the MLP. The general partner may be structured as a private or publicly traded corporation or other entity. The general partner typically controls the operations and management of the MLP through an up to 2 per cent. equity interest in the MLP plus, in many cases, ownership of common units and subordinated units. Limited partners own the remainder of the partnership through ownership of common units and have a limited role in the partnership's operations and management.

MLP securities in which a Fund may invest can include, but are not limited to: (i) equity securities of MLPs, including common units, preferred units or convertible subordinated units; (ii) debt securities of MLPs, including debt securities rated below investment grade; (iii) securities of MLP affiliates (i.e. securities in the parent companies or other affiliates of the MLP); (iv) securities of open-end funds, closed-end funds or ETFs that invest primarily in MLP securities; or (v) exchange-traded notes whose returns are linked to the returns of MLPs or MLP indices.

The risks of investing in an MLP are generally those inherent in investing in a partnership as opposed to a corporation. For example, state law governing partnerships is often less restrictive than state law governing corporations. Accordingly, there may be fewer protections afforded investors in an MLP than investors in a corporation. Additional risks involved with investing in an MLP are risks associated with the specific industry or industries in which the partnership invests.

Brady Bonds

Each Fund may invest in Brady Bonds for investment purposes. Brady Bonds are securities created through the restructuring of commercial bank loans to public and private entities under a debt restructuring plan introduced by former U.S. Secretary of the Treasury Nicholas F. Brady (the "Brady Plan"). Brady Plan debt restructurings have been implemented in Mexico, Uruguay, Venezuela, Costa Rica, Argentina, Nigeria, the Philippines, and other Emerging Market Countries.

Brady Bonds may be collateralised, are issued in various currencies (but primarily the U.S. Dollar), and are traded in OTC secondary markets. U.S. Dollar-denominated, collateralised Brady Bonds, which may be fixed-rate bonds or floating-rate bonds, are generally collateralised in full as to principal by U.S. Treasury zero coupon bonds having the same maturity as the bonds.

The valuation of a Brady Bond typically depends on an evaluation of: (i) any collateralised repayments of principal at final maturity; (ii) any collateralised interest payments; (iii) the uncollateralised interest payments; and (iv) any uncollateralised repayments of principal at maturity (the uncollateralised amounts constitute the "residual risk"). In light of the history of prior defaults by the issuers of Brady Bonds, investments in Brady Bonds may be viewed as speculative regardless of the current credit rating of the issuer. There are very few remaining Brady Bonds in existence today.

Euro bonds

Each Fund may invest in Euro Bonds for investment purposes. Euro bonds are securities denominated in U.S. Dollars or another currency and sold to investors outside of the country whose currency is used. Euro bonds may be issued by government or corporate issuers, and are typically underwritten by banks and brokerage firms in numerous countries. While Euro bonds often pay principal and interest in U.S. Dollars held in banks outside of the United States ("Eurodollars"), some Euro bonds may pay principal and interest in other currencies. Euro bonds are subject to the same risks as other fixed income securities. See the section entitled "Descriptions and Risks of Fund Investments - Debt and Other Fixed Income Securities Generally."

Zero Coupon Securities

Each Fund may invest in "zero coupon" fixed income securities. "Zero coupon" fixed income securities accrue interest income at a fixed rate based on initial purchase price and length to maturity, but the securities do not pay interest in cash on a current basis. The market value of zero coupon securities is often more volatile (particularly in the short term) than that of non-zero coupon fixed income securities of comparable quality and maturity. Zero coupon securities include IO/PO Strips and STRIPS.

Indexed Investments

Each Fund may invest in various transactions and instruments that are designed to track the performance of an index (including, but not limited to, securities indices and credit default indices). Indexed securities are securities the repurchase values and/or coupons of which are indexed to a specific instrument, group of instruments, index, or other statistic. Indexed securities typically, but not always, are debt securities or deposits whose value at maturity or coupon rate is determined by reference to other securities, securities or inflation indices, currencies, or other financial indicators.

While investments that track the performance of an index may increase the number, and thus the diversity, of the underlying assets to which the Fund is exposed, such investments are subject to many of the same risks of investing in the underlying assets that comprise the index discussed elsewhere in this section, as well as certain additional risks that are not typically associated with investments in such underlying assets. An investment that is designed to track the performance of an index may not replicate and maintain exactly the same composition and relative weightings of the assets in the index. Additionally, the liquidity of the market for such investments may be subject to the same conditions affecting liquidity in the underlying assets and markets and could be relatively less liquid in certain circumstances. The performance of indexed securities depends on the performance of the security, security index, inflation index, currency, or other instrument to which they are indexed. Interest rate changes also may influence performance. Indexed securities also are subject to the credit risks of the issuer, and their values are adversely affected by declines in the issuer's creditworthiness.

The Fund's investments in certain indexed securities, including inflation-indexed bonds, may generate taxable income in excess of the interest they pay to the Fund. In addition, the increasing popularity of passive index-based investing may have the potential to increase security price correlations and volatility. As passive strategies generally buy or sell securities based simply on inclusion and representation in an index, securities prices will have an increasing tendency to rise or fall based on whether money is flowing into or out of passive strategies rather than based on an analysis of the prospects and valuation of individual securities. This may result in increased market volatility as more money is invested through passive strategies.

Currency-Indexed Securities. Currency-indexed securities have maturity values or interest rates determined by reference to the values of one or more foreign currencies. Currency-indexed securities also may have maturity values or interest rates that depend on the values of a number of different foreign currencies relative to each other.

Inverse Floating Obligations. Indexed securities in which the Fund may invest include so-called "inverse floating obligations" or "residual interest bonds" on which the interest rates typically decline as the index or reference rates, typically short-term interest rates, increase and increase as index or reference rates decline. An inverse floating obligation may have the effect of investment leverage to the extent that its interest rate varies by a magnitude that exceeds the magnitude of the change in the index or reference rate of interest. Generally, leverage will result in greater price volatility.

Inflation-Indexed Bonds. The Fund may invest in inflation-indexed bonds and in futures contracts on inflation-indexed bonds. See the section entitled "Descriptions and Risks of Fund Investments - Options, Futures, and Forward Contracts – Inflation-Linked Futures" for a discussion of inflation-linked futures. Inflation-indexed bonds are fixed income securities whose principal value is adjusted periodically according to the rate of inflation. Two structures are common. The U.S. Treasury and some other issuers use a structure that accrues inflation into the principal value of the bond. Most other issuers pay out the CPI accruals as part of a semiannual coupon.

Inflation-indexed securities issued by the U.S. Treasury ("TIPS") have maturities of approximately three, five, ten, or thirty years, although it is possible that securities that have other maturities will be issued in the future. U.S. Treasury securities pay interest on a semi-annual basis equal to a fixed percentage of the inflation-adjusted principal amount. For example, if the Fund purchased an inflation-indexed bond with a par value of $1,000 and a 3 per cent. real rate of return coupon (payable 1.5 per cent. semi-annually), and the rate of inflation over the first six months was 1 per cent., the mid-year par value of the bond would be $1,010 and the first semi-annual interest payment would be $15.15 ($1,010 times 1.5 per cent.). If inflation during the second half of the year resulted in the whole year's inflation equaling 3 per cent., the end-of-year par value of the bond would be $1,030 and the second semi-annual interest payment would be $15.45 ($1,030 times 1.5 per cent.).

If the periodic adjustment rate measuring inflation falls, the principal value of inflation-indexed bonds will be adjusted downward and, consequently, the interest they pay (calculated with respect to a smaller principal amount) will be reduced. The U.S. government guarantees the repayment of the original bond principal upon maturity (as adjusted for inflation) in the case of a TIPS, even during a period of deflation, although the inflation-adjusted principal received could be less than the inflation-adjusted principal that had accrued to the bond at the time of purchase. However, the current market value of the bonds is not guaranteed and will fluctuate. The Fund also may invest in other inflation-related bonds which may or may not provide a similar guarantee. If a guarantee of principal is not provided, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

The market price of inflation-indexed bonds (including TIPS) normally changes when real interest rates change. Their value typically declines during periods of rising real interest rates (i.e. nominal interest rate minus inflation) and increases during periods of declining real interest rates. Real interest rates, in turn, are tied to the relationship between nominal interest rates (i.e. stated interest rates) and the rate of inflation. Therefore, if the rate of inflation rises at a faster rate than nominal interest rates, real interest rates (i.e. nominal interest rate minus inflation) might decline, leading to an increase in value of inflation-indexed bonds. In contrast, if nominal interest rates increase at a faster rate than inflation, real interest rates might rise, leading to a decrease in value of inflation-indexed bonds. In some interest rate environments, such as when real interest rates are rising faster than nominal interest rates, the market price of inflation-indexed bonds may decline more than the price of non-inflation-indexed (or nominal) fixed income bonds with similar maturities. Moreover, if the index measuring inflation falls, the principal value of inflation-indexed bond investments will be adjusted downward, and, consequently, the interest they pay (calculated with respect to a smaller principal amount) will be reduced.

Although inflation-indexed bonds protect their holders from long-term inflationary trends, short-term increases in inflation may result in a decline in value. In addition, inflation-indexed bonds do not protect holders from increases in interest rates due to reasons other than inflation (such as changes in currency exchange rates).

The periodic adjustment of U.S. inflation-indexed bonds is tied to the Consumer Price Index for Urban Consumers ("CPI-U"), which is calculated monthly by the U.S. Bureau of Labor Statistics. The CPI-U is a measurement of changes in the cost of living, made up of components such as housing, food, transportation, and energy. Inflation-indexed bonds issued by a foreign government are generally adjusted to reflect changes in a comparable inflation index calculated by the foreign government. No assurance can be given that the CPI-U or any foreign inflation index will accurately measure the real rate of inflation in the prices of goods and services. In addition, no assurance can be given that the rate of inflation in a foreign country will correlate to the rate of inflation in the United States.

Structured Notes

Similar to indexed securities, structured notes are derivative debt securities, the interest rate or principal of which is determined by reference to changes in the value of a specific asset, reference rate, or index (the "reference") or the relative change in two or more references. The interest rate or the principal amount payable upon maturity or redemption may increase or decrease, depending upon changes in the reference. The terms of a structured note may provide that, in certain circumstances, no principal is due at maturity and, therefore, may result in a loss of invested capital. Structured notes may be indexed positively or negatively, so that appreciation of the reference may produce an increase or decrease in the interest rate or value of the principal at maturity. In addition, changes in the interest rate or the value of the principal at maturity may be fixed at a specified multiple of the change in the value of the reference, making the value of the note particularly volatile.

Structured notes may entail a greater degree of market risk than other types of debt securities because the investor bears the risk of the reference. Structured notes also may be more volatile, less liquid, and more difficult to price accurately than less complex securities or more traditional debt securities. Structured notes may be listed or traded on a Regulated Market anywhere in the world. It is intended that they will provide exposure to equity and equity-related securities, debt securities, money market instruments, currencies and interest rates. The Fund will only invest in structured notes that are freely transferable.

Firm Commitments, When-Issued Securities, and TBAs

Each Fund may enter into firm commitments and similar agreements with banks or brokers for the purchase or sale of securities at an agreed-upon price on a specified future date. For example, a fund that invests in fixed income securities may enter into a firm commitment agreement if the Investment Manager anticipates a decline in interest rates and believes it is able to obtain a more advantageous future yield by committing currently to purchase securities to be issued later. The Fund generally does not earn income on the securities it has committed to purchase until after delivery. The Fund may take delivery of the securities or, if deemed advisable as a matter of investment strategy, may sell the securities before the settlement date. When payment is due on when-issued or delayed-delivery securities, the Fund makes payment from then-available cash flow or the sale of securities, or from the sale of the when-issued or delayed-delivery securities themselves (which may have a value greater or less than what the Fund paid for them).

Each Fund may purchase or sell securities, including mortgage-backed securities, in the TBA market. A TBA purchase commitment is a security that is purchased or sold for a fixed price and the underlying securities are announced at a future date. The seller does not specify the particular securities to be delivered. Instead, the Fund agrees to accept any security that meets specified terms. For example, in a TBA mortgage-backed security transaction, a fund and the seller would agree upon the issuer, interest rate and terms of the underlying mortgages. The seller would not identify the specific underlying mortgages until it issues the security. The purchaser of TBA securities generally is subject to increased market risk and interest rate risk because the delivered securities may be less favourable than anticipated by the purchaser. The rules requiring mandatory minimum margin for TBA trades are not yet effective.

Investments in Other Investment Companies or Other Pooled Investments

Subject to applicable regulatory requirements, each Fund may invest in shares of both open- and closed-end investment companies (including other funds managed by the Investment Manager or its affiliates, money market funds, and ETFs). Investing in another investment company exposes the Fund to all the risks of that investment company and, in general, subjects it to a pro rata portion of the other investment company's fees and expenses. Subject to the UCITS Regulations and the Central Bank Regulations, the Fund also may invest in private investment funds, investment vehicles, or investment structures provided that such investment is cleared in advance with the Central Bank.

ETFs are hybrid investment companies that are registered as open-end investment companies or unit investment trusts ("UITs") but possess some of the characteristics of closed-end funds. ETFs in which the Fund may invest typically hold a portfolio of either bonds or other fixed income instruments or common stocks that is intended to track the price and dividend performance of a particular index. Unlike the index, an ETF incurs administrative expenses and transaction costs in trading securities. In addition, the timing and magnitude of cash inflows and outflows from and to investors buying and repurchasing shares in the ETF could create cash balances that cause the ETF's performance to deviate from the index (which remains "fully invested" at all times). Performance of an ETF and the index it is designed to track also may diverge because the composition of the index and the securities held by the ETF may occasionally differ. The Fund also may invest in actively-managed ETFs. Common examples of ETFs include S&P Depositary Receipts ("SPDRs"), Vanguard ETFs, and iShares, which may be purchased from the UIT or investment company issuing the securities or in the secondary market (SPDRs, Vanguard ETFs, and iShares are predominantly listed on the NYSE Arca). The market prices for ETF shares may be higher or lower than the ETF's net asset value. The sale and repurchase prices of ETF shares purchased from the issuer are based on the issuer's net asset value.

Units of ETFs may, depending on the circumstances, be classified under the UCITS Regulations as units in a UCITS, units in an AIF or transferable securities. For the avoidance of doubt, for units in an ETF to constitute transferable securities within the meaning of the UCITS Regulations, the relevant fund must be closed-ended and the units must fulfil the other criteria applicable to transferable securities under the UCITS Regulations.

Collateral Policy

The policy that will be applied to collateral arising from OTC derivative transactions or efficient portfolio management techniques relating to the Fund is to adhere to the requirements set out in Schedule III. This sets out the permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the UCITS Regulations and the Central Bank Regulations. The categories of collateral which may be received by the Fund include cash and non-cash assets such as equities, debt securities and money market instruments. From time to time and subject to the requirements in Schedule III, the policy on levels of collateral required and haircuts may be adjusted, at the absolute discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The haircuts applied (if any) by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Schedule III. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy.

If cash collateral received by the Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details see the section entitled "Risk Factors".

Costs, Fees and Revenues arising from Efficient Portfolio Management Techniques

Direct and indirect operational costs and fees arising from the efficient portfolio management techniques of stock lending, repurchase and reverse repurchase arrangements may be deducted from the revenue delivered to the Fund (e.g., as a result of revenue sharing arrangements). These costs and fees do not and should not include hidden revenue. All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Investment Manager or the Depositary.

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 semi-annual reports of the Company.

Legal and Regulatory Risk

Legal, tax, and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. New (or revised) laws or regulations or interpretations of existing law may be issued by the Revenue Commissioners, the IRS or Treasury Department, the CFTC, the SEC, the U.S. Federal Reserve, the Central Bank or other regulators, or other governmental regulatory authorities, or self-regulatory organisations that supervise the financial markets that could adversely affect the Fund. The Fund also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these regulators, governmental regulatory authorities or self-regulatory organisations. For example, there has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry. It is impossible to predict what, if any, changes in regulations may occur, but any regulation that restricts the ability of the Fund or any Underlying Funds to trade in securities could have a material adverse impact on the Fund's performance.

In addition, the securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. The CFTC, the SEC, the Federal Deposit Insurance Corporation, other regulators, and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of securitisation and derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by supranational, governmental and judicial action.

The U.S. government has enacted legislation that provides for new regulation of the derivatives market, including clearing, margin, reporting and registration requirements. The CFTC, SEC and other federal regulators have been tasked with developing the rules and regulations enacting the provisions of the Dodd-Frank Act. The EU (and some other countries) have adopted similar requirements that affect the Fund when it enters into derivatives transactions with a counterparty subject to those requirements. The extent to which it affects the Fund will depend on the classification and/or location of the Fund's counterparty.

The U.S. government has adopted mandatory minimum margin requirements for bilateral derivatives. Similar requirements have been adopted by the EU and are being implemented on a phased basis. Such requirements could increase the amount of margin required to be provided by the Fund in connection with its derivatives transactions and, therefore, make derivatives transactions more expensive.

These new regulations could, among other things, restrict the Fund's ability to engage in derivatives transactions (e.g., by making certain types of derivatives transactions no longer available to the Fund) and/or increase the costs of such derivatives transactions, and the Fund may be unable to execute its investment strategy as a result.

The CFTC and certain futures exchanges have established limits, referred to as "position limits," on the maximum net long or net short positions which any person may hold or control in particular options and futures contracts. The CFTC has proposed position limits for certain swaps. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Fund does not intend to exceed applicable position limits, it is possible that different clients managed by the Investment Manager and its affiliates may be aggregated for this purpose. Although it is possible that the trading decisions of the Investment Manager may have to be modified and that positions held by a Fund may have to be liquidated in order to avoid exceeding such limits, the Investment Manager believes that this is unlikely. The modification of investment decisions or the elimination of open positions, if it occurs, may adversely affect the profitability of the Fund.

The regulators in certain jurisdictions have in the past adopted rules requiring reporting of all short positions above a certain de minimis threshold and may adopt rules requiring monthly public disclosure in the future. If the Fund's short positions or its strategy become generally known, it could have a significant effect on the Investment Manager's ability to implement its investment strategy. In particular, it would make it more likely that other investors could cause a "short squeeze" in the securities held short by the Fund forcing the Fund to cover its positions at a loss. Such reporting requirements also may limit the Investment Manager's ability to access management and other personnel at certain companies where the Investment Manager seeks to take a short position.

Recently adopted rules implementing the credit risk retention requirements of the Dodd-Frank Act for asset-backed securities require the sponsor of certain securitisation vehicles to retain, and to refrain from transferring, selling, conveying to a third party, or hedging 5 per cent. of the credit risk in assets transferred, sold, or conveyed through the issuance of such vehicle, subject to certain exceptions. These requirements may increase the costs to originators, securitisers, and, in certain cases, collateral managers of securitisation vehicles in which the Fund may invest, which costs could be passed along to such Fund as an investor in such transactions.

Investors should also be aware that some EU regulated institutions (banks, certain investment firms, and authorised managers of alternative investment funds and insurance and reinsurance undertakings) are currently restricted from investing in securitisations (including U.S.-related securitisations), unless, in summary: (i) the institution is able to demonstrate that it has undertaken certain due diligence in respect of various matters, including on the underlying assets, and (in the case of authorised managers of alternative investment funds and insurance and reinsurance undertakings) the sponsor and the originator of the securitisation; and (ii) the originator, sponsor, or original lender of the securitisation has explicitly disclosed to the institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 per cent. of specified credit risk tranches or asset exposures related to the securitisation. In January 2019, UCITS such as the Fund became subject to similar restrictions. The costs of compliance, in the case of any securitisation within the EU risk retention rules in which the Fund has invested or is seeking to invest, could be indirectly borne by the Fund and the other investors in the securitisation. For further details, see the section entitled "Descriptions and Risks of Fund Investments – Securitisation Regulation".

Other Instruments and Future Developments

The Fund may take advantage of other securities and instruments (including customised derivative instruments) that are not presently contemplated for use by the Fund or are not currently available, but which may be developed, to the extent that such opportunities are both consistent with the Fund's investment objective and legally permissible for the Fund, and, if such securities or instruments are not sufficiently provided for in this Prospectus, the Fund will issue a revised Prospectus or Supplemental Prospectus to provide information on such investments.

U.S. Commodity Futures Trading Commission Disclosure

The Investment Manager is currently registered with the CFTC as a commodity pool operator and is a member of the National Futures Association. Pursuant to an exemption from the CFTC in connection with pools whose participants are limited to "qualified eligible persons," an offering memorandum for these pools is not required to be, and has not been, filed with the commission. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved this offering or any offering memorandum for these pools.

RISK FACTORS

Investors' attention is drawn to the following risk factors. Investing in the Funds involves many risks. The risks of investing in a particular Fund depend on the types of investments in its portfolio and the investment strategies the Investment Manager employs on its behalf. This section describes the principal risks and some related risks but does not describe every potential risk of investing in the Funds. The Funds could be subject to additional risks because of the types of investments they make and market conditions, which may change over time. Investors should also refer to the description of various risk factors specific to the assets and techniques described in the sections above entitled "Descriptions and Risks of Fund Investments".

References in this section to the "Fund" refer to GMO Quality Investment Fund. References in this section to actions undertaken or investments held by the "Fund" refer to those by or in respect of GMO Quality Investment Fund. An investment in a Fund, by itself, generally does not provide a complete investment programme but rather is intended to serve as part of an investor's overall portfolio of investments. An investment in a Fund is not a bank deposit and, therefore, is not insured or guaranteed by any government agency.

Investment Risk

There can be no assurance that a Fund will achieve its investment objective. Prospective investors should read the entire Prospectus and consult with their own advisers before subscribing for Shares. Shares should only be purchased as a supplement to an overall investment programme and only by investors able to undertake the risks involved. The Investment Manager's assessment of the prospects of investments may not prove accurate. No assurance can be given that any investment or trading strategy implemented by the Investment Manager on behalf of the Fund will be successful and, because of the speculative nature of the Fund's investment and trading strategy, investors may suffer a significant loss of their invested capital, including loss of the entire investment. **The value of Shares may rise or fall, as the capital value of the securities in which each Fund invests may fluctuate**. The investment income of each Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, each Fund's investment income may be expected to fluctuate in response to changes in such expenses or income.

Management and Operational Risk

The Fund is subject to management risk because, in relying on the Investment Manager to achieve its investment objective, it runs the risk that the Investment Manager's investment techniques (which may be fundamental, quantitative, or a combination of the two) will fail to produce desired results and cause the Fund to incur significant losses. The Investment Manager also may fail to use derivatives effectively, choosing to hedge or not to hedge positions at disadvantageous times. Additionally, the Fund could produce results consistent with the expected annualised volatility over a complete market cycle yet experience shorter periods of significantly higher volatility.

As described in section entitled "Investment Objective and Policies of the Fund", the Investment Manager may use quantitative models for a Fund as part of its investment process and those models are one of the key components of investment decisions. Such Fund runs the risk that the models will not accurately predict future market movements. In addition, models rely on assumptions and data that are subject to limitations (e.g., inaccuracies, staleness) that could adversely affect their predictive value, and also run the risk that the Investment Manager's assessment of an investment (including a security's fundamental fair (or intrinsic) value) is wrong.

The usefulness of those models may be reduced by the faulty incorporation of mathematical models into computer code, by reliance on proprietary and third-party technology that may include bugs or viruses, and by the retrieval of imperfect data for processing by the model. These risks are more likely to occur at times during which the Investment Manager is making changes to its models. Any of these risks could adversely affect the Fund's performance.

There can be no assurance that key personnel of the Investment Manager will continue to be employed by the Investment Manager. The loss of their services could have an adverse impact on the Investment Manager's ability to achieve the Fund's investment objective.

The Fund is also subject to operational risks resulting from other services provided by the Investment Manager and other service providers, including pricing, administrative, accounting, tax, legal, custody, transfer agency, and other operational services. Examples of such operational risks include the possibility of loss caused by inadequate procedures and controls, human error, and system failures by a service provider. For example, trading delays or errors could prevent the Fund from benefiting from investment gains or avoiding losses. The Investment Manager is not contractually liable to the Fund for losses associated with operational risk absent its willful misfeasance, fraud, bad faith, negligence, or reckless disregard of its contractual obligations to provide services to the Fund. Other Fund service providers also have contractual limitations on their liability to the Fund for losses resulting from their errors.

The Fund and its service providers (including the Investment Manager) are susceptible to cyber-attacks and to technological malfunctions that have effects similar to those of a cyber-attack. Cyber-attacks include, among others, stealing, corrupting or preventing access to data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorisation and disrupting operations. Successful cyber-attacks against, or security breakdowns of, the Fund, the Investment Manager, a sub-adviser, or the Depositary, transfer agent, or other service provider may adversely affect the Fund or its Shareholders. For instance, cyber-attacks may interfere with the processing of Shareholder transactions, affect the Fund's ability to calculate its Net Asset Value, cause the release or misappropriation of private Shareholder information or confidential Fund information, impede trading, interfere with the use of quantitative models, cause reputational damage, and subject the Fund to regulatory fines, penalties or financial losses, and additional compliance costs. The Fund's service providers regularly experience cyber-attacks and expect that they will continue to do so. While the Investment Manager has established business continuity plans and systems designed to prevent, detect and respond to cyber-attacks, those plans and systems have inherent limitations. In addition, the global spread of COVID-19 has caused the Funds and their service providers to implement business continuity plans, including widespread use of work-from-home arrangements, which may make the Funds and their service providers more susceptible to cyber-attacks. Similar types of cyber security risks also are present for issuers of securities in which the Fund invests, which could have material adverse consequences for those issuers and result in a decline in the market price of their securities. Furthermore, as a result of cyber-attacks, technological disruptions, malfunctions, or failures, an exchange or market may close or suspend trading in specific securities or the entire market, which could prevent the Fund from, among other things, buying or selling securities or accurately pricing its securities. The Fund cannot directly control cyber security plans and systems of its service providers, its counterparties, issuers of securities in which the Fund invests, or securities markets and exchanges, and the Funds' service providers, counterparties and issuers may have limited, if any, indemnification obligations to the Investment Manager or the Funds, each of whom could be negatively impacted as a result.

Market Risk – Equities

Where the Fund invests in equities, it runs the risk that the market price of an equity will decline. That decline may be attributable to factors affecting the issuer, such as a failure to keep up with technological advances or reduced demand for its goods or services, or to factors affecting a particular industry, such as a decline in demand, labour or raw material shortages or increased production costs. A decline also may be attributable to general market conditions not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. Equities generally have significant price volatility, and their market prices can decline in a rapid or unpredictable manner. Equities that are characterised as relatively cyclical often are especially sensitive to economic cycles, which means they typically underperform non-cyclical equities during economic downturns. Performance of cyclical equities can be significantly affected by, among other factors, cyclical revenue generation, consumer confidence and changing consumer preferences, and the performance of domestic and international economies. If the Fund purchases an equity for what the Investment Manager believes is less than its fundamental fair (or intrinsic) value as assessed by GMO and GMO's assessment proves to be incorrect, the Fund runs the risk that the market price of the equity will not appreciate or will decline. If a Fund writes put options on stock indices, the value of those options will decline when the value of those indices declines. The value of an index depends on the value of the equity securities in the index. Also, a Fund's investment strategy of writing put options on stock indices can be expected to cause that strategy to underperform relative to those indices when the value of those indices rises sharply. In addition, the value of a Fund's shares will be adversely affected if the equities or other assets that are the subjects of the underlying fund's short exposures appreciate in value. The market prices of equities trading at high multiples of current earnings often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples.

A Fund may invest in companies that are in the process of exiting, or that have recently exited, the bankruptcy process. Investments in post-reorganisation securities typically entail a higher degree of risk than investments in securities that have not recently undergone a reorganisation or restructuring. Moreover, post-reorganisation securities can be subject to heavy selling or downward pricing pressure after the completion of a bankruptcy reorganisation or restructuring. If a Fund's evaluation of the anticipated outcome of an investment should prove inaccurate, the Fund could experience a loss.

Currency Risk

Currency risk is the risk that fluctuations in exchange rates will adversely affect the market value of a Fund's investments. Currency risk includes the risk that the currencies in which a Fund's investments are traded, in which the Fund receives income will decline in value. Currency risk also includes the risk that the currency to which the Fund has obtained exposure through hedging declines in value relative to the currency being hedged, in which event the Fund is likely to realise a loss on both the hedging instrument and the currency being hedged. Currency exchange rates can fluctuate significantly for many reasons. See the section entitled "Risk Factors - Market Disruption and Geopolitical Risk".

Each Fund may use derivatives to take currency positions that are under- or over-weighted (in some cases significantly) relative to the currency exposure of its portfolio and its Benchmark (if any). If the exchange rates of the currencies involved do not move as expected, the Fund could lose money on both its holdings of a particular currency and the derivative. See also the section entitled "Risk Factors – Investment Risks".

Some currencies are illiquid (e.g., some currencies of Emerging Market Countries), and a Fund may not be able to convert them into the Base Currency, or may only be able to do so at an unfavourable exchange rate. Exchange rates for many currencies are affected by exchange control regulations.

Derivative transactions in currencies (such as futures, forward contracts, options, and swaps) may involve leveraging risk in addition to currency risk, as described in the section entitled "Risk Factors - Leveraging Risk". In addition, the obligations of counterparties in currency derivative transactions are often not secured by collateral, which increases counterparty risk. See the section entitled "Risk Factors – Credit Risk".

Where Shares of a Fund are available in a class which is denominated in a different currency from the Fund's Base Currency, investors in Shares of that class should note that the Net Asset Value of the Fund will be calculated in the Fund's Base Currency and will be stated in the other currency at the current exchange rate between the Base Currency and such other currency. Fluctuations in that exchange rate may affect the performance of the Shares of that class independent of the performance of the Fund's investments. However, the Investment Manager may, at its absolute discretion, seek to hedge the currency exposure between the Base Currency and the currency of denomination of that class as more particularly set out in the section entitled "Descriptions and Risks of Fund Investments - Currency Transactions". Where the currency exposure between the Base Currency and the currency of denomination of that class is not hedged, any currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates, and the value of the share expressed in the class currency will be subject to exchange rate risk in relation to the Base Currency. Unless otherwise indicated in this Prospectus, the Investment Manager is not obligated to do so and such currency exposure may only be partially hedged. If hedging is employed, there is no guarantee or assurance that the hedging will be successful. To the extent that such hedging is unsuccessful, the performance of the class may differ from the performance of the underlying assets. Depending on the level of the hedging employed, investors in a hedged class will not benefit or will only benefit to a limited extent if the class currency falls against the Base Currency and/or the currency in which the assets of the Fund are denominated.

Commodities Risk

Each Fund may use exchange-traded and OTC derivatives to gain exposure to commodities indices provided that the relevant indices are permitted by the UCITS Regulations to be reference indices for derivatives. Commodity prices can be extremely volatile and are affected by many factors, including changes in overall market movements, real or perceived inflationary trends, commodity index volatility, changes in interest rates or currency exchange rates, population growth and changing demographics, nationalisation, expropriation, or other confiscation, international regulatory, political, and economic developments (e.g., regime changes and changes in economic activity levels), and developments affecting a particular industry or commodity, such as drought, floods, or other weather conditions, livestock disease, trade embargoes, competition from substitute products, transportation bottlenecks or shortages, fluctuations in supply and demand and tariffs. Exposure to commodities indices can cause the Net Asset Value of the Fund's Shares to decline or fluctuate in a rapid and unpredictable manner. The value of investments in commodity-related derivatives may fluctuate more than the commodity or commodities or commodity index to which they relate. See the section entitled "Risk Factors - Derivatives Risk" above for a discussion of certain specific risks of a Fund's derivatives investments, including commodity-related derivatives.

Market-Risk – Fixed Income

Funds that invest in fixed income investments (including bonds, notes, bills, synthetic debt instruments, and asset-backed securities) are subject to various market risks. The market price of a fixed income investment can decline due to market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity due, for example, to market uncertainty about the value of a fixed income investment (or class of fixed income investments). In addition, the market price of fixed income investments with complex structures, such as asset-backed securities, and sovereign and quasi-sovereign debt instruments can decline due to uncertainty about their credit quality and the reliability of their payment streams. Some fixed income investments also are subject to unscheduled prepayment, and the Fund may be unable to invest prepayments at as high a yield as was provided by the fixed income investment. When interest rates rise, fixed income investments also may be repaid more slowly than anticipated, causing a decrease in their market price. During periods of economic uncertainty and change, the market price of the Fund's investments in below investment grade investments (commonly referred to as "high yield" or "junk" bonds) may be particularly volatile. Often below investment grade investments are subject to greater sensitivity to interest rate and economic changes than higher rated bonds and can be more difficult to value (see the section entitled "Administration of the Company - Determination of Net Asset Value"), exposing the Fund to the risk that the price at which it sells them will be less than the price at which they were valued when held by the Fund. See the sections entitled "Risk Factors - Credit Risk" and "Risk Factors - Illiquidity Risk" for more information about these risks.

A principal risk run by a Fund with a significant investment in fixed income investments is that an increase in prevailing interest rates will cause the market price of those securities to decline. The risk associated with increases in interest rates (also called "interest rate risk") is generally greater for Funds investing in fixed income investments with longer durations. In addition, in managing the assets of the Funds, the Investment Manager may seek to evaluate potential investments in part by considering the volatility of interest rates. The value of a Fund's investments would likely be significantly reduced if the Investment Manager's assessment proves incorrect.

The extent to which the market price of a fixed income investment changes with changes in interest rates is referred to as interest rate duration, which can be measured mathematically or empirically. A longer-maturity investment generally has longer interest rate duration because its fixed rate is locked in for a longer period of time. Floating-rate or adjustable-rate investments, however, generally have shorter interest rate durations because their interest rates are not fixed but rather float up and down as interest rates change. Conversely, inverse floating-rate investments have durations that move in the opposite direction from short-term interest rates and thus tend to underperform fixed rate investments when interest rates rise but outperform them when interest rates decline. Fixed income investments paying no interest, such as zero coupon and principal-only securities, are subject to additional interest rate risk.

The market price of inflation-indexed bonds (including Inflation-Protected Securities issued by the U.S. Treasury) typically declines during periods of rising real interest rates (i.e. nominal interest rate minus inflation) and increases during periods of declining real interest rates. In some interest rate environments, such as when real interest rates are rising faster than nominal interest rates, the market price of inflation-indexed bonds may decline more than the price of non-inflation-indexed (or nominal) fixed income bonds with similar maturities.

When interest rates on short-term government obligations equal or approach zero, a Fund that invests a substantial portion of its assets in such obligations will have a negative return unless the Investment Manager waives or reduces its management fees.

Fixed income securities denominated in foreign currencies also are subject to currency risk. See the section entitled "Risk Factors - Currency Risk."

In response to government intervention, economic or market developments, or other factors, markets for fixed income investments may experience periods of high volatility, reduced liquidity or both. During those periods, a Fund could have unusually high Shareholder redemptions, requiring it to generate cash by selling portfolio investments when it would otherwise not do so, including at unfavourable prices. The risks associated with rising interest rates are generally greater during periods when prevailing interest rates are at or near their historic lows. Moreover, fixed income investments will be difficult to value during such periods. The U.S. Federal Reserve Bank recently decreased interest rates back to near historically low levels. A substantial increase in interest rates could have a material adverse effect on fixed income investments and on the performance of the Funds, particularly Funds with material fixed income exposures. Other actions by central banks or regulators (such as intervention in foreign currency markets or imposition of currency controls) also could have a material adverse effect on the Funds.

Market Disruption and Geopolitical Risk

The Funds are subject to the risk that geopolitical and other events (e.g., wars, pandemics, sanctions and terrorism) will disrupt securities markets, adversely affect particular economies and markets as well as global economies and markets and exacerbate the effects of other risks to which the Funds are subject, thereby reducing the value of the Funds' investments. Sudden or significant changes in the supply or prices of commodities or in other economic inputs (e.g., the marked decline in oil prices in late 2014, as well as in early 2020) may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries. Terrorism in the U.S. and around the world has increased geopolitical risk. The terrorist attacks on 11 September 2001 resulted in the closure of some U.S. securities markets for four days, and similar attacks are possible in the future. Securities markets may be susceptible to market manipulation or other fraudulent trading practices, which could disrupt their orderly functioning or reduce the prices of securities traded on them held by the Funds. Fraud and other deceptive practices committed by an issuer of securities held by a Fund, when discovered, will likely cause a steep decline in the market price of those securities and thus negatively affect the value of the Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility, which can negatively affect a Fund's investment program.

While the U.S. government has always honoured its credit obligations, a default by the U.S. government (as has been threatened in the recent past) would be highly disruptive to the U.S. and global securities markets and could significantly reduce the value of the Funds' investments. Similarly, political events within the U.S. have resulted, and may in the future result, in shutdowns of government services, which could adversely affect the U.S. economy, reduce the value of many Fund investments, and impair the operation of the U.S. or other securities markets. Climate change regulation (such as decarbonisation legislation or other mandatory controls to reduce emissions of greenhouse gases) could significantly affect many of the companies in which the Funds invest by, among other things, increasing those companies' operating costs and capital expenditures. Uncertainty over the sovereign debt of several EU countries, as well as uncertainty over the continued existence of the EU itself, has disrupted and may continue to disrupt markets in the U.S. and around the world. If a country changes its currency or if the EU dissolves, the world's securities markets likely would be significantly disrupted.

War, terrorism, economic uncertainty, and related geopolitical events, such as sanctions, tariffs, the imposition of exchange controls or other cross-border trade barriers, have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. For example, the U.S. has imposed economic sanctions, which consist of asset freezes, restrictions on dealings in debt and equity, and industry-specific restrictions against the certain governments, officials, institutions and companies (including, in recent years, against countries such as China, Russia and Venezuela). These sanctions, any additional sanctions or intergovernmental actions or even the threat of further sanctions could result, in a decline in the value and liquidity of securities of companies in such countries, a weakening of the currencies of those countries, or other adverse consequences to their economies. Sanctions impair the ability of the Funds to buy, sell, receive or deliver the securities that are subject to the sanctions and may require the Funds to divest their holdings in those securities at inopportune times. In addition, trade disputes (such as the "trade war" between the U.S. and China that intensified in 2018 and 2019) may affect investor and consumer confidence and adversely affect financial markets and the broader economy, perhaps suddenly and to a significant degree. Events such as these and their impact on the Funds are impossible to predict.

Natural and environmental disasters (such as the earthquake and tsunami in Japan in early 2011), epidemics or pandemics (such as the outbreak of a novel coronavirus known as COVID-19 beginning in late 2019 (described below)), and systemic market dislocations (such as the kind surrounding the insolvency of Lehman Brothers in 2008) can adversely affect the market price of the Funds' investments. During such market disruptions, the Funds' exposure to the risks described elsewhere in this "Description of Principal Risks" section will likely increase. Market disruptions, including sudden government interventions, can also prevent the Funds from implementing their investment programs and achieving their investment objectives. For example, by causing the Funds' derivatives counterparties to discontinue or limit offering derivatives on some underlying commodities, securities, reference rates. To the extent a Fund has focused its investments in the stock index of a particular region, adverse geopolitical and other events in that region could have a disproportionate impact on the Fund.

Potential for Insufficient Investment Opportunities

The Investment Manager may not be able to identify and obtain a sufficient number of investment opportunities for a Fund. In particular, each Fund will compete with a broad spectrum of investors for portfolio investments. Increased competition for, or a diminishment in the available supply of, portfolio investments could result in lower returns on such portfolio investments.

Small Company Risk

Companies with smaller market capitalisations tend to have limited product lines, markets, or financial resources, lack the competitive strength of larger companies, have inexperienced managers or depend on a smaller group of key employees than larger companies. In addition, their securities often are less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalisations. Market risk and illiquidity risk are particularly pronounced for securities of these companies.

Futures Contracts Risk

The risk of loss relating to some uses of futures contracts is potentially unlimited. The ability to establish and close out positions in futures contracts requires a liquid secondary market. There is no assurance that a liquid secondary market on an exchange will exist for any particular futures contract at any particular time. In the event no such market exists for a particular contract, it might not be possible to effect closing transactions, and the Fund will be unable to terminate its exposure to the contract. In using futures contracts, the Fund relies on the Investment Manager's ability to predict market and price movements correctly; the skills needed to use such futures contracts successfully are different from those needed for traditional portfolio management. If the Fund uses futures contracts for hedging purposes, there is a risk that movements in the prices of the contracts will not correlate perfectly with movements in the securities or index underlying the contracts or movements in the prices of the Fund's investments that are subject to the hedge. The prices of futures, for a number of reasons, may not correlate perfectly with movements in the securities or index underlying them. For example, participants in the futures markets are subject to margin deposit requirements. Such requirements may cause investors to take actions with respect to their futures positions that they would not otherwise take. The margin requirements in the futures markets may be less onerous than margin requirements in the securities markets in general, and as a result those markets may attract more speculators than the securities markets do. Increased participation by speculators in those markets may cause temporary price distortions. Due to the possibility of price distortion, even a correct forecast of general market trends by the Investment Manager still may not result in a successful futures investment or investments. The risk of a position in a futures contract may be very large compared to the relatively low level of margin the Fund is required to deposit. In many cases, a relatively small price movement in a futures contract may result in immediate and substantial loss or gain to the Fund relative to the size of a required margin deposit. The Fund will incur brokerage fees in connection with its exchange-traded derivatives transactions.

A Fund will typically be required to post margin with its futures commission merchant in connection with its positions in futures contracts. For example, should the futures commission merchant become insolvent, the Fund may be unable to recover all (or any) of the margin it has posted with the futures commission merchant, or to realise the value of an increase in the price of its positions. The Fund also may be unable to reenter or may be delayed in recovering margin or other amounts deposited with a futures commission merchant or futures clearinghouse. For example, should the futures commission merchant become insolvent, a Fund may be unable to recover all (or any) of the margin it has deposited or realise the value of an increase in the price of its positions.

The CFTC and various exchanges have established limits referred to as "speculative position limits" on the maximum net long or net short positions that any person and certain of its affiliated entities may hold or control in a particular futures contract. Trading limits are imposed on the number of contracts that any person and its affiliated entities may trade on a particular trading day. An exchange may order the liquidation of positions found to be in violation of these limits and it also may impose sanctions or restrictions. In addition, the CFTC recently adopted rules that, once effective, will expand materially the contracts subject to federal limits. As a result of those limits, the Investment Manager will be precluded from taking positions in certain futures contracts or OTC derivatives as a result of positions held by other clients of the Investment Manager or by the Investment Manager or its affiliates themselves.

Some Funds invest in futures contracts traded on exchanges outside the U.S. Neither those contracts nor the foreign exchange contracts are subject to regulation by the CFTC or other U.S. regulatory entities, including without limitation as to the execution, delivery, and clearing of transactions. U.S. regulators lack the power to compel enforcement of the rules of those exchanges or the laws of the foreign country in question. Margin and other payments made by the Fund may not be afforded the same protections as are afforded those payments in the U.S., including in connection with the insolvency of an executing or clearing broker or a clearinghouse or exchange. Foreign futures contracts may be less liquid and more volatile than U.S. contracts.

Derivatives Risk

Each Fund may invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of underlying assets (such as securities, commodities or currencies), reference rates (such as interest rates, currency exchange rates or inflation rates) or indices. The use of derivatives involves the risk that their value may not change as expected relative to changes in the value of the assets, rates, or indices they are designed to track. Derivatives include, but are not limited to, futures contracts, forward contracts, currency contracts, swap contracts, contracts for differences, options on securities and indices, options on futures contracts, options on swap contracts, interest rate caps, floors and collars, reverse repurchase agreements, and other over-the-counter (OTC) contracts. The following is a general discussion of some risk factors and issues concerning the use of derivatives that investors should understand before investing in the Fund. Please also see the description of certain risks associated with specific derivative instruments and other investment techniques as described in the section entitled "Descriptions and Risks of Fund Investments".

The use of derivatives involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities. In particular, the Fund's use of OTC derivatives exposes it to the risk that the counterparties will be unable or unwilling to make timely settlement payments or otherwise honour their obligations. An OTC derivatives contract typically can be closed or a position transferred only with the consent of the other party to the contract. If the counterparty defaults, the Fund will still have contractual remedies but may not be able to enforce them. Because the contract for each OTC derivative is individually negotiated, the counterparty may interpret contractual terms (e.g., the definition of default) differently than the Fund, and if it does, the Fund may decide not to pursue its claims against the counterparty to avoid the cost and unpredictability of legal proceedings. The Fund, therefore, runs the risk of being unable to obtain payments the Investment Manager believes are owed to the Fund under OTC derivatives contracts, or of those payments being delayed or made only after the Fund has incurred the cost of litigation. See the section entitled "Risk Factors – Counterparty Risk".

The Fund may invest in derivatives that: (i) do not require the counterparty to post collateral (e.g., forward currency contracts); (ii) require collateral but that do not provide for the Fund's security interest in it to be perfected; (iii) require a significant upfront deposit by the Fund unrelated to the derivative's fundamental fair (or intrinsic) value; or (iv) do not require that collateral be regularly marked-to-market. When a counterparty's obligations are not fully secured by collateral, the Fund runs a greater risk of not being able to recover what it is owed if the counterparty defaults. Derivatives also present other risks described in this section, including market risk, illiquidity risk, currency risk, credit risk, and counterparty risk.

A Fund's use of derivatives may not be effective or have the desired results. Moreover, suitable derivatives will not be available in all circumstances. For example, the cost of taking some derivative positions may be prohibitive, and if a counterparty or its affiliate is deemed to be an affiliate of the Fund, none of the Funds will be permitted to trade with that counterparty.

Many derivatives, in particular OTC derivatives, are complex and their valuation often requires modeling and judgment, which increases the risk of mispricing or improper valuation and exposes the Fund to the risk that the valuations generated by GMO's pricing models are different from amounts the Fund realises when it closes or sells a derivative. Valuation risk is more pronounced when the Fund enters into OTC derivatives with specialised terms because the value of those derivatives in some cases is determined only by reference to similar derivatives with more standardised terms. As a result, the Fund runs a risk that inaccurate valuations will result in increased cash payments to counterparties, under-collateralisation and/or errors in the calculation of the Fund's Net Asset Value.

A Fund's use of derivatives may not be effective or have the desired results. Moreover, suitable derivatives will not be available in all circumstances. For example, the cost of taking some derivative positions may be prohibitive, and if a counterparty or its affiliate is deemed to be an affiliate of the Fund, the Fund will not be permitted to trade with that counterparty.

OTC swap contracts and other OTC derivatives are highly susceptible to illiquidity risk (see the section entitled "Risk Factors - Illiquidity Risk") and counterparty risk (see the section entitled "Risk Factors – Credit Risk"). These derivatives are also subject to documentation risk, which is the risk that ambiguities, inconsistencies or errors in the documentation relating to a derivative transaction will lead to a dispute with the counterparty or unintended investment results. In addition, see the section entitled "Risk Factors - Commodities Risk" for a discussion of risks specific to commodity-related derivatives. Because many derivatives have a leverage component (i.e. a notional value in excess of the assets needed to establish and/or maintain the derivative position), adverse changes in the value or level of the underlying asset, rate or index could result in a loss substantially greater than the amount invested in the derivative itself. See the section entitled "Risk Factors - Leveraging Risk".

The Fund's use of derivatives may be subject to special tax rules that could subject the Fund to tax liability that it would not incur if it invested directly in the underlying assets or generate additional taxable income for investors. In addition, the tax treatment of the Fund's use of derivatives will sometimes be unclear.

Further details of particular risks of derivative instruments are set out below.

Market Risk: This is the general risk applicable to all investments that the value of a particular investment will change in a way detrimental to the Fund's interests.

Lack of Correlation Risk: Derivatives also involve the risk that changes in their value may not correlate perfectly with the assets, rates or indices they are designed to track. For example, there can be no assurance that the short positions the Fund holds will act as an effective hedge against its long positions. Any lack of correlation between the short and long positions in securities, currencies or other assets held by the Fund could result in significant losses for the Fund.

Synthetic Short Selling: The Funds are not permitted to enter into physical short sales. A Fund may however take short positions through derivatives in respect of underlying assets in furtherance of the Fund's investment objective and in accordance with the UCITS Regulations. In general, short selling involves selling assets the seller does not own in anticipation of a decline in their market value and borrowing the same assets for delivery to the purchaser, with an obligation to replace the borrowed assets at a later date. Short selling allows the investor to profit from a decline in market price of an asset to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, in that the price of the underlying asset could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the assets necessary to cover the short position will be available for purchase. Purchasing assets to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. In taking short positions through derivatives, the Fund will be exposed to the same market risks, and is seeking the same financial reward, as if it were entering into physical short sales. Taking short positions through derivatives involves trading on margin and accordingly can involve greater risk than investments based on long positions. Due to regulatory or legislative action taken by regulators around the world as a result of recent volatility in the global financial markets, taking short positions on certain assets has been restricted. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions have made it difficult and in some cases impossible for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions. Accordingly, the Investment Manager may not be in a position to fully express its negative views in relation to certain assets, companies or sectors and the ability of the Investment Manager to fulfil the investment objective of the Fund may be constrained.

Derivatives Regulation: The U.S. government has enacted legislation that provides for new regulation of the derivatives market, including clearing, margin, reporting, and registration requirements. The EU (and some other countries) has enacted similar legislation and is implementing on a phased basis similar requirements, which will affect the Fund when it enters into a derivatives transaction with a counterparty subject to those requirements. Because these requirements are new and evolving (and some of the rules are not yet final), their impact on the Fund remains unclear.

Transactions in some types of swaps (including interest rate swaps and credit default swaps on North American and European indices) are required to be centrally cleared. In a transaction involving those swaps ("cleared derivatives"), the Fund's counterparty is a clearing house rather than a bank or broker. Since the Fund is not a Clearing Member and only Clearing Members can participate directly in the clearing house, the Fund will hold cleared derivatives through accounts at Clearing Members. In cleared derivatives positions, the Fund will make payments (including margin payments) to and receive payments from a clearing house through the Fund's accounts at Clearing Members. Clearing Members guarantee performance of their clients' obligations to the clearing house.

In some ways, cleared derivative arrangements are less favourable to investment funds than those with respect to OTC derivatives (commonly referred to as "bilateral arrangements"), for example, by requiring that funds provide more margin for their cleared derivative positions. Also, as a general matter, in contrast to an OTC derivatives position, following a period of notice to a fund, a Clearing Member at any time can require termination of an existing cleared derivative position. Clearing houses also have broad rights to increase the margin required for existing positions or to terminate those positions at any time. Any increase in margin requirements or termination of existing cleared derivative positions by the Clearing Member or the clearing house could interfere with the ability of the Fund to pursue its investment strategy, and an increase in margin held by a Clearing Member could expose the Fund to greater credit risk to its Clearing Member. Also, the Fund is subject to risk if it enters into a derivatives transaction that is required to be cleared (or that the Investment Manager expects to be cleared), and no Clearing Member is willing or able to clear the transaction on the Fund's behalf. In those cases, the position might have to be terminated, and the Fund could lose some or all of the benefit of the position, including loss of an increase in the value of the position and loss of hedging protection. In addition, the documentation governing the relationship between the Fund and Clearing Members generally is less favourable to the Fund than the documentation for typical OTC derivatives. For example, documentation relating to cleared derivatives generally includes a one-way indemnity by the Fund in favour of the Clearing Member for losses the Clearing Member incurs as the Fund's Clearing Member. Also, such documentation typically does not provide the Fund any remedies if the Clearing Member defaults or becomes insolvent. While futures contracts entail similar risks, the risks are more likely to be more pronounced for cleared derivatives due to their more limited liquidity and market history.

Some types of cleared derivatives are required to be executed on a swap execution facility. A swap execution facility is a trading platform where multiple market participants can execute derivatives by accepting bids and offers made by multiple other participants in the platform. While this execution requirement is designed to increase transparency and liquidity in the cleared derivatives market, trading on a swap execution facility can create additional costs and risks for the Fund. For example, swap execution facilities typically charge fees, and if the Fund executes derivatives on a swap execution facility through a broker intermediary, the intermediary may impose fees as well. Also, the Fund may be required to indemnify a swap execution facility, or a broker intermediary who executes cleared derivatives on a swap execution facility on the Fund's behalf, against any losses or costs that may be incurred as a result of the Fund's transactions on the swap execution facility.

The U.S. government and the EU have adopted mandatory minimum margin requirements for bilateral derivatives. Variation margin requirements became effective in March 2017 and new initial margin requirements will become effective in 2020 or 2021. Similar requirements were adopted by the EU which began to take effect in 2017. Such requirements could increase the amount of margin the Fund needs to post in connection with its derivatives transactions and, therefore, make derivatives transactions more expensive.

These and other new rules and regulations could, among other things, further restrict the Fund's ability to engage in, or increase the cost to the Fund of, derivatives transactions, for example, by making some types of derivatives no longer available to the Fund or otherwise limiting liquidity. The implementation of the clearing requirement has increased the cost of derivatives transactions for the Fund, since the Fund has to pay fees to its Clearing Members and is typically required to post more margin for cleared derivatives than funds have historically posted for OTC derivatives. The cost of derivatives transactions could increase further as Clearing Members raise their fees to cover the cost of additional capital requirements and other regulatory changes applicable to the Clearing Members. While these rules and regulations and central clearing of some derivatives transactions are designed to reduce systemic risk (i.e. the risk that the interdependence of large derivatives dealers could cause them to suffer liquidity, solvency or other challenges simultaneously), there is no assurance that they will achieve that result.

European Market Infrastructure Regulation: The Fund may enter into OTC derivative contracts. EMIR establishes certain requirements for OTC derivatives contracts including mandatory clearing obligations for certain classes of OTC derivatives and a margin posting obligation for OTC derivative contracts not subject to clearing, bilateral risk-management requirements and reporting requirements.

The implications of EMIR for the Fund include, without limitation, the following:

(a) clearing obligation: certain standardised OTC derivative transactions will be subject to mandatory clearing through a CCP. Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;

(b) risk mitigation techniques: for those of its OTC derivatives which are not subject to central clearing, the Fund is required to put in place risk mitigation requirements (which will include the collateralisation of these OTC derivatives). These risk mitigation requirements may increase the cost of the Fund pursuing its investment strategy (or hedging risks arising from its investment strategy); and

(c) reporting obligations: the execution, modification and/or termination of each of the Fund's OTC derivative transactions must be reported to a trade depository or the European Securities and Markets Authority. This reporting obligation may increase the costs to the Fund of utilising OTC derivatives.

EMIR was amended as part of the European Commission's REFIT programme and the amending regulations Regulation 834/2019 ("EMIR REFIT") entered into force on 28 May 2019 and applied from 17 June 2019. EMIR REFIT introduced certain key obligations relating to clearing, reporting and risk-mitigation (margining). Although EMIR REFIT allows for certain clearing exemptions and provides for thresholds below which no reporting is required, there can be no assurance as to whether the investments described herein made by a Fund will be affected by EMIR REFIT or any change thereto or review thereof.

Other Risks: Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Fund. Furthermore, derivatives do not perfectly track the value of the assets, rates or indices they are designed to track. The risk may be more pronounced when outstanding notional amounts in the market exceed the amounts of the referenced assets. Consequently, the Fund's use of derivatives may not always be an effective means of furthering the Fund's investment objective.

Options

The Fund is permitted to write options. The market price of an option is affected by many factors, including changes in the market prices or dividend rates of underlying securities (or in the case of indices, the securities in such indices); the time remaining before expiration; changes in interest rates or exchange rates; and changes in the actual or perceived volatility of the relevant stock market and underlying securities. The market price of an option also may be adversely affected if the market for the option becomes less liquid. In addition, since an American-style option allows the holder to exercise its rights at any time before the option's expiration, the writer of an American-style option has no control over when it will be required to fulfill its obligations as a writer of the option. (The writer of a European-style option is not subject to this risk because the holder may exercise the option only on its expiration date). If the Fund writes a call option and does not hold the underlying security, the Fund's potential loss is unlimited.

National securities exchanges generally have established limits on the maximum number of options an investor or group of investors acting in concert may write. When applicable, these limits sometimes restrict the Fund's ability to purchase or write options on a particular security.

Unlike exchange-traded options, which are standardised with respect to the underlying securities, expiration date, contract size, and strike price, the terms of OTC options (i.e. options not traded on exchanges) generally are established through negotiation with the other party to the option contract. While the Fund has greater flexibility to tailor an OTC option, OTC options generally expose the Fund to greater credit risk than exchange-traded options, which are guaranteed by the clearing organisation of the exchanges where they are traded. Purchasing and writing put and call options are highly specialised activities and entail greater than ordinary market risks.

Leveraging Risk

The use of traditional borrowing (including to meet redemption requests), reverse repurchase agreements and other derivatives and securities lending creates leverage (i.e. the Fund's investment exposures exceed its Net Asset Value). Leverage increases a Fund's losses when the value of its investments (including derivatives) declines. Because many derivatives have a leverage component (i.e. a notional value in excess of the assets needed to establish or maintain the derivative position), adverse changes in the value or level of the underlying asset, rate, or index may result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Notional amounts of swap transactions are not subject to any limitations, and swap contracts may expose the Fund to unlimited risk of loss. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Similarly, the Fund's portfolio will be leveraged and can incur losses if the value of the Fund's assets declines between the time a redemption request is received or deemed to be received by the Fund (which in some cases may be the business day prior to actual receipt of the transaction activity by the Fund) and the time at which the Fund liquidates assets to meet redemption requests. Such a decline in the value of the Fund's assets is more likely in the case where the time period between the NAV determination and corresponding liquidation of assets could be longer due to time zone differences and market schedules. In the case of redemptions representing a significant portion of the Fund's portfolio, the leverage effects described above can be significant and could expose the Fund and non-redeeming shareholders to material losses.

Each Fund may manage some of its derivative positions by offsetting derivative positions against one another or against other assets. To the extent offsetting positions do not behave in relation to one another as expected, the Fund may perform as if it were leveraged.

Some Funds are permitted to purchase securities on margin or to take synthetic short positions in securities, either of which creates leverage. To the extent the market prices of securities pledged to counterparties to secure the Fund's margin account or short positions decline, the Fund may be required to deposit additional funds with the counterparty to avoid having the pledged securities liquidated to compensate for the decline.

Event-Driven Risk

While implementing an event-driven strategy, a Fund may purchase securities at prices below the value of the consideration that the Investment Manager expects the Fund to receive upon consummation of a proposed merger, acquisition, exchange offer, tender offer or other similar transaction ("event-driven transactions"). The purchase price paid by the Fund may substantially exceed the consideration received upon the closing of the transaction, resulting in losses to the Fund.

If a Fund utilises an event-driven strategy and the transaction (such as a merger) later appears likely to be delayed or unlikely to be consummated or, in fact, is not consummated or is delayed, the market price of the securities purchased by the Fund may decline sharply, resulting in losses to the Fund. The risk/reward payout of event-driven strategies (such as merger arbitrage strategies) typically is asymmetric, with the losses in failed transactions often far exceeding the gains in successful transactions. A proposed transaction can fail to be consummated for many reasons, including regulatory and antitrust restrictions, industry weakness, company specific events, failed financings and general market declines.

Event-driven strategies are subject to the risk of overall market movements, and a Fund may experience losses even if a transaction is consummated. A Fund's investments in derivatives to hedge or otherwise adjust long or short investment exposure in connection with an event-driven strategy may not perform as the Investment Manager expected or may otherwise reduce the Fund's gains or increase its losses. Also, a Fund may be unable to hedge against market fluctuations or other risks.

A Fund's participation in event-driven transactions could result in tax inefficiencies.

Focused Investment Risk

Overall risk can be reduced by geographic or industry diversification, and increased by focusing investments in a limited number of asset classes, sectors, industries, issuers, currencies, countries or regions (or sectors within a country or region) that are subject to the same or similar risk factors and funds with investments whose market prices are closely correlated are subject to greater overall risk than funds with investments that are more diversified or whose market prices are not as closely correlated.

A Fund that invests in the securities of a small number of issuers has greater exposure to adverse developments affecting those issuers and to a decline in the market price of those issuers' securities than a Fund investing in the securities of a larger number of issuers.

The political and economic prospects of one country or group of countries within the same geographic region may affect other countries in that region or that country's trading partners, and a recession, debt crisis, or decline in the value of the currency of one country can spread to other countries or to that country's trading partners. Furthermore, companies tied economically to (or related to) a particular geographic region, country or type of market (e.g., Emerging Markets Countries) are vulnerable to events affecting other companies in that region, country or type of market because they often share common characteristics, are exposed to similar business risks and regulatory burdens and often react similarly to specific economic, market, political or other developments.

To the extent a Fund invests in the securities of relatively few issuers, it is particularly exposed to adverse developments affecting those issuers, and a decline in the market price of a particular security held by the Fund is likely to affect the Fund's performance more than if the Fund invested in the securities of a larger number of issuers.

There are no limitations on the amount a Fund may invest in the securities of any one sector or geography. Accordingly, the Fund's securities may be more susceptible to any single economic, market, political or regulatory occurrence than the securities of a diversified investment fund.

Risks Related to the Jurisdiction of Investments

General. Investment in issuers or securities principally traded in some countries, in particular in Emerging Market Countries, may involve special risks due to economic, political, and legal developments, including favourable or unfavourable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation, nationalisation or confiscatory taxation of assets, government-imposed quota controls and dealing restrictions, other government involvement in the economy or in the affairs of specific companies or industries (including wholly or partially state-owned enterprises) and possible difficulty in obtaining and enforcing judgments against entities located in those jurisdictions. The Fund may be subject to local taxes, including potentially on a retroactive basis, on (i) capital gains it realises or dividends, interest or other amounts it realises or accrues in respect of its investments; (ii) transactions in those investments; and (iii) repatriation of proceeds generated from the sale or other disposition of those investments. For instance, France implemented a tax on certain financial transactions and the European Commission has proposed imposing a financial transaction tax on certain transactions involving financial instruments when at least one party to the transaction is a financial institution that was deemed to be established in an EU Member State. Certain foreign jurisdictions also impose a withholding tax on certain payments made to non-residents of a jurisdiction which payments are attributable to local debt or other similar instruments. Any taxes or other charges paid or incurred by a Fund in respect of its investments will reduce its return thereon. The Investment Manager may seek to collect refunds on behalf of the Company in respect of taxes paid by the Fund to certain countries. The process of seeking a refund could take several years, subject the Fund to various administrative and judicial proceedings, and cause the Fund to incur expenses in relation to the collection of such refunds, which will reduce the benefit of any recovery. A Fund's efforts to collect a refund of taxes may not be successful, in which case the Fund will have incurred additional expenses for no benefit. In addition, a Fund's pursuit of a tax refund may subject it to administrative and judicial proceedings in the country where it is seeking the refund. The Investment Manager's decision to seek a refund on behalf of a Fund is in its sole discretion, and it may decide not to seek a refund, even if it is entitled to one. The process of seeking a refund may take years, and the outcome of the Investment Manager's efforts to obtain a refund is inherently unpredictable. Accordingly, a refund is not typically reflected in the Fund's Net Asset Value until the Investment Manager believes that the refund is collectible and free from significant contingencies. In some cases, the amount of such refunds could be material to a Fund's Net Asset Value. If you redeem your shares of a Fund before a potential refund is reflected in the Fund's Net Asset Value, you will not realise the benefit of that refund.

In addition, the tax laws of some jurisdictions in which the Fund may invest are unclear and interpretations of such laws can change over time, including on a retroactive basis. Similarly, provisions in or official interpretations of the tax treaties with such jurisdictions may change over time, which changes could impact the Fund's and/or Shareholders' eligibility for treaty benefits, if any. As a result, in order to comply with guidance related to applicable accounting standards, the Fund may be required to accrue certain taxes in respect of its securities or other investments in those markets which it may or may not ultimately pay. The amounts of such accruals will be determined by the Investment Manager in its absolute discretion. Such tax accruals will reduce the Fund's Net Asset Value at the time accrued, even though, in some cases, the Fund ultimately will not pay the related tax liabilities. Conversely, the Fund's Net Asset Value will be increased by any tax accruals that are ultimately reversed.

Issuers of securities in some countries, particularly Emerging Market Countries, are subject to different, often less comprehensive, accounting, custody, reporting, and disclosure requirements. The securities of some foreign governments, companies, and securities markets are less liquid, and at times more volatile, than comparable securities and securities markets in the U.S. or the EU. It is possible that brokerage commissions and related fees could be higher than in the U.S. or the EU. Funds that invest in securities in such jurisdictions also may be affected by different custody and/or settlement practices or delayed settlements. The laws of some foreign countries may limit the Fund's ability to invest in securities of certain issuers located in those countries. Foreign countries may have reporting requirements with respect to the ownership of securities, and those reporting requirements may be subject to interpretation or change without prior notice to investors. While the Fund will make reasonable efforts to stay informed of foreign reporting requirements relating to the Fund's portfolio securities in other jurisdictions (e.g., through the Fund's brokerage contacts, the Fund's custodial network, and, to the extent deemed appropriate by the Fund under the circumstances, local counsel in the relevant foreign country), no assurance can be given that the Fund will satisfy applicable foreign reporting requirements at all times.

Emerging Market Countries. Each Fund may invest in Emerging Market Countries. The risks described above apply to an even greater extent to investments in Emerging Market Countries. The risks involved in investments in Emerging Market Countries are likely to exceed the risks of investment in more mature markets. Investment in issuers or securities in Emerging Market Countries may involve special risks due to economic, political and legal developments, including favourable or unfavourable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation, nationalisation or confiscatory taxation of assets, imposition of withholding or other taxes, adverse changes in investment capital or exchange control regulations (which include suspension of the ability to transfer currency from a country), quota controls and dealing restrictions, political changes, diplomatic developments, including the imposition of economic sanctions, and possible difficulty in obtaining and enforcing judgments against entities in the market in question. In the event of a nationalisation, expropriation or other confiscation, the Fund could lose its entire investment in a security.

Emerging Market Countries securities markets often include securities of only a limited number of companies in a limited number of industries. As a result, the market prices of the securities traded on those markets often fluctuate more than those of securities traded developed countries' securities markets. In addition, issuers of Emerging Market Countries securities often are not subject to the same degree of regulation as developed country issuers. The reporting, recordkeeping, accounting, custody and auditing standards to which those issuers are subject are often not as rigorous standards in developed markets. Investors in such Emerging Market Countries often have limited rights and few practical remedies to pursue shareholder claims, including class actions or fraud claims, and the ability of authorities to bring and enforce actions against issuers or persons in such Emerging Market Countries is limited.

Laws, orders, rules, regulations and other legislation currently regulating investment may be altered, in whole or in part, and a court or other authority of an Emerging Market Country may interpret any relevant or existing legislation in such a way that the investment contemplated is rendered illegal, null or void, retroactively or otherwise or in such a way that the investment of the Fund is adversely affected.

Legislation regarding companies in Emerging Market Countries, specifically those laws in respect of the fiduciary responsibility of administrators and disclosure may be in a state of evolution and may be of a considerably less stringent nature than corresponding laws in more developed countries.

The laws of some countries may limit the Fund's ability to invest in securities of certain issuers located in those countries. Investors from other countries are required to maintain a licence to invest directly in the markets of a particular country and there are risks associated with any licence that the Fund seeks to maintain. These licences are often subject to limitations, including maximum investment amounts. Once a licence is obtained, the Fund's ability to continue to invest directly is subject to the risk that the licence will be terminated or suspended. If a licence is terminated or suspended, the Fund will be required to obtain exposure to the market through the purchase of shares of other funds that are licensed to invest directly, or derivative instruments. The receipt of a foreign licence by one of the Investment Manager's clients may preclude other clients, including the Fund, from obtaining a similar licence, and thus limits the Fund's investment opportunities. In addition, the activities of another of the Investment Manager's clients could cause the suspension or revocation of a licence and thereby limit the Fund's investment opportunities.

Certain countries may have reporting requirements with respect to the ownership of securities, and those reporting requirements may be subject to interpretation or change without prior notice to investors.

In addition, the tax laws of some jurisdictions in which a Fund may invest are unclear and interpretations of such laws can change over time, including on a retroactive basis. Similarly, provisions in or official interpretations of the tax treaties with such jurisdictions may change over time, which changes could impact the Fund's and/or Shareholders' eligibility for treaty benefits, if any. As a result, in order to comply with guidance related to applicable accounting standards, the Fund may be required to accrue certain taxes in respect of its securities or other investments in those markets which it may or may not ultimately pay. The amounts of such accruals will be determined by the Investment Manager in its absolute discretion. Such tax accruals will reduce the Fund's Net Asset Value at the time accrued, even though, in some cases, the Fund ultimately will not pay the related tax liabilities. Conversely, the Fund's Net Asset Value will be increased by any tax accruals that are ultimately reversed.

Because securities in certain markets often are purchased with and payable in currencies of that jurisdiction, the market value of these assets as measured in the Base Currency may be affected by the changes in currency rates and exchange control regulations. Some currency exchange costs may be incurred when the Fund changes investments from one currency to another. Currency exchange rates may fluctuate significantly over short periods of time. See the section entitled "Risk Factors – Currency Risks".

Brokerage commissions, transfer taxes, custodial costs and other fees can differ from jurisdiction to jurisdiction. In some markets, custody arrangements for securities provide significantly fewer protections than custody arrangements for securities in other markets, and prevailing custody and trade settlement practices (e.g., the requirement to pay for securities prior to receipt) may expose the Fund to credit and other risks with respect to participating brokers, custodians, clearing banks or other clearing agents, escrow agents and issuers. As the Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians may be exposed to increased risk. The Depositary has a sub-custodian network in certain Emerging Market Countries. The Investment Manager has agreed that it will not invest in securities issued or corporations located in Emerging Market Countries until the Depositary is satisfied that it has sub-custodian arrangements in place in respect of such countries. There is no guarantee that any arrangements made, or agreement entered into, between the Depositary and any sub-custodian will be upheld by a court of any Emerging Market Country or that any judgment obtained by the Depositary or the Fund against any such sub-custodian in a court of any competent jurisdiction will be enforced by a court of any Emerging Market Country. In this regard, investors should be aware that the UCITS Regulations provide for certain circumstances in which the Depositary's liability under the UCITS Regulations for the loss of Fund assets may not be triggered provided that the conditions set out in the UCITS Regulations are met.

Each Fund may invest in both "mature" Emerging Market Countries and "newly" Emerging Market Countries. The securities, derivatives and currency markets of Emerging Market Countries are generally smaller, less developed, less liquid and more volatile than the securities, derivatives and currency markets of developed markets and disclosure and regulatory standards in many respects are less stringent. In addition, the securities markets of Emerging Market Countries typically are subject to a lower level of monitoring and regulation. Government enforcement of existing securities regulations is limited, and any enforcement may be arbitrary and the results may be difficult to predict. In addition, reporting requirements of Emerging Market Countries with respect to the ownership of securities are more likely to be subject to interpretation or changes without prior notice to investors than more developed countries.

Many Emerging Market Countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on the economies and securities markets of certain Emerging Market Countries.

Economies of Emerging Market Countries generally are heavily dependent on international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values, government-imposed quotas and other protectionist measures imposed or negotiated by the countries with which they trade, as well as economic conditions in the countries with which they trade. The economies of Emerging Market Countries may be predominantly based on only a few industries or dependent on revenues from particular commodities.

In many cases, governments of Emerging Market Countries continue to exercise significant control over their economies, and government actions relative to the economy, as well as economic developments generally, may affect the capacity of creditors in those Emerging Market Countries to make payments on their debt obligations, regardless of their financial condition. Custodial services are often more expensive and other investment-related costs higher in Emerging Market Countries than in developed countries, which could reduce the Fund's income from investments in securities or debt instruments of Emerging Market Country issuers.

Emerging Market Countries are more likely than developed market countries to experience greater fluctuations in currency exchange rates and increased risk of currency devaluation and hyperinflation; increased risk of default (by both government and private issuers); greater social, economic, and political uncertainty and instability (including the risk of war); increased risk of nationalisation, expropriation, or other confiscation of issuer assets; greater governmental involvement in the economy or in the affairs of specific companies or industries (including wholly or partially state-owned enterprises); less governmental supervision and regulation of securities markets and participants in those markets; increased risk of market manipulation or fraudulent trade practices; controls on investment (including restrictions on foreign investment), capital controls and limitations on repatriation of invested capital, dividends, interest and other income and on a Fund's ability to exchange local currencies for U.S. Dollars; inability to purchase and sell investments or otherwise settle security or derivative transactions (i.e. a market freeze); lower trading volumes; unavailability of currency hedging techniques; less rigorous accounting, auditing, corporate governance, financial reporting, recordkeeping, and regulatory standards and practices; unavailability of reliable information about issuers; slower clearance and settlement; limitations on, or difficulties enforcing, legal judgments, contractual rights, or other remedies, including those available to a Fund in respect of its portfolio holdings; and significantly smaller market capitalisations of issuers. No assurance can be given that adverse political changes will not cause the Fund to suffer a loss of any or all of its investments (or, in the case of fixed-income securities, interest) in Emerging Market Countries.

Special Risks of Investing in Asian Securities. In addition to the risks of investments in jurisdictions generally and Emerging Market Countries investments described above, investments in Asia are subject to other risks. The economies of Asian countries are at varying levels of development. Markets of countries whose economies are in the early stages of development typically exhibit a high concentration of market capitalisation and have less trading volume, lower liquidity, and more volatility than more developed markets. Some Asian countries depend heavily on foreign trade and can be adversely affected by trade barriers, exchange controls, and other measures imposed or negotiated by the countries with which they trade. The economies of some Asian countries are not diversified and are based on only a few commodities or industries. Financial imbalances among various economic sectors, fueled by rising asset prices, strong credit growth, and relatively easy financing conditions in certain economies in Asia may also negatively impact those economies.

Investments in Asia also are susceptible to social, political, legal, and operational risks. Some countries have authoritarian or relatively unstable governments. Certain Asian countries have experienced violence, terrorism, armed conflict, epidemics, or pandemics, geopolitical conflicts (such as trade disputes) and social instability, which have negatively impacted their economies. Some governments in the region provide less supervision and regulation of their financial markets and in some countries less financial information is available than is typical of more developed markets. Some governments in the region exercise considerable influence on their respective economies and, as a result, companies in the region may be subject to government interference and nationalisation. Some Asian countries restrict direct foreign investment in securities markets, and investments in securities traded on those markets may be made, if at all, only indirectly (e.g., through Depositary Receipts, as defined below under "Depositary Receipts," derivatives, etc.). For example, Taiwan permits foreign investment only through authorised qualified foreign institutional investors ("FINI").

Some Asian countries require foreign investors to be registered with local authorities prior to investing in the securities markets and impose limitations on the amount of investments that may be made by foreign investors and the repatriation of the proceeds from investments.

Asian countries periodically experience increases in market volatility and declines in foreign currency exchange rates. Currency fluctuations affect the value of securities because the prices of these securities are generally denominated or quoted in currencies other than the U.S. Dollar. Fluctuations in currency exchange rates can also affect a country's or company's ability to service its debt. The governments of certain Asian countries also maintain their currencies at artificial levels in relation to the U.S. Dollar rather than at levels determined by the market, which may have an adverse impact on foreign investors.

Investment in particular Asian countries is subject to unique risks, yet the political and economic prospects of one country or group of countries can affect other countries in the region. For example, the economies of some Asian countries are directly affected by Japanese capital investment in the region and by Japanese consumer demands. In addition, a recession, debt crisis, or decline in currency valuation in one Asian country may spread to other Asian countries. The economies of Asian countries are also vulnerable to effects of natural disasters occurring within the region, including droughts, floods, tsunamis, and earthquakes. Disaster recovery in Asia can be poorly coordinated, and the economic impact of natural disasters is significant at both the country and company levels.

A Fund may, directly or indirectly (through, for example, participation notes or other types of equity-linked notes), purchase shares in mainland China-based companies that trade on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange ("China A-Shares") or debt securities traded on the China Interbank Bond Market ("CIBM Bonds" and with "China A-Shares, "China Connect Securities"), through a variety of mutual market access programs (collectively, "China Connect") that enable foreign investment in PRC exchange-traded securities via investments made in Hong Kong or other locations that may in the future have China Connect programs with the PRC. Examples of China Connect programs include the Shanghai and Shenzhen-Hong Kong Stock Connect (collectively, "Stock Connect") and the China Bond Connect (the "Bond Connect"). Trades do not cross between the Shanghai and Shenzhen stock exchanges and a separate broker is assigned for each exchange. If a Fund rebalances across both exchanges, the Fund must trade out of stocks listed on one exchange with a broker and trade into stocks on the other exchange with a separate broker. As a result, the Fund may incur additional fees.

There are significant risks inherent in investing in China Connect Securities through China Connect. The China Connect programs are relatively new. There can be no assurance that China Connect programs will not be discontinued without advance notice or that future developments will not restrict or adversely affect a Fund's investments or returns through China Connect. The less developed state of PRC's investment and banking systems with respect to foreign investment subjects the settlement, clearing, and registration of China Connect Securities transactions to heightened risks. China Connect program restrictions could also limit the ability of a Fund to sell its China Connect Securities in a timely manner, or to sell them at all. For instance, China Connect programs involving Hong Kong can only operate when both PRC and Hong Kong markets are open for trading and when banking services are available in both markets on the corresponding settlement days. As such, if Hong Kong markets are closed but China Connect Securities are trading in the PRC, or where China Connect programs are closed for extended periods of time because of subsequent Hong Kong and PRC holidays (or for other reasons), a Fund may not be able to dispose of its China Connect Securities when it wants to in a timely manner, which could adversely affect the Fund's performance. Additionally, certain China Connect programs are subject to daily quota limitations on purchases of certain China Connect Securities (such as China A-Shares). Once the daily quota is reached, orders to purchase additional China A-Shares through Stock Connect will be rejected. Investment quotas are subject to change, and although the current quotas do not place limits on sales of China A-Shares or other China Connect Securities through China Connect programs, there can be no guarantee that capital controls would not be implemented that could adversely affect a Fund's ability to remove money out of China and use it for other purposes, including to meet redemptions.

China Connect Securities purchased through a China Connect program are held through a nominee structure by a Hong Kong-based depository as nominee (the "Nominee") on behalf of investors. Thus, a Fund's investments will be registered on the books of the PRC clearinghouse in the name of a Hong Kong clearinghouse, and on the books of a Hong Kong clearinghouse in the name of the Fund's Hong Kong sub-custodian, and may not be clearly designated as belonging to the Fund. The precise nature and rights of a Fund as the beneficial owner of China Connect Securities through the Nominee is not well defined under PRC law and it is not yet clear how such rights will recognised or enforced under PRC law. If PRC law does not fully recognise a Fund as the beneficial owner of its China Connect Securities, this may limit GMO's ability to effectively manage a Fund. The use of the nominee system also exposes a Fund to the credit risk of the depository intermediaries, and to greater risk of expropriation. Different fees, costs, and taxes are imposed on foreign investors acquiring China Connect Securities acquired through China Connect programs, and these fees, costs, and taxes may be higher than comparable fees, costs, and taxes imposed on owners of other securities providing similar investment exposure. Furthermore, the securities regimes and legal systems of the PRC and Hong Kong differ significantly from each other and issues may arise based on these differences. Loss of Hong Kong independence or legal distinctiveness, for example, related to the Hong Kong protests that started in 2019, could undermine significant benefits of the China Connect programs. Political, regulatory and diplomatic events, such as the U.S.-China "trade war" that intensified in 2018, could have an adverse effect on the Chinese or Hong Kong economies and on investments made through China Connect programs, and thus could adversely impact the Funds investing through China Connect programs.

CIBM Bonds may also be purchased through the CIBM Direct Access Program, which is also relatively new. The CIBM Direct Access Program, established by the People's Bank of China, allows eligible foreign institutional investors to conduct trading in the CIBM, subject to other rules and regulations as promulgated by Chinese authorities. Eligible foreign institutional investors who wish to invest directly in the CIBM through the CIBM Direct Access Program may do so through a settlement agent located in China, who would be responsible for making the relevant filings and account opening with the relevant authorities. A Fund is therefore subject to the risk of default or errors on the part of such agent. Many of the same risks that apply to investments in the PRC through China Connect programs also apply to investments through the CIBM Direct Access Program.

Significant portions of the Chinese securities markets may become rapidly illiquid, as Chinese issuers have the ability to suspend the trading of their equity securities, and have shown a willingness to exercise that option in response to market volatility, epidemics, pandemics, adverse economic, market or political events, and other events.

Unexpected political, regulatory and diplomatic events may affect investor and consumer confidence and may adversely impact financial markets and the broader economy, perhaps suddenly and to a significant degree. Events such as these and their impact on the Funds are difficult to predict and it is unclear whether further tariffs may be imposed or other escalating actions may be taken in the future. For example, the Chinese government is involved in a longstanding dispute with Taiwan that has included threats of invasion. If the political climate between the United States and China does not improve or continues to deteriorate, if China were to attempt unification of Taiwan by force, or if other geopolitical conflicts develop or get worse, economies, markets and individual securities may be severely affected both regionally and globally, and the value of the Funds' assets may go down.

Special Risks of Investing in Russian Securities. Each Fund may invest directly in the securities of Russian issuers or may have indirect exposure to Russian securities through its investment in one or more of Underlying Funds with direct investments in Russia. Investment in those securities presents many of the same risks as investing in the securities of Emerging Market Country issuers, as described in the preceding sections.

The social, political, legal, and operational risks of investing in Russian issuers, and of having assets held in custody within Russia, however, may be particularly pronounced relative to investments in more developed countries.

Russia's system of share registration and custody creates certain risks of loss (including the risk of total loss) that are not normally associated with investments in other securities markets. The fairly recent formation of the Russian securities markets and the underdeveloped state of Russia's banking system subjects settlement, clearing, and registration of securities transactions to significant risks. Prior to 2013, there was no central registration system for equity share registration in Russia and registration was carried out by either the issuers themselves or by registrars located throughout Russia. Such registrars were not necessarily subject to effective state supervision, nor were they licensed with any governmental entity, thereby increasing the risk that the Fund could lose ownership of its securities through fraud, negligence, or even mere oversight. With the implementation of the NSD in Russia as a recognised central securities depository, title to Russian equities is now based on the records of the NSD and not the registrars. Although the implementation of the NSD is generally expected to decrease the risk of loss in connection with recording and transferring title to securities, issues resulting in loss still may occur. In addition, issuers and registrars are still prominent in the validation and approval of documentation requirements for corporate action processing in Russia. Because the documentation requirements and approval criteria vary between registrars and/or issuers, there remain unclear and inconsistent market standards in the Russian market with respect to the completion and submission of corporate action elections. To the extent that the Fund suffers a loss relating to title or corporate actions relating to its portfolio securities, it may be difficult for the Fund to enforce its rights or otherwise remedy the loss.

In addition, as a result of political and military actions undertaken by Russia, the U.S. and the EU have instituted sanctions against certain Russian officials and institutions. These sanctions and any additional sanctions or other intergovernmental actions that may be undertaken against Russia in the future may result in the devaluation of Russian currency, a downgrade in the country's credit rating, and a decline in the value and liquidity of Russian securities. Such actions could result in a freeze of Russian securities, impairing the ability of the Fund to buy, sell, receive, or deliver those securities. Retaliatory action by the Russian government could involve the seizure of U.S. and/or European residents' assets, and any such actions are likely to impair the value and liquidity of such assets. Any or all of these potential results could have an adverse/recessionary effect on Russia's economy. All of these factors could have a negative effect on the performance if the Fund has significant direct or indirect exposure to Russia.

Counterparty Risk

Funds that enter into contracts with counterparties, such as repurchase or reverse repurchase agreements or OTC derivatives contracts, or that lend their portfolio securities or allow an OTC derivative counterparty to retain possession of collateral, run the risk that the counterparty will be unable or unwilling to make timely settlement payments or otherwise honour its obligations. Lack of a common clearing facility creates counterparty risk. If a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Fund could miss investment opportunities or otherwise be forced to hold investments it would prefer to sell, resulting in losses for the Fund. If the counterparty defaults, a Fund will have contractual remedies, but there can be no assurance that the counterparty will be able to meet its contractual obligations or that the Fund will be able to enforce its rights. For example, because the contract for each OTC derivatives transaction is individually negotiated with a specific counterparty, a Fund is subject to the risk that a counterparty may interpret contractual terms (e.g., the definition of default) differently than the Fund. The cost and unpredictability of the legal proceedings required for the Fund to enforce its contractual rights may lead it to decide not to pursue its claims against the counterparty. Counterparty risk is greater for derivatives with longer maturities where events may intervene to prevent settlement. Counterparty risk is also greater when a Fund has concentrated its derivatives with a single or small group of counterparties as it sometimes does as a result of its use of swaps and other OTC derivatives. To the extent a Fund has significant exposure to a single counterparty, this risk will be particularly pronounced for the Fund. The Fund, therefore, assumes the risk that it may be unable to obtain payments the Investment Manager believes are owed under an OTC derivatives contract or that those payments may be delayed or made only after the Fund has incurred the costs of litigation. In addition, a Fund may suffer losses if a counterparty fails to comply with applicable laws, regulations, or other requirements. Counterparty risk is pronounced during unusually adverse market conditions and is particularly acute in environments in which financial services firms are exposed (as they were in 2008) to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions. Fixed income investments are also subject to illiquidity risk. See the section entitled "Risk Factors - Illiquidity Risk".

The credit rating of a counterparty may be adversely affected by greater-than-average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital.

Participants in OTC derivatives markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of exchange-based markets, and, therefore, OTC derivatives generally expose a Fund to greater counterparty risk than exchange-traded derivatives. A Fund is subject to the risk that a counterparty will not settle a transaction in accordance with its terms because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem. A Fund also may be exposed to similar risks with respect to brokers in jurisdictions where there are delayed settlement periods.

When a counterparty's obligations are not fully secured by collateral, then the Fund is essentially an unsecured creditor of the counterparty. If a counterparty defaults, the Fund will have contractual remedies (whether or not the obligation is collateralised), but there is no assurance that a counterparty will be able to meet its obligations pursuant to such contracts or that, in the event of default, the Fund will succeed in enforcing contractual remedies. Counterparty risk still exists even if a counterparty's obligations are secured by collateral because the Fund's interest in collateral may not be perfected or additional collateral may not be promptly posted as required. The Investment Manager's view with respect to a particular counterparty is subject to change. The fact, however, that GMO's view changes adversely (whether due to external events or otherwise) does not mean that a Fund's existing transactions with that counterparty will be terminated or modified. In addition, a Fund may enter into new transactions with a counterparty that the Investment Manager no longer considers a desirable counterparty (for example, re-establishing the transaction with a lower notional amount or entering into a countervailing trade with the same counterparty).

Counterparty risk also may be more pronounced if a counterparty's obligations exceed the amount of collateral held by the Fund (if any), the Fund is unable to exercise its interest in collateral upon default by the counterparty, or the termination value of the instrument varies significantly from marked-to-market value of the instrument. To the extent a Fund allows any over-the-counter derivative counterparty to retain possession of any collateral, the Fund may be treated as an unsecured creditor of such counterparty in the event of the counterparty's insolvency.

To the extent that a Fund uses swap contracts, it is subject to the creditworthiness of the counterparties because some types of swap contracts have terms longer than six months (and, in some cases, decades). The creditworthiness of a counterparty may be adversely affected by greater than average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital.

The Funds also are subject to counterparty risk because they execute their securities transactions through brokers and dealers. If a broker or dealer fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Funds could miss investment opportunities or be unable to dispose of investments they would prefer to sell, resulting in losses for the Funds.

Counterparty risk with respect to derivatives has been and will continue to be affected by new rules and regulations relating to the derivatives market. Some derivatives transactions are required to be centrally cleared, and a party to a cleared derivatives transaction is subject to the credit risk of the clearing house and the clearing member through which it holds its cleared position. Credit risk of market participants with respect to derivatives that are centrally cleared is concentrated in a few clearing houses, and it is not clear how an insolvency proceeding of a clearing house would be conducted and what impact an insolvency of a clearing house would have on the financial system. A clearing member is obligated by contract and regulation to segregate all funds received from customers with respect to cleared derivatives positions from the clearing member's proprietary assets. However, all funds and other property received by a clearing member from its customers with respect to cleared derivatives are generally held by the clearing member on a commingled basis in an omnibus account (which can be invested in instruments permitted under the UCITS Regulations). Therefore, a Fund might not be fully protected in the event of the bankruptcy of a Fund's clearing member because the Fund would be limited to recovering only a pro rata share of the funds held by the clearing member on behalf of customers, with a claim against the clearing member for any deficiency. Also, the clearing member is required to the clearing house the amount of margin required by the clearing house for cleared derivatives, which amount is generally held in an omnibus account at the clearing house for all customers of the clearing member. Regulations promulgated by the CFTC require that the clearing member notify the clearing house of the initial margin provided by the clearing member to the clearing house that is attributable to each customer. However, if the clearing member does not accurately report a Fund's initial margin, the Fund is subject to the risk that a clearing house will use the assets attributable to it in the clearing house's omnibus account to satisfy payment obligations a defaulting customer of the clearing member has to the clearing house. In addition, clearing members generally provide the clearing house the net amount of variation margin required for cleared swaps for all of its customers, rather than individually for each customer. The Funds are therefore subject to the risk that a clearing house will not make variation margin payments owed to a Fund if another customer of the clearing member has suffered a loss and is in default, and the risk that a Fund will be required to provide additional variation margin to the clearing house before the clearing house will move the Fund's cleared derivatives positions to another clearing member. In addition, if a clearing member does not comply with the applicable regulations or its agreement with the Funds, or in the event of fraud or misappropriation of customer assets by a clearing member, a Fund could have only an unsecured creditor claim in an insolvency of the clearing member with respect to the margin held by the clearing member.

Also, in the event of a counterparty's (or its affiliate's) insolvency, the possibility exists that the Fund's ability to exercise remedies, such as the termination of transactions, netting of obligations or realisation on collateral, could be stayed or eliminated under special resolution regimes adopted in the EU, the United States and various other jurisdictions. Such regimes provide government authorities with broad authority to intervene when a financial institution is experiencing financial difficulty. In particular, in the EU, governmental authorities could reduce, eliminate, or convert to equity the liabilities to the Fund of a counterparty experiencing financial difficulties (sometimes referred to as a "bail in").

Credit Risk

All fixed income investments are subject to credit risk. Financial strength and solvency of an issuer are the primary factors influencing credit risk. The risk varies depending upon whether the issuer is a corporation, a government or government entity, whether the particular security has a priority over other obligations of the issuer in payment of principal and interest and whether it has any collateral backing or credit enhancement. Credit risk may change over the term of a fixed income security. Government securities are subject to varying degrees of credit risk depending upon whether the securities are supported by the full faith and credit of the particular government, supported by the ability to borrow from its treasury, supported only by the credit of the issuing government agency, instrumentality, or corporation, or otherwise supported by the particular government. For example, in the U.S., issuers of many types of U.S. government securities (e.g., the Federal Home Loan Mortgage Corporation ("Freddie Mac"), Federal National Mortgage Association ("Fannie Mae"), and Federal Home Loan Banks), although chartered or sponsored by the U.S. Congress, are not funded by Congressional appropriations and their fixed income securities, including mortgage-backed and other asset-backed securities, are neither guaranteed nor insured by the U.S. government. These securities are subject to more credit risk than U.S. government securities that are supported by the full faith and credit of the United States (e.g., U.S. Treasury bonds).

The market price of a fixed income investment will normally decline as a result of the issuer's, guarantor's, or obligor's failure to meet its payment obligations, or in anticipation of such failure, or the downgrading of the relevant credit rating. This risk is particularly acute in environments in which financial services firms are exposed (as they were in 2008) to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions. Fixed income investments are also subject to illiquidity risk. See the sections entitled "Risk Factors - Illiquidity Risk" and "Risk Factors – Counterparty Risk".

Investments in sovereign or quasi-sovereign debt involve the risk that the governmental entities responsible for repayment will be unable or unwilling to pay interest and repay principal when due. A governmental entity's ability and willingness to pay interest and repay principal in a timely manner can be expected to be affected by a variety of factors, including its cash flow, the size of its reserves, its access to foreign exchange, the relative size of its debt service burden to its economy as a whole, and political constraints. Investments in quasi-sovereign issuers are subject to the additional risk that the issuer will default independently of its sovereign. Sovereign debt risk is greater for fixed income securities issued or guaranteed by Emerging Market Countries. In addition, investments in emerging country sovereign or quasi-sovereign debt are subject to the risk that the Fund may lack recourse against the issuer in the event of default. Investments in quasi-sovereign debt also are subject to the risk that the issuer will default independently of its sovereign.

In many cases, the credit risk and market price of a fixed income investment are reflected in its credit ratings, and a fund holding a rated investment is subject to the risk that the investment's rating will be downgraded, resulting in a decrease in the market price of the fixed income investment.

Securities issued by the U.S. government historically have presented minimal credit risk. However, events in 2011 led several major rating agencies to downgrade the long-term credit rating of U.S. bonds, introducing greater uncertainty about the repayment by the United States of its obligations. A further credit rating downgrade could decrease, and a default in the payment of principal or interest on U.S. government securities would decrease, the market price of the Fund's investments and increase the volatility of the Fund's portfolio.

As described in the section entitled "Risk Factors - Market Risk – Asset-Backed Securities," asset-backed securities may be backed by many types of assets and their payment of interest and repayment of principal largely depend on the cash flows generated by the assets backing them. The credit risk of a particular asset-backed security depends on many factors, as described under the section entitled "Risk Factors - Market Risk – Asset-Backed Securities." The obligations of issuers also may be subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors.

The Fund also is exposed to credit risk on a reference security to the extent it writes protection under credit default swaps. See the section entitled "Risk Factors – Derivatives Risk – Synthetic Short Selling" for more information regarding risks associated with the use of credit default swaps.

The extent to which the market price of a fixed income investment changes in response to a credit event depends on many factors and can be difficult to predict. For example, even though the effective duration of a long-term floating rate security is very short, an adverse credit event or change in the perceived creditworthiness of its issuer could cause its market price to decline much more than its effective duration would suggest.

Credit risk is particularly pronounced for below investment grade investments (commonly referred to as "high yield" or "junk" bonds). The sovereign debt of many non-U.S. governments, including their sub-divisions and instrumentalities, is below investment grade. Many asset-backed securities also are below investment grade. Below investment grade investments have speculative characteristics, often are less liquid than higher quality securities, present a greater risk of default and are more susceptible to real or perceived adverse industry conditions. Investments in distressed or defaulted or other low quality debt investments generally are considered speculative and may involve substantial risks not normally associated with investments in higher quality investments, including adverse business, financial or economic conditions that lead to payment defaults and insolvency proceedings on the part of their issuers. In particular, distressed or defaulted obligations might be repaid, if at all, only after lengthy workout or bankruptcy proceedings, during which the issuer does not make any interest or other payments, and the Fund incurs additional expenses to seek recovery. If the Investment Manager's assessment of the eventual recovery value of a distressed or defaulted debt investment proves incorrect, the Fund may lose a substantial portion or all of its investment or may be required to accept cash or instruments worth less than its original investment. In the event of default of sovereign debt, the Fund may be unable to pursue legal action against the issuer.

Measurement of Market Risk and Leverage using the Commitment Approach

The Fund will seek to limit the market risk and leverage created through the use of derivatives by using the commitment approach.

The commitment approach calculates leverage by measuring the market value of the underlying exposures of derivatives relative to the relevant Fund's Net Asset Value.

Market Risk - Asset-Backed Securities

Investments in asset-backed securities not only are subject to all of the market risks described in the section entitled "Risk Factors - Market Risk – Fixed Income" but to other market risks as well.

A Fund's investments in asset-backed securities are exposed to greater risk of severe credit downgrades, illiquidity, and defaults than many other types of fixed income investments. These risks are particularly acute during periods of adverse market conditions, such as those that occurred in 2008. Asset-backed securities may be backed by many types of assets, including pools of residential and commercial mortgages, automobile loans, educational loans, home equity loans, and credit-card receivables. They also may be backed by pools of corporate, sovereign or quasi-sovereign bonds, bank loans to corporations, or a combination of bonds and loans and by the fees payable to service providers.

As described under the section entitled "Risk Factors - Market Risk – Fixed Income", the market price of asset-backed securities, like that of other fixed income investments with complex structures, can decline for a variety of reasons, including market uncertainty about their credit quality and the reliability of their payment streams. Payment of interest on asset-backed securities and repayment of principal largely depend on the cash flow generated by the assets backing the securities, as well as the deal structure (e.g., the amount of underlying assets or other support available to produce the cash flows necessary to service interest and make principal payments), the quality of the underlying assets, the level of credit support and the credit quality of the credit-support provider, if any, and the performance of other service providers with access to the payment stream. A problem in any of these factors can lead to a reduction in the payment stream the Investment Manager expected the Fund to receive when the Fund purchased the asset-backed security. Principal payments of asset-backed securities are at risk if obligors of the underlying obligations default and the value of the defaulted obligations exceeds whatever credit support the securities have. Asset-backed securities backed by sub-prime mortgage loans, in particular, expose the Fund to potentially greater declines in value due to defaults because sub-prime mortgage loans are typically made to less creditworthy borrowers and thus have a higher risk of default than conventional mortgage loans. The issuance of asset-backed securities also is subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors. As of the date of this Prospectus, many asset-backed securities owned by the Fund are rated below investment grade. See the section entitled "Risk Factors - Credit Risk" for more information about credit risk.

When worldwide economic and liquidity conditions deteriorated in 2008, the markets for asset-backed securities became fractured, and uncertainty about the creditworthiness of those securities (and underlying assets) caused credit spreads (the difference between yields on asset-backed securities and U.S. Government securities) to widen dramatically. Concurrently, systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions reduced the ability of financial institutions to make markets in many asset backed (as well as other) fixed income securities. These events reduced liquidity and contributed to substantial declines in the market prices of asset-backed (and other) fixed income securities and they may occur again. Also, government actions and proposals affecting the terms of underlying home and consumer loans, changes in demand for products (e.g., automobiles) financed by those loans, and the inability of borrowers to refinance existing loans (e.g., sub-prime mortgages) have had, and may continue to have, adverse valuation and liquidity effects on asset-backed securities.

The market price of an asset-backed security depends in part on the servicing of its underlying assets and is, therefore, subject to risks associated with the negligence or defalcation of its servicer. The mishandling of documentation for underlying assets also will affect the rights of holders of those underlying assets. The insolvency of a servicer is likely to result in a decline in the market price of the securities it is servicing, as well as costs and delays. The obligations underlying asset-backed securities, in particular securities backed by pools of residential and commercial mortgages, also are subject to unscheduled prepayment, and the Fund may be unable to invest prepayments at as high a yield as was provided by the asset-backed security. When interest rates rise, the obligations underlying asset-backed securities may be repaid more slowly than anticipated, and the market price of those securities may decrease.

The existence of insurance on an asset-backed security does not guarantee that the principal and interest will be paid because the insurer could default on its obligations.

The risk of investing in asset-backed securities has increased since 2008 because performance of the various sectors in which the assets underlying asset-backed securities are concentrated (e.g., auto loans, student loans, sub-prime mortgages, and credit card receivables) has become more highly correlated. See the section entitled "Risk Factors - Focused Investment Risk" for more information about risks of investing in correlated sectors. A single financial institution may serve as a servicer for many asset-backed securities. As a result, a disruption in that institution's business may have a material impact on the many asset-backed securities it services.

Illiquidity Risk

Illiquidity risk is the risk that low trading volume, lack of a market maker, large position size, or legal restrictions (including daily price fluctuation limits or "circuit breakers") limits, delays or prevents a Fund from selling particular securities or closing derivative positions at desirable prices. A Fund may invest in assets that have limited or no liquidity, including assets and derivatives which it may not be able to readily sell or dispose of, including securities whose disposition is restricted by securities laws. In addition to these risks, the Fund is exposed to illiquidity risk when it has an obligation to purchase particular securities (e.g., as a result of entering into reverse repurchase agreements, writing a put, or closing a short position).

The more less-liquid securities a Fund holds, the more likely it is to honor a withdrawal request in kind and/or to suspend or limit withdrawals. These limitations on liquidity of a Fund's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realised. Because illiquid investments may be difficult to value, the prices realised on their sale may be less than the price at which they were valued when held by a Fund. In addition, a Fund's holdings in securities for which the relevant market is or becomes less liquid are more susceptible to market value declines.

To the extent the Fund's investments include asset-backed securities, low quality debt securities, debt securities from Emerging Market Countries, securities of companies with smaller market capitalisations or smaller total float-adjusted market capitalisations, or Emerging Market Country securities, it is subject to increased illiquidity risk. These types of investments can be difficult to value (see the section entitled "Administration of the Company - Determination of Net Asset Value"), exposing the Fund to the risk that the price at which it sells them will be less than the price at which they were valued when held by the Fund. Illiquidity risk tends to may be greater in times of financial stress. For example, TIPS have experienced periods of greatly reduced liquidity during disruptions in fixed income markets, such as the events surrounding the bankruptcy of Lehman Brothers in 2008. Less liquid securities are often more susceptible than other securities to price declines when market prices decline generally.

Each Fund may buy securities or other investments that are less liquid than those in its Benchmark.

Historically, credit markets have experienced periods characterised by a significant lack of liquidity, and they may experience similar periods in the future. If a Fund is required to sell less liquid investments to satisfy collateral posting requirements or to meet redemptions, those sales could put significant downward price pressure on the market price of the securities being sold. If there is a substantial decline in the market value of a Fund's portfolio of investments, investments may need to be liquidated quickly.

In addition to the risks that exist with respect to privately-placed securities, bank loans and other instruments due to the nature of such securities (e.g., risks associated with common stock), privately-placed securities, bank loans and other instruments are often illiquid. Illiquid investments include most investments the disposition of which is subject to substantial legal or contractual restrictions and are generally viewed as investments that cannot be disposed of within seven business days at approximately the amount which the Investment Manager has valued the investments. The Investment Manager may experience significant delays in disposing of illiquid investments and may not be able to sell them for the price the Fund paid or the price at which the Investment Manager (or its designee) has valued them. Transactions in illiquid investments may entail registration expenses and other transaction costs that are higher than those for transactions in liquid investments.

A Fund's ability to use options as part of its investment program depends on the liquidity of the options market. In addition, that market may not be liquid when the Fund seeks to close out an option position. Also, the hours of trading for options on an exchange may not conform to the hours during which the securities held by the Fund are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the markets for underlying securities that are not immediately reflected in the options markets. If the Fund receives a repurchase request and is unable to close out an option it has sold, the Fund may temporarily be leveraged in relation to its assets.

Inflation / Deflation Risk

Inflation risk is the risk that the value of assets or income from a Fund's investments will be worth less in the future as inflation decreases the value of payments at future dates. As inflation increases, the real value of a Fund's portfolio could decline. Deflation risk is the risk that prices throughout the economy decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely or materially impair the ability of distressed issuers to restructure, which may result in a decline in the Net Asset Value of a Fund's portfolio.

Fund of Funds Risk

Where a Fund invests in Underlying Funds, it is exposed to the risk that the Underlying Funds will not perform as expected. The Fund will also be indirectly exposed to all of the risks to which the Underlying Funds are exposed. There can be no assurance that the Underlying Funds will not be more or less correlated with each other than anticipated by the Investment Manager. Any unanticipated correlation in the performance of the Underlying Funds could result in significant losses for a Fund with material investments in Underlying Funds.

Further, a Fund's interest in underlying funds, if any, may be subject to substantial restrictions on transfer. Also, the underlying funds typically have the right to suspend withdrawals during the occurrence of certain events, such as market disruption. As a result, the Fund may not be able to dispose of its interests in one or more underlying funds when the Investment Manager believes it would be advantageous for the Fund to do so.

Because, absent reimbursement, the Fund would bear the fees and expenses of an underlying fund (including purchase premiums and redemption fees, if any) in which it invests, the Fund will incur additional expenses when investing in an underlying fund. In addition, total Fund expenses will increase if the Fund makes a new or further investment in Underlying Funds with higher fees or expenses than the average fees and expenses of the Underlying Funds then in the Fund's portfolio.

At any particular time, one underlying fund may be purchasing securities of an issuer whose securities are being sold by another underlying fund, resulting in a Fund that holds each underlying fund indirectly incurring the costs associated with the two transactions without changing its exposure to those securities.

Investments in ETFs involve the risk that an ETF's performance may not track the performance of the index it is designed to track. In addition, ETFs often use derivatives to track the performance of an index, and, therefore, investments in those ETFs are subject to the same derivatives risks discussed in the section entitled "Risk Factors – Derivatives Risk – Synthetic Short Selling." ETFs are investment companies that typically hold a portfolio of securities designed to track the price, performance, and dividend yield of a particular securities market index (or sector of an index). As investment companies, ETFs incur their own management and other fees and expenses, such as trustee fees, operating expenses, registration fees, and marketing expenses, and a Fund that invests in ETFs will bear a proportionate share of such fees and expenses. As a result, an investment by a Fund in an ETF could lead to higher operating expenses and lower returns than if the Fund were to invest directly in the securities underlying the ETF.

The Fund's investments in one or more Underlying Funds could cause the Fund to recognise taxable income in excess of the cash generated by such investments, which may reduce the Fund's returns.

The Fund's investments in one or more Underlying Funds could affect the amount, timing and character of its distributions and could cause the Fund to recognise taxable income in excess of the cash generated by such investments, which may reduce the Fund's returns.

Large Shareholder Risk

To the extent a large number of Shares of the Fund is held by a single shareholder (e.g., an institutional investor or another fund managed by the Investment Manager) or a group of shareholders with a common investment strategy (e.g., the Investment Manager's asset allocation accounts), the Fund is subject to the risk that a repurchase of Shares by those Shareholders of all or a large portion of their Fund shares will adversely affect the Fund's performance by forcing the Fund to sell portfolio securities at disadvantageous prices to raise the cash needed to satisfy the repurchase request. In addition, the Fund and separate accounts over which the Investment Manager has investment discretion that invest in the Fund are not limited in how often they may sell Shares in the Fund. These transactions may adversely affect the Fund's performance to the extent that the Fund is required to sell investments (or invest cash) when it would not otherwise have done so. Repurchases of a large number of Shares also may increase transaction costs or, by necessitating a sale of portfolio securities, have adverse tax consequences for Fund shareholders. In some cases, a redemption of a large number of Shares could disrupt the Fund's operations or force the Fund's liquidation. Further, from time to time a Fund may trade in anticipation of a purchase order or redemption request that is not ultimately received or differs in size from the actual order, leading to temporary underexposure or overexposure to the Fund's intended investment program. In addition, to the extent the Fund invests in other funds managed by the Investment Manager subject to large shareholder risk, the Fund is indirectly subject to this risk.

Cross-Liability Risk - Umbrella Structure of the Company

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

Cross-Liability Risk - Share Classes

Although the Fund may offer multiple classes of Shares, all of the assets of the Fund are available to meet all of the liabilities of the Fund, regardless of the class(es) of Shares to which such assets or liabilities are attributable. The assets attributable to any one class of Shares will not be isolated from the liabilities attributable to other classes of Shares. However, class-specific transactions such as class currency hedging transactions must be clearly attributable to a specific class. This means that costs and gains/losses of the hedging transactions will accrue solely to the relevant class. However, if the liabilities of a class exceed the assets attributable to that class, the assets attributable to the other classes will be exposed to such liabilities.

Risks Associated with Fund Cash Accounts and Umbrella Cash Accounts

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

In respect of all Funds, it is expected that Investor Monies will be held in a single Umbrella Cash Account. Separate Umbrella Cash Accounts or Fund Cash Accounts, as applicable, may be maintained for different currencies.

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

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

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

In the event of an insolvency of the Fund, there is no guarantee that the Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to Investor Monies) in full. Monies attributable to other Funds within the Company will also be held in the Umbrella Cash Accounts. In the event of the insolvency of a Fund (an “Insolvent Fund”), the recovery of any amounts to which another Fund (the “Beneficiary Fund”) is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to applicable law and the operational procedures for the Umbrella Cash Account. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Beneficiary Fund.

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

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

The Central Bank’s guidance on umbrella cash accounts may be subject to change and further clarification.

Risks Associated with Investment in Other Collective Investment Schemes

Each Fund may invest in one or more collective investment schemes including schemes managed by the Investment Manager or its affiliates. Non-Irish domiciled collective investment schemes may not provide a level of investor protection equivalent to that provided by collective investment schemes authorised by the Central Bank. Each Fund may invest in shares of both open- and closed-ended collective investment schemes (including money market funds and ETFs). Investing in another collective investment scheme exposes the Fund to all the risks of that collective investment scheme.

ETFs typically hold a portfolio of common stocks that is intended to track the price and dividend performance of a particular index. Common examples of ETFs include SPDRs and iShares, which may be purchased from the ETF issuing the securities or in the secondary market (SPDRs are listed on the American Stock Exchange and iShares are listed on the New York Stock Exchange). The market price for ETF shares may be higher or lower than the ETF's net asset value. The sale and repurchase prices of ETF shares purchased from the issuer are based on the issuer's net asset value.

As a shareholder of another collective investment scheme, the Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. The maximum level of management fees (exclusive of any performance fee) which may be charged to a collective investment scheme in which the Fund invests is 2.5 per cent. of the net asset value of that scheme. These fees would be in addition to the management fees and other expenses which the Fund bears directly in connection with its own operations. In addition, investment decisions of such investment vehicles are made by their investment advisers independently of each other. As a result, at any particular time one investment vehicle may be purchasing securities of an issuer whose securities are being sold by another investment vehicle and the Fund could indirectly incur certain transaction costs without accomplishing any net investment result.

Sustainability Risks

The SFDR defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment. The Company, the Manager, the Investment Manager, the Fund's issuers or investee companies and other parties, such as service providers of the Fund or of counterparties of the Fund's issuers or investee companies, may be negatively affected by sustainability risks. If the Investment Manager determines that sustainability risks could cause such a material negative impact, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment; however, there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment. The Company, the Manager, the Investment Manager, the Fund's issuers or investee companies and other parties may maintain insurance to protect against certain sustainability risks, where available on reasonable commercial terms, although such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all losses. Any of the foregoing may therefore adversely affect the performance of the Fund and its investments.

Risks Associated with ERISA Compliance

It is anticipated that the assets of the Fund may, at times, include "plan assets". In such event, the Investment Manager intends to manage the assets of the Fund in accordance with the fiduciary responsibility requirements of, and limitations imposed by, the ERISA. This may require the Investment Manager to forego, from time to time, investments or other arrangements on behalf of the Fund that might otherwise have been desirable for the Fund. (See the section entitled "ERISA Considerations".)

Security Arrangements in Connection with Borrowings and Derivatives

Each Fund may create a charge or grant other security over its assets in connection with its borrowings and derivatives transactions. In the event of a default by the Fund under the borrowing arrangements or derivatives transactions, the lender or counterparty may seek to satisfy the debt owed to it and enforce its security by taking possession and/or disposing of the assets. Such enforcement may or may not involve the appointment of a receiver or equivalent person over the secured assets. In enforcing its security, the lender or counterparty will typically not be subject to any duty to ensure that the assets of the Fund remaining in its portfolio after such enforcement comply with the investment restrictions provided for in the Fund's investment policy.

Settlement Delays or Default in Transmitting Subscription Monies; Contractual Settlement Arrangements

If an applicant for Shares does not transmit cleared funds representing the subscription monies by the relevant deadline, any costs or other expenses and/or losses incurred by the Company as a result (including, without limitation, as a result of the Fund entering into Contractual Settlement Arrangements and/or of investment or other transactions entered into by the Fund in anticipation of the receipt of subscription monies by the relevant deadline) shall be borne by that applicant and such applicant shall indemnify and hold harmless the Fund against any and all such costs or other expenses and losses. This may result in significant financial liabilities for that applicant.

A Fund may suffer cash drag as a result of the late receipt of subscription monies as it may be unable to immediately invest in response to a subscription received. The Investment Manager may, at its absolute discretion, seek to mitigate that loss by obtaining exposure through the use of derivative transactions or other efficient portfolio management.

The Fund may enter into investment or other transactions in anticipation of the receipt of subscription monies by the relevant deadline and/or enter into Contractual Settlement Arrangements. The Fund will bear any interest or other costs associated with the Contractual Settlement Arrangements. If there is a delay or default in the payment of subscription proceeds to, or receipt of other cashflows expected by, the relevant Fund, the Fund may incur losses, costs and other liabilities as a result of such investment or other transactions and/or under the Contractual Settlement Arrangements. The Fund may have to discharge those liabilities out of its own assets. This could impact the Net Asset Value and return earned on the Shares. However this is without prejudice to the obligation of any investor which delays or defaults in paying subscription proceeds to make the Fund whole for any resulting costs or other expense s and losses.

T+1 Settlement

On 15 February 2023 the Securities and Exchange Commission (SEC) announced that the United States will move from a T+2 to a T+1 settlement cycle as of 28 May 2024. Separately, ESMA launched a consultation on the shortening of settlement cycles on 5 October 2023. The UK government has indicated its intention to coordinate with the EU its move to a T+1 settlement cycle, with plans to reduce the settlement cycle in the UK to T+1 before the end of 2027.

T+1 settlement of securities trading will reduce post-trade processing time with the result that the Funds may be compelled to hold more cash for liquidity purposes and/or make increased use of Contractual Settlement Arrangements and may present challenges for the Funds in complying with applicable diversification requirements and limits on temporary borrowing arrangements for UCITS.

The compression of liquidity and cash management processes for the trading of securities which settle on a T+1 basis may be challenging for cross-currency transactions with a foreign exchange element and delays in confirmations of security purchases could cause significant knock-on effects to such transactions.

If administrative processes are not tailored to the new T+1 settlement cycle, there may be an increase in failed trades. Any increase in failed trades may in turn result in an increase in penalties payable under CSDR.

Asymmetry in settlement times between a Fund and a particular securities market may lead to delays in trading by the Investment Manager and, in consequence, cash drag and/or opportunity costs to the relevant

Fund and subscribers for Shares should prices move unfavourably in the intervening period. The Investment Manager may seek to mitigate cash drag by obtaining equity or other exposures through the use of derivatives.

Information on Risk Management

The Manager shall provide supplementary information to a Shareholder on request relating to the risk management methods employed, including any quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

FEES AND EXPENSES

Each Fund shall pay all of its expenses and its allocable share of any expenses incurred by the Company. These expenses may include the costs of: (i) maintaining the Company and the relevant Fund and registering the Company, the relevant Fund and the Shares with any governmental or regulatory authority or with any Regulated Market or stock exchange; (ii) management, administration, depositary and related services; (iii) preparation, printing and posting of prospectuses, sales literature and reports to Shareholders, the Central Bank and other governmental agencies; (iv) marketing expenses, (v) taxes; (vi) commissions and brokerage fees; (vii) expenses incurred in connection with the acquisition and disposal of the assets of the Company; (viii) auditing, tax and legal fees (including expenses arising in respect of legal or administrative proceedings); (ix) insurance premiums; (x) remuneration and expenses of the directors (if any); and (xi) other operating expenses.

The aggregate amount of Directors' remuneration in any one year shall not exceed EUR75,000 or such other amount as may be determined by the Directors and notified to Shareholders from time to time. Any such change in the maximum aggregate amount of Directors' remuneration shall also be disclosed in an update to the Prospectus or in the Company's financial statements, whichever is published sooner. The Directors that are employees of the Investment Manager or the Distributor do not intend to receive such remuneration.

Reimbursable Expenses

The Investment Manager may reimburse each Fund for any Reimbursable Expenses (as defined below) that it incurs in any fiscal year, including its allocable portion of Reimbursable Expenses incurred by the Company, to the extent that such Reimbursable Expenses exceed such Fund's Reimbursement Threshold set forth in the table below. "Reimbursable Expenses" include service fees incurred in connection with fund administration, custody of assets, distribution of the Shares, compliance, transfer agency, corporate secretarial expenses and the expenses of convening Shareholder meetings, ordinary legal and auditing matters, and other reasonable expenses related to the foregoing. The following expenses are specifically excluded from Reimbursable Expenses: remuneration and expenses of the directors; the Manager's fee, the Investment Manager's fee, brokerage commissions and other investment-related costs, hedging transaction fees, extraordinary, non-recurring and certain other unusual expenses (including, without limitation, taxes and litigation expenses), securities lending fees and expenses, interest expense and transfer taxes. Subscription and repurchase charges, if any, are borne directly by Shareholders and, accordingly, are also excluded from Reimbursable Expenses. The Investment Manager may modify or terminate this arrangement at any time upon notice to Shareholders.

The Investment Manager is permitted to recover from a Fund, on a class-by-class basis, as applicable, any such reimbursement paid by them (whether through reduction of their fees or otherwise) to the extent that the Fund's Reimbursable Expenses later fall below the Reimbursement Threshold or the lower expense limit in effect when they seek to recover the expenses. The Fund, however, is not obligated to pay any such amount more than three years after the Investment Manager reimbursed an expense. The amount the Investment Manager is entitled to recover may not cause the Fund to exceed the Reimbursement Threshold or the lower expense limit in effect when the Investment Manager seeks recovery.

The Manager will receive a management fee out of the assets of the Fund up to 0.01 per cent. per annum of the Net Asset Value of the Fund, subject to an annual minimum fee of €75,000 per annum. The Management Fee shall accrue on each Dealing Day and is payable monthly in arrears. The Management Fee may be waived or reduced by the Manager.

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

Investment Manager's Fee

Each Fund pays a management fee in consideration for the Investment Manager's management of the Fund's portfolio, shareholder servicing, and other services which the Investment Manager and its affiliates (including the Distributor) provide to the Fund. The table below sets forth the maximum management fee payable to the Investment Manager and the threshold in excess of which Reimbursable Expenses will be reimbursed by the Investment Manager.

Fund	Management Fee	Reimbursement threshold
GMO Quality Investment Fund		
Classes USD, GBP, EUR, SGD, AUD, HKD, F USD, F EUR, FH EUR, FN USD, FN EUR, H EUR, H GBP, H NOK, H SGD, O USD, OH EUR,	Up to 0.48 per cent. of NAV per annum	0.10 per cent. of NAV per annum
*Classes O USD, OH EUR, OH GBP, OH SGD, OH AUD, OH HKD, and OH CHF***	Up to 0.48 per cent. of NAV per annum	0.10 per cent. of NAV per annum
Classes C EUR Distributing, C GBP Distributing, C USD Distributing, Class F EUR Distributing, Class F GBP Distributing, Class F USD Distributing, Class M GBP, Class M GBP Distributing, and Class M USD Distributing	Up to 0.48 per cent. of NAV per annum	0.10 per cent. of NAV per annum
Classes DH NOK and D USD	Up to 0.44 per cent. of NAV per annum	0.10 per cent. of NAV per annum
*Class E USD, E EUR, E NOK, and E GBP***	Up to 0.53 per cent. of NAV per annum	0.10 per cent. of NAV per annum
Classes Z SGD, ZH SGD, and Z USD	0 per cent. of NAV per annum	0.10 per cent. of NAV per annum
*Class N USD***	Up to 0.60 per cent. of NAV per annum	0.10 per cent. of NAV per annum
*Classes G USD, G EUR, GH SGD, GH AUD, J USD, J GBP, J EUR, J SGD, J AUD, J HKD, JH EUR, JH SGD, JH AUD, JH CHF and JU USD***	Up to 1.00 per cent. of NAV per annum	0.10 per cent. of NAV per annum
*Classes R EUR, R USD, R SGD, RH SGD, and RH AUD***	Up to 1.10 per cent. of NAV per annum	0.10 per cent. of NAV per annum

**** The management fee for the Class E, G, GH, J, JH, N, O, OH, R and RH Shares includes payments made by the Investment Manager to remunerate and/or pay trail or service fees to certain financial intermediaries.**

The Company will apportion the Manager's, Investment Manager's, Administrator's and Depositary's fees across all Funds in which Shares are available for purchase on the basis of the proportion of the actual fees accrued on each Fund. Each of the Manager's fee, Investment Manager's fee, the Depositary's fee and the Administrator's fee shall generally be paid monthly in arrears and shall accrue on each Dealing Day. Each of the Manager, Investment Manager, the Depositary and the Administrator shall also be reimbursed for any out-of-pocket expenses incurred. In addition the Depositary shall be entitled to be reimbursed for all sub-custodial fees and expenses it incurs, which will be charged at normal commercial rates.

The Investment Manager may, at its absolute discretion, enter into arrangements whereby some or all of its management fee and/or performance fee is used to remunerate and/or pay trail or service fees to certain financial intermediaries provided such payments comply with applicable law.

Subscription monies may, at the absolute discretion of the Investment Manager, be received in currencies other than the currency of denomination of the relevant class. In such event, an additional subscription charge of up to 0.005 per cent. of the subscription monies may, at the absolute discretion of the Investment Manager, be payable to the relevant Fund.

As a shareholder of another collective investment scheme, each Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. The maximum level of management fees (exclusive of any performance fee) which may be charged to a collective investment scheme in which a Fund invests is 2.5 per cent. of the net asset value of that scheme. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

Performance Fees

In addition, the Investment Manager may enter into separate agreements with investors whereby the Investment Manager may receive a performance fee from such investors based on the performance of the Funds. A performance fee arrangement may be based on a Fund's outperformance of inflation or other indices or hurdles other than the Fund's Benchmark, if any. Performance fee arrangements based on criteria other than a Fund's Benchmark create an incentive for the Investment Manager to manage to a different index, although the Investment Manager will at all times be required to pursue the Fund's investment objective, which may be to seek a return in excess of its Benchmark. The existence of any performance fee may create an incentive for the Investment Manager to make investment decisions that are riskier than would be the case in the absence of a performance fee.

The compensation of the investment professionals in the Investment Manager includes a discretionary bonus that is paid on the basis of a number of factors, including features designed to align the compensation of the investment professionals with the performance of the accounts they manage, such as a Fund, over various periods. Individual investment professionals may, however, have some or all of the same economic incentives that the Investment Manager itself may have when the Investment Manager is eligible to earn a performance fee. Specifically, even if the Investment Manager is not earning or eligible to earn a performance fee (the Fund does not pay the Investment Manager a performance-based fee), individual investment professionals may have compensation-related incentives to make riskier investments, pursue riskier strategies, seek less downside risk when a Fund has outperformed its benchmark and allocate superior investment ideas to the Investment Manager's client accounts capable of generating higher performance-related compensation.

ADMINISTRATION OF THE COMPANY

Determination of Net Asset Value

The Administrator shall determine the Net Asset Value per Share of each Fund for each Dealing Day on the basis of prices prevailing at the Valuation Point. The Net Asset Value per Share of a Fund shall be the value of the gross assets attributable to such Fund less all of the liabilities attributable to such Fund (including such provisions as the Administrator considers appropriate in respect of the costs and expenses payable in relation to such Fund) divided by the number of Shares of such Fund or class, as applicable, outstanding as of the Dealing Day. Any liabilities of the Company which are not attributable to any Fund shall be allocated pro rata among all of the Funds.

Where a Fund consists of more than one class of Shares, the Net Asset Value of each class shall be determined by calculating the amount of the Net Asset Value of the Fund attributable to each class. The amount of the Net Asset Value of a Fund attributable to a class shall be determined by establishing the amount of Shares in issue in the class and the number of Shares of that class in respect of which subscription orders (net of repurchase orders) have been accepted as at the most recent Net Asset Value calculation and by allocating relevant Class Expenses to the class and making appropriate adjustments to take account of dividends paid out of the Fund attributable to the class, if applicable, and apportioning the Net Asset Value of the Fund accordingly. The Net Asset Value per Share of a class shall be calculated by dividing the Net Asset Value of the class by the number of Shares in issue in that class plus the number of Shares of that class in respect of which subscription orders (net of any repurchase orders) have been accepted (adjusted to the nearest whole unit of the Base Currency) as at the most recent Net Asset Value calculation.

In calculating the Net Asset Value of the Funds:

(a) assets listed or traded on a Regulated Market for which market quotations are readily available shall be valued at the last traded price on the Regulated Market which is the principal market for such security at the Valuation Point. If the last traded price is unavailable, then the official closing price shall be used. If, in turn, the official closing price is unavailable, then the last bid price shall be used. If the last traded price, the official closing price and the last bid price are unavailable or, in the opinion of the Administrator unrepresentative of fair market value, the value shall be calculated with care and in good faith by the Administrator (being a competent person appointed by the Manager) approved for that purpose by the Depositary (in consultation with the Investment Manager) on the basis of the probable realisation value for such assets;

(b) if the assets are listed or traded on several Regulated Markets, the price on the Regulated Market which, in the opinion of the Administrator (in consultation with the Investment Manager) constitutes the principal market for such assets, will be used;

(c) in the event that any of the Investments is not listed or traded on any Regulated Market, such security shall be valued at the probable realisation value determined with care and in good faith by the Administrator (the Administrator being appointed by the Manager and approved by the Depositary as a competent person for such purpose) (in consultation with the Investment Manager). In the case of securities purchased by a Fund in initial public offerings, the probable realisation value of such securities shall be the offering price until such time as the securities are listed or traded on a Regulated Market (from which time they shall be valued in accordance with paragraphs (a) and (b) above);

(d) all fixed income securities (including, but not limited to, bonds, loans, loan participations, asset-backed securities and other structured notes) shall be valued at the price for such securities as supplied by a specific relevant pricing source determined by the Administrator (in consultation with the Investment Manager). If a reliable price is not available, the Administrator (in consultation with the Investment Manager) will use the most recent reliable price for the security provided that such price is the probable realisation value of the securities determined with care and in good faith by the Administrator (being a competent person appointed by the Manager and approved for that purpose by the Depositary). In those circumstances, the Administrator (in consultation with the Investment Manager) will promptly determine if the price of the security could have a material impact on the Fund's Net Asset Value and then: (1) if the price of the security could have a material impact on the Fund's Net Asset Value, the Administrator (in consultation with the Investment Manager) will undertake a review of the security price promptly or (2) if the price of the security would not have a material impact on the Fund's Net Asset Value, the Administrator (in consultation with the Investment Manager) will review the security price as soon as practicable and in any event within ten Business Days of the most recently available price. Subject to the foregoing paragraph, in choosing pricing sources, the Administrator (in consultation with the Investment Manager) may select among pricing services (including services that provide evaluated prices for securities), brokers/dealers (typically, principal market makers), banks, exchanges, reporting services and other sources as may be relevant for a particular security. If practicable, the pricing source should be selected prior to or concurrently with purchasing the security;

(e) cash and other liquid assets will be valued at their face value with interest accrued, where applicable, at the Valuation Point;

(f) units or shares in collective investment schemes will be valued at the latest available net asset value relevant to the collective investment scheme;

(g) exchange-traded derivatives shall be valued at the relevant settlement price at the Valuation Point on the appropriate exchange for such instruments. If such market price is not available such value shall be the probable realisation value estimated with care and in good faith by the Administrator (being a competent person appointed by the Manager and approved for the purpose by the Depositary) (in consultation with the Investment Manager). The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract and to close out the transaction at the request of the Company at fair value.

(h) cleared derivatives that are not exchange-traded will be valued at the closing price quoted (which may be based on a model) by the relevant clearing house (if an updated quote for a cleared derivative is not available by the time that the Company calculates its Net Asset Value on any Business Day, then that derivative will generally be valued using an industry standard model, which may differ from the model used by the relevant clearing house);

(i) OTC derivatives that are not cleared derivatives shall be valued using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Company or by an independent pricing vendor provided the Company or other party has adequate human and technical means to perform the valuation. The Company must value OTC derivatives on a daily basis. Where the Company:

 (1) values OTC derivatives using the counterparty valuation, the OTC derivatives will be valued at the settlement price provided by the counterparty. This valuation shall be verified by the Administrator (the Administrator being independent of the counterparty, appointed by the Manager as a competent person and approved for the purpose by the Depositary) in consultation with the Investment Manager. The independent verification must be carried out at least weekly. Typically, in carrying out such verification, the Administrator shall mark-to-market daily (aa) OTC derivative instruments using industry standard models that incorporate quotations from market makers; and (bb) forward currency contracts using rates supplied by a recognised quotation service. Where valuations provided by different counterparties (or by the Administrator, as the independent party referred to above) in respect of the same or similar derivatives positions differ significantly, these shall be promptly investigated and resolved. A difference between valuations may be resolved, without limitation, by using the counterparty valuation or the independent party valuation; or

 (2) values OTC derivatives using an alternative valuation, the Company must follow international best practice and will adhere to the principles on the valuation of OTC instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by the Administrator (being a competent person appointed by the Manager and approved for the purpose by the Depositary) (in consultation with the Investment Manager), or a valuation by any other means provided that the value is approved by the Depositary. The alternative valuation will be reconciled to the counterparty valuation on an at least monthly basis. Where

valuations provided by the alternative valuation and the counterparty in respect of the same or similar derivatives positions differ significantly, these will be promptly investigated and explained. The independent verification must be carried out at least weekly;

(j) in determining the value of the securities there shall be added to the assets a sum representing any interest or dividends accrued but not received and a sum representing unamortised expenses;

(k) any value expressed otherwise than in the Base Currency (whether of an investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the Administrator (in consultation with the Investment Manager) deems appropriate in the circumstances, including the latest available rate supplied by a quotation service;

(l) in the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out in preceding paragraphs, or if such valuation is not representative of a security's fair market value, the Administrator is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary and the rationale for the use of such method of valuation and the method itself used shall be clearly documented. In the case of derivatives, prices may reflect an estimate of the average or bid and ask prices, regardless of whether the Fund has a long position or a short position; and

(m) the Manager, with the approval of the Depositary, may adjust the value of an asset where such an adjustment is considered necessary to reflect the fair value of such asset in the context of currency, marketability, dealing costs and/or such other considerations as the Manager deems relevant. The Manager's intention is only to exercise this discretion to preserve the value of a Fund's assets.

Dilution Adjustments

In calculating the Net Asset Value per Share for a Fund on any Dealing Day or the initial subscription price for Shares during the Initial Offer Period, the Investment Manager may, at its discretion, adjust the Net Asset Value per Share and/or initial subscription price per Share for each Class by applying a dilution adjustment: (1) if the cash-flows into or out of the Fund attributable to net subscriptions or repurchases exceed certain pre-determined percentage thresholds relating to the Fund's Net Asset Value (where such percentage thresholds have been pre-determined for the Fund from time to time by the Investment Manager or by a committee established by the Investment Manager); or (2) in any other cases where there are net subscriptions or repurchases in the Fund and the Investment Manager reasonably believes that imposing a dilution adjustment is in the best interests of existing Shareholders. The Investment Manager's intention is only to exercise this discretion to cover dealing costs and to preserve the value of the Fund's assets. In this regard, the Manager, with the approval of the Depositary, may adjust the value of an asset or a basket of assets comprising all or part of an in specie subscription or repurchase where such an adjustment is considered necessary to track the valuation adjustment applied to the Net Asset Value per Share. It is expected that the adjustment factor applied to the in specie subscription or repurchase would match that applied to the Net Asset Value per Share.

The dilution adjustment amount for a Fund will be calculated from time to time and applied by reference to the estimated costs of dealing in the underlying investments of the Fund. Where there are net cash-flows into the Fund in excess of the applicable pre-determined threshold (if any), the dilution adjustment will increase the Net Asset Value per Share and/or initial subscription price per Share. Where there are net cash-flows out of the Fund in excess of the applicable pre-determined threshold (if any), the dilution adjustment will decrease the Net Asset Value per Share and/or initial subscription price per Share. The Net Asset Value per Share and/or initial subscription price per Share, as adjusted by any dilution adjustment, will be applicable to all transactions in Shares in the Fund on the relevant Dealing Day. Therefore, for an investor who subscribes to the Fund on a Dealing Day when the dilution adjustment increases the Net Asset Value per Share and/or initial subscription price per Share, the cost per Share to the investor will be greater than it would have been absent the dilution adjustment. For an investor who repurchases a certain number of Shares from the Fund on a Dealing Day when the dilution adjustment decreases the Net Asset Value per Share, the amount received by the investor in repurchase proceeds for the Share redeemed will be less than it would have been absent the dilution adjustment. More information about the dilution adjustments applied on a particular Dealing Day can be obtained by Shareholders upon request from the Investment Manager.

Application for Shares

All applicants applying for the first time to subscribe for Shares in a Fund must first complete an application form (the "Application Form") which may be obtained from the Investment Manager or the Distributor. The original signed Application Form shall be sent to the Distributor and the Distributor shall process and forward all Application Forms to the Administrator. Where the Application Form has been delivered by fax or electronic means, the original signed Application Form must be delivered promptly to the Administrator along with any supporting documentation (including any documents required to satisfy anti-money laundering requirements). No Shares shall be repurchased until the investor has completed and delivered to the Distributor the original signed Application Form and supporting documentation (including any documents required to satisfy anti-money laundering requirements).

Once the Application Form and supporting documentation has been processed and accepted by, or on behalf of, the relevant Fund, an applicant for Shares may submit purchase orders (in writing, by fax or electronic means established on behalf of the Fund in accordance with the requirements of the Central Bank) to subscribe for Shares as described below. Amendments to a Shareholder's registration details and payment instructions will only be effected upon receipt of original documentation.

The Initial Offer Periods for Shares in certain classes are open and set out in the table below or at such other time and/or on such other date as the Directors may determine in accordance with the requirements of the Central Bank.

<table>
<tr><th>Fund</th><th>Class</th><th>Initial Offer Period</th></tr>
<tr><td rowspan="7">GMO Quality Investment Fund</td><td>H SGD, Z USD</td><td>9 a.m. (Irish time) on 13 November 2020 – 5 p.m. (Irish time) on 22 August 2025</td></tr>
<tr><td>E NOK, E GBP</td><td>9 a.m. (Irish time) on 21 July 2022 – 5 p.m. (Irish time) on 22 August 2025</td></tr>
<tr><td>J HKD</td><td>9 a.m. (Irish time) on 28 April 2022 – 5 p.m. (Irish time) on 22 August 2025</td></tr>
<tr><td>R EUR</td><td>9 a.m. (Irish time) on 21 December 2022 – 5 p.m. (Irish time) on 22 August 2025</td></tr>
<tr><td>RH AUD, RH SGD</td><td>9 a.m. (Irish time) on 22 August 2024 – 5 p.m. (Irish time) on 22August 2025</td></tr>
<tr><td>N USD</td><td>9 a.m. (Irish time) on 8 October 2024 – 5 p.m. (Irish time) on 22 August 2025</td></tr>
<tr><td>FN USD, FN EUR</td><td>9 a.m. (Irish time) on 24 February 2025 – 5 p.m. (Irish time) on 22 August 2025</td></tr>
</table>

* In the case of certain classes of this Fund, the Initial Offer Period commenced prior to the start date indicated above and the Company has determined to extend the Initial Offer Period for the period indicated above.

Following the expiry of the Initial Offer Period of the relevant class, and subject to the relevant Application Form and supporting documentation having been processed and accepted by, or on behalf of, the Investment Manager, Shares may be issued on any Dealing Day to eligible investors who have forwarded a completed purchase order (in writing, by fax or electronic means established on behalf of the Company in accordance with the requirements of the Central Bank) to the Administrator, so that the purchase order shall be received by the Administrator no later than 2.00 p.m. (Irish time) on the Business Day preceding the Dealing Day or, in exceptional circumstances which will be fully documented, such other time prior to the Valuation Point as may be agreed between the relevant investor and the Distributor (the exercise of such power having been delegated to the Distributor by the Investment Manager). Cleared funds representing the subscription monies must generally be received by the Administrator by 5.00 p.m. (Irish time) on the Business Day preceding the Dealing Day, provided that the Distributor or the Investment Manager may agree with the investor a different deadline. Applications for which cleared funds have not been received by the relevant deadline may, at the absolute discretion of the Distributor or the Investment Manager, be held over until the next following Dealing Day and no interest shall be paid to an applicant, unless otherwise agreed with the Distributor or the Investment Manager. To the extent that the Fund has entered into Contractual Settlement Arrangements, the Distributor or the Investment Manager may waive the deadlines above in relation to the receipt of cleared funds. Please see the section entitled "Risk Factors – Settlement Delays or Default in Transmitting Subscription Monies; Contractual Settlement Arrangements".

Investors should transmit cleared funds representing the subscription monies by wire instructions to the relevant accounts set out in the purchase order for Shares, so that cleared funds are received in the Company's account before the relevant deadline outlined above or as agreed with the Distributor or the Investment Manager. If cleared funds are not received by the Administrator within this period, the Administrator may cancel, or the Distributor or the Investment Manager may direct the Administrator to cancel, any allotment of Shares in respect thereof. Any costs incurred by the Company as a result of an investor's failure to transmit cleared funds by the relevant deadline shall be borne by the investor.

Applications for Shares by in specie transfer should be discussed with the Investment Manager and the Distributor on a case-by-case basis and any such in specie subscriptions shall be conducted in accordance with the Articles of Association.

The Distributor and the Administrator reserve the right to reject in whole or in part any application for Shares or to request further details or evidence of identity from an applicant for Shares. Investors must provide such declarations and/or certifications as are reasonably required by the Manager, including, without limitation, declarations and/or certifications, as to matters of Irish and U.S. taxation (including documentation pertaining to FATCA). If an applicant or Shareholder fails to provide information as required by the Revenue Commissioners, the IRS and/or other applicable tax authorities, such investor may be subject to significant withholding taxes (including on proceeds received upon transfer or repurchase of Fund Shares). In this regard, investors should take into account the considerations set out in the section entitled "Taxation". Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within seven days of the date of such application.

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

The minimum initial investment per Shareholder in each Fund shall be as set forth in the section entitled "Summary – Subscriptions".

The Distributor and the Investment Manager reserve the right in the case of any Fund to vary the minimum initial investment and may choose to waive these minimum investment requirements if considered appropriate.

It is intended that Shares in each Fund will be marketed to institutional investors and made available to investors meeting the minimum subscription requirements.

Anti-Money Laundering Procedures

Measures aimed at the prevention of money laundering will require an applicant to verify his identity to the Administrator, the Distributor or the Investment Manager. The Administrator will not accept funds from an investor until verification of identity is completed to its satisfaction. Each of the Manager and the Company may at their discretion take such steps as it determines necessary to discontinue the business relationship it has with any investor where required to do so under applicable anti-money laundering laws or regulations.

Notwithstanding that funds have come from a designated body within a prescribed country recognised by Ireland as having equivalent anti-money laundering regulations, evidence of identity must be established in accordance with the relevant anti-money laundering requirements which are advised to clients prior to application.

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

The Administrator, the Distributor and the Investment Manager reserve the right to request such documentation as is necessary to verify the identity of the applicant. This may result in Shares being issued on a Dealing Day subsequent to the Dealing Day on which the applicant initially wished to have Shares issued.

It is further acknowledged that the Administrator, the Distributor and the Investment Manager, in the performance of their delegated duties, shall be held harmless by the subscriber against any loss arising as a result of a failure to process the subscription if such information as has been requested by the Administrator, the Distributor and the Investment Manager has not been provided by the applicant.

Subscription Price

During the Initial Offer Periods, the initial subscription price for Shares of the relevant Classes shall be as set forth in the following table, subject to any applicable dilution adjustment. Please see the section entitled "Administration of the Company – Dilution Adjustments".

GMO Quality Investment Fund	**H SGD**	**SGD 20**
	E NOK	**NOK200**
	E GBP	**£20**
	FN USD	**$20**
	FN EUR	**€20**
	J HKD	**HKD200**
	N USD	**$20**
	R EUR	**€20**
	RH AUD	**A$20**
	RH SGD	**SGD 20**
	Z USD	**$20**

Following the expiry of the applicable Initial Offer Period, Shares in all Classes shall be issued at the Net Asset Value, if any, applicable on the Dealing Day on which the Shares are deemed to be issued, subject to any applicable dilution adjustment. Typically, the Initial Offer Period of a Class ends following the receipt by the Fund of the initial subscription.

On any Dealing Day a dilution adjustment may be made, which will be reflected in the Net Asset Value per Share. Please see the section entitled “Administration of the Company - Dilution Adjustments”.

Subscription monies should be provided by investors in the currency of denomination of the relevant class. However, subscription monies may, at the absolute discretion of the Investment Manager who will determine the matter in the best interests of investors as a whole, be received in currencies other than the currency of denomination of the relevant class. In such event, an additional subscription charge of up to 0.005 per cent. of the subscription monies may, at the absolute discretion of the Investment Manager, be payable. The relevant conversion rate shall be determined as of the close of business on the Business Day preceding the Dealing Day and investors shall bear all exchange rate currency risks during the period between the receipt of cleared funds representing subscription monies by the Administrator and the close of business on the Business Day preceding the relevant Dealing Day. A Fund may incur conversion costs, as it may incur in the normal course of business, if it is necessary to convert the subscription monies into other currencies. However, if appropriate, the costs of converting subscription monies received in respect of a non-Base Currency class into the Base Currency may, at the absolute discretion of the Investment Manager, be deemed to be a Class Expense.

Written Confirmations of Ownership

The Administrator shall be responsible for maintaining the Company’s register of Shareholders in which all issues, repurchases, conversions and transfers of Shares will be recorded. Written confirmations of ownership shall be issued by email, telefax or by post in relation to each issue of Shares. A Share may be registered in a single name or in up to four joint names. The register of Shareholders shall be available for inspection at the registered office of the Company during normal business hours where a Shareholder may inspect only his entry on the register.

Repurchase Requests

Shareholders may request that Shares be repurchased on a Dealing Day by completing a repurchase request form (in writing, by fax or electronic means established on behalf of the Company in accordance with the requirements of the Central Bank) and forwarding it to the Administrator (for onward transmission to the Administrator) for receipt by the Administrator no later than 2.00 p.m. (Irish time) on the Business Day preceding the Dealing Day stipulated by the Shareholder in the repurchase request form or, in exceptional circumstances which will be fully documented, such other time prior to the Valuation Point as may be agreed between the relevant investor and the Administrator (the exercise of such power having been delegated to the Administrator by the Manager). Repurchase requests received by the Administrator after 2.00 p.m. (Irish time) on the Business Day preceding the Dealing Day will be processed on the next following Dealing Day unless otherwise agreed between the relevant investor and the Administrator or the Investment Manager.

Where repurchase requests on any Dealing Day exceed 10 per cent. of the Net Asset Value of a Fund, the Manager may defer the excess repurchase requests to subsequent Dealing Days and shall repurchase such Shares pro rata to the total number of Shares in the Fund held by the Shareholders who have submitted repurchase requests for that Dealing Day. The Company shall treat the deferred repurchase requests as if they were received for each subsequent Dealing Day (in relation to which the Company has the same power of deferral at the then prevailing limit) until all the shares to which the original request related have been repurchased. In such cases, the Manager may reduce requests pro rata on the next and following Dealing Days so as to give effect to the above limitation.

Repurchase Price

Shares shall be repurchased at the applicable Net Asset Value per Share applicable on the Dealing Day on which the repurchase request is effective, subject to any applicable dilution adjustment.

On any Dealing Day a dilution adjustment may be made, which will be reflected in the Net Asset Value per Share. Please see the section entitled "Administration of the Company – Dilution Adjustments".

Provided that a completed repurchase request form has been received by the Administrator as provided for above, repurchase monies shall be paid by the third Business Day after the Dealing Day on which the repurchase request is effective unless the Administrator is otherwise instructed by the Distributor. In any event, all repurchase monies must be paid within ten Business Days. Payment shall be made by bank transfer to the Shareholder's account (at the Shareholder's expense), details of which shall be provided by the Shareholder in the Application Form. If any dividends are paid in respect of the Fund, they shall be paid to the Shareholder's account as provided for in the Application Form (or as subsequently amended in writing by the Shareholder) on the date on which dividends are payable.

Repurchase proceeds may, at the absolute discretion of the Investment Manager who will determine the matter in the best interests of investors as a whole, be paid in currencies other than the currency of denomination of the relevant class. In such event, a repurchase fee of up to 0.005 per cent of the repurchase proceeds may, at the absolute discretion of the Investment Manager, be payable. The relevant conversion rate (whether official or otherwise) shall be determined by the Administrator in consultation with the Investment Manager on the Business Day preceding the Dealing Day and, as in the normal course when repurchase proceeds are paid in the currency of denomination of the relevant class, repurchasing Shareholders shall bear all exchange rate currency risks during the period between the close of business on the Business Day preceding the Dealing Day and the settlement of repurchase requests. As may occur in the normal course of business, the Company may incur conversion costs if it is necessary to effect a currency conversion in order to pay the repurchase proceeds in the currency selected by the repurchasing Shareholder.

Repurchases in specie are at the absolute discretion of the Directors and subject to the consent of the repurchasing Shareholder. Asset and liability allocation in respect of an in specie repurchase is subject to the approval of the Depositary. At the request of the repurchasing Shareholder, such assets may be sold by the Investment Manager and the proceeds of sale transmitted to the Shareholder. A determination to provide a repurchase in specie may be made at the absolute discretion of the Directors where the repurchasing Shareholder requests the repurchase of a number of Shares that represents 5.00 per cent. or more of the Net Asset Value of the relevant Fund and, in this event, the Investment Manager will, if requested, sell the assets on behalf of the Shareholder. Where assets are sold the price obtained by the Investment Manager may be different from the price at which the assets were valued when determining the Net Asset Value; and none of the Company, the Manager, the Investment Manager or the Administrator shall be liable for any loss arising therefrom. Transaction costs incurred in the disposal of assets shall be borne by the Shareholder.

Mandatory Repurchase of Shares and Forfeiture of Dividend

If a repurchase causes a Shareholder's holding in the Company to fall below the currency equivalent of £200,000 or such lesser amount as the Company, in consultation with the Investment Manager, may determine, the Company may repurchase the whole of that Shareholder's holding. Before doing so, the Company or the Administrator shall notify the Shareholder in writing and allow the Shareholder thirty days to purchase additional Shares to meet the minimum requirement. The Company reserves the right to vary this mandatory redemption amount.

The Company, in consultation with the Investment Manager, reserves the right to repurchase or require the transfer of any Shares which are or become owned, directly or indirectly, by a person if the holding of the Shares by such other person is unlawful or, in the opinion of the Company, the holding might result in the Company or the Shareholders incurring any liability to taxation or suffering pecuniary or material administrative disadvantage which the Company or the Shareholders might not otherwise suffer or incur, or if the Shareholder fails to promptly provide documentation reasonably requested on behalf of the Company to meet its anti-money laundering or taxation obligations.

The Articles of Association provide that any unclaimed dividends shall be forfeited automatically after six years and on forfeiture will form part of the assets of the Company.

Transfer of Shares

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. Where the transferee is not an existing Shareholder in the Fund, the transferee must complete an application form and comply with the relevant anti-money laundering procedures. The Investment Manager may decide to reject any transfer of Shares for any reason at their absolute discretion. The Investment Manager may decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee would hold less than the currency equivalent of the amount of the minimum initial investment for the relevant Fund or would otherwise infringe the restrictions on holding Shares outlined above. The registration of transfers may be suspended at such times and for such periods as the Investment Manager may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. The Investment Manager may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Investment Manager may reasonably require together with such other evidence as the Investment Manager may reasonably require to show the right of the transferor to make the transfer. If a transferor or transferee fails to provide information as required by the Revenue Commissioners, the IRS and/or other applicable tax authorities, such investor may be subject to significant withholding taxes.

Withholdings and Deductions

If a Shareholder fails to provide information as required by the IRS and/or other applicable tax authorities, such Shareholder may be subject to significant withholding taxes (including on proceeds received upon the transfer or repurchase of Shares). In the event that the Investment Manager is required to deduct, withhold or account for tax on a disposal of Shares by a Shareholder (whether upon a repurchase of Shares, a transfer of Shares or otherwise), upon the payment of a dividend to a Shareholder (whether in cash or otherwise) or in any other circumstances in which a taxation liability arises, the Investment Manager shall be entitled to arrange for the repurchase and cancellation of such number of the Shares of such Shareholder as are sufficient after the deduction of any repurchase fee to discharge any such tax liability. The Investment Manager may decline to register a transferee as a Shareholder until such time as they receive from the transferee such declarations as to residency or status as they may require. Please refer to the section entitled "Taxation" for further information.

Conversion of Shares

With the consent of the Investment Manager, a Shareholder may convert Shares of one Fund into Shares of another Fund on giving notice to the Administrator in such form as the Administrator may require provided that the shareholding satisfies the minimum investment criteria and provided that the original application is received within the time limits specified above in the case of subscriptions. The conversion is effected by the repurchase of Shares of one Fund and subscribing for the Shares of the other Fund with the repurchase proceeds. A transaction charge of up to 2.00 per cent. of the Shares to be converted may be retained by the Fund in which the Shares are held prior to conversion to cover the costs of disposing of the assets of the Fund in order to give effect to the conversion. No further transaction costs will be payable.

Conversion will take place in accordance with the following formula:

$$NS = \frac{(AxBxC) - TC}{D}$$

where:

NS	=	the number of Shares which will be issued in the new Fund;
A	=	the number of the Shares to be converted;
B	=	the repurchase price of the Shares to be converted;
C	=	the currency conversion factor as determined by the Directors;
D	=	the issue price of Shares in the new Fund on the relevant Dealing Day; and
TC	=	the transaction charge incurred in connection with the proposed transaction.

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

The length of time for completion of a conversion will vary depending on the Funds involved and the time when the conversion is initiated. In general, the length of time for completion of a conversion will depend upon each of the time required to obtain payment of repurchase proceeds from the Fund whose Shares are being acquired and the time required to effect any foreign exchange transaction which may be necessary for the Shareholder to obtain the currency of the Fund in which Shares are being subscribed. A Shareholder is not required to submit a new Application Form for the purchase of Shares in connection with a conversion.

Excessive Trading

Investment in the Funds is intended for long-term purposes only. The Manager reserves the right to take reasonable steps to seek to prevent short-term trading. Excessive short-term trading into and out of a Fund can disrupt portfolio investment strategies and may increase expenses, and adversely affect investment returns, for all Shareholders, including long-term Shareholders who do not generate these costs. The Manager and/or the Company reserves the right to reject any purchase request (including any conversion request) by any investor or group of investors for any reason without prior notice, including, in particular, if it believes that the trading activity would be disruptive to a Fund. For example, the Manager or the Company, as relevant, may refuse a subscription order if the Manager, the Company or the Investment Manager believe it would be unable to invest the money effectively in accordance with the Fund's investment policies or the Fund would otherwise be adversely affected due to the size of the transaction, frequency of trading or other factors.

The trading history of accounts under common ownership or control may be considered in enforcing these policies. Transactions placed through the same financial intermediary on an omnibus basis may be deemed a part of a group for purposes of this policy and may be rejected in whole or in part by a Fund.
Transactions accepted by a financial intermediary in violation of the Funds' excessive trading policy are not deemed accepted by a Fund and may be cancelled or revoked by the Fund on the next Business Day following receipt.

Investors should be aware that there are practical constraints both in determining the policy which is appropriate in the interests of long term investors, and in applying and enforcing such policy. For example, the ability to identify and prevent covert trading practices or short term trading where investors act through omnibus accounts is limited. Also, investors such as fund of fund and asset allocation funds will change the proportion of their assets invested in Funds in accordance with their own investment mandate or investment strategies. The Manager or the Company, as relevant, will seek to balance the interests of such investors in a way which is consistent with the interests of long term investors but no assurance can be given that the Manager or the Company, as relevant, will succeed in doing so in all circumstances. For example, it is not always possible to identify or reasonably detect excessive trading that may be facilitated by financial intermediaries or made difficult to identify by the use of omnibus accounts by those intermediaries.

Portfolio Holdings Disclosure Policy

The Company's portfolio holdings policy is designed to be in the best interest of the Funds and to protect the confidentiality of the Funds' portfolio holdings.

The full portfolio holdings for each of the Funds shall generally be available subject to the recipient entering into an appropriate confidentiality agreement and observing all applicable laws and regulations in the use of such information.

Publication of the Price of the Shares

Except where the determination of the Net Asset Value has been suspended, in the circumstances described below, the Net Asset Value per Share shall be made public at the registered office of the Administrator on each Dealing Day and shall be published on the Business Day immediately succeeding each Dealing Day at the internet address www.gmo.com and is available in the "Offshore Funds" section of the Bloomberg price and market information service. Such information shall relate to the Net Asset Value per Share for the previous Dealing Day and is published for information only. It is not an invitation to subscribe for, repurchase or convert Shares at that Net Asset Value.

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

The Company, following consultation with the Manager, may temporarily suspend the determination of the Net Asset Value and the sale or repurchase of Shares in any Fund during:

(a) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Fund's investments, or when trading thereon is restricted or suspended;

(b) any period during which the disposal or valuation of investments which constitute a substantial portion of the assets of the Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;

(c) any period when for any reason the prices of any investments of the Fund cannot be reasonably, promptly or accurately ascertained by the Administrator;

(d) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of the Fund cannot, in the opinion of the Company, be carried out at normal rates of exchange;

(e) any period when the proceeds of the sale or repurchase of the Shares cannot be transmitted to or from the Fund's account;

(f) any period when a notice to terminate the Fund has been served or when a meeting of Shareholders has been convened to consider a motion to terminate a Fund; or

(g) upon the occurrence of an event causing a Fund to enter into liquidation.

A suspension of repurchases may be made at any time prior to the payment of the repurchase proceeds and the removal of the relevant Shares from the register of members. A suspension of subscriptions may be made at any time prior to the entry of the relevant Shares on the register of members.

Any such suspension shall be notified immediately to the Central Bank.

Data Protection Notice

Prospective investors should note that by completing the Application Form to subscribe for shares in the Company, and otherwise during the course of their investment, they may provide information to the Company about individuals associated with the account, which may constitute "personal data" within the meaning of the Irish Data Protection Acts 1988 to 2018, EU ePrivacy Directive 2002/58/EC (as amended), the General Data Protection Regulation (Regulation (EU) 2016/679), any other national privacy legislation in force and any relevant transposition of, or successor or replacement to, those laws (together the "Data Protection Legislation").

The personal data of investors and individuals associated with investors' accounts may be used by the Company for the following purposes:

- to manage and administer an investor's holding in the Company and any related accounts on an ongoing basis as required for the performance of the contract between the investor and the Company;

- to carry out statistical analysis and market research as necessary and proportionate in the Company's legitimate business interest to assess and improve the Company's business and offerings;

- to comply with legal and regulatory obligations applicable to the investor and the Company from time to time including applicable tax, anti-money laundering and counter terrorist financing legislation.

  In particular, in order to comply with the information reporting regimes set out in Section 891C, Section 891E, Section 891F and Section 891G of the TCA and regulations made pursuant to those sections, an investor's personal data (including financial information) may be shared with the Irish Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the IRS and foreign tax authorities located outside the EEA). Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard; and

- to record the telephone calls from investors and other individuals to the Manager and/or its delegates and agents and service providers for record-keeping, security, quality assurance and training purposes; and

- for any other specific purposes where the investor has given specific consent.

Personal data may be disclosed by the Company to its delegates, professional advisors, service providers, regulatory bodies, auditors, technology providers and any duly authorised agents or related, associated or affiliated companies of the foregoing for the same or related purposes.

Personal data may be transferred to countries outside the EEA which may not have the same or equivalent data protection laws as Ireland. Personal data may be transferred outside the EEA to countries which have been certified by the European Commission as having an adequate level of data protection to enable such transfers to occur. Personal data may also be transferred outside the EEA to countries which have not been certified by the European Commission as having an adequate level of level of data protection, provided that such transfers meet the requirements of Chapter V GDPR. If such transfer occurs, the Company is required to ensure that appropriate safeguards are in place such as entering into model contractual clauses https://eur-lex.europa.eu/eli/dec_impl/2021/914/oj (as published by the European Commission) or ensuring that the recipient is self-certified under the EU-US Data Privacy Framework, if appropriate. For more information on the means of transfer of investors' data or a copy of the relevant safeguards, or for any other information in relation to transfers of personal data outside of the EEA, please contact privacy@gmo.com.

Pursuant to the Data Protection Legislation, investors and individuals associated with them have a number of rights which may be exercised in respect of their personal data, *i.e.*:

1. the right of a data subject to receive detailed information on the processing (by virtue of the transparency obligations on the Data Controllers);

2. the right of access to personal data held by the Company;

3. the right to amend and rectify any inaccuracies in personal data held by the Company;

4. the right to erase personal data held by the Company (right to be forgotten);

5. the right of data portability of personal data held by the Company;

6. the right to restrict processing of personal data held by the Company;

7. the right to object to processing of personal data held by the Company, where such processing is conducted on the basis of the Company's legitimate interests;

8. the right to object to automated decision making, including profiling;

9. the right to withdraw consent to Processing grounded on consent, however withdrawal of consent will not affect any processing which occurred before consent was withdrawn; and

10. the right to lodge a complaint with the competent data protection supervisory authority, which in Ireland is the Irish Data Protection Commission. We ask that data subjects contact us at the email address listed below in the first instance to give us the opportunity to address any concerns that they may have.

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. In certain circumstances it may not be feasible for the Company to discharge these rights, for example because of the structure of the Company or the manner in which the Shareholder holds Shares in the Company. Investors may make a request to the Company to exercise these rights by contacting privacy@gmo.com. Requests shall be dealt with in accordance with Data Protection Law.

Please note that personal data may be retained by the Company for the duration of an investor's investment and afterwards in accordance with the Company's legal and regulatory obligations including but not limited to the Company's record retention policy.

The Company is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the Company uses investors' personal data, please contact privacy@gmo.com. Investors have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the Company.

By signing the Application Form, prospective investors acknowledge that telephone calls made to, and received from, them by the Company, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies will be recorded, for record keeping, security and/or training purposes.

MANAGEMENT AND ADMINISTRATION

The Board of Directors

The Board of Directors is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator, the Investment Manager and other parties, subject to supervision and direction by the Directors. The Directors and their principal occupations are set out below. The Manager has delegated the day-to-day administration of the Company to the Administrator and, consequently, none of the Directors is an executive director. The address of the Directors is the registered office of the Company.

Mr. David Bohan is the Chairman of the Company's Board of Directors. Since 2003, he has served as legal counsel for the Investment Manager. Prior to joining the Investment Manager, Mr. Bohan was an attorney at the Boston law firm Goodwin Procter, LLP, beginning in 1996, where his area of expertise was advising clients in the area of investment management. Prior to joining Goodwin Procter he was with the Liberty Mutual Insurance Group from 1988 to 1995. Mr. Bohan earned a J.D. magna cum laude from Suffolk University Law School and a B.S. in Computer Science from the University of Massachusetts at Amherst.

Ms. Eimear Cowhey has over 20 years' experience in the offshore funds industry and currently acts as an independent director to a number of Irish companies and investment funds. From 1999 to 2006 she held various executive positions within The Pioneer Group, including Head of Legal and Compliance and Head of Product Development. From 1992 to 1999 she was Global Fund Director and Head Legal Counsel of Invesco Asset Management. She qualified in 1990 as an Irish solicitor with the Irish law firm William Fry and holds a Bachelor of Civil Law received from University College Dublin in 1986. She also holds a C. Dip. A. F. (Certified Diploma in Accounting and Finance) which was received from the Chartered Association of Certified Accountants in 1989. She is a former Council member and past Chairman of the IFIA and a former member of the IFSC Funds Group, a joint government/industry group to advise the government of investment fund related matters. Ms. Cowhey lectures at the Law Society of Ireland on Financial Services and Investment Funds law and is a regular conference speaker.

Mr. Arron Day is Chief Executive Officer of GMO UK Limited. He has over 20 years' experience in the investment management industry across a broad range of asset classes and fund structures, specialising in Irish funds. Since joining GMO UK Limited in 2007 he has held a variety of senior positions including Head of Operations and Finance. Prior to joining GMO UK Limited he worked for M&G Investments. Mr. Day earned his B.A. in Business Administration from Anglia Ruskin University and received the SII Diploma in Global Operations Management in 2008.

Mr. John Fitzpatrick has over 25 years' experience in the management of mutual funds and currently acts as an independent director and consultant in relation to a number of management companies and investment funds. Mr. Fitzpatrick was an Executive Director and Head of Product Development and Technical Sales at Northern Trust Investor Services (Ireland) Limited between 1990 and 2005. Prior to joining Northern Trust, Mr. Fitzpatrick worked for PricewaterhouseCoopers and KPMG, where he specialised in company law and tax planning. He has worked at the senior level in all aspects of the mutual fund industry since 1978.

The Company Secretary is Bradwell Limited.

The Articles of Association do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The Articles of Association provide that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. A Director may not vote in respect of any contract in which he has a material interest. However, a Director may vote in respect of any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5.00 per cent. or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote in respect of any proposal concerning an offer of shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement, and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in part.

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

The Manager

The Company has appointed Waystone Management Company (IE) Limited as its management company (the "Manager") pursuant to a management agreement entered into between the Company and the Manager (the "Management Agreement").

The Manager was incorporated in Ireland as a private limited company on 7 August 2012. It is a 100% subsidiary of Clifton Directors Limited, a limited liability company incorporated in Ireland. The company secretary of the Manager is Waystone Centralised Services Limited.

Under the terms of the Management Agreement, the Manager is appointed to carry out the management, distribution and administration services in respect of the Company.

The Manager must perform its duties under the Management Agreement in good faith and in a commercially reasonable manner using a degree of skill, care and attention reasonably expected of a professional manager of a UCITS authorised by the Central Bank and in the best interests of the Shareholders. The Manager may, with the written consent of the Company, delegate all the powers, duties and discretions exercisable in respect of its obligations under the Management Agreement as the Manager and any delegate may from time to time agree. Any such appointment will be in accordance with the requirements of the Central Bank.

The Manager has delegated the administration of the Company's affairs, including responsibility for the preparation and maintenance of the Company's records and accounts and related fund accounting matters, the calculation of the Net Asset Value per Share and the provision of transfer agency and registrar services in respect of the Funds to the Administrator.

The Manager has further delegated the investment management responsibilities in respect of the Funds to the Investment Manager and its distribution responsibilities in respect of the Funds to the Distributor.

The Management Agreement provides that the appointment of the Manager will continue in force unless and until terminated by either party on 90 days' prior written notice or such shorter period as may be agreed by the Company but not less than 30 days, or otherwise in accordance with the terms of the Management Agreement. The Management Agreement contains provisions regarding the Manager's legal responsibilities. The Manager is not liable for loss or damage caused to the Company unless such loss or damage arose out of or in connection with the negligence, fraud, recklessness, wilful misconduct or wilful default of or by the Manager or any director, officer, employee, delegate, agent or appointee of the Manager in the performance or non-performance of its duties under the Management Agreement.

The Manager is subject to remuneration policies, procedures and practices (together, the "Remuneration Policy"). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Funds. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company and the Funds, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Funds, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually.

Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available via https://www.waystone.com/waystone-policies/ . The Remuneration Policy summary will be made available for inspection and a paper copy may be obtained, free of charge, on request from the Manager.

The Manager's main business is the provision of fund management services to collective investment schemes such as the Company. The Manager is legally and operationally independent of the Administrator, the Depositary and the Investment Manager.

The Directors of the Manager are:

Tim Madigan (Irish Resident) (Independent). Mr Madigan is the independent non-executive chairperson for Waystone's Irish, UK and Luxembourg fund management companies. He is also Independent Non-Executive Chairperson for Waystone Management (UK) Limited. He serves as an independent non-executive director for a number of investment funds, both Irish-domiciled (UCITS and AIFs) and Luxembourg-domiciled (AIFs), as well as for an Irish cross-border life insurance company (where he also acts as chair of the Audit Committee). He was previously an independent non-executive director of a UK life insurance company (where he also acted as chair of the Risk and Compliance Committee). From 2010 to 2011 Mr. Madigan was finance director of Aviva Investment Management Europe, where he led the set-up of the finance function for Aviva Europe's Dublin based centre of excellence, established to manage treasury assets and investment management mandates. Prior to this, Mr. Madigan was managing director of cross-border life insurance company Aviva Life International from 2006 to 2010. Previously he was finance director for that company. In this role he chaired the Investment Committee as well as leading a strategic review of business in 2009 following the onset of the global financial crisis. He holds a bachelor's degree in Business Studies (Finance) from the University of Limerick, is a Fellow of the Association of Chartered Certified Accountants and is a Certified Investment Fund Director. He served as an elected Council member of the Irish Fund Directors Association from 2016 to 2020.

Andrew Bates (Irish Resident) (Independent). Mr. Bates is an Independent Non-Executive Director for the Manager as well as Chair of its Risk Committee. Mr. Bates currently serves as Chair and non-executive director for a number of Central Bank regulated operating companies and fund product vehicles. Mr. Bates was the Head of the Financial Services practice at Dillon Eustace LLP spending almost 30 years as a legal advisor, working with a wide variety of financial services companies and fund promoters on establishment and authorisation matters, product design contract negotiations, outsourcing, cross border passporting and on various interactions with regulators. Recognised as a leading lawyer in his practice areas by Chambers, by the IFLR 1000 and by the Legal 500, Mr. Bates has also previously serviced as a Council Member of Irish Funds for 3 years. Mr. Bates holds a Diploma Company Direction from the Institute of Directors, as well as a Bachelor of Civil Law Degree from University College Dublin.

Rachel Wheeler (UK Resident). Ms. Wheeler is Product Head – Regulated Fund Solutions at Waystone and Non-Executive Director for the Manager. A leading asset management general counsel, Ms. Wheeler brings to Waystone over 20 years of experience in managing legal and regulatory risk and working with the corresponding regulatory bodies. At Waystone, Ms. Wheeler oversees its management companies and MiFID services globally, ensuring that a uniform, best-in-class operational process is applied to all entities within her remit. Ms. Wheeler plays a pivotal role in all operational and strategic matters and works closely with Waystone's leadership team on its growth strategy, including future acquisitions.

Ms. Wheeler joined Waystone from GAM Investments where she served as Group General Counsel and as a member of the Senior Leadership Team. Prior to this, Ms. Wheeler served as General Counsel at Aviva Investors where she was a member of the Executive Team. Ms. Wheeler has held senior positions in the legal teams of USS Investment Management, Bank of New York Mellon, Gartmore Investment Management and Merrill Lynch Investment Management. Ms. Wheeler began her career as a solicitor in corporate and financial services law at Simmons & Simmons. Ms. Wheeler has a postgraduate diploma in Law and Legal Practice Course from the College of Law, Guildford and a BA (Hons) in History from the University of Wales.

James Allis (Irish Resident). Mr. Allis serves as Country Head – Ireland at Waystone and is currently Executive Director for the Manager. Mr. Allis has been active in the financial services industry since 2004. He joined Waystone in 2016 and has served for a time as the Manager's CEO, European Fund Services Chief Operating Officer and prior to that, as the Designated Person responsible for Operational Risk Management. Mr. Allis has overseen a range of international investment management clients covering both AIFM and UCITS. His remits have covered product development, risk, valuation, due diligence, and audit. Mr. Allis has also been a Board member of Waystone's Irish MiFID firm and has acted as chairperson for the risk committee of the Manager. Prior to joining Waystone, Mr. Allis worked for Citco Fund Services, Dublin as Senior Account Manager, leading a team to work on a wide array of structures. Mr. Allis holds a Bachelor of Business Studies in Finance and a Masters in International Relations, both from Dublin City University. Mr. Allis was also a member of the Irish Funds Organizational Risk Working Group for over two years and is certified by PRMIA.

Andrew Kehoe (Irish Resident). Mr. Kehoe is the CEO, Ireland at Waystone and Executive Director for the Manager. At Waystone, he oversees the Irish management company business and works closely with Product Head – Regulated Fund Solutions, the Country Head - Ireland and senior management in Waystone's management companies in other jurisdictions to help ensure that a uniform, best in class operational process is applied across all entities and that group strategy is implemented at an Irish level. He is also responsible for Waystone's fund consulting services in Ireland.

Mr. Kehoe has been a lawyer since 2002 and has a broad range of experience at law firms in the U.S. and Ireland. Mr. Kehoe was previously the CEO of KB Associates and, before that, was responsible for both the legal and business development teams at KB Associates. He also previously acted as the CEO of the KB Associates' MiFID distribution firm in Malta. Prior to joining KB Associates, Mr. Kehoe was a managing partner at a New York City law firm and worked as an investment funds solicitor in Dublin. Mr. Kehoe holds a Bachelor of Science in Business from Fairfield University, a Juris Doctor law degree from New York Law School and a Diploma in International Investment Funds from the Law Society of Ireland. He is admitted to the Roll of Solicitors in Ireland, England and Wales, and is a member of the New York, New Jersey and Connecticut Bars.

Keith Hazley (Irish Resident). Mr. Hazley serves as an Executive Director for the Manager and is the representative member on both the Investment Committee and Valuation Committee of the Manager. He was the Designated Person responsible for Investment Management until October 2022. He brings to the role extensive leadership experience in trading, investment and technology development in the hedge fund industry. Mr. Hazley was previously the Head of Risk at Waystone's Irish MiFID Firm, as well as a Non-Executive Director of Luna Technologies Ltd., a fund administration software company, and Altitude Fund Solutions Limited, a fund portal software company, and a Director of Lambay Fund Services Ltd. He has served as an independent director on several Boards of hedge funds. Mr. Hazley holds a Bachelor of Business Studies degree from Trinity College, Dublin, a Master of Business Administration degree from City of London University and a Diploma in Company Direction, Institute of Directors, London. He is an Approved Principal by the Commodity Futures Trading Commission and a Member of the Institute of Directors in Ireland.

The Investment Manager

The Investment Manager is an independent fund management firm established in Boston, Massachusetts in 1977. The group has offices in the United States, the United Kingdom, Australia, the Netherlands and Singapore. The Investment Manager is owned by its management team. Its clients are primarily long term institutional investors including pension funds, universities, charitable foundations and international organisations. It is regulated by the Securities and Exchange Commission.

The terms relating to the appointment of the Investment Manager are set out in the Investment Management Agreement between the Investment Manager and the Company. The Investment Management Agreement provides that the Investment Manager shall be responsible for the investment and re-investment of the assets of the Company as may be agreed between the Investment Manager and the Company. The Investment Manager, its employees, directors, servants or agents will not be liable for any loss suffered by the Company except a loss resulting from negligence, fraud, wilful misfeasance, bad faith or reckless disregard on the part of the Investment Manager, its employees, directors, servants or agents in the performance of its duties. The Company agrees to indemnify the Investment Manager, its employees, directors, servants or agents from and against all costs, demands, loss and expenses (including legal and professional expenses) incurred by the Investment Manager, its employees, directors, servants or agents, except in the case of negligence, wilful misfeasance, fraud, bad faith or reckless disregard of its duties. The appointment of the Investment Manager shall continue in full force and effect unless and until terminated by either party giving not less than ninety days' written notice to the other or may be terminated in the event of the insolvency of the other party or the inability of the other party to perform its obligations under applicable law.

Subject to the prior approval of the Manager and in accordance with the requirements of the Central Bank, the Investment Manager shall be entitled to delegate all or part of its investment management functions to one or more investment advisers, sub-investment managers, or other delegates duly appointed by the Investment Manager provided that the Investment Manager shall remain liable for the acts or omissions of any such investment adviser, sub-investment manager or other delegate appointed by it as if such acts or omissions were its own. The fees of any such sub-investment managers shall be discharged out of the management fee received by the Investment Manager. Information on any such sub-investment manager will be provided to Shareholders on request and details of any sub-investment manager will be disclosed to Shareholders in the periodic reports of the Company. If requested by the Manager, the Investment Manager shall arrange for the appointment of one or more Distributors, at the Investment Manager's own expense, to market and distribute the Shares, provided that any such Distributor shall be liable to the Investment Manager for any loss or damage suffered by the Company or the Manager arising out of or in connection with the negligence, wilful misfeasance, fraud, bad faith or reckless disregard on the part of such Distributor. GMO UK Limited and GMO Netherlands B.V. have been appointed as Distributors and are thereby responsible for the promotion of the Company.

The Investment Manager has appointed GMO Singapore Pte. Limited ("GMO Singapore") to serve as sub-adviser with discretionary powers in relation to certain Funds pursuant to a sub-advisory agreement between the Investment Manager and GMO Singapore dated 22 August 2014 (the "Sub-Advisory Agreement").

The Administrator

Pursuant to the Administration Agreement, the Manager has appointed State Street Fund Services (Ireland) Limited as the administrator of the Company. The Administrator is responsible for performing the day-to-day administration of the Company and for providing fund accounting for the Company, including the calculation of the Net Asset Value and the Net Asset Value per Share and for providing registration, transfer agency and related services to the Company.

The Administrator was incorporated as a private limited company in Ireland on 23 March 1992, and is ultimately owned by State Street Corporation. The authorised share capital of State Street Fund Services (Ireland) Limited is Stg£5,000,000 with an issued and paid up share capital of Stg£350,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S.A. and trades on the New York Stock Exchange under the symbol "STT".

The Administration Agreement may be terminated by either party on ninety days' notice in writing to the other party or may be terminated by any party immediately by notice in writing to the other party in the event that: (i) the other party shall go into liquidation or receivership or an examiner shall be appointed pursuant to the Companies Act 2014 (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party) or be unable to pay its debts as they fall due, or a receiver or examiner is appointed to such party; (ii) the other party shall commit any material breach of the provisions of the Administration Agreement which, if capable of remedy, shall not have been remedied within thirty days after the service of written notice requiring it to be remedied; or (iii) certain of the representations, warranties or covenants set out in the Administration Agreement cease to be true or accurate in any material respect in relation to the party notified.

The Administration Agreement provides that the Administrator shall carry out its duties and obligations and exercise its powers and discretions under the Administration Agreement applying the level of skill and expertise that can reasonably be expected of a professional administrator of a fund such as the Company. The Administrator shall not be liable for any loss of any nature whatsoever suffered by the Company or the Shareholders in connection with the performance of its obligations under the Administration Agreement, except where that loss results from the negligence, fraud, bad faith, recklessness or wilful default on the part of the Administrator in the performance or non-performance of its obligations and duties under the Administration Agreement. Under the Administration Agreement, the Company agrees to indemnify the Administrator and its permitted delegates, employees and agents, out of the assets of the relevant Fund, against all actions, proceedings and claims and against all costs, demands and expenses arising therefrom which may be brought against, suffered or incurred by the Administrator, its permitted delegates, employees or agents in the performance or non-performance of its obligations and duties under the Administration Agreement and from and against all taxes on profits or gains of the Company which may be assessed upon or become payable by the Administrator or its permitted delegates, employees or agents, provided that such indemnity shall not be given where such losses arise out of or in connection with the negligence, fraud, bad faith, recklessness or wilful default of the Administrator, its delegates, employees or agents in the performance or non-performance of their respective duties.

The Depositary

The Company has appointed State Street Custodial Services (Ireland) Limited to act as Depositary of the Company and to ensure that the issue, repurchase, transfer and conversion of Shares by the Company and the calculation of the Net Asset Value is carried out and that all investments are made in accordance with the Articles of Association. The Depositary will be responsible for the safe-keeping of the Company's assets. In addition, the Depositary is obliged to enquire into the conduct of the Company in each financial year and report thereon to the Shareholders.

The Depositary is a private limited company incorporated in Ireland and has its registered office at 78 Sir John Rogerson's Quay, Dublin 2, Ireland. The principal activity of the Depositary is to act as depositary of the assets of collective investment schemes. The Depositary is ultimately owned by State Street Corporation. The Depositary was incorporated to provide trustee and custodial services to collective investment schemes. As at 30 June 2023, the Depositary had funds under custody in excess of US$1,575.8 billion. The Depositary is regulated by the Central Bank.

The Depositary's Functions

The Depositary has been entrusted with the following functions:

(a) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the UCITS Regulations, the Directive, the Companies Act 2014 and the Memorandum and Articles of Association (the "Constitutive Document") and that all necessary information in this regard is exchanged between the parties;

(b) ensuring that the value of the Shares is calculated in accordance with the UCITS Regulations, the Directive and the Constitutive Document;

(c) carrying out the instructions of the Company and its agents unless they conflict with the Constitutive Document, the Directive, the UCITS Regulations, the European Commission

Delegated Regulation 2016/438 supplementing Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, the Central Bank Regulations and the laws and regulations of Ireland applicable to the Trust and the Trustee (including delegated legislation or regulations of any competent authority) (the "Applicable Laws");

(d) ensuring that in transactions involving the assets of a Fund any consideration is remitted to it within the usual time limits;

(e) ensuring that the income of each Fund is applied in accordance with the UCITS Regulations, the Companies Act 2014, the Central Bank Regulations and the Directive and the Constitutive Document;

(f) ensuring effective and proper monitoring of the Company's cash flows; and

(g) safekeeping of the Company and each Fund's assets, including holding in custody all financial instruments that are registered directly or indirectly in the name of the Depositary in a financial instruments account and verifying the ownership of other assets and maintaining a record of the other assets for which it is satisfied that the Company or the relevant Fund holds the ownership.

The Depositary's Liability

In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company, the Funds and the Shareholders of the Funds.

The Depositary shall be responsible to each Fund and to the Shareholders of each Fund as described in the UCITS Regulations and in the Depositary Agreement. The Depositary shall be liable to each Fund and the Shareholders of each Fund for the loss of financial investments held in custody by the Depositary or a third party to whom the custody of financial instruments held in custody has been delegated, and in the event of such a loss, the Depositary shall return financial instruments of identical type or the corresponding amount to the relevant Fund without undue delay. The Depositary will be liable to each Fund and the Shareholders of each Fund for any losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the Depositary Agreement and/or the UCITS Law. To the extent such liability is not covered by the provisions of the Depositary Agreement relating to the foregoing, the Depositary shall be liable for its negligence, bad faith, wilful default, recklessness or fraud.

The Depositary shall also not be liable if it can prove that the loss of a financial instrument held in custody 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. Subject and without prejudice to the liability provisions in the Depositary Agreement, the Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

The liability of the Depositary to Shareholders may be invoked either directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders of the relevant Fund.

Delegation

The Depositary may delegate to third parties any part of its safekeeping functions. The Depositary's liability shall not be affected by any delegation of its functions under the Depositary Agreement. Information about the safekeeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Schedule V.

Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

(a) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company; and

(b) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

(a) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form;

(b) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

(c) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;

(d) may provide the same or similar services to other clients including competitors of the Company; and

(e) may be granted creditors' rights by the Manager which it may exercise,

provided always that the Depositary and its affiliates comply with the requirements in relation to transactions with Connected Parties described in the section entitled "General - Conflicts of Interest" below.

The Manager may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of a Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Manager. Where cash belonging to a Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

The Depositary Agreement may be terminated by either party on ninety days' prior notice in writing to the other party or be may be terminated immediately by either party giving notice in writing to the other if at any time: (i) the party notified shall be unable to pay its debts as they fall due or go into liquidation or receivership or an examiner shall be appointed to the party notified; (ii) the party notified commits any material breach of the provisions of the Depositary Agreement and shall not have remedied that breach within thirty days after the service of written notice requiring it to be remedied; (iii) certain representations, warranties or covenants in the Depositary Agreement cease to be true or accurate in any material respect in relation to the party notified; or (iv) the Central Bank replaces the Depositary with another depositary. The Depositary Agreement may also be terminated by the Company if the Depositary ceases to be permitted to act as a depositary by the Central Bank and the Depositary shall inform the Company promptly in writing of the occurrence of this event. The appointment of the Depositary may not be terminated and the Depositary may not retire from such appointment unless and until a successor Depositary shall have been appointed in accordance with the Constitutive Document, provided such successor depositary is approved in advance by the Central Bank. If the Depositary shall have given to the Company notice of its desire to retire from its appointment or the appointment of the Depositary is terminated pursuant to the terms of the Depositary Agreement and no successor shall have been appointed in accordance with the Constitutive Document within ninety days from the giving of such notice, the Directors shall take steps to convene a general meeting of the Shareholders of the Company at which a resolution is proposed to either repurchase the Shares of the Company or to wind up the Company and appoint a liquidator who shall distribute the assets of the Company in accordance with the Constitutive Document, and the Depositary's appointment shall not terminate until the Central Bank has revoked its authorisation of the Company. The appointment of a successor depositary must be approved in advance by the Central Bank.

TAXATION

The following is a general summary of the main Irish and overseas tax considerations applicable to the Company and the Funds and certain investors in the Funds who are the beneficial owners of Shares in the Funds. It does not purport to deal with all of the tax consequences applicable to the Company, the Funds or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the Funds would be regarded as a shareholding in a Personal Portfolio Investment Undertaking ("PPIU"). The tax consequences of an investment in Shares in a Fund will depend not only on the nature of the Fund's operations and the then applicable tax principles, but also on certain factual determinations which cannot be made at this time. Accordingly, this summary's applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances. If you are investing through an intermediary, you should consult with your own tax adviser and your plan administrator or other designated financial intermediary to evaluate possible Irish, overseas, or other, tax consequences and tax-related certifications/documentation related to your investment. The Funds will not be managed to minimise taxes.

The following statements on taxation are based on advice received by the Company regarding the law and practice in force in Ireland and certain overseas jurisdictions at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below (with or without retrospective effect) and as is the case with any investment, there can be no guarantee that the tax position or proposed tax positions prevailing at the time an investment is made will endure indefinitely. None of the Company, the Manager, or the Investment Manager has a duty to notify Shareholders if any tax laws or practice change.

Certain Irish Tax Considerations

Taxation of the Company

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking for the purposes of Section 739B of the TCA so long as the Company is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains. As a result of changes introduced in the Finance Act 2016 and 2017, a new regime applies to IREFs (i.e. Irish Real Estate Funds) which imposes a 20 per cent. withholding tax on 'IREF taxable events'. The changes primarily target non-Irish Resident investors. UCITS funds are excluded from the definition of an IREF. On the basis that the Company is a UCITS fund, these provisions should not be relevant and are not discussed further.

Chargeable Event

Although the Company is not chargeable to Irish tax on its income and gains, Irish tax (at rates ranging from 25 per cent. to 60 per cent.) can arise on the happening of a "chargeable event" in respect of the Company. A chargeable event includes any payments of dividends to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the Company for a period of eight years or more. Where a chargeable event occurs, the Company is required to account for the Irish tax thereon.

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

(a) the Shareholder is neither resident nor ordinarily resident in Ireland ("Non-Irish Resident") and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or

(b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or

(c) the Shareholder is an Exempt Irish Resident as defined below.

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

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

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners; or

- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, a decree of dissolution and/or divorce, as appropriate; or

- an exchange by a Shareholder, effected by way of a bargain made at arm's length, of Shares in the Company for other Shares in the Company; or

- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking.

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

Irish Courts Service

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

Exempt Irish Resident Shareholders

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

(a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;

(b) a company carrying on life business within the meaning of Section 706 of the TCA;

(c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;

(d) a special investment scheme within the meaning of Section 737 of the TCA;

(e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;

(f) a qualifying management company within the meaning of Section 739B(1) of the TCA or a specified company within the meaning of Section 734(1) of the TCA;

(g) a unit trust to which Section 731(5)(a) of the TCA applies;

(h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;

(i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;

(j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;

(k) the National Asset Management Agency;

(l) the National Treasury Management Agency or the Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;

(m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);

(n) in certain circumstances, a company within the charge to corporation tax in accordance with Section 739a(2) in respect of payments made to it by the Company; or

(o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

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

Taxation of Non-Irish Resident Shareholders

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

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

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

Taxation of Irish Resident Shareholders

Deduction of Tax

Tax will be deducted and remitted to the Revenue Commissioners by the Company from any dividends made to an Irish Resident Shareholder who is not an Exempt Irish Resident or any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by such an Irish Resident Shareholder who is not an Exempt Irish Resident at the rate of 41 per cent. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

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

Deemed Disposals

A deemed disposal of Shares will occur on each and every eight anniversary of the acquisition of Shares in the Company held by Irish Resident shareholders who are not Exempt Irish Residents. The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares held by Shareholders who are Irish Resident and, who are not Exempt Irish Residents, is 10 per cent. or more of the Net Asset Value of a Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of such Shares. However, where the total value of Shares held by such Shareholders is less than 10 per cent. of the Net Asset Value of the Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves.

The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41 per cent. (or in the case of Irish Resident corporate Shareholders where a relevant declaration has been made, at the rate of 25 per cent.). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Residual Irish Tax Liability

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

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

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

Individual Investors

Test of Residence

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

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

Test of Ordinary Residence

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

Trust Investors

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

Corporate Investors

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

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

(i) in the case of a company incorporated before 1 January 2015 only, the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a "relevant territory", being an EU member state (other than Ireland) or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed, or (b) the principal class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory and the company's central management and control is located outside of Ireland (however, this exception does not apply where the company's place of central management and control is in a jurisdiction that only applies an incorporation test for determining residency and the company would thus not be regarded as tax-resident in any jurisdiction); or

(ii) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

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

Disposal of Shares and Irish Capital Acquisitions Tax

(a) **Persons Domiciled or Ordinarily Resident in Ireland**

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

(b) **Persons Not Domiciled or Ordinarily Resident in Ireland**

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

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

Stamp Duty

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

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

Residence

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

The OECD Common Reporting Standard

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

The CRS is a single global standard on Automatic Exchange of Information which was approved by the Council of the OECD in July 2014. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. To comply with its obligations under the CRS (or similar information sharing arrangements), the Company may require additional information and documentation from Shareholders, such as the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number and tax identification number(s) of each reportable person in respect of a reportable account for CRS and information relating to each Shareholder's investment (including but not limited to the value of and any payments in respect of the Shares). The Company may disclose the information, certifications or other documentation that it receives from or in relation to Shareholders to the Revenue Commissioners who may in turn exchange this information with tax authorities in other territories. In order to comply with its obligations, the Company may require additional information and documentation from Shareholders. Such information may, to the extent the Shareholder is considered to be (i) a passive non-financial entity or (ii) a financial institution in non-participating jurisdiction under CRS and managed by another Financial Institution (as those terms are defined in the CRS) extend to the natural persons who exercise control over a Shareholder or, if there are no such natural persons, the natural person(s) who hold the position of senior managing official of the Shareholder.

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

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change. Each prospective investor should consult their own tax adviser on the requirements applicable to their own situation under these arrangements.

Investment Undertaking Reporting

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

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

Each prospective investor should consult its own tax advisers on the requirements applicable to it under these arrangements.

Overseas Taxation

The Company may be subject to, and/or accrue, taxes (potentially on a retroactive basis) on interest, dividend and/or other income earned, capital gains, transaction based and other taxes imposed by jurisdictions in which the Funds make investments. The amounts of such accruals will be determined by the Investment Manager in its absolute discretion. In respect of certain taxes, the timing by which such tax amounts are paid (if ultimately paid) will be determined by the Investment Manager in its absolute discretion. In addition, the Company and/or Shareholders may be subject to taxation and tax reporting obligations in jurisdictions in which the Funds make investments. The rates of overseas taxes are subject to change from time to time and, in some cases, the scope and application of overseas taxes may be unclear. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries. It is possible that local tax authorities will not evaluate double tax treaty eligibility and/or local market registration at the level of a Fund (i.e. without regard to the other Funds or the Company as a whole). The Fund's use of derivatives may subject the Fund to tax liability that it would not incur if it invested directly in the underlying assets. For example, counterparties may be unable or unwilling to apply double tax treaty rates equivalent to those customarily afforded to the Fund. This could prejudice the tax position of the Fund and/or its Shareholders. Furthermore, if a limited number of investors subscribe for Shares in a Fund, this may affect the ability of the Fund to qualify for double tax treaty or other tax benefits. It is also possible that in some cases a Fund or Shareholders might be entitled to claim foreign tax credits, deductions or other reductions with respect to such taxes, subject to certain limitations under applicable law.

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located or maintain a tax nexus.

Any taxes or other charges paid or incurred by a Fund in respect of its investments will reduce its return thereon. The Investment Manager may seek to collect refunds on behalf of the Company in respect of taxes paid by a Fund to certain countries. The process of seeking a refund could take several years, subject a Fund to various administrative and judicial proceedings, and cause a Fund to incur expenses in its efforts to collect the refund, which will reduce the benefit of any recovery. A Fund's efforts to collect a refund may not be successful, in which case the Fund will have incurred additional expenses for no benefit. In addition, a Fund's pursuit of a tax refund may subject the Fund to various administrative and judicial proceedings in the country where it is seeking the refund. The Investment Manager's decision to seek a refund is in its sole discretion, and, it may decide not to seek a refund, even if it is entitled to one. The outcome of the Investment Manager's efforts to obtain a refund is inherently uncertain. Accordingly, a refund is not typically reflected in a Fund's Net Asset Value until the Investment Manager believes that the refund is collectible and free from significant contingencies. In some cases, the amount of a refund could be material to a Fund's Net Asset Value. In the event that the Company receives any repayment of withholding tax suffered or ultimately is not required to pay any tax for which it has made an accrual, the Net Asset Value of the Fund or class will not be restated and the benefit of any repayment or adjustment to accruals will be allocated to the then existing Shareholders rateably at the time of such repayment or adjustment.

In addition, overseas stamp duties and/or transaction taxes or fees may arise and be payable by a Fund and/or Shareholders in certain circumstances (e.g., on the transfer of securities, including without limitation, upon in specie subscriptions and repurchases of Shares).

Base Erosion and Profit Shifting

OECD proposals regarding their Base Erosion and Profit Shifting ("BEPS") initiative were released on 5 October 2015. How BEPS will be implemented by the various governments is not yet known however, the following are the main actions contained within the proposals that are relevant for a Fund:

Action 2: Neutralising the Effects of Hybrid Mismatch Arrangements;

Action 6: Prevent Treaty Abuse;

Action 7: Permanent Establishment Status;

Action 13: Transfer Pricing Documentation and Country-by-Country Reporting; and

Action 15: Develop a Multilateral Instrument.

In particular, it is anticipated that the Action 6 proposals will impact investors in a Fund in the form of increased information requirements to be provided on subscription (e.g., tax identification and/or citizenship information prior to investment). While the additional requirements may ultimately result in positive withholding tax outcomes for a Fund, there could also be a knock on effect in the form of tax-drag on investment return which may be reduced by increased withholding taxes as a result of denial of treaty relief. Corporate structures will be impacted by Action 7, the result of the widening of the scope of the dependent agent rules and restrictions in relation to the independent agent criteria. In addition, the impact of increased reporting to tax authorities under the country-by-country reporting provisions will need to be determined. Each of these proposals could add to the costs incurred by a Fund and may have a material adverse effect on its Net Asset Value.

BEPS and related regimes are likely to be implemented by several countries over the course of the next several years. For example, the OECD has endorsed a global initiative that seeks to stem perceived inequities arising from the coexistence of fundamentally different tax regimes throughout the world. Very generally, this international initiative focuses on enabling countries to tax profits in jurisdictions where profits are earned and on setting minimum tax regimes that would apply to certain multinational businesses and entities. These changes may significantly alter Shareholders' returns.

Certain U.S. Tax Considerations

For U.S. federal income tax purposes, each Fund expects that it will be classified as a separate association, taxable as a separate non-U.S. corporation. Each Fund is a "passive foreign investment company" ("PFIC") and/or may be "controlled foreign corporation" with respect to certain U.S. investors. As such, Shareholders subject to U.S. federal income tax could be subject to material adverse U.S. federal income tax treatment and certain U.S. tax filing requirements with respect to an investment in a Fund. Certain U.S. persons who are shareholders of a PFIC may be required to file annual information returns with the IRS (regardless of whether the shareholders have received dividends from, disposed of an interest in, or made an election in respect of a PFIC). In addition, U.S. investors may be subject to certain other information-reporting filing requirements with the IRS and/or the U.S. Treasury, with respect to an investment in a Fund.

FATCA generally imposes a tax reporting and a 30 per cent. withholding tax regime with respect to certain U.S. source income (including, among other types of income, dividends, interest and certain payments with respect to derivative instruments that are determined to be "dividend equivalent" payments) and gross proceeds from the sale or other disposition of property that can produce U.S. source interest or dividends ("Withholdable Payments"). As a general matter, these rules are designed to require certain U.S. persons' direct and indirect ownership of certain non-U.S. accounts and certain non-U.S. entities to be reported to the IRS, and the 30 per cent. withholding tax applies if there is a failure to provide required information regarding U.S. ownership or otherwise comply with the requirements of FATCA.

Under these reporting and withholding rules, "Withholdable Payments" made to a Fund generally will be subject to 30 per cent. withholding tax unless a Fund (i) enters into (or qualifies for an exemption from entering into) an agreement with the IRS (a "FATCA Agreement") pursuant to which a Fund agrees to report to the IRS information about its U.S. investors and certain U.S. persons that indirectly hold an interest in a Fund and to comply with other reporting, withholding, verification, due diligence and other procedures established by the IRS, including a requirement to seek waivers of non-U.S. laws that would prevent the reporting of such information, or (ii) satisfies the requirements of an intergovernmental agreement (an "IGA"). In this respect, Ireland and the United States entered into a "Model 1" IGA with respect to FATCA implementation (the "Ireland IGA"). Each Fund intends to comply with FATCA as modified by the terms of the Ireland IGA and Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014, which requires each Fund to obtain and provide to the Revenue Commissioners, certain information from investors (including notification of Shareholder non-compliance, as determined by the Company) and to meet certain other requirements. The Company may disclose any Shareholder information, certifications or documentation to tax authorities or other parties as may be necessary or advisable in order to comply with FATCA, industry-wide investor information sharing initiatives and/or other requirements that may be applicable. If a Fund complies with its obligations under the Ireland IGA and if Ireland also complies with its obligations under the Ireland IGA, such Fund will not be subject to withholding under FATCA.

FATCA also provides that payments from a Fund to any Shareholder that are attributable to Withholdable Payments and certain other payments that could be deemed to be "passthru payments" within the meaning of the U.S. Code will generally be subject to 30 per cent. withholding tax if there is a failure to provide information, representations, and waivers of non-U.S. law as may be required to comply with the provisions of the rules, including in certain cases, information regarding certain U.S. direct and indirect owners of such Shareholders. The U.S. Treasury Department and the IRS continue to consider the feasibility of a system for implementing withholding on passthru payments. The failure of a Shareholder to provide such information also may result in other adverse consequences applying to a Shareholder. A Shareholder that is treated as a "foreign financial institution" generally will be subject to withholding unless it enters into a FATCA Agreement, complies with an IGA or establishes that it is otherwise exempt from the requirements of FATCA. In general, a "non-financial foreign entity" will also be subject to withholding unless it provides certain information to a Fund or the investor is otherwise exempt from the requirements of FATCA. Each Fund may disclose any Shareholder information, certifications or documentation to the Revenue Commissioners, the IRS and/or other parties as necessary or advisable to comply with FATCA or other requirements. If a Fund were to become a member of an "expanded affiliated group" or have a "Related Entity" within the meaning of an IGA, this status could adversely affect the FATCA status of a Fund and reduce a Fund's investment returns. The requirements of and exceptions from FATCA are complex and remain potentially subject to material changes resulting from additional guidance from the IRS and the Revenue Commissioners. In addition, certain other countries have passed or may in the future pass legislation similar to FATCA, which may impact the Fund and the Fund's investors. Each prospective Shareholder is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective Shareholder's own situation.

Certain categories of income (including dividends, certain payments with respect to derivative instruments that are treated as "dividend equivalent payments" and certain types of interest income) that are not effectively connected with a U.S. trade or business but that are derived from U.S. sources will nonetheless be subject to a U.S. tax at a rate of 30 per cent., which tax is generally withheld from such income and will reduce the total return to Shareholders.

Certain types of transactions in which a Fund may engage could cause the Fund to be deemed engaged in a U.S. trade or business. If the Fund were treated as engaged in a U.S. trade or business, Shareholder would indirectly be subject to U.S. federal income tax (generally, in the first instance, collected by means of withholding) on a net basis on such income and potentially an additional 30 per cent. "branch profits" tax.

Shareholders should consult their own tax advisers regarding the tax consequences of an investment in a Fund, including the implications described herein.

ERISA Considerations

Certain investors in a Fund may purchase Shares in the Fund using assets of "employee benefit plans" subject to the fiduciary responsibility provisions of Part 4 of Subtitle B of Title I of ERISA as well as "plans" to which Section 4975 of the U.S. Code applies (such as individual retirement accounts and annuities) (collectively, "Plan Investors"). The following is a summary of some of the material considerations which may apply to such investors under ERISA and the U.S. Code. Prospective investors should consult with their own legal counsel on these matters.

Plan Investors are generally subject to the fiduciary responsibility provisions of Title I, Subtitle B, Part 4 of ERISA and/or certain parallel provisions of the U.S. Code. Those provisions impose standards of conduct on benefit plan fiduciaries and impose rules regarding the management and disposition of plan assets. Those rules include, among others, requirements that plan fiduciaries discharge their duties to the plan prudently and exclusively for the benefit of plan participants and beneficiaries, that plan fiduciaries refrain from engaging in or causing the plan to engage in certain prohibited transactions, and that, subject to certain exceptions, the assets of the plan be held in trust.

General Fiduciary Considerations

Before authorising an investment in a Fund, fiduciaries of a Plan Investor should consider (to the extent applicable): (i) the fiduciary standards under ERISA; (ii) whether the investment in the Fund satisfies the prudence and diversification requirements of ERISA, including whether the investment is prudent in light of limitations on the marketability of interests in the Fund; and (iii) whether such fiduciaries have authority to make the investment under the appropriate plan investment policies or governing instruments and under

Title I of ERISA, in each case taking into account the nature and the structure of the Fund, applicable tax rules and applicable fees.

Fiduciaries of a Plan Investor should also consider (i) prohibitions in ERISA and in the U.S. Code relating to a Plan Investor engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the U.S. Code with respect to such plan; and (ii) other provisions in ERISA pertaining to fiduciary self-dealing or conflicts of interest involving, or receipt of compensation by a fiduciary in connection with, "plan assets".

Fiduciary Status and "Plan Assets"

Under the ERISA "plan assets" regulation issued by the U.S. Department of Labor, as and to the extent modified by ERISA section 3(42), in certain circumstances, the assets of a Plan Investor are considered to include an undivided interest in each of the underlying assets of a private investment fund in which the Plan Investor invests. Where this "look-through" rule applies, persons who exercise investment authority with respect to the assets of the private investment fund are considered fiduciaries for purposes of ERISA and the related provisions of the U.S. Code, and transactions involving the assets of the private investment fund are subject to the prohibited transaction restrictions of ERISA and the U.S. Code.

The look-through rule of the plan assets regulation does not apply to plan investments in a private investment fund where participation in such fund by "benefit plan investors" is not "significant". "Benefit plan investors" include not only Plan Investors but also any entity whose underlying assets are deemed to include plan assets by reason of a plan's investment in the entity. Benefit plan investor participation in an entity is "significant" on any date if, immediately after the most recent acquisition of an equity interest in the entity, 25 per cent. or more of the total value of any class of equity interests in the entity is held by benefit plan investors. For purposes of this calculation, interests held by any manager of the private investment fund or any of its affiliates are disregarded.

At times, investment in a Fund by benefit plan investors may be "significant". In that event, the Investment Manager intends to operate the Fund in compliance with the requirements of ERISA and the related prohibited transaction restrictions of the U.S. Code. In such case, the Investment Manager will endeavour not to cause the Fund to engage in any transaction involving a party in interest or disqualified person with respect to any Plan Investor, unless a statutory or administrative exemption is applicable. The Investment Manager anticipates that U.S. Department of Labor Prohibited Transaction Exemption 84-14 for transactions negotiated on behalf of a plan by a "qualified professional asset manager" ("QPAM") will be applicable to most potential prohibited transactions involving the assets of a Fund. The Investment Manager qualifies, and anticipates that it will continue to qualify, as a QPAM described in the exemption. Nonetheless, the Investment Management Agreement authorises the Investment Manager to take such actions as are necessary to comply with applicable law, including ERISA and the prohibited transaction restrictions of ERISA and the U.S. Code. Therefore, the Investment Manager may forego investments or other arrangements on behalf of a Fund if, in the Investment Manager's judgment, such action is necessary to comply with ERISA or the U.S. Code, even if such investments or other arrangements might otherwise be desirable for the Fund.

If the assets of a Fund include "plan assets," the Fund will not invest any of its assets in investments which, with respect to any "employee benefit plan" as defined in section 3(3) of ERISA which has invested in the Fund, have been identified to the Fund by such employee benefit plan as "employer securities" which are not "qualifying employer securities" as defined in section 407 of ERISA, and will not invest more than 10 per cent. of its assets in investments which, with respect to any employee benefit plan which has invested in the Fund, have been identified to the Fund by such employee benefit plan as "qualifying employer securities" as defined in section 407 of ERISA.

If the assets of a Fund include "plan assets," as discussed above, it is intended that the Investment Manager will act as an investment manager with respect to ERISA-covered plans that invest in the Fund. Under the subscription application materials, each ERISA-covered Plan Investor appoints the Investment Manager as an investment manager with respect to any assets of such plan held in the Fund. In addition, the subscription application materials require each Plan Investor to make certain representations on which the Investment Manager may rely in acting as investment manager for such Plan Investor.

With respect to the ERISA requirement that plan assets be held in trust, U.S. Department of Labor regulations provide that the ERISA trust requirement would be satisfied with respect to the assets of an entity that are deemed to be plan assets if the indicia of ownership of such assets (i.e. the Shares of a Fund) are held in trust on behalf of an investing plan by one or more of its trustees.

GENERAL

Conflicts of Interest

The Manager, the Investment Manager, the Distributor, the Depositary and the Administrator may from time to time act as manager, investment manager, investment adviser, depositary, administrator, company secretary, dealer or distributor in relation to, or be otherwise involved in, other funds established by parties other than the Company which have similar investment objectives to those of the Company and any Fund. The Investment Manager and its affiliates shall not be under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the Company and other clients. The Investment Manager may hold Shares in any Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company and a Fund. Each will, at all times, have regard in such event to its obligations to the Company and the Fund and will ensure that such conflicts are resolved fairly.

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

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

(a) the value of the transaction is certified by either: (i) a person who has been approved by the Depositary as being independent and competent; or (ii) a person who has been approved by the Manager as being independent and competent in the case of transactions involving the Depositary;

(b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or

(c) the transaction is executed on terms which the Depositary is or, in the case of a transaction involving the Depositary, the Manager is, satisfied conformed to the requirement that transactions with Connected Persons be conducted at arm's length and in the best interests of Shareholders.

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

Conflicts of interest may arise as a result of transactions in financial derivative instruments and efficient portfolio management techniques and instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Investment Manager or the Depositary. As a result, those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such entities is subject to a valuation or haircut applied by a related party.

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

As more particularly set out in the section entitled "Fees and Expenses", the Investment Manager may enter into separate agreements with investors whereby the Investment Manager may receive a performance fee from such investors based on the performance of the Funds, including performance fee arrangements based on the Fund's outperformance of inflation or other indices or hurdles other than the Fund's Benchmark, if any.

Subject to the Manager's best execution policy, the Investment Manager, its delegates and affiliates may use a portion of the commissions generated when executing transactions on behalf of the Company to acquire external research and brokerage services in accordance with applicable law. Specifically, the Investment Manager may utilise commissions (typically only for transactions in listed equities) to purchase eligible brokerage and research services where those services provide lawful and appropriate assistance in the investment decision-making process for the relevant Fund and other discretionary client accounts that the Investment Manager manages, and where the Investment Manager in good faith believes the amount of the commission is reasonable in relation to the value of the product or services provided by the broker/dealer. For further details, please see the Investment Manager's Form ADV.

The service providers may be paid a fee that is based on a percentage of the Net Asset Value of the relevant Fund. The same service providers may be also responsible for valuing certain securities held by the Fund and, thus, inputs into the determination of the Net Asset Value on which their fees may be based. Consequently a conflict of interest could arise between their interests and those of the Funds. In the event of such a conflict of interests, the service provider shall have regard to its obligations to the Company and the Fund and will ensure that such a conflict is resolved fairly and in the best interests of the Shareholders.

Service providers to the Company and their affiliates (including, without limitation, affiliates of the Depositary) may provide support services, such as compliance support services, to the Investment Manager in relation to the Company.

Best Execution Policy

The Manager has adopted a policy designed to ensure that its service providers act in the Funds' best interests when executing decisions to deal and placing orders to deal on behalf of those Funds in the context of managing the Funds' portfolios. Information about the Manager's execution policy and any material changes to the policy are available to Shareholders at no charge upon request.

Voting Policy

The Manager has adopted a policy for determining when and how voting rights are exercised. In practice, this policy involves oversight of the voting rights policies and procedures in place at the level of the Investment Manager and the Company. Details of the actions taken on the basis of those strategies are available to Shareholders at no charge upon request.

Complaints Policy

The Manager has adopted a policy for handling complaints. Information regarding the Manager's complaints procedures is available to Shareholders free of charge upon request. Shareholders may file any complaints about the Manager or a Fund free of charge at the registered office of the Manager.

The Share Capital

The share capital of the Company shall at all times equal the Net Asset Value of the Company. The Directors are empowered to issue up to five hundred billion Shares of no par value in the Company at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the Company.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Fund attributable to the relevant class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

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

The Directors reserve the right to redesignate any class of Shares from time to time, provided that Shareholders in that class shall first have been notified by the Manager that the Shares will be redesignated and shall have been given the opportunity to have their Shares repurchased by the Company, except that this requirement shall not apply where the Directors redesignate Shares in issue in order to facilitate the creation of an additional class of Shares. In the event that the Directors transfer any asset to or from any Fund they shall advise the Shareholders of such Fund of any such transfer in the next succeeding annual or half-yearly report to Shareholders.

Each of the Shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those Shares. No class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of Shares or any voting rights in relation to matters relating solely to any other class of Shares.

Any resolution to alter the class rights of the Shares requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting duly convened in accordance with the Articles of Association.

The Articles of Association of the Company allows for the issue of fractional Shares in the Company. Fractional Shares may be issued and shall not carry any voting rights at general meetings of the Company or of any Fund or class and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

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

The Funds and Segregation of Liability

The Company is an umbrella fund with segregated liability between Funds and each Fund may comprise one or more classes of Shares in the Company. The Directors may, from time to time, upon the prior approval of the Central Bank, establish further Funds by the issue of one or more separate classes of Shares on such terms as the Directors may resolve. The Directors may, from time to time, in accordance with the requirements of the Central Bank, establish one or more separate classes of Shares within each Fund on such terms as the Directors may resolve.

The assets and liabilities of each Fund will be allocated in the following manner:

(a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Memorandum and Articles of Association;

(b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;

(c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and

(d) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and neither the Manager, the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

There shall be implied in every contract, agreement, arrangement or transaction entered into by the Manager on behalf of the Company the following terms, that:

(i) the party or parties contracting with the Manager shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;

(ii) if any party contracting with the Manager shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the Manager to pay a sum equal to the value of the benefit thereby obtained by it; and

(iii) if any party contracting with the Manager shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Manager shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

Any asset or sum recovered by the Manager shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the Fund affected by any losses incurred in respect of the liabilities of another Fund.

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

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

Termination

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

(i) a majority of votes cast at a general meeting of the Company or the relevant Fund or class, as appropriate, approve the repurchase of the Shares;

(ii) if so determined by the Directors, provided that not less than twenty one days' written notice has been given to the holders of the Shares of the Company or the Fund or the class, as appropriate, that all of the Shares of the Company, the Fund or the class, as the case may be, shall be repurchased by the Company; or

(iii) if no replacement depositary shall have been appointed during the period of three months commencing on the date the Depositary or any replacement thereof shall have notified the Company of its desire to retire as depositary or shall have ceased to be approved by the Central Bank.

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

On a winding up or if all of the Shares in any Fund are to be repurchased, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Shares in proportion to the number of the Shares held in that Fund.

The assets available for distribution among the Shareholders shall then be applied in the following priority:

(i) firstly, in the payment to the Shareholders of each class of each Fund of a sum in the Base Currency in which that class is denominated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange reasonably determined by the liquidator) to the Net Asset Value of the Shares of such class held by such holders respectively as at the date of commencement of the winding up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made, recourse shall be had to the assets of the Company not comprised within any of the Funds;

(ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the amount paid thereon (plus any interest accrued) out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under paragraph (i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;

(iii) thirdly, in the payment to the Shareholders of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares held; and

(iv) fourthly, in the payment to the Shareholders of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion to the Net Asset Value per Share.

With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the Company may make distributions in specie to Shareholders or to any individual Shareholder who so consents. At the request of any Shareholder the Company shall arrange the sale of such assets at the expense of such Shareholder and without any liability on the part of the Manager, the Company, the Administrator or the Investment Manager if the proceeds of sale of any asset are less than the value of the assets at the time at which it was distributed in specie. The transaction costs incurred in the disposal of such investments shall be borne by the Shareholder. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of any Fund.

Meetings

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

Reports

In each year the Manager shall cause to be prepared an annual report and audited annual accounts for the Company. These will be forwarded to Shareholders (by post, by electronic mail or any other means of electronic communication (including by placing a copy of such document on the website of the Company)) within four months of the end of the financial year and at least twenty one days before the annual general meeting. In addition, the Manager shall prepare and circulate to Shareholders within two months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for the Company.

Annual accounts shall be made up to 30 September in each year. Unaudited half-yearly accounts shall be made up to 31 March in each year. In the event that the last calendar day of a month is not Business Day, for the purposes of determining the Net Asset Value, the Directors reserve the right to treat certain accruals, such as investment management fees, administration fees and other expenses, that would accrue on the calendar days in such month occurring after the last Business Day as having accrued on such last Business Day.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be sent to each Shareholder (by post, by electronic mail or any other means of electronic communication (including by placing a copy of such document on the website of the Company)) free of charge and will be made available for inspection at the registered office of the Manager.

In accordance with the Articles of Association, any requirement for the consent of a Shareholder with regard to electronic communications and the use of a website shall be deemed to have been satisfied where the Shareholder subscribes for or holds Shares as the Shareholder is bound by the Articles of Association as if they had been signed by such Shareholder. The Shareholder may at any time revoke such consent by requesting the Manager to communicate with that Shareholder in documented form; provided however, that this requirement to communicate in documented form shall not take effect until thirty days after written notice of the requirement is received by the Manager.

Material Contracts

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

- the Management Agreement, pursuant to which the Manager was appointed as manager in relation to the Company;
- the Investment Management Agreement, pursuant to which the Investment Manager was appointed as investment manager in relation to the Company;
- the Depositary Agreement, pursuant to which the Depositary acts as depositary in relation to the Company; and
- the Administration Agreement, pursuant to which the Administrator acts as administrator of the Company.

Supply and Inspection of Documents

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

(a) the certificate of incorporation and Memorandum and Articles of Association of the Company;

(b) the material contracts referred to above; and

(c) the UCITS Regulations and the Central Bank Regulations.

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

SCHEDULE I

The Regulated Markets

With the exception of permitted investments in unlisted securities, in OTC derivative instruments or in units of open-ended collective investment schemes, the Company will only invest in securities traded or listed on a stock exchange or market which meets with the regulatory criteria of the Central Bank (i.e. regulated, operating regularly and open to the public) and which is listed in this Prospectus. For the avoidance of doubt, should an exchange or market listed below change its name or merge with another exchange or market listed below, the list shall be deemed to be amended to refer to the new name of the exchange or market or the name of the merged exchange or market, as the case may be.

The Regulated Markets shall comprise:

(ii) any stock exchange in the European Union; all stock exchanges in a member state of the European Economic Area; any stock exchange in the U.S., Australia, Canada, Japan, New Zealand, Switzerland or the U.K. which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;

(ii) the market organised by the International Capital Markets Association; NASDAQ; the market in U.S. government securities which is conducted by primary dealers which are regulated by the Federal Reserve Bank of New York; the over-the-counter market in the U.S. conducted by primary dealers and secondary dealers which are regulated by the U.S. Securities and Exchange Commission and by the Financial Industry Regulatory Authority, Inc. and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Financial Conduct Authority publication entitled “The Regulation of the Wholesale Cash and OTC Derivatives Markets: ‘The Grey Paper’” dated April, 1988 (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the U.K., regulated by the London Stock Exchange; the French Market for Titres de Creance Negotiable (the over-the-counter market in negotiable debt instruments); NASDAQ Europe; the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; SESDAQ and KOSDAQ;

(iii) all of the following stock exchanges:

Argentina	-	Buenos Aires Stock Exchange
Argentina	-	Bolsa de Comercio de Cordoba
Argentina	-	Bolsa de Comercio de Rosario
Argentina	-	Bolsa de Comercio de la Plata
Argentina	-	Bolsa de Comercio de Mendoza
Bahrain	-	Bahrain Stock Exchange
Bangladesh	-	Dhaka Stock Exchange
Bangladesh	-	Chittagong Stock Exchange
Bermuda	-	Bermuda Stock Exchange
Botswana	-	Botswana Stock Exchange
Brazil	-	Rio de Janeiro Stock Exchange
Brazil	-	Bahia-Sergipe-Alagoas Stock Exchange
Brazil	-	Extremo Sul Stock Exchange, Porto Allegre
Brazil	-	Minas Esperito Santo Brasilia Stock Exchange
Brazil	-	Parana Stock Exchange, Curtiba
Brazil	-	Pernambuco e Paraiba Stock Exchange
Brazil	-	Regional Stock Exchange, Fortaleza

Brazil	-	Santos Stock Exchange
Brazil	-	BM&F Bovespa
Chile	-	Santiago Stock Exchange,
Chile	-	Bolsa Electronica de Chile
Chile	-	Valparaiso Stock Exchange
China	-	Shanghai Securities Exchange
China (Peoples' Rep. of Shenzhen)	-	Shenzhen Stock Exchange
Colombia	-	Bogota Stock Exchange
Colombia	-	Medellin Stock Exchange
Colombia	-	Bolsa de Occidente
Croatia	-	Zagreb Stock Exchange
Egypt	-	Cairo Stock Exchange
Egypt	-	Alexandria Stock Exchange
Eswatini	_	Swaziland Stock Exchange
Ghana	-	Ghana Stock Exchange
Hong Kong	-	Stock Exchange of Hong Kong
Iceland	-	Iceland Stock Exchange
India	-	Bangalore Stock Exchange
India	-	Mumbai Stock Exchange
India	-	Calcutta Stock Exchange
India	-	Delhi Stock Exchange Association
India	-	Guahati Stock Exchange
India	-	Hyderabad Stock Exchange
India	-	Ludhiana Stock Exchange
India	-	Madras Stock Exchange
India	-	Pune Stock Exchange
India	-	Uttar Pradesh Stock Exchange Association
India	-	National Stock Exchange of India
India	-	Ahmedabad Stock Exchange
India	-	Cochin Stock Exchange
India	-	Magadh Stock Exchange
Indonesia	-	Jakarta Stock Exchange
Indonesia	-	Surabaya Stock Exchange
Israel	-	Tel Aviv Stock Exchange
Jordan	-	Amman Stock Exchange
Kazakhstan (Rep. Of)	-	Central Asian Stock Exchange
Kazakhstan (Rep. Of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Stock Exchange
Korea	-	Korea Stock Exchange
Kuwait	-	Kuwait Stock Exchange
Malaysia	-	Kuala Lumpur Stock Exchange
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Mexican Stock Exchange
Morocco	-	Casablanca Stock Exchange
Morocco	-	Societe de la Bourse des Valeurs de Casablanca
Morocco	-	Morocco Stock Exchange
Namibia	-	Namibian Stock Exchange
Nigeria	-	Nigerian Stock Exchange
Oman	-	Muscat Securities Market
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Peru	-	Lima Stock Exchange
Philippines	-	Philippines Stock Exchange

Qatar	-	Doha Securities Market
Russia	-	Moscow Exchange MICEX – RTS
Saudi Arabia	-	Saudi Arabia Stock Exchange
Serbia	-	The Belgrade Stock Exchange (BSE)
Singapore	-	Stock Exchange of Singapore
South Africa	-	Johannesburg Stock Exchange
Sri Lanka	-	Colombo Stock Exchange
Swaziland	-	Eswatini Stock Exchange
Taiwan	-	Taiwan Stock Exchange
Taiwan	-	GreTai Securities Market
Thailand	-	Stock Exchange of Thailand
Trinidad & Tobago	-	Trinidad & Tobago Stock Exchange
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Turkey	-	Istanbul Stock Exchange
Ukraine	-	Ukrainian Stock Exchange
United Arab Emirates	-	Abu Dhabi Stock Exchange
United Arab Emirates	-	Dubai Financial Exchange
United Arab Emirates	-	Dubai International Financial Exchange
Uruguay	-	Bolsa de Valores de Montevideo
Vietnam	_	Hanoi Stock Exchange
Vietnam	-	Ho Chi Minh Stock Exchange
Zambia	-	Lusaka Stock Exchange
Zimbabwe	-	Zimbabwe Stock Exchange

(iv) for investments in financial derivative instruments:

(a) the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the Financial Industry Regulatory Authority, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Financial Conduct Authority publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the U.K., regulated by the London Stock Exchange; the French Market for Titres de Creance Negotiable (over-the-counter Market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; and all futures and options exchanges in a Member State or a member state of the European Economic Area or in the U.K.; and

(b) Australian Securities Exchange; B3 Derivatives; Bolsa Mexicana de Valores; Borsa Istanbul; Borsa Italiana (IDEM); Boston Options Exchange (BOX); Bursa Malaysia; CBOE Options Exchange; CBOE BZX Options Exchange; CBOE C2 Options Exchange; CBOE Europe Derivatives (CEDX); CBOE Futures Exchange (CFE); Chicago Board of Trade; Chicago Board Options Exchange; Chicago Mercantile Exchange; China Financial Futures Exchange (CFFEX); Commodity Exchange, Inc. (COMEX); NASDAQ OMX Copenhagen; Dalian Commodity Exchange (DCE); Eurex Exchange; Euronext Derivatives Paris; Euronext Derivatives Amsterdam; European Energy Exchange (EEX); NASDAQ OMX Helsinki; Hanoi Stock Exchange; Hong Kong Futures Exchange; Intercontinental Exchange (ICE); NASDAQ

International Securities Exchange (ISE); Kansas City Board of Trade; Korea Exchange; MEFF Renta Variable; Metropolitan Stock Exchange of India (MSE); Mexican Derivatives Exchange (MEXDER); MIAX Option; MIAX Pearl; MIAX Emerald; Montreal Exchange; NASDAQ OMX PHLX; NASDAQ OMX Stockholm; NASDAQ GEMX, LLC; NASDAQ OMX BX; National Stock Exchange of India; New York Futures Exchange; New York Mercantile Exchange; New York Stock Exchange; New Zealand Exchange; NYSE American; NYSE Arca; NASDAQ OMX; Osaka Exchange, Inc.; Shanghai Futures Exchange (SHFE); Shanghai International Energy Exchange (INE); Singapore Exchange; South Africa Futures Exchange (SAFEX); Taiwan Futures Exchange (TAIFEX); Thailand Futures Exchange; Tokyo Financial Exchange (TFX); Tokyo Commodity Exchange (TOCOM); Toy Zhengzhou Commodity Exchange (ZCE).

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

SCHEDULE II

This Schedule has been included in this Prospectus in accordance with the requirements of the Central Bank. The provisions in this Schedule are subject to such guidance, interpretations and derogations as may be issued by the Central Bank from time to time.

Investment Restrictions applicable to UCITS Funds under the UCITS Regulations

1	**Permitted Investments**
	Investments of a Fund are confined to:
1.1	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments other than those dealt on a Regulated Market.
1.4	Units of UCITS.
1.5	Units of AIFs.
1.6	Deposits with credit institutions.
1.7	Financial derivative instruments.
2	**Investment Restrictions**
2.1	A Fund may invest no more than 10 per cent. of Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	A Fund shall not invest any more than 10 per cent. of Net Asset Value in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply (i.e. recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year). This restriction does not apply to an investment by the Fund in U.S. securities known as Rule 144A securities provided that: (i) the relevant securities have been issued with an undertaking to register the securities with the U.S. Securities and Exchange Commission within one year of issue; and (ii) the securities are not illiquid securities i.e. they may be realised by the Fund within 7 days at the price, or approximately at the price, at which they are valued by the Fund.
2.3	A Fund may invest no more than 10 per cent. of Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5 per cent. is less than 40 per cent.

2.4	The limit of 10 per cent. (in 2.3) is raised to 25 per cent. in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5 per cent. of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80 per cent. of the net asset value of the Fund. It is not proposed to avail of this without the prior approval of the Central Bank.
2.5	The limit of 10 per cent. (in 2.3) is raised to 35 per cent. if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40 per cent. referred to in 2.3.
2.7	Deposits with any single credit institution, other than a credit institution specified in Regulation 7 of the Central Bank Regulations (i.e. credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 and credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand), held as ancillary liquidity shall not exceed: (i) 10 per cent. of the Net Asset Value; or (ii) where the deposit is made with the Depositary, 20 per cent. of the Net Asset Value.
2.8	The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5 per cent. of net assets. This limit is raised to 10 per cent. in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 and credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
2.9	Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of 2 or more of the following issued by, or made or undertaken with, the same body may not exceed 20 per cent. of net assets: (i) investments in transferable securities or money market instruments; (ii) deposits; and/or (iii) counterparty risk exposures arising from OTC derivatives transactions.
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35 per cent. of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20 per cent. of Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.

2.12	A Fund may invest up to 100 per cent. of Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members. The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the relevant issues are investment grade), Government of India (provided the relevant issues are investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC. The Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30 per cent. of net assets.
3	**Investment in Collective Investment Schemes ("CIS")**
3.1	A Fund may not invest more than 20 per cent. of Net Asset Value in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30 per cent. of Net Asset Value.
3.3	The underlying CIS is prohibited from investing more than 10 per cent. of Net Asset Value in open-ended collective investment schemes.
3.4	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
3.5	Whereby virtue of investment in the units of another CIS, the Fund manager/investment manager/investment adviser receives a commission on behalf of the Fund (including a rebated commission), this commission must be paid into the property of the Fund.
4	**Index Tracking UCITS**
4.1	A Fund may invest up to 20 per cent. of Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Regulations and is recognised by the Central Bank.
4.2	The limit in 4.1 may be raised to 35 per cent, and applied to a single issuer, where this is justified by exceptional market conditions.

5	**General Provisions**
5.1	An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	A Fund may acquire no more than: (i) 10 per cent. of the non-voting shares of any single issuing body; (ii) 10 per cent. of the debt securities of any single issuing body; (iii) 25 per cent. of the units of any single CIS; (iv) 10 per cent. of the money market instruments of any single issuing body. NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.
5.3	5.1 and 5.2 shall not be applicable to: (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities; (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State; (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members; (iv) 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 State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed; and (v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
5.4	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

5.5	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for 6 months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
5.7	Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: (i) transferable securities; (ii) money market instruments[1]; (iii) units of CIS; or (iv) financial derivative instruments.
5.8	A Fund may hold ancillary liquid assets.
6	**Financial Derivative Instruments ("FDIs")**
6.1	A Fund's global exposure relating to FDI must not exceed its total net asset value. (This provision does not apply to any Fund which does not use the commitment approach to calculate its global exposure but instead uses the value-at-risk approach as described in the Fund's investment policy in the section of the Prospectus entitled "Investment Objectives and Policies of the Funds".)
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Regulations/guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Regulations.)
6.3	A Fund may invest in FDIs dealt in over-the-counter ("OTC") provided that the counterparties to over-the-counter transactions ("OTCs") are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

[1] Any short selling of money market instruments by UCITS is prohibited.

SCHEDULE III

Investment Techniques and Instruments

Each Fund may use derivative instruments traded on an organised exchange or transacted on OTC markets for the purposes of the efficient portfolio management of the Fund. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the Fund.

Permitted Financial Derivative Instruments ("FDI")

1. The Company shall only invest assets of a Fund in an FDI if:

   1.1 the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations, including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies;

   1.2 the FDI does not expose the Fund to risks which the Fund could not otherwise assume;

   1.3 the FDI does not cause the Fund to diverge from its investment objectives;

   1.4 the FDI is dealt in on a Regulated Market or alternatively the conditions in paragraph 6 are satisfied.

2 The reference in 1.1 above to financial indices shall be understood as a reference to indices which fulfil the following criteria:

   2.1 they are sufficiently diversified, in that the following criteria are fulfilled:

      (a) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

      (b) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;

      (c) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;

   2.2 they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:

      (a) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;

      (b) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;

      (c) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;

2.3 they are published in an appropriate manner, in that the following criteria are fulfilled:

(a) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;

(b) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in 2.1, 2.2 or 2.3 above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices.

3. A transferable security or money market instrument embedding an FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:

3.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;

3.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;

3.3 it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.

4. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

5. Where the Company enters, on behalf of a Fund, into a total return swap or invests in other FDI with similar characteristics, the assets held by the Fund must comply with Regulations 70, 71, 72, 73 and 74 of the UCITS Regulations.

OTC FDI

6. The Company shall only invest assets of a Fund in an OTC FDI if the FDI counterparty is within at least one of the following categories:

6.1 a credit institution that is within any of the categories set out in Regulation 7 of the Central Bank Regulations;

6.2 an investment firm authorised in accordance with MiFID[2];

6.3 a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve; or

6.4 such other categories of counterparties as are permitted by the Central Bank.

7. Where a counterparty within paragraphs 6.2 or 6.3:

7.1 was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and

7.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in paragraph 7.1 this shall result in a new credit assessment being conducted of the counterparty by the Company without delay.

8. Where an OTC FDI referred to in paragraph 6 is subject to a novation, the counterparty after the novation must be:

8.1 an entity that is within any of the categories set out in paragraph 6; or

8.2 a central counterparty that is:

(a) authorised or recognised under EMIR; or

(b) pending recognition by ESMA under Article 25 of EMIR, an entity classified:

(A) by the SEC as a clearing agency; or

(B) by the U.S. Commodity Futures Trading Commission as a derivatives clearing organisation.

9. 9.1 Risk exposure to the counterparty shall not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations, assessed in accordance with paragraph 9.2.

9.2 In assessing risk exposure to the counterparty to an OTC FDI for the purpose of Regulation 70(1)(c) of the UCITS Regulations:

(a) the Company shall calculate the exposure to the counterparty using the positive mark-to-market value of the OTC FDI with that counterparty;

(b) the Company may net FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC FDI with the same counterparty and not in relation to any other exposures the Fund has with the same counterparty;

(c) the Company may take account of collateral received by the FDI in order to reduce the exposure to the counterparty, provided that the collateral meets with

[2] 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/EC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC.

the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations.

10. OTC FDI must be subject to reliable and verifiable valuation on a daily basis and sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

Issuer concentration limits

11. For the purpose of Regulation 70 of the UCITS Regulations and the calculation of issuer concentration limits of a Fund, the Company shall:

    11.1 include any net exposure to a counterparty generated through a securities lending or repurchase agreement, where net exposure means the amount receivable by the Fund less any collateral provided by the Fund;

    11.2 include exposures created through the reinvestment of collateral; and

    11.3 establish whether the exposure of the Fund is to an OTC counterparty, a broker, a central counterparty or a clearing house.

12. The position exposure of the Fund, if any, to the underlying assets of an FDI, including an FDI that is embedded in transferable securities, money market instruments or investment funds, when combined with positions resulting from direct investments:

    12.1 shall be calculated in accordance with paragraph 13; and

    12.2 shall not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations.

13. For the purposes of paragraph 12:

    13.1 when calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure and this position exposure shall be taken into account in the issuer concentration calculations;

    13.2 the Company shall calculate the position exposure of the Fund using the commitment approach or the maximum potential loss as a result of default by the issuer approach, whichever is greater; and

    13.3 the Company shall calculate the position exposure, regardless of whether the Fund uses VaR for global exposure purposes.

14. Paragraph 12 does not apply in the case of an index-based FDI provided the underlying index meets the criteria set out in Regulation 71(1) of the UCITS Regulations.

15. Collateral received must at all times meet with the requirements set out in paragraphs 31 to 39 below.

16. Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.

17. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.

Cover requirements

18. Where the initial margin posted to and variation margin receivable from a broker relating to an exchange-traded FDI or an OTC FDI is not protected by client money rules or other similar arrangements to protect the Fund in the event of the insolvency of the broker, the Company shall calculate exposure of the Fund within the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.

19. The Company shall ensure that, at all times:

    19.1 the Fund is capable of meeting all its payment and delivery obligations incurred by transactions involving FDI;

    19.2 the risk management process of the Company includes the monitoring of FDI transactions to ensure that every such transaction is covered adequately;

    19.3 a transaction in FDI which gives rise to, or could potentially give rise to, a future commitment on behalf of a Fund is covered in accordance with the conditions specified in paragraph 20.

20. The conditions to which paragraph 19.3 refers are:

    20.1 in the case of an FDI that is, automatically or at the discretion of the Fund, cash-settled, the Fund must, at all times, hold liquid assets that are sufficient to cover the exposure;

    20.2 in the case of an FDI that requires physical delivery of the underlying asset, either:

        (a) the asset must at all times be held by a Fund; or

        (b) where either or both of the conditions in paragraphs 21.1 and 21.2 applies, the Fund must cover the exposure with sufficient liquid assets.

21. The conditions to which paragraph 20.2(b) refers are:

    21.1 the underlying asset consists, or the underlying assets consist, of highly liquid fixed income securities;

    21.2 (a) the exposure can be covered without the need to hold the underlying assets;

        (b) the specific FDI is addressed in the risk management process; and

        (c) details of the exposure are provided in the prospectus.

    In this regard, please note that in the case of the instruments referred to in the section entitled “Descriptions and Risks of Fund Investments”, the Company considers that from time to time the exposure may be covered with sufficient liquid assets.

Risk management process and reporting

22. A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity pursuant to Chapter 3 of Part 2 of the Central Bank Regulations. The

initial filing is required to include information in relation to:

22.1 permitted types of FDI, including embedded FDI in transferable securities and money market instruments;

22.2 details of the underlying risks;

22.3 relevant quantitative limits and how these will be monitored and enforced; and

22.4 methods for estimating risks.

23. 23.1 The Company shall in writing notify the Central Bank of material amendments to the initial filing of the risk management process of a Fund, in advance of the amendment being made.

23.2 The Central Bank may object to the making of any proposed amendment that is notified to it under paragraph 23.1.

23.3 (a) No proposed amendment to which the Bank has objected under paragraph 23.2 shall be made to the risk management process of a Fund.

(b) Where the Central Bank has objected under paragraph 23.2 to the making of a proposed amendment to the risk management process of a Fund.

The relevant Fund shall not engage in any activity that is associated with or which would derive from the proposed amendment to which the objection has been made.

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

Calculation of global exposure

25. The Company shall ensure that in the case of each Fund, at all times:

25.1 the Fund complies with the limits on global exposure;

25.2 the Fund establishes and implements appropriate internal risk management measures and limits, irrespective of whether the Fund uses a commitment approach or the VaR approach or any other methodology to calculate global exposure. For the purpose of subparagraph (1), paragraph 12 of Schedule 9 of the UCITS Regulations, a UCITS shall only select a methodology where ESMA has published guidelines on the selected methodology; and

25.3 it calculates the global exposure in accordance with Schedule 2 to the Central Bank Regulations.

Efficient Portfolio Management

Portfolio Management Techniques

26. The Company shall only use efficient portfolio management techniques and instruments for the purposes of Regulation 69(2) of the UCITS Regulations where same are in the best interests of the relevant Fund.

27. The Company shall ensure that all the revenues arising from efficient portfolio management techniques and instruments, net of direct and indirect operational costs, are returned to the relevant Fund.

28. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

    28.1 they are economically appropriate in that they are realised in a cost-effective way;

    28.2 they are entered into for one or more of the following specific aims:

    (a) reduction of risk;

    (b) reduction of cost;

    (c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulations 70 and 71 of the UCITS Regulations;

    28.3 their risks are adequately captured by the risk management process of the Fund; and

29. Repurchase/reverse repurchase agreements and securities lending (i.e. efficient portfolio management techniques) may only be effected in accordance with normal market practice.

Collateral

30. The Company shall ensure, in engaging in efficient portfolio management techniques and instruments, that:

    30.1 every asset that is received by a Fund as a result of engaging in efficient portfolio management techniques and instruments is treated as collateral;

    30.2 such techniques comply with the criteria set down in paragraph 24(2) of the Central Bank Regulations;

    30.3 at all times, collateral that is received by a Fund meets the criteria specified in paragraph 31.

31. The conditions for the receipt of collateral by a Fund, to which paragraph 30 refers, are:

    31.1 **Liquidity**: Collateral received, other than cash, should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations.

31.2 **Valuation**: Collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.

31.3 **Issuer credit quality**: Collateral received should be of high quality. The Company shall ensure that:

(a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and

(b) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the issuer by the Company without delay.

31.4 **Correlation**: Collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Company to expect that it would not display a high correlation with the performance of the counterparty.

31.5 **Diversification (asset concentration)**:

(a) Subject to sub-paragraph (b) below, collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20 per cent. of the Net Asset Value of the Fund. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20 per cent. limit of exposure to a single issuer.

(b) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30 per cent. of the Fund's Net Asset Value. The Member States, local authorities, third countries, or public international bodies or issuing or guaranteeing securities which a Fund is able to accept as collateral for more than 20 per cent. of its Net Asset Value shall be drawn from the following list:

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

31.6 **Immediately available**: Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

31.7 **Value of collateral**: The market value of the collateral received by the UCITS must amount, at all times, to at least the market value of the reused assets plus a premium.

32. The Company shall ensure that the Fund's risk management process identifies, manages and mitigates risks linked to the management of collateral, including operational risks and legal risks.

33. Where a Fund receives collateral on a title transfer basis, the Company shall ensure that the collateral is to be held by the Depositary. Where a Fund receives collateral on any basis other than a title transfer basis, that collateral may be held by a third party depositary, provided that that depositary is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.

34. The Company shall not sell, pledge or re-invest the non-cash collateral received by a Fund.

35. Where the Company invests cash collateral received by a Fund, such investments shall only be made in one or more of the following:

35.1 a deposit with a credit institution referred to in Regulation 7 of the Central Bank Regulations;

35.2 a high-quality government bond;

35.3 a reverse repurchase agreement provided the transaction is with a credit institution referred to in Regulation 7 of the Central Bank Regulations and the Fund is able to recall at any time the full amount of cash on an accrued basis; or

35.4 short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (Ref: CESR/10-049).

36. Where the Company invests cash collateral received by a Fund: (a) that investment shall comply with the diversification requirements applicable to non-cash collateral; and (b) invested cash collateral shall not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.

37. The Company shall ensure that, where a Fund receives collateral for at least 30 per cent. of its assets, there is in place an appropriate stress testing policy and stress tests are carried out regularly under normal and exceptional liquidity conditions to enable the Company to assess the liquidity risk attached to the collateral. The stress testing policy should at least prescribe the following components:

37.1 the design of stress test scenario analysis including calibration, certification and sensitivity analysis;

37.2 the empirical approach to impact assessment, including back-testing of liquidity risk estimates;

37.3 the reporting frequency and the threshold(s) for limits and losses; and

37.4 the mitigation actions to reduce loss including haircut policy and gap risk protection.

38. The Company shall establish and ensure adherence to a haircut policy for a Fund, adapted for each class of assets received as collateral. When devising the haircut policy, the Company shall take into account the characteristics of the assets, such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank Regulations. The Company shall document the haircut policy and the Company shall justify and document each decision to apply a specific haircut or to refrain from applying any haircut, to any specific class of assets.

39. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by the Manager on behalf of a Fund:

    39.1 was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and

    39.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Company without delay.

40. The Company shall ensure that it is at all times able to recall any security that has been lent out or to terminate any securities lending agreement to which it is party.

Repurchase and reverse repurchase agreements

41. Where the Company enters into a reverse repurchase agreement on behalf of a Fund it shall ensure that is the Fund is at all times able to recall the full amount of cash or to terminate the relevant agreement on either an accrued basis or a mark-to-market basis.

42. In circumstances in which cash is, by virtue of the obligation under paragraph 41 recallable at any time on a mark-to-market basis, the Company shall use the mark-to-market value of the reverse repurchase agreement for the calculation of the Net Asset Value of the Fund.

43. Where the Company enters into a repurchase agreement on behalf of a Fund it shall ensure that the Fund is at all times able to recall any securities that are subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

44. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations, respectively.

SCHEDULE IV

Additional Information for Investors in Switzerland

This Country Supplement forms part of, and should be read in the context of the Company's latest prospectus, as may be amended and supplemented from time to time (the "Prospectus"). All capitalized terms herein contained shall have the same meaning in this supplement as in the Prospectus, unless otherwise indicated.

Representative in Switzerland

State Street Bank International GmbH, Munich, Zurich Branch, Kalanderplatz 5, P.O. Box, 8027 Zurich, is the representative in Switzerland.

Paying Agent in Switzerland

State Street Bank International GmbH, Munich, Zurich Branch, Kalanderplatz 5, P.O. Box, 8027 Zurich, is the paying agent in Switzerland.

Place where the relevant documents may be obtained:

Copies of the Articles of Association, the extract prospectus for Switzerland and the Key Information Documents, as well as the annual and semi-annual reports of the Company may be obtained free of charge from the representative in Switzerland.

Publications

The Net Asset Value per Share of each Fund, together with an indication of "commissions excluded" will be published daily on www.gmo.com.

Publications in Switzerland relating to the Company or the Funds, in particular the publication of amendments to the Articles of Association and the extract prospectus for Switzerland, shall be made on www.gmo.com.

Payment of retrocessions and rebates

The Company or its agents may pay retrocessions as remuneration for distribution activity in respect of Fund Shares in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- Producing and distributing promotional materials relating to the Funds and the Company.
- Making available and distributing marketing materials and legal/constitutional documents relating to the Funds and the Company to investors.
- Passing on and providing access to general publications and specifically those prescribed by law.
- Responding to incoming investor queries and requests for further information relating to the Funds and Company.
- Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution. On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

In the case of distribution activity in or from Switzerland, the Company or its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question.

Rebates are permitted provided that:

- they are paid from fees received by the company or its agents and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria; and
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the company or its agents are as follows:

- investment volume;
- the amount of the fees generated by the investor;
- the potential of the investor; and
- the investor’s willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the Company or its agents must disclose the amounts of such rebates free of charge.

Place of performance and Place of jurisdiction

In respect of the Shares distributed in or from Switzerland, the place of performance and the place of jurisdiction is at the registered office of the representative in Switzerland.

SCHEDULE V

Delegates and Sub-Custodians of the Depositary

The Depositary has appointed State Street Bank and Trust Company with registered office at One Lincoln Street, Boston, MA 02111, USA as its global sub-custodian.

State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below, as at the date of this agreement. The latest version of this list can be consulted at the Investment Manager Guide on the website www.mystatestreet.com.

Market	*Subcustodian*
Albania	Raiffeisen Bank sh.a.
Argentina	Citibank, N.A.
Australia	The Hongkong and Shanghai Banking Corporation Limited
Austria	Deutsche Bank AG
	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Bangladesh	Standard Chartered Bank
Belgium	Deutsche Bank AG, Netherlands
Benin	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank, N.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD

Market	*Subcustodian*
Burkina Faso	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Canada	State Street Trust Company Canada
Chile	Itaú CorpBanca S.A.
People's Republic of China	HSBC Bank (China) Company Limited
	China Construction Bank Corporation
China Connect	Citibank N.A.
	The Hongkong and Shanghai Banking Corporation Limited
	Standard Chartered Bank (Hong Kong) Limited
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.
Croatia	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece
Czech Republic	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Nordea Bank Abp, Finland
	Skandinaviska Enskilda Banken AB (publ), Sweden
Egypt	HSBC Bank Egypt S.A.E.
Estonia	AS SEB Pank
Eswatini	Standard Bank Swaziland Limited

Market	*Subcustodian*
(previously known as Swaziland)	
Finland	Nordea Bank Abp
	Skandinaviska Enskilda Banken AB (publ), Sweden
France	Deutsche Bank AG, Netherlands
Republic of Georgia	JSC Bank of Georgia
Germany	State Street Bank International GmbH
	Deutsche Bank AG
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
Iceland	Landsbankinn hf.
India	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG
Ireland	State Street Bank and Trust Company, United Kingdom branch
Israel	Bank Hapoalim B.M.

Market	*Subcustodian*
Italy	Deutsche Bank S.p.A.
Ivory Coast	Standard Chartered Bank Côte d'Ivoire S.A.
Japan	Mizuho Bank, Limited
	The Hongkong and Shanghai Banking Corporation Limited
Jordan	Standard Chartered Bank
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited
Republic of Korea	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
Kuwait	HSBC Bank Middle East Limited
Latvia	AS SEB banka
Lithuania	AB SEB bankas
Malawi	Standard Bank PLC
Malaysia	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
Mali	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México, S.A.
Morocco	Citibank Maghreb S.A.
Namibia	Standard Bank Namibia Limited
Netherlands	Deutsche Bank AG

Market	*Subcustodian*
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Niger	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Nordea Bank Abp, Finland
	Skandinaviska Enskilda Banken AB (publ), Sweden
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Deutsche Bank AG
Panama	Citibank, N.A.
Peru	Citibank del Perú, S.A.
Philippines	Deutsche Bank AG
Poland	Bank Handlowy w Warszawie S.A.
	Bank Polska Kasa Opieki S.A.
Portugal	Deutsche Bank AG, Netherlands
Qatar	HSBC Bank Middle East Limited
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia
	Saudi British Bank
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Serbia	UniCredit Bank Serbia JSC

Market	*Subcustodian*
Singapore	Citibank N.A.
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	FirstRand Bank Limited
	Standard Bank of South Africa Limited
Spain	Deutsche Bank S.A.E.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d.
Sweden	Nordea Bank Abp, Finland
	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse (Switzerland) Limited
	UBS Switzerland AG
Taiwan - R.O.C.	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Tunisia	Union Internationale de Banques
Turkey	Citibank, A.Ş.
	Deutsche Bank A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	JSC Citibank
United Arab Emirates	HSBC Bank Middle East Limited

Market	*Subcustodian*
Dubai Financial Market	
United Arab Emirates Dubai International Financial Center	HSBC Bank Middle East Limited
United Arab Emirates Abu Dhabi	HSBC Bank Middle East Limited
United Kingdom	State Street Bank and Trust Company, United Kingdom branch
United States	State Street Bank and Trust Company
Uruguay	Banco Itaú Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Limited
Zambia	Standard Chartered Bank Zambia Plc.
Zimbabwe	Stanbic Bank Zimbabwe Limited