

**IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS  
YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER**

**PROSPECTUS**

**OF**

**EURIZON FUNDS ICVC**

**(An open-ended investment company registered in England and Wales under registered  
number IC027300)**

This document constitutes the Prospectus for Eurizon Funds ICVC which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at, 17 March 2021.

Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

## TABLE OF CONTENTS

1.	DEFINITIONS .....	6
2.	DETAILS OF THE COMPANY .....	9
3.	BUYING, REDEEMING, CONVERTING AND SWITCHING SHARES .....	14
4.	VALUATION OF THE COMPANY .....	25
5.	RISK FACTORS.....	28
6.	MANAGEMENT AND ADMINISTRATION.....	52
7.	FEES AND EXPENSES.....	61
8.	INSTRUMENT OF INCORPORATION .....	67
9.	SHAREHOLDER MEETINGS AND VOTING RIGHTS.....	67
10.	TAXATION .....	69
11.	WINDING UP OF THE COMPANY OR A SUB-FUND .....	73
12.	GENERAL INFORMATION.....	75
	APPENDIX I SUB-FUND AND SHARE CLASS DETAILS .....	81
	APPENDIX II ELIGIBLE SECURITIES MARKETS, ELIGIBLE DERIVATIVES MARKETS AND LIST OF SUB-CUSTODIANS .....	95
	APPENDIX III INVESTMENT AND BORROWING POWERS OF THE COMPANY .....	106
	APPENDIX IV OTHER INTERESTS.....	136
	APPENDIX V DIRECTORY .....	137

## Important Information

If you are in any doubt about the contents of this Prospectus you should consult your professional adviser.

The Company is an investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC027300. It is a UK UCITS as defined in COLL and an umbrella company for the purposes of the OEIC Regulations.

Eurizon SLJ Capital Limited, the authorised corporate director ("**ACD**") of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. The ACD accepts responsibility accordingly.

No person has been authorised by the Company or the ACD to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Company or the ACD. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The provisions of the Instrument of Incorporation are binding on each of the Shareholders and a copy of the Instrument of Incorporation is available on request from the ACD.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by the ACD.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

US Persons are not permitted to subscribe for shares in the Sub-funds. The shares in the Sub-funds have not and will not be registered under the United States Securities Act 1933, the United States Investment Company Act 1940, or the securities laws of any of the States of the United States of America and may not be directly or indirectly offered or sold in the United States of America or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act 1933, United States Investment Company Act 1940 and similar requirements of such state securities law. For the above purposes, "**US Persons**" means American citizens or residents or companies, associations or other entities created under or governed by the laws of the United States of America.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

This Prospectus is based on information, law and practice at the date hereof. The Company and ACD cannot be bound by an out of date prospectus when a new version has been issued and investors should verify with the ACD that this is the most recently published prospectus.

Shares in the Company are not listed or dealt on any investment exchange.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

Except from the information about itself as Depositary contained in this Prospectus, the Depositary is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the COLL Sourcebook or otherwise.

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Proceeds of Crime Act 2002, the FCA Senior Management Arrangements Systems & Controls Sourcebook and the Joint Money Laundering Steering Group guidance notes (as updated from time to time) state that the ACD must check your identity and the source of the money invested. The checks may include an electronic search of information held about you on the electoral roll and using credit reference agencies. The credit reference agency may check the details you supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify your identity and will not affect your credit rating. They may also use your details in the future to assist other companies for verification purposes. If you apply for shares you are giving the ACD permission to ask for this information in line with any applicable data protection legislation. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the ACD with your application.

### **Launch Date**

The Eurizon SLJ Local Emerging Markets Debt and Eurizon SLJ Bond Aggregate RMB (Renminbi) Sub-funds were launched on 22 February 2021.

As at the date of this Prospectus, the Eurizon SLJ Sustainable Global Equity Sub-fund has not yet been launched.

### **Data Protection**

The ACD, the Company and their respective service providers and delegates can hold, store and process, by electronic or other means, any information received in connection with an investment in the Company in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data or such other data protection laws as may apply in the United Kingdom from time to time ("**Data Protection Laws**"). Such personal data may include, but not be limited to, the name, contact details (including postal or e-mail address), banking details, invested amount and holdings in the Company of each investor ("**Personal Data**"). The investors have the right to access their Personal Data and the right to make changes thereto, provided that they prove their identity, in accordance with the Data Protection Laws. Original documents may only be refuted by a document with the same legal value.

The ACD, the Company and their respective service providers and delegates may share the acquired Personal Data with third parties for the purposes of eliciting a necessary service from these third party organisations and not for commercial gain. All Personal Data collected in the course of the business relationship with the Company and/or the ACD may be, subject to applicable local laws and regulations, collected, recorded, stored, disclosed, transferred or otherwise processed by the ACD, other companies of the Intesa Sanpaolo Group, the Depositary, the Administrator, the Registrar, governmental or regulatory bodies including tax authorities, auditors and accountants and any other third parties which provide services to the Company and/or the ACD (the “**Processors**”).

The ACD, the Company and their respective service providers and third parties (including, but not limited to, the Depositary, the Administrator and the Registrar may also share Personal Data to Processors that may be located in jurisdictions outside of the United Kingdom and may or may not afford an adequate level of data protection and/or statutory confidentiality (“**Third Countries**”). Such countries may include, but not limited to, India, the United States of America or Hong Kong.

The Personal Data may be processed, inter alia, for the purposes of account administration, development of business relationships, transfer agency, paying agency or any ancillary or related services requested by the Company and/or the ACD. Personal Data may be processed also for fight against money laundering and counter-terrorist financing purposes, for Foreign Account Tax and Compliance Act purposes, for Common Reporting Standard purposes as well as for compliance with regulatory requirements, including foreign laws, any orders issued by a court, regulatory or governmental authority in any jurisdiction where the Personal Data may be stored or processed, or internal and group policies. To this end, Personal Data may be transferred to third parties appointed by the Company, the ACD and/or the Depositary, the Administrator and the Registrar and/or to third parties such as governmental or regulatory bodies including tax authorities, auditors and accountants in the United Kingdom as well as in other jurisdictions.

The ACD, the Company and their respective service providers and delegates are allowed to make recordings of telephone conversations. The purpose of making such recordings is to comply with applicable legislation and provide proof, in the event of a dispute, of a transaction or any commercial communication. Such recordings shall be retained in compliance with the applicable legislation.

The Personal Data included in money transfers is processed by service providers and other specialised companies, such as SWIFT (Society for Worldwide Interbank Financial Telecommunication). Such processing may be operated through centres located in other countries (including Third Countries such as the United States of America) in accordance with their local legislation. As a result, the US authorities can request access to personal data held in such operation centres for the purposes of fighting terrorism. Investors in the Company, by instructing a payment order or any other operation, are giving implicit consent that all data elements necessary for the correct completion of the transaction may be processed outside of the United Kingdom. In the interests of efficient management, Personal Data relating to investors shall be recorded on a machine readable medium.

By subscribing and/or holding Shares in the Company, investors are deemed to be providing their consent to the processing of their Personal Data and in particular, the disclosure of such Personal Data to, and the processing thereof, by the parties referred to above, including parties situated in countries outside of the United Kingdom (such as but not limited to India, the United States of America or Hong

Kong) which may not offer a similar level of protection as the one deriving from the Data Protection Laws.

## 1. DEFINITIONS

1.1. In this Prospectus the words and expressions set out below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Prospectus but not defined herein shall have the same meanings as in the Act, the FCA Handbook or the Instrument of Incorporation (as the case may be) unless the contrary is stated.

**“ACD”** means Eurizon SLJ Capital Limited, the authorised corporate director of the Company.

**“ACD Agreement”** means the agreement between the Company and the ACD governing the appointment of the ACD from time to time.

**“Act”** means the Financial Services and Markets Act 2000.

**“Administrator”** means State Street Bank and Trust Company, London Branch, or such other entity as is appointed to act as administrator of the Company from time to time.

**“Auditor”** means Ernst & Young LLP, or such other entity as is appointed to act as auditor to the Company from time to time.

**“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.

**“Business Day”** means a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Sub-fund's portfolio of securities or a significant portion thereof, the ACD may decide that any Business Day shall not be construed as such.

**“Class” or “Classes”** means, in relation to Shares, (according to the context) all of the Shares related to a single Sub-fund or a particular class or classes of Shares related to a single Sub-fund.

**“CRA Regulation”** means Regulation 462/2013 of the European Parliament and of the Council amending Regulation 1060/2009 on credit rating agencies.

**“COLL” or “COLL Sourcebook”** means the Collective Investment Schemes Sourcebook issued by the FCA and forming part of the FCA Handbook.

<b>"Company"</b>	means Eurizon Funds ICVC.
<b>"Conversion"</b>	means the conversion of Shares in one Class in a Sub-fund to shares of another Class denominated in the same currency within the same Sub-fund and "Convert" shall be construed accordingly.
<b>"Custodian"</b>	means State Street Bank and Trust Company, London Branch, or such other entity as is appointed to act as Custodian.
<b>"Dealing Day"</b>	means Monday to Friday inclusive when these are Business Days and other days at the ACD's discretion.
<b>"Depository"</b>	means State Street Trustees Limited, or such other entity as is appointed to act as Depository.
<b>"Director" or "Directors"</b>	means the director(s) of the Company from time to time (including the ACD).
<b>"EEA State"</b>	means a member state of the European Union and any other state which is within the European Economic Area.
<b>"Efficient Portfolio Management" or "EPM"</b>	<p>means techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:</p> <p>(a) they are economically appropriate in that they are realised in a cost effective way;</p> <p>(b) they are entered into for one or more of the following specific aims:</p> <p>(i) reduction of risk;</p> <p>(ii) reduction of cost;</p> <p>(iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL.</p>
<b>"FCA"</b>	means the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN or any other regulatory body which may assume its regulatory responsibilities from time to time.
<b>"FCA Handbook"</b>	means the FCA Handbook of Rules and Guidance.
<b>"Instrument of Incorporation"</b>	means the instrument of incorporation of the Company as amended from time to time.
<b>"Investment Manager"</b>	means, in relation to a Sub-fund, such entity, if any, as is appointed by the ACD to act as the investment manager of that Sub-fund from time

to time. If no Investment Manager has been appointed by the ACD in relation to a Sub-fund, the ACD will act as the investment manager of that Sub-fund.

<b>"KIIDs"</b>	means the key investor information documents issued by the ACD in relation to the Company from time to time pursuant to Commission Regulation (EU) No 583/2010.
<b>"Net Asset Value" or "NAV"</b>	means the value of the Scheme Property of the Company or of any Sub-fund (as the context may require) less the liabilities of the Company (or of the Sub-fund concerned) as calculated in accordance with the Instrument of Incorporation.
<b>"OEIC Regulations"</b>	means the Open-Ended Investment Companies Regulations 2001.
<b>"OTC"</b>	means over-the-counter, i.e., in relation to a transaction in an investment, not effected by means of the facilities of, or governed by the rules of, an investment exchange.
<b>"Register"</b>	means the register of Shareholders of the Company.
<b>"Registrar"</b>	means SS&C Financial Services International Limited and SS&C Financial Services Europe Limited (collectively), or such other entity as is appointed by the ACD to act as registrar to the Company from time to time.
<b>"Regulations"</b>	means the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook).
<b>"Scheme Property"</b>	means the scheme property of the Company or a Sub-fund (as appropriate) required under the COLL Sourcebook to be given for safekeeping to the Depositary.
<b>"SDRT"</b>	means stamp duty reserve tax.
<b>"Share" or "Shares"</b>	means a share or shares in the Company (including larger denomination shares and smaller denomination shares equivalent to one thousandth of a larger denomination share).
<b>"Shareholder"</b>	means a holder of registered Shares in the Company.
<b>"Sub-fund" or "Sub-funds"</b>	means a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such Sub-fund.



<b>"Switch"</b>	means the exchange where permissible of Shares of one Class or Sub-fund for Shares denominated in the same currency of another Class or Sub-fund.
<b>"UCITS Directive"</b>	means the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (UCITS) (No. 2009/65/EC).
<b>"UCITS scheme"</b>	means a scheme constituted in accordance with the UCITS Directive.
<b>"Valuation Point"</b>	means the point in time on a Dealing Day, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. Unless otherwise stated in this Prospectus, the Valuation Point in relation to a Sub-fund shall be 12 noon London time on each Dealing Day.
<b>"VAT"</b>	means value added tax.

- 1.2. Words in the singular include the plural, and words in the plural include the singular, and words importing male persons include female persons and words importing female persons include male persons.
- 1.3. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.4. A reference to a EU statute or statutory provision is a reference to it as implemented in the UK or retained in UK domestic legislation following the departure of the UK from the EU.

## **2. DETAILS OF THE COMPANY**

### **2.1. General information**

#### **2.1.1. General**

Eurizon Funds ICVC (the **"Company"**) is an investment company with variable capital incorporated in England and Wales under the OEIC Regulations with registered number IC027300 and authorised by the Financial Conduct Authority (PRN: 925730) pursuant to an authorisation order which became effective on 6 May 2020. The Company has an unlimited duration.

The Company is a UCITS scheme and is an umbrella company (as defined in the OEIC Regulations). Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

Shareholders are not liable for the debts of the Company.

A Shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the Shares.

Historical performance figures in respect of each Sub-fund is, where available, set out in Appendix I.

Details of any other open-ended investment companies of which the ACD is the manager are set out in Appendix IV.

The profile of a typical investor in the Company is set out in Appendix I.

#### **2.1.2. Head Office**

The head office and principal place of business of the Company is at 2nd Floor, 90 Queen Street, Intesa Sanpaolo's Building, London, United Kingdom, EC4N 1SA.

#### **2.1.3. Address for Service**

The head office of the Company is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

#### **2.1.4. Base Currency**

The base currency of the Company and each Sub-fund is Pounds Sterling.

#### **2.1.5. Share Capital**

The Company has a minimum share capital of £1,000 and a maximum of £100,000,000,000.

Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Sub-funds.

#### **2.1.6. Marketing in EEA states**

Shares in the Company may be marketed in EEA States and countries outside the EEA, subject to the outcome of Brexit, the Regulations and any regulatory constraints in those countries, if the ACD so decides in its absolute discretion.

In connection with any marketing of Shares in EEA States, there are currently no special arrangements in place for:

- (a) paying in that EEA State amounts distributable to Shareholders resident in that EEA State;
- (b) redeeming in that EEA State the Shares of Shareholders resident in the EEA State;
- (c) inspecting and obtaining copies in that EEA State of the Instrument of Incorporation, this Prospectus and the annual and half-yearly report; and
- (d) making public the price of Shares of each Class.

Accordingly, the provisions applicable to the marketing of Shares in the Company in the UK shall also apply in these cases.

The ACD does not currently intend to publish in any EEA State any notice: (i) that the annual and half-yearly long reports are available for inspection; (ii) that a distribution has been declared; (iii) of the calling of a meeting of Shareholders; or (iv) of the termination of the Company or the revocation of its authorisation.

## **2.2. The structure of the Company**

### **2.2.1. The Sub-funds**

The Company is structured as an umbrella company, in that different Sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new Sub-fund or Class, a revised prospectus will be prepared setting out the relevant details of each Sub-fund or Class.

The Company is a UCITS scheme.

The Sub-funds are segregated portfolios of assets and, accordingly, the assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Sub-fund, and shall not be available for any such purpose. While the provisions of the OEIC Regulations provide for segregated liability between sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B (segregated liability and cross-investment provisions) of the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Sub-fund will always be completely insulated from the liabilities of another Sub-fund of the Company in every circumstance.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-fund. Details of the Sub-funds, including their investment objectives and policies, are set out in Appendix I.

The markets that the ACD has decided shall constitute eligible securities markets and eligible derivatives markets for the purposes of COLL 5.2.10 are set out in Appendix II – Part I (Eligible Securities Markets and Eligible Derivatives Markets).

For the avoidance of doubt, subject to any restriction contained in the COLL Sourcebook, the Company shall be entitled to deal in investments also outside of an eligible securities market or eligible derivatives market unless this Prospectus states otherwise.

A detailed statement of the general investment and borrowing restrictions in respect of each type of Sub-fund is set out in Appendix III (Investments and Borrowing Powers of the Company).

Subject to the above, each Sub-fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-fund, and within each Sub-fund charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-fund may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Sub-funds.

### **2.2.2. Shares**

Shares of different Classes may from time to time be issued in respect of each Sub-fund. The differences between Classes may be the minimum subscription, the minimum holding, the charges to be borne and/or the Class currency, as detailed in Appendix I. In most cases either income Shares or accumulation Shares are offered. The Classes currently available in each Sub-fund are set out in Appendix I.

Further Classes of Share may be established from time to time by the ACD with the approval of the FCA, the agreement of the Depositary and in accordance with the Instrument of Incorporation and the Regulations. On the introduction of any new Sub-fund or Class a revised prospectus will be prepared, setting out the details of each Sub-fund or Class.

The currency in which each new Class of Shares will be denominated will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Shares.

The net proceeds from subscriptions to a Sub-fund will be invested in the specific pool of assets constituting that Sub-fund. The Company will maintain for each current Sub-fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-fund.

Shares have no par value and, within each Class in each Sub-fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the Company or termination of a relevant Sub-fund. Shares do not carry preferential or pre-emptive rights to acquire further Shares.

To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-funds in a manner which is fair to all Shareholders of the Company.

Where a Sub-fund has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Sub-fund will be adjusted accordingly. Also, each Class may have its own investment minima or other features, such as restricted access, at the discretion of the ACD.

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-fund for Shares of another Class within the same Sub-fund or for Shares of the same or another Class within a different Sub-fund of the Company. Details of this switching facility and the restrictions are set out in section 3.4 "Conversion and Switching".

Not all Classes of Shares may be issued in each of the existing Sub-funds. Investors should refer to the ACD's website ([www.eurizoncapital.com/UK/emerging-markets-debt](http://www.eurizoncapital.com/UK/emerging-markets-debt); [www.eurizoncapital.com/UK/rmb-bond](http://www.eurizoncapital.com/UK/rmb-bond)) for current details of which Classes of Shares are in issue.

### **Registered Shares**

All Shares are in registered form. Certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry in the Company's register of Shareholders. No bearer Shares may be issued by the Company.

Twice per year the ACD will send a statement to each person who holds shares or has held shares since the previous statement. Where shares are jointly held, statements are sent to the first named Shareholder. The statement will describe the current holding(s) of Shares at the date of the statement and any transactions in Shares since the date of the last statement. Individual statements will also be issued at any time on request by the registered Shareholder.

### **Larger and smaller denomination Shares**

Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination Shares to each larger denomination Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

### **Class of Shares**

The Instrument of Incorporation currently provides for income and accumulation Shares which can be further classified in accordance with the Instrument of Incorporation.

### **Income and accumulation Shares**

Each Sub-fund may issue income and accumulation Shares. Further details of the Shares presently available for each Sub-fund, including details of their criteria for subscription and fee structure, are set out in Appendix I.

Holders of income Shares are entitled to be paid the distributable income attributed to such Shares on any relevant interim and annual allocation dates.

Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Sub-fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

### **Income equalisation**

The following provisions shall apply in respect of Shares in issue in respect of each of the Sub-funds.

An allocation of income (whether annual or interim) to be made in respect of each Share to which this section applies issued by the Company or sold by the ACD during the distribution period in respect of which that income allocation is made shall be of the same amount as the allocation to be made in respect of the other Shares in the same Class in issue in respect of the same Sub-fund but shall include a capital sum (“**income equalisation**”) representing the ACD’s best estimate of the amount of income included in the price of that Share.

The amount of income equalisation in respect of any Share shall be either:

1. the actual amount of income included in the issue price of that Share; or
2. an amount arrived at by taking the aggregate of the amounts of income included in the price in respect of Shares of that Class issued or sold in the annual or interim distribution period in question and dividing that aggregate amount by the number of such Shares and applying the resultant average to each of the Shares in question.

### **3. BUYING, REDEEMING, CONVERTING AND SWITCHING SHARES**

The dealing office of the Registrar is normally open from 8am to 6pm (London time) on each Business Day to receive requests for the purchase, sale, conversion and switching of Shares. The Registrar may vary these times at its discretion.

Requests to deal in Shares may be made by sending clear written instructions (or an application form) to the Registrar or by telephoning the Registrar on 0370 7070073 or +44 203 975 3976 (or such other number as published from time to time). The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

In addition, the ACD or the Registrar may from time to time make arrangements to allow Shares to be bought or sold on-line or through other communication media (electronic or otherwise).

The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

In its dealings in Shares of the Sub-funds the ACD is dealing as principal. The ACD does not actively seek to make a profit from dealing in Shares as principal but does so in order to facilitate the efficient management of the Company. The ACD is not accountable to the Company, the Shareholders or the Depositary for any profit it makes from dealing in Shares as principal.

The ACD will make use of the “delivery versus payment” exemption as set out in CASS 7.11.21 and following of the FCA Rules, which provides for a one Business Day window during which money held for the purposes of settling a transaction in Shares is not treated as “client money”. Specifically, under such exemption, money received by the ACD from an investor, or money due to be paid to an investor by the ACD, need not be treated as client money if: (i)

the ACD receives the money from an investor for the subscription of Shares and the money is passed to the Depositary for the purpose of creating Shares in a Sub-fund by close of business on the Business Day following receipt of money from the investor; or (ii) the ACD holds the money in the course of redeeming Shares provided that the proceeds of that redemption are paid to the investor by close of business on the Business Day following receipt from the Depositary.

Accordingly, under the exemption when investors are buying Shares, the ACD will protect investor money in a client money account if it does not pass the investor's money onto the Depositary by the close of the Business Day following receipt. Similarly, when Shareholders sell Shares, the ACD will protect their money in a client money account if it does not pass their money to them by the close of the Business Day following receipt from the Depositary.

### **3.1. Money laundering**

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. This may involve an electronic check of information. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing or is unable to provide the information requested within a reasonable period, the ACD also reserves the right to sell the Shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment. The ACD can use credit reference agencies (who will record that an enquiry has been made) and/or may check electronic databases. In the case of bodies corporate, trusts and other legal arrangements, it is also required to establish the identity of any trustees or other controllers who have greater than 25% control of the body corporate or property of the trust that are not named on the application. In addition, it is also required to establish the identity of any individuals who have a specified beneficial interest in the Shares. In the case of individuals, it is required to establish the identity of any individuals who have a specified beneficial interest in the Shares that are not named on the application. The applicant retains legal title to the Shares and instructions will only be accepted from the applicant. The beneficial owner details are required for anti-money laundering purposes only. The ACD reserves the right to refuse any application to invest without providing any justification for doing so.

### **3.2. Buying Shares**

#### **3.2.1. Procedure**

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. In addition, the ACD may from time to time make arrangements to allow Shares to be bought through other communication media. For details of dealing charges see section 3.6 below. Application forms may be obtained from the ACD.

Valid applications to purchase Shares in a Sub-fund will be processed at the Share price calculated, based on the Net Asset Value per Share (or the relevant proportion of the Net Asset Value), at the next Valuation Point following receipt of the application, except in the case where dealing in a Sub-fund has been suspended as set out in section 3.10.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue (being more than five Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. The ACD will generally process applications before cleared funds have been received from an investor but may decide not to do so in its absolute discretion.

Subscription money must be paid by investors in the currency in which the Shares that have been purchased are denominated.

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made, are irrevocable except in the case where cancellation rights are applied. However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. Such instructions will only be executed by the ACD once they have been verified and confirmed and the ACD's processing procedure has been satisfactorily completed. Please note that the ACD will not be liable for any losses or lost opportunities which may result from delays or rejections that arise from unclear instructions.

Any subscription monies remaining after a whole number of Shares have been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one thousandth of a larger denomination Share.

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 calendar days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. The ACD may extend cancellation rights to other investors but is under no obligation to do so. Cancellation rights are not available on the exchange or switching of Shares.

Applicants who apply for Shares for the first time must provide in their application form details of the bank account into which any income or disposal proceeds from their Shares will be paid by electronic bank transfer.

### **3.2.2. Documents the buyer will receive**

A confirmation giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.



Registration of Shares can only be completed by the ACD upon receipt of any required registration details. These details may be supplied in writing to the ACD or by returning to the ACD the properly completed registration form and copy of the confirmation.

Settlement is due within three Business Days of the Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. If settlement is not made within a reasonable period, then the ACD has the right to cancel any Shares issued in respect of the application. In the event of such a sale or realisation, the ACD shall be entitled to transfer such investments to such persons as it shall specify and recover any shortfall from that original investor.

The ACD reserves the right to charge interest at 4% above the prevailing Bank of England base rate on the value of any settlement received later than the 4th Business Day following the Valuation Point.

No interest will be paid on funds held prior to investment. Proceeds resulting from the redemption or disposal of Shares that have not been paid for cannot be released until the subscription or purchase money relating to such Shares has been received.

Settlement must be made by electronic bank transfer to the bank account detailed on the application form.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Tax vouchers in respect of periodic distributions on Shares will show the number of Shares held by the recipient.

### **3.2.3. Minimum subscriptions and holdings**

The minimum initial subscription and the subsequent subscription and holding levels for each Class of Share in a Sub-fund are set out in Appendix I.

The ACD may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption, conversion, Switch or transfer, a holding in any Class of Share would fall below the minimum holding for that Class, the ACD has the discretion to effect a redemption of that Shareholder's entire holding in that Class of Share. The ACD may use this discretion at any time. Failure to do so immediately after such redemption, Switch or transfer does not remove this right.

## **3.3. Redeeming Shares**

### **3.3.1. Procedure**

Every Shareholder is entitled on any Dealing Day to redeem its Shares, which shall be purchased by the ACD dealing as principal.

Valid instructions to the ACD to redeem Shares in a Sub-fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following

receipt of the instruction, except in the case where dealing in a Sub-fund has been suspended as set out in section 3.10.

A redemption instruction in respect of Shares in writing or by telephone or any other communication media made available is a legally binding contract. However, an instruction to the ACD to redeem Shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if insufficient documentation or anti-money laundering information has been received by the ACD.

Redemption money will be paid to investors in the currency in which the Shares that have been sold are denominated.

For details of dealing charges see section 3.6 below.

### **3.3.2. Documents a redeeming Shareholder will receive**

A confirmation giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will normally be made to the first named Shareholder (at their risk) via bank transfer in accordance with any instruction received. The ACD may recover any bank charge levied on such transfers. Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within three Business Days of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other documentation and appropriate evidence of title and any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

### **3.3.3. Minimum redemption**

Part of a Shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares of any Sub-fund to be redeemed is less than the minimum stated in respect of the appropriate Class in the Sub-fund in question (see Appendix I).

## **3.4. Conversion and Switching**

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Sub-fund may at any time:

- (i) Convert all or some of his Shares of one Class in a Sub-fund (the "**Original Shares**") for Shares in another Class in the same Sub-fund which are denominated in the same currency as the Original Shares (the "**New Shares**"); or
- (ii) Switch all or some of his Shares in a Sub-fund (the "**Original Shares**") for Shares in another Sub-fund in the Company which are denominated in the same currency as the Original Shares (the "**New Shares**").

The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

The ACD may at its discretion make a charge on the switching or conversion of Shares between Sub-funds or Classes. Any such charge on switching does not constitute a separate charge payable by a Shareholder but is rather the application of any redemption charge on the Original Shares and any preliminary charge on the New Shares, subject to certain waivers. For details of the charges on switching currently payable, please see section 3.6.3 "Charges on Conversion and Switching".

If a partial Switch or conversion would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on switching or conversion) or refuse to effect any Switch or conversion of the Original Shares. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Sub-fund or Sub-funds concerned to be dealt with at the prices at that Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Switching or conversion requests received after a Valuation Point will be held over until the next day which is a Dealing Day in each of the relevant Sub-fund or Sub-funds.

The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on switching together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

**Please note that under UK tax law a Switch of Shares in one Sub-fund for Shares in another Sub-fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to taxation, be a realisation of the Original Shares for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Shareholder's circumstances. A conversion of Shares in one Class for Shares in another Class in the same Sub-fund will not normally be treated as a realisation for UK tax purposes.**

**A Shareholder who Switches Shares in one Sub-fund for Shares in another Sub-fund (or who converts between Classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.**

A Shareholder is not permitted to convert or switch Shares denominated in a currency for Shares denominated in a different currency whether in the same or a different Sub-fund. In order to achieve that result, a Shareholder needs to redeem its existing Shares and subscribe for the new Shares.

### **3.5. Market timing**

The ACD may refuse to accept a new subscription in the Company or a switch from another Sub-fund if, in its opinion, there are reasonable grounds for refusing to accept such subscription or switch. In particular, the ACD may exercise this discretion if it believes the Shareholder has been or intends to engage in market timing.

For these purposes, market timing activities include investment techniques which involve short term trading in and out of shares generally to take advantage of variation in the price of Shares between the daily Valuation Points in the Company. Short term trading of this nature may often be detrimental to long term Shareholders. In particular, the frequency of dealing may lead to additional dealing costs which can affect long term performance.

### **3.6. Dealing Charges**

The price per Share at which Shares are bought, redeemed or switched is the Net Asset Value per Share adjusted to reduce any dilutive effect of dealing in the Sub-Fund (for more detail of dilution adjustment see section 3.6.4). Any preliminary charge or redemption charge (or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

#### **3.6.1. Preliminary charge**

The ACD may impose a charge on the purchase of Shares in each Class although it is not the current intention of the ACD to levy such a charge. The current preliminary charge, if any, is calculated as a percentage of the amount invested by a potential Shareholder in respect of each Sub-fund with such percentage being set out in Appendix I. The ACD may waive or discount any preliminary charge at its discretion.

Any preliminary charge (which is deducted from subscription monies) is payable by the Shareholder to the ACD. The current preliminary charge (if any) of a Class may only be increased in accordance with the Regulations.

#### **3.6.2. Redemption Charge**

The ACD may levy a redemption charge, which shall not exceed the preliminary charge (if any) for the Class of Shares although it is not the current intention of the ACD to levy such a charge. If charged, the charge will be deducted from the price of the Shares being redeemed and will be paid by the Company to the ACD.

### **3.6.3. Charges on Conversion and Switching**

The Instrument of Incorporation authorises the Company to impose a charge on the switching of Shares between Sub-funds or Classes in the Company. If a redemption charge is payable in respect of the Original Shares, this may become payable instead of, or as well as, the then prevailing preliminary charge (if any) for the New Shares. The charge on switching is payable by the Company to the ACD.

The ACD's current policy is to only levy a charge on switching between Sub-funds that is no more than the excess of the preliminary charge (if any) applicable to New Shares over the preliminary charge (if any) applicable to the Original Shares as specified in Appendix I. There is currently no charge for converting Shares in one Class of a Sub-fund for Shares in another Class of the same Sub-fund.

### **3.6.4. Dilution Adjustment**

The actual cost of purchasing, selling or switching underlying investments in a Sub-fund may deviate from the mid-market value used in calculating its Share price, due to dealing charges, taxes, and any spread between buying and selling prices of the Sub-fund's underlying investments. These dealing costs could have an adverse effect on the value of a Sub-fund, known as "dilution". In order to mitigate the effect of dilution the Regulations allow the ACD to recover the cost of dilution from investors on the purchase or redemption of Shares in the Sub-fund *inter alia* by means of a dilution adjustment to the dealing price, and this is the policy which has been adopted by the ACD. The ACD shall comply with rule COLL 6.3.8 in its application of any such dilution adjustment.

The dilution adjustment for each Sub-fund is calculated by reference to the estimated costs of dealing in the underlying investments of the relevant Sub-fund, including any dealing spreads, commission and transfer taxes.

The need to apply a dilution adjustment will depend on the relative volume of purchases to redemptions of Shares. It is not possible to predict accurately whether dilution would occur at any point in time.

The ACD's policy is that it may apply a dilution adjustment on the purchase and redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might be adversely affected, and if applying a dilution adjustment, so far as practicable, it is fair to all Shareholders and potential Shareholders. In specie transfers will not be taken into account when determining any dilution adjustment and any incoming portfolio will be valued on the same basis as the Sub-fund is priced (i.e. offer plus notional dealing charges, mid, or bid less notional dealing charges.)

This policy is intended to mitigate the dilutive effect of Shareholder transactions on the future growth of the Company.

Based on future projections and its experience of managing investment funds having a similar strategy to the Company, the ACD would typically expect to make on most days a dilution adjustment which would generally not exceed 2% of the original Net Asset Value of the

relevant Sub-fund. The ACD reserves however the right not to make an adjustment or to adjust the price by a larger amount and, if an adjustment is made, the ACD will always make it in a fair manner solely to reduce dilution and not for the purpose of creating a profit or avoiding a loss for the account of the ACD or an associate.

The ACD may alter its current dilution policy in accordance with the procedure set out in the Regulations.

**On the occasions that the dilution adjustment is not applied, there may be a dilution of the assets of the relevant Sub-fund which may constrain the future growth of that Sub-fund. It should be noted that, as dilution is directly related to the inflows and outflows of monies and the purchase and sale of investments, it is not possible to predict accurately if and when dilution will occur and to what extent.**

#### **3.6.5. Stamp duty reserve tax**

The charging of SDRT (at a rate of 0.5%) on the redemption of shares has now been abolished except in relation to non-pro rata in specie redemptions.

The current policy is that all SDRT costs (if applicable) will be paid out of the Scheme Property of the relevant Sub-fund and charged to capital and that SDRT will not be recovered from individual Shareholders. However, the ACD reserves the right to require individual Shareholders to pay SDRT whenever it considers that the circumstances have arisen which make such imposition fair to all Shareholders or potential Shareholders. Deductions of any such costs from capital may erode or constrain capital growth.

### **3.7. Transfers**

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. The ACD may refuse to register a transfer unless any provision for SDRT due has been paid.

### **3.8. Restrictions and compulsory transfer, conversion and redemption**

The ACD may from time to time take such action and/or impose such restrictions as it considers are necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the laws or regulations (or any interpretation thereof by a competent authority) of any country or territory or in circumstances which would result in the Company incurring any liability to taxation that the Company is not able to recoup itself or otherwise suffering (in the ACD's absolute discretion) any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares or require the conversion of Shares in one class to Shares in another class.

If it comes to the notice of the ACD that any Shares (the "**affected Shares**"):

- (a) are owned directly or beneficially in breach of any law or regulation (or any interpretation thereof by a competent authority) of any country or territory; or
- (b) are owned directly or beneficially by a person in circumstances which would result in the Company incurring any liability to taxation that the Company would not be able to recoup itself or suffering any other sanction, penalty, burden or other disadvantage (whether pecuniary, administrative or operational) which the Company, its Shareholders or delegates might not otherwise have incurred or suffered (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) are held in any manner by virtue of which the Shareholder or Shareholders in question is or are not qualified to hold such Shares or if the ACD reasonably believes this to be the case or the holding of such shares might cause the Company or its Shareholders a pecuniary or administrative disadvantage or other adverse consequence which the Company or its Shareholders might not otherwise incur or suffer;

the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or conversion of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer his affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establishes to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption, cancellation or conversion (at the discretion of the ACD) of all the affected Shares.

A Shareholder who becomes aware that he is holding or owns affected Shares shall immediately, unless he has already received a notice as set out above, either transfer all his affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption, conversion or cancellation of all his affected Shares.

Where a request in writing is given or deemed to be given for the redemption of affected Shares, such redemption will (if effected) be effected in the same manner as provided for in the COLL Sourcebook. The ACD can effect compulsory conversions of Shares in certain circumstances.

### **3.9. In specie redemptions**

If a Shareholder requests the redemption of Shares the ACD may, where it considers that deal to be substantial in relation to the total size of a Sub-fund or in some way detrimental to the Sub-fund, arrange for scheme property having the appropriate value to be transferred to the Shareholder (an 'in specie transfer') in place of payment for the Shares in cash. Before the redemption is effected, the ACD will give written notice to the Shareholder of the intention to make an in specie transfer. The Scheme Property to be transferred (or, if agreed by the ACD

and properly authorised by the Shareholder, the proceeds of sale of such Scheme Property) is subject to stamp duty reserve tax or stamp duty unless the Scheme Property is transferred pro-rata.

The ACD will select the property to be transferred in consultation with the Depositary. The ACD and Depositary must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders. The Company may retain out of the property to be transferred (or the proceeds of sale) property or cash value or amount equivalent to any stamp duty reserve tax to be paid in relation to the cancellation of shares.

### **3.10. Suspension of dealings in the Company**

The ACD may with, the prior agreement of the Depositary, and must without delay, if the Depositary so requires, without prior notice to Shareholders, temporarily suspend the issue, cancellation, sale and redemption of Shares in the Company where due to exceptional circumstances it is in the interests of all the Shareholders in the Company.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where the Company is offered for sale.

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension.

Where such suspension takes place, the ACD will publish, on its website or through other means of general publication, sufficient details about the suspension to keep Shareholders reasonably informed about it including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of the suspension as is practicable in light of the circumstances.

A suspension will cease as soon as practicable after the exceptional circumstances leading to it have ceased and the ACD and the Depositary will formally review any suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

No purchase or sale of Shares will generally be agreed to by the ACD during a suspension. Shareholders requesting a purchase or sale of Shares during a suspension should re-submit their request after the end of the suspension period if they wish for it to be considered.



On a resumption of dealing following a suspension, the calculation of Share prices and any dealings will take place on the Dealing Day and at the times stated in this Prospectus.

### **3.11. Governing law**

All deals in Shares are governed by the law of England and Wales.

## **4. VALUATION OF THE COMPANY**

### **4.1. General**

The price of a Share is calculated by reference to the Net Asset Value of the Sub-fund to which it relates. Unless this Prospectus states otherwise, the Net Asset Value per Share of a Sub-fund shall be calculated at 12 noon (London time) (this being the Valuation Point) on each Dealing Day.

The ACD may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so. The ACD shall inform the Depositary of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a Valuation Point for the purpose of dealing. Where permitted and subject to the Regulations, the ACD may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares of each Class of each Sub-fund and the amount of any dilution adjustment applicable in respect of any purchase or redemption of Shares.

A request for dealing in Shares must be received before the Valuation Point on a Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day.

The ACD may at its discretion change the Valuation Point in relation to any Sub-fund.

### **4.2. Calculation of the Net Asset Value**

The value of the Scheme Property shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

4.2.1. All the Scheme Property (including receivables) is to be included, subject to the following provisions.

4.2.2. Scheme Property which is not cash (or other assets dealt with in sections 4.2.3 and 4.2.4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

(a) Units or shares in a collective investment scheme:

- (i) if a single price for buying and selling units or shares is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any preliminary charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
  - (b) exchange traded derivative contracts:
    - (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices;
  - (c) OTC derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
  - (d) any other investment:
    - (i) if a single price for buying and selling the security is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
    - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable;
  - (e) Scheme Property other than that described in sections 4.2.2(a) to 4.2.2(d) above, at a value which, in the opinion of the ACD, is fair and reasonable.
- 4.2.3. Cash and amounts held in current and deposit and margin accounts and in other time related deposits shall be valued at their nominal values.
- 4.2.4. In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out and any cash paid or received and all consequential action required by the Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.

- 4.2.5. Subject to sections 4.2.6 and 4.2.7 below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 4.2.6. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under section 4.2.5.
- 4.2.7. All agreements are to be included under section 4.2.5 which are, or ought reasonably to have been, known to the person valuing the Scheme Property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
- 4.2.8. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where the liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, SDRT and any foreign taxes or duties.
- 4.2.9. Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.
- 4.2.10. Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 4.2.11. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.12. Add any other credits or amounts due to be paid into the Scheme Property.
- 4.2.13. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
- 4.2.14. Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

### **4.3. Price per Share in each Sub-fund and each Class**

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share at the Valuation Point adjusted to reduce any dilutive effect of dealing in the Sub-Fund (for more detail of dilution adjustment see section 3.6.4). Any preliminary charge or redemption

charge (or SDRT on a specific deal, if applicable), is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

Each allocation of income made in respect of any Sub-fund at a time when more than one Class is in issue in respect of that Sub-fund shall be done by reference to the relevant Shareholder's proportionate interest in the income property of the Sub-fund in question calculated in accordance with the Instrument of Incorporation.

#### **4.4. Pricing basis**

The ACD deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is accepted by the ACD. Shares in the Company are single priced.

#### **4.5. Publication of prices**

The prices of all Shares are published on the ACD's website ([www.eurizoncapital.com/UK/emerging-markets-debt](http://www.eurizoncapital.com/UK/emerging-markets-debt); [www.eurizoncapital.com/UK/rmb-bond](http://www.eurizoncapital.com/UK/rmb-bond)). The prices of Shares may also be obtained by calling the Registrar - Distributor Client Services Team, on 0370 7070073 or +44 203 975 3976, during normal business hours.

As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal.

The ACD may also, at its sole discretion, decide to publish certain Share prices in third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons not attributable to the ACD.

### **5. RISK FACTORS**

Potential investors should consider the following risk factors before investing in the Company (or in the case of specific risks applying to specific Sub-funds, in those Sub-funds). This list must not be taken to be comprehensive as there may be new risks that arise in the future which could not have been anticipated in advance. Also, the risk factors listed will apply to different Sub-funds to different degrees and for a given Sub-fund this degree could increase or reduce through time.

#### **5.1. General**

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of the Sub-funds will be achieved and no warranty or representation is given to this effect. The level of any yield for a Sub-fund may be subject to fluctuations and is not guaranteed.

Inflation will affect the future buying power of any investment. If the returns on an investment in the Company have not beaten the rate of inflation, such investment will have less buying power in the future.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on Sub-funds heavily invested in that asset class or region. There will be a variation in performance between Sub-funds with similar objectives due to the different assets selected.

## **5.2. Effect of preliminary charge or redemption charge**

Where a preliminary charge or redemption charge is imposed, an investor who realises his Shares may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase.

The Shares therefore should be viewed as medium to long term investments.

## **5.3. Dilution**

A Sub-fund may suffer a reduction in the value of its Scheme Property due to dealing costs incurred when buying and selling investments. To offset this dilution effect the ACD may apply a dilution adjustment to the price of Shares when bought or as a deduction when sold.

## **5.4. Charges to capital**

Where the investment objective of a Sub-fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, or a Sub-fund is seeking total returns through a combination of capital growth and income all or part of the ACD's fee (and where appropriate fixed expenses) may be charged against capital instead of against income. The treatment of the ACD's fee (and where appropriate fixed expenses) may increase the amount of income (which may be taxable) available for distribution to Shareholders in the Sub-fund concerned but will erode capital and may constrain capital growth. It may also have tax implications for certain investors.

## **5.5. Market Risk**

External factors can cause an entire asset class to decline in value. Prices and values of all shares or all bonds could decline at the same time. **Some of the recognised exchanges on which each Sub-fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which each Sub-fund may liquidate positions to meet repurchase requests or other funding requirements.**

## 5.6. Suspension of dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended.

## 5.7. Currency exchange rates

Currency fluctuations may adversely affect the value of a Sub-fund's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in Shares. Exchange rate changes may also cause the value of underlying overseas investments of a Sub-fund and any income from them to go down as well as up.

Investors should be aware that any currency hedging process may not give a precise hedge. Furthermore, there is no guarantee that the hedging will be totally successful.

## 5.8. Derivatives for EPM purposes

**The Company may employ derivatives with the aim of reducing the risk profile of the Sub-funds, reducing costs or generating additional capital or income, in accordance with EPM. The use of derivatives for EPM is not expected to not lead to any material increase in risk to any Sub-fund.**

To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Sub-funds may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated.

Investment in derivatives may result in gains or losses that are greater than the original amount invested.

Where a Sub-fund enters into swap arrangements (including total return swaps) and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-funds could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the ACD, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the ACD's policy to net exposures of each Sub-fund against its counterparties.

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered into. The swap market has grown substantially in recent years with a large number of banks and investment banking

firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the ACD's use of derivative techniques may not always be an effective means of achieving and sometimes could be counterproductive to, the Sub-fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the ACD that might in turn require, if there is insufficient cash available in the portfolio, the sale of the relevant Sub-fund's investments under disadvantageous conditions.

For more information in relation to investment in derivatives, please see paragraph 17 in Appendix III (Investments and Borrowing Powers of the Company).

#### **5.9. Derivatives for investment purposes**

The COLL Sourcebook permits the ACD to use certain techniques when investing in derivatives in order to manage a Sub-fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure to OTC derivatives; for example a Sub-fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits.

The COLL Sourcebook also permits a Sub-fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

Derivatives may be used in the Sub-funds for the purposes of investment. Where the ACD invests in derivatives and forward transactions in the pursuit of a Sub-fund's objectives, the Net Asset Value of that Sub-fund may at times be volatile (in the absence of compensating investment techniques).

However, it is the ACD's intention that the Sub-funds will not have volatility over and above the general market volatility of the markets of a Sub-fund's underlying investments owing to the use of the derivatives and/or forward transactions in the pursuit of its objectives. It is not the ACD's intention that the use of derivatives and forward transactions in the pursuit of a Sub-fund's objective will cause its risk profile to change.

#### **5.10. Credit Risk**

Shareholders should be aware that investments in the Sub-funds may involve credit risks. Bonds or other debt instruments involve credit risk. In the event that any issuer of bonds or other debt instruments experiences financial or economic difficulties, this may affect the value of the relevant securities, which may be zero, and any amounts paid on such securities, which may be zero.

When assessing the creditworthiness of an issuer, the ACD does not solely or mechanically rely on the credit ratings granted by credit rating agencies as the ACD uses its own process

aimed at monitoring and managing the credit ratings of issuers that contribute significantly to the credit risk of the Sub-funds.

In particular, in relation to the issuers which represent significant positions and/or an important portion of the Sub-funds' portfolios, financial instruments are deemed "Investment Grade" provided they received an adequate credit quality based on the ACD's assessment process. This process may take into consideration, among quantitative and qualitative criteria, the credit ratings granted by credit rating agencies established in the European Union and registered in accordance with the CRA Regulation. For those issuers that do not represent significant positions and/or an important portion of the Sub-funds' portfolios, financial instruments are deemed "Investment Grade" when such credit rating is granted by at least one of the above-mentioned credit rating agencies.

Among Investment Grade financial instruments, "High Grade" financial instruments are those that report, at issue or issuer level, the highest creditworthiness levels according to the credit rating agencies used by the Management Company or to the Management Company's own assessment process, as the case may be. Non-Investment Grade financial instruments are considered "Speculative", "Highly Speculative" or "Extremely Speculative" according to the credit ratings awarded by the credit rating agencies used by the ACD or by the ACD, as the case may be.

As regards the money market funds as defined and regulated by Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, the ACD has established, implemented and consistently applies a prudent, systematic and continuous internal credit quality assessment procedure for systematically determining the credit quality of money market instruments, securitisations and asset-backed commercial papers in which a money market fund may invest in accordance with the provisions of the Regulation and relevant delegated acts supplementing the Regulation, taking into account the issuer of the instrument and the characteristics of the instrument itself. In applying its internal credit quality assessment procedure, the ACD uses information of sufficient quality, up-to-date and from reliable sources. This information is regularly reviewed and kept up-to-date. The internal assessment procedure of the ACD is based on prudent, systematic and continuous assessment methodologies. The methodologies used have been validated by the ACD on the basis of historical experience and empirical evidence, including back testing. The internal credit quality assessment procedure of the ACD complies with all of the general principles provided for in Article 19 4. of Regulation (EU) 2017/1131 and takes into account the factors and general principles provided for in Article 20 2. of Regulation (EU) 2017/1131. Where a credit rating agency registered and certified in accordance with Regulation (EC) No 1060/2009 has provided a rating of that money market instrument, the ACD may have regard to such rating and supplementary information and analysis in its internal credit quality assessment, while not solely or mechanically relying on such rating in accordance with Article 5a of Regulation (EC) No 1060/2009. In accordance to Article 21 of Regulation (EU) 2017/1131, the ACD documents its internal credit quality assessment procedure and credit quality assessments.



The internal assessment procedure of the ACD is approved by the ACD's Board of Directors and administered by a dedicated team of credit research analysts under the responsibility of the ACD.

The internal assessment procedure of the ACD is monitored on an ongoing basis by the ACD, in particular to ensure that the procedure is appropriate and continue to provide an accurate representation of the credit quality of the instruments in which each money market fund may invest. The internal credit procedure is designed with the flexibility to adapt to changes to the relative importance of the assessment criteria, as they may change from time to time.

The internal assessment procedure includes criteria to analyse financial data, identify trends, and track key determinants of credit risk in relation to the relevant issuer.

A) Quantitative Criteria

The internal assessment procedure relies on and include quantitative indicators such as, but not limited to:

- a) pricing of money market instruments relevant to the issuer, the instrument or industry sector or region;
- b) credit default swap pricing information;
- c) financial indices relevant to the geographic location, industry sectors or asset class of the issuer or Instrument;
- d) financial information and default statistics relating to the issuer which is industry specific; and
- e) any other indicators deemed as relevant by the dedicated team and/or identified in the Commission Delegated Regulation (EU) 2018/990 of 10 April 2018 amending and supplementing the Regulation (the "**Delegated Regulation**").

B) Qualitative Criteria

The internal assessment procedure relies on and include qualitative indicators in relation to the issuer such as, but not limited to:

- a) financial situation of the issuer;
- b) sources of liquidity of the issuer;
- c) ability of the issuer to react to future market-wide or issuer-specific events;
- d) strength of the issuer's industry within the economy relative to economic trends and the issuer's competitive position in its industry;
- e) analyses regarding any underlying assets;

- f) any structural aspects of the relevant instruments;
- g) the relevant market(s); and
- h) governance risk relating to the issuer and any other indicators deemed as relevant by the dedicated team and/or identified in the Delegated Regulation,
- i) the short-term characteristic of the money market instruments;
- j) the class of activity of the instrument;
- k) the type of issuer;
- l) the potential operational risk and counterparty risk inherent to the structured financial instruments;
- m) the liquidity profile of the instrument.

External ratings may be used to supplement the assessment while not solely or mechanistically relying on such rating.

In case of a favourable assessment, the issuer/instrument will be added to an approval list and an internal rating will be given to instruments/issuers based on the results of the credit quality assessment.

In accordance with the internal assessment procedure, the internal rating assigned to each issuer and instrument must be reviewed at least annually (or more frequently if market factors so dictate). If an issuer's credit quality becomes uncertain or "newsworthy" (for example, through a significant negative financial event or a meaningful credit rating agency downgrade), the issuer's credit standing will immediately be reassessed and appropriate actions for any specific instrument of the relevant issuer within the Sub-funds may be taken.

These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the unitholders.

Equivalency table for the long-term credit ratings provided by the main credit agencies:

		<b>Moody's</b>	<b>Standard &amp; Poor's</b>	<b>Fitch</b>	<b>Creditworthiness</b>
Investment Grade	High Grade	From Aaa to A2	From AAA to A	From AAA to A	Strong/very strong capacity for an issuer to meet its financial commitments (high

					quality debt instruments)
	Medium Grade	From A3 to Baa3	From A- to BBB-	From A- to BBB-	Adequate/strong capacity for an issuer to meet its financial commitment (medium quality debt instruments)
Non-Investment Grade	Speculative Grade	From Ba1 to Ba3	From BB+ to BB-	From BB+ to BB-	Some adverse circumstances (like business, financial or economic conditions) could lead to an inadequate capacity for the issuer to meet its financial commitment (lower quality debt instruments)
	Highly Speculative	From B1 to B3	From B+ to B-	From B+ to B-	Some adverse circumstances (like business, financial or economic conditions) will likely lead to an inadequate capacity for the issuer to meet its financial commitment (lower quality debt instruments)
	Extremely Speculative	< B3	< B-	< B-	The issuer is either vulnerable and dependent upon favourable business, financial or economic conditions to meet its financial

					commitment or has failed to meet one or more of its financial commitments
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**5.11. Counterparty and settlement**

The Sub-funds will be exposed to a credit risk on parties with whom they trade and will also bear the risk of settlement default.

**5.12. Concentration Risk**

Sub-funds which invest in a narrow range of investments or in specialised sectors may be more volatile than those with a more broadly diversified portfolio.

**5.13. Tax**

Tax laws currently in place may change in the future which could affect the value of your investments. See the section headed 'Taxation' for further details about taxation of the Sub-funds.

**5.14. Inflation and interest rates**

The real value of any returns that an investor may receive from the Company could be affected by interest rates and inflation over time.

**5.15. Custody**

There may be a risk of loss where the assets of the Sub-funds are held in custody that could result from the insolvency, negligence or fraudulent action of a custodian or sub-custodian.

**5.16. Liquidity**

Depending on the types of assets the Company invests in there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

Investments made may become less liquid in response to market developments or adverse investor perceptions.

Liquidity risk also includes the risk that a Sub-fund will not be able to pay redemption proceeds within an allowable time period because of unusual market conditions, and unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, the Sub-fund may be forced to sell investments at an unfavourable time and / or conditions.

### **5.17. Leverage**

A proportion of the capital of a Sub-fund may be leveraged. While leverage presents opportunities for increasing the capital return of a Sub-fund, it has the effect of potentially increasing losses as well. Any event which adversely affects the underlying investments of the Sub-fund would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the position taken by a Sub-fund could result in a substantial loss of the capital of the Sub-fund that would be greater than if the capital was not leveraged.

### **5.18. Legal and regulatory risks**

Legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as the Company is subject to change. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

### **5.19. Risks associated with the UK leaving the European Union ("Brexit")**

On 31 January 2020, the UK ceased to be a member of the European Union (informally known as "**Brexit**") subject to a transitional period.

The political, economic and legal consequences of Brexit are not yet known. It is possible investments in the UK may be more difficult to value, to assess for suitability of risk, harder to buy or sell or subject to greater or more frequent rises and falls in value.

In the short to medium term, there is likely to be a period of uncertainty as the UK seeks to negotiate its future relationship with the European Union. The UK's laws and regulations concerning funds may in future diverge from those of the European Union. This may lead to changes in the operation of the Company or the rights of investors or the territories in which the Shares of the Company may be promoted and sold.

### **5.20. Political Risk**

The value of each Sub-fund may be affected by uncertainties such as international political developments, civil conflicts and war, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made. For example, assets could be compulsorily re-acquired without adequate compensation.

Events and evolving conditions in certain economies or markets may alter the risks associated with investments in countries or regions that historically were perceived as comparatively

stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets.

**5.21. Lack of Operating History**

Each new Sub-fund is a sub-fund of the Company which is a newly incorporated entity and has no operating history. The past investment performance of the ACD, an Investment Manager or their affiliates does not constitute an indication of the future results of an investment in any Sub-fund.

**5.22. Collective Investment Scheme**

A Sub-fund may invest in other collective investment schemes (including those managed by the ACD or an associate of the ACD). As an investor in another collective investment scheme, the Sub-fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including any management, performance or other fees. These fees will be in addition to the management fees and other expenses which the Sub-fund bears directly as a result of its own operations.

**5.23. Counterparty risk in OTC markets**

A Sub-fund may enter into transactions in OTC markets which will expose the Sub-fund to the credit of its counterparties and their ability to wholly or partially satisfy the terms of such contracts. For example, the Sub-fund may enter into agreements or use other derivative techniques, each of which exposes the Sub-fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. The Company may only be able to achieve limited or, in some cases, no recovery in such circumstances. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to recover any losses incurred.

**5.24. Cyber Security**

As the use of technology has become more prevalent in the course of business, funds have become more susceptible to operational and financial risks associated with cyber security, including: theft, loss, misuse, improper release, corruption and destruction of, or unauthorised access to, confidential or highly restricted data relating to the funds and their investors and compromises or failures to systems, networks, devices and applications relating to the operations of the funds and their service providers. Cyber security risks may result in financial losses to the Company and the Shareholders, the inability of the Company to transact business with the Shareholders, delays or mistakes in the calculation of the Net Asset Value or other materials provided to Shareholders, the inability to process transactions with Shareholders or third parties, violations of privacy and other laws, regulatory fines, penalties

and reputational damage, and compliance and remediation costs, legal fees and other expenses. The Company's service providers (including but not limited to the ACD, the Depositary and their agents), financial intermediaries, companies in which a Sub-fund invests and parties with which the Company engages in portfolio or other transactions also may be adversely impacted by cyber security risks in their own business, which could result in losses to a Sub-fund or the Shareholders. While measures have been developed which are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Company does not directly control the cyber security defences or plans of its service providers, financial intermediaries and companies in which a Sub-fund invests or with which it does business.

#### **5.25. Structured Products**

A Sub-fund may invest in structured products in accordance with COLL. For the purposes of the FCA's rules, structured products may be regarded as either transferable securities, collective investment schemes or derivatives depending on the product in question. The common feature of these products is that they are designed to combine the potential upside of market performance with limited downside. Structured products typically are investments which are linked to the performance of one or more underlying instruments or assets such as market prices, rates, indices, securities, currencies and commodities and other financial instruments that may introduce significant risk that may affect the performance of the Sub-fund.

However, in addition to providing exposure to the asset classes described in the investment objective, the intention is that the use of structured products in the context of a Sub-fund should assist with keeping the volatility levels of the Sub-fund relatively low.

#### **5.26. Investment in Less Developed Markets**

The systems for settlement of transactions on less developed markets, in particular in emerging countries and in Russia, may be less well organized than in developed countries. Hence there is a risk that settlement of transactions could be delayed and that the liquidity or the securities of the Sub-funds could be threatened due to such systems breaking down or failing.

In particular, market practice may require payment to be made before receipt of the purchased securities or a security might have to be delivered before the price is received. In such cases, failure on part of a broker or a bank through which the transaction was to be made would result in a loss for the Sub-funds investing in the emerging countries' securities.

Whenever possible, the ACD will try to use counterparties whose financial status is such as to limit the aforementioned risk. However, there can be no certainty that the ACD will successfully eliminate this risk for the Sub-funds, particularly because the counterparties operating on the emerging markets frequently lack a financial base comparable to the counterparties' operating on the developed markets.

**5.27. Investments in specific sectors**

Certain Sub-funds may concentrate their investments in companies of certain sectors of the economy and therefore will be subject to the risks associated with concentrating investment in such sectors. Investments in specific sectors of the economy such as energy and materials, consumer staples, high technology, financial services or telecommunications may lead to adverse consequences when such sectors deteriorate.

**5.28. Investment in smaller companies**

Sub-funds which invest in smaller companies may fluctuate in value more than other Sub-funds. Securities of smaller companies may, especially during period where markets are falling, become less liquid and experience short-term price volatility. Consequently, investment in smaller companies may involve more risk than investment in larger companies.

**5.29. Investment in lower rated, higher yielding debt instruments**

Sub-funds which invest in lower rated, higher yielding debt instruments are subject to greater market and credit risk than higher rated securities. The lower ratings of such instruments reflect the greater possibility that adverse changes in the financial conditions of the issuer or rising interest rates, may impair the ability of the issuer to make payments to holders of the instruments. Consequently, investment in such Sub-funds may involve more risk than Sub-fund investing in higher rated, lower yielding debt instruments.

**5.30. Investment in Distressed Debt Securities**

Investment in "Distressed Debt Securities" involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. In some cases, the recovery of investments in Distressed Debt Securities is subject to uncertainty related to court orderings and corporate reorganisations among other things. Investment in this kind of securities may lead to unrealised capital losses and/or losses that can adversely impact the net asset value of the related Sub-fund.

Consequently, investment in Sub-funds which invest in Distressed Debt Securities involves more risk than Sub-fund investing in higher quality debt instruments.

**5.31. Investment in Convertible Bonds**

Sub-funds which invest in convertible bonds are subject to the same interest rate and credit risks as Sub-funds investing in ordinary corporate bonds. However, as convertibles bonds allow investors to benefit directly from a company's success should its share price rise, this exposure to equity movements can lead to more volatility than could be expected from a comparable ordinary corporate bond investment.



### 5.32. Investment in contingent convertible bonds

Contingent Convertible Bonds (“**CoCos**”) are debt securities where the principal amount may be cancelled, reduced or converted into equity in certain circumstances relating, for example, to the level of own funds of the issuing institution, and/or the coupon payable modified in a discretionary way by the issuer. Among others, the main potential risks connected to the investment in CoCos are the following:

- Trigger level risk: trigger levels (which are disclosed in the prospectus of each issuance) differ and determine exposure to conversion risk depending on the own funds of the issuing institution distance to the trigger level. The amount of own funds varies depending on the issuer while trigger levels differ depending on the specific terms of issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.
- Coupon cancellation: Coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time, for a certain type of CoCos. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of this type of CoCos and may lead to mispricing of risk.
- Capital structure inversion risk: in certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write down CoCo is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.
- Call extension risk: certain CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual CoCos will be called on call date.
- Unknown risk: in a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, the market may view the issue as a systemic event. In that case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, in an illiquid market, price formation may be increasingly stressed.
- Yield/Valuation risk: Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether investors have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCos tend to compare favourably from a yield standpoint. The concern is whether investors have fully considered the risk of conversion or, for Additional Tier 1 CoCos (AT1 Cocos), coupon cancellation.

### 5.33. Investment in securitized or structured debt instruments

Sub-funds which invest in securitized or structured debt instruments are subject to higher risks than Sub-funds which invest in government and corporate bonds. Such instruments include asset-backed securities (ABS), mortgage-backed securities (MBS) and collateralized debt instruments and provide exposure to underlying assets such as but not limited to residential or commercial mortgages, consumer or corporate loans, credit card receivables or manufactured housing loans.

Securitized or structured debt instruments are generally more sensitive to interest rate changes and thus may face higher level of volatility when interest rates rise. In addition, when interest rates fall, borrowers tend to pay off their fixed rate or adjustable mortgages sooner than expected: the return of Sub-funds which invest in such securities may thus decrease as they will have to reinvest these proceeds at lower rates.

Besides, investments in securitized or structured debt instruments entail significant liquidity risk: in the absence of a liquid market for such securities, their current market price does not necessarily reflect the underlying assets value and consequently they may only be traded at a discount from face value and not at the fair value. This may affect the price at which a Sub-fund may liquidate positions to meet redemption requests or other funding requirements.

In general, ABS and MBS are debt securities with interest and capital payments backed or collateralized by the income stream of an underlying pool of assets (pool of receivables in the case of ABS and pool of mortgages as regards MBS) issued by a special purpose vehicle (SPV) that solely serves the purpose of the ABS / MBS transaction. ABS and MBS are usually issued in a number of different classes with varying characteristics depending on the riskiness of the underlying assets assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate. The higher the risk contained in the class, the more the ABS / MBS pays by way of income. Compared to other fixed income securities, the obligations associated with these securities may be subject, in particular, to greater liquidity, counterparty and interest rate risks as well as to other types of risks, as they are also subject to early prepayment, credit or default risk affecting the underlying securities.

In particular, specific risks related to investment in ABS include the following:

- Interest rates risk: while the value of ABS typically increases when interest rates fall and decreases when interest rates rise and are expected to move in the same direction of the underlying related asset, there may not be a perfect correlation between these events.
- Extension risk: in a period of rising interest rates, prepayments may occur at a slower rate than expected. As a consequence, the average duration of the Sub-fund's portfolio may increase.
- Liquidity risk: liquidity in ABS may be affected by the performance or perceived performance of the underlying assets. In some market circumstances investments in ABS may become less liquid, making it difficult to dispose of them. The market price for an ABS may be volatile and may not be readily ascertainable. As a result, the Sub-

Fund may not be able to sell them when it desires to do so, or to realize what it perceives to be their fair value in the event of a sale.

Similarly, specific risks related to investment in MBS include the following:

- Prepayment risk: in a period of falling interest rates, borrowers may refinance or otherwise repay principal on their mortgages earlier than scheduled. When this happens, certain types of MBS will be paid off more quickly than originally anticipated and the Sub-fund will have to invest the proceeds in potentially less attractive securities.
- Extension risk: in a period of rising interest rates, certain types of MBS will be paid off more slowly than originally anticipated and the value of these securities will fall. As a consequence, the average duration of the Sub Fund's portfolio may increase.
- Liquidity risk: in some market circumstances investments in MBS may become less liquid, making it difficult to dispose of them. The market price for MBS may be volatile and may not be readily ascertainable. As a result, the Sub-fund may not be able to sell them when it desires to do so, or to realize what it perceives to be their fair value in the event of a sale.
- Real estate risks: investing in commercial and residential MBS includes the risk of investing in the real estate securing the underlying loans, local and other economic conditions, the ability of tenants to make payments and the ability of the property to attract and retains tenants.

#### **5.34. Investments in Sukuk**

Sukuk are certificates of equal value representing undivided shares in the ownership of tangible assets, usufructs and services or (in the ownership of) the assets of particular projects or special investment activity. Sukuk are instruments that comply with Sharia (Islamic law). Price changes in Sukuk are influenced predominantly in the same way as conventional fixed income securities by interest rate developments in the capital markets, which in turn are influenced by macroeconomic factors. Sukuk could suffer when capital market interest rates rise, while they could increase in value when capital market interest rates fall. The price changes also depend on the term or residual time to maturity of the Sukuk.

Furthermore, the Sukuk market remains a nascent market which can create low levels of liquidity and increased transaction costs. Sukuk may be backed by sovereign or corporate issuers. In general, corporate issuers represent an increased credit risk to investors and may display greater price volatility. Sovereign Sukuk issued by governments or government related entities from countries referred as emerging or frontier markets bear additional risks linked to the specifics of such countries (e.g. currency fluctuations, political and economic uncertainties, repatriation restrictions, etc).

Sukuk can be categorized as asset-backed Sukuk or asset-based Sukuk. An asset-backed Sukuk transaction involves true sale and the transfer of legal ownership of the asset from the originator to a third party, which is normally a Special Purpose Vehicle (SPV). The SPV is in

turn an explicit trustee of the Sukuk holders that receives fees as the issuer of the Sukuk, while the Sukuk holders are the legal part-owners of the underlying asset that receive a return on investment based on the performance of the underlying asset. In other words, for the payment, the Sukuk holders rely solely on the underlying asset since the asset is already separated from the originator's book and there will be no recourse to the originator. Asset-backed Sukuk are, thus, closer to equity than debt.

On the other hand, through an asset-based Sukuk transaction the originator only passes beneficial ownership of the asset to Sukuk holders, while still keeps its legal ownership. In other words, from legal perspective there is no true sale in asset-based structure since Sukuk holders do not have concern in the underlying asset. In this structure, the Sukuk holders can only require the originator to purchase the underlying assets.

As such, the Sukuk holders have an unsecured debt claim against the originator embodied in the payment of the purchase price following an execution of the binding purchase promise. This implies that Sukuk holders don't have full recourse to the underlying assets and the underlying assets are not used as collateral. Asset-based Sukuk grant only beneficial ownership to the Sukuk holders, so that in case of default, the investor would be left without any claim on these assets.

#### **5.35. Investments in UCITS**

Investment by each Sub-fund in units of undertakings for collective investment in transferable securities ("**UCITS**") and/or other UCI may entail that fees borne by an investor would be increased by various fees such as subscription commissions, redemption commissions, Depositary bank commissions, and administration and management commissions.

#### **5.36. Investments in Futures, Options and Warrants**

In general, the effect created by investments in financial instruments as well as the volatility of long-term contracts ("futures" and "forward" contracts) are factors that substantially increase the risk related to the purchase of the Company's Shares. In particular, transactions dealing with forward contracts may generate a leverage effect. The minimum level of guarantee deposits generally required for such transactions can indeed increase the Company's actual exposure to the underlying security of the forward contract. As a consequence, even a very weak unfavourable fluctuation in the price of the underlying security of a forward contract may give rise to significant losses.

The sale of buy options ("call options") and of sell options ("put options") is a specialized business generating substantial investment risks.

Thus, the sale of unhedged call options not covered by the existence within the Sub-fund of the underlying asset or of financial instruments correlated to the underlying asset generates a risk of potentially unlimited losses equal to the positive difference between the price of the underlying security and the exercise price of the option. The sale of put options may give rise to a risk of loss if the price of the underlying security falls below the option strike price, reduced by the amount of the premium received.

Warrants on securities or on any other financial instrument offer a significant leverage effect, but are characterized by a high risk of depreciation.

Transactions on futures and options contracts concluded on the OTC market may be very illiquid. It is not always possible to execute a buy or sell order at the strike price or to close out an open position in the short term.

### **5.37. Investments in Credit Default Swap**

When selling out of a Credit Default Swap (CDS) that has been used to provide protection against the eventual risk of default of the underlying issuer, the Sub-fund takes on a risk comparable to that taken upon purchasing a bond issued by the same issuer for a nominal value identical to that of the CDS. In both cases, if the issuer defaults, losses will be represented by the difference between the nominal value and the recoverable amount of the issuer's bonds. For CDS, as in the case of all derivative financial instruments traded OTC, the counterparty risk must also be taken into account, i.e. the risk that the counterparty is unable to make one of the payments it is committed to, a risk that is particularly significant in cases where protection is acquired by means of a CDS. The ACD shall ensure that counterparties involved in this type of transaction are carefully selected and that the risk linked to the counterparty is limited and thoroughly controlled.

### **5.38. Total Return Swaps**

Total Return Swaps are agreements in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver).

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves counterparty risk. If the Sub-fund engages in OTC derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the Company and any of its Sub-funds enters into Total Return Swaps on a net basis, the two payment streams are netted out, with the Company or each Sub-fund receiving or paying, as the case may be, only the net amount of the two payments. Total Return Swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to Total Return Swaps is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a Total Return Swaps defaults, in normal circumstances the relevant Sub-fund's risk of loss consists of the net amount of total return payments that the Sub-fund is contractually entitled to receive.

### **5.39. Investments in Contract for Differences**

Investing in a Contract for Differences (CFD) carries the same profit or loss opportunities as when investing in stocks or stock indexes in a traditional manner; however, CFD enable the

Sub-funds to generate a leverage effect up to the limitations set forth in the Regulations; as a consequence, an unfavourable fluctuation may give rise to significant losses.

When buying a CFD, the risk is limited to the loss, in a worst-case scenario, of the capital invested, as the risk is equivalent to that of the underlying instrument. Depending on movements in the price of the underlying instrument, the value of a CFD may fall to zero.

When selling a CFD, the loss is theoretically unlimited, as the current price of the underlying instrument can significantly exceed the original cost at the time of the sale of the CFD.

#### **5.40. Specific Risks of investing in the People's Republic of China**

##### ***Hong Kong Stock Connect programs risks***

Under Hong Kong Stock Connect (the “**Hong Kong Stock Connect**”), the Stock Exchange of Hong Kong (the “**SEHK**”) and the Shanghai Stock Exchange (the “**SSE**”) / Shenzhen Stock Exchange (the “**SZSE**”) have established a mutual trading program to enable investors of their respective market to trade and settle designated securities listed in the other's market. Through the Hong Kong Stock Connect, international investors can trade and settle designated securities listed on the SSE / SZSE through the SEHK and clearing house in Hong Kong (Northbound trading) and PRC's domestic investors can trade and settle designated securities listed on the SEHK through the SSE / SZSE and clearing house in Shanghai / Shenzhen (Southbound trading).

Trading of SSE / SZSE securities through the Hong Kong Stock Connect is open to all Hong Kong and overseas investors like the Company, including institutional and individual investors.

##### **A) Northbound eligible securities**

Through the Shanghai-Hong Kong Stock Connect program, Hong Kong and overseas investors like the Company are currently able to trade all the constituent stocks of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A-shares (A-shares are shares traded in Chinese Renminbi issued by companies incorporated in the PRC and listed on the Shanghai and Shenzhen stock exchanges) that are not included as constituent stocks of the relevant indices but which have corresponding H-shares listed on SEHK (except SSE-listed shares which are not traded in RMB or under risk alert). Through the Shenzhen-Hong Kong Stock Connect program, Hong Kong and overseas investors like the Company are currently able to trade selective stocks listed on the SZSE market. These include all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalization of not less than RMB 6 billion, and all the SZSE-listed A shares which have corresponding H shares listed on SEHK (except SZSE-listed shares which are not traded in RMB or under risk alert). Other product types such as B-shares, Exchange Traded Funds (ETFs), bonds, and other securities are currently not included in the scope of the Hong Kong Stock Connect program.

Investors will only be allowed to sell but will be restricted from buying such SSE / SZSE securities if: (a) such securities subsequently cease to be a constituent stock of the relevant indices; and/or (b) they are subsequently placed under risk alert; and/or (c) the corresponding

H shares of such securities are subsequently delisted from SEHK, and/or (d) such securities, based on any subsequent periodic review, have a market capitalisation of less than RMB 6 billion (only for SZSE securities), as the case may be.

Therefore, the ability of the Sub-funds to meet their investment objective may be affected by a change in the scope of Hong Kong Stock Connect program.

B) Beneficial ownership

Through the Hong Kong Stock Connect programs, Hong Kong and overseas investors like the Company may purchase eligible securities listed on the SSE / SZSE.

Following settlement, these securities will be held by the Hong Kong Securities and Clearing Company (the “**HKSCC**”) as “nominee holder” in an account at the China Securities Depository and Clearing Corporation (the “**ChinaClear**”), Shanghai or Shenzhen branch, as the case may be. Foreign investors holding eligible securities through the HKSCC are the beneficial owners of these securities and therefore can exercise their rights through the nominee only. Accordingly, foreign investors are to exercise shareholders rights in relation to the SSE / SZSE securities through HKSCC (including legal action or court proceeding against the issuers of such securities). HKSCC as nominee has no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE securities.

C) Hong Kong Stock Connect quotas

Northbound trading and Southbound trading are respectively subject to a set of daily and aggregate quotas monitored by SEHK and SSE / SZSE respectively.

The Daily Quota is applied on a “net buy” basis. Under that principle, investors are always allowed to sell their cross-boundary securities or input order cancellation requests regardless of the quota balance. The Daily Quota limits the maximum net buy value of crossboundary trades under Shanghai Connect and Shenzhen Connect Hong Kong Stock Connect program each day. SEHK monitors the usage of the Northbound Daily Quota on a real-time basis, and the Northbound Daily Quota Balance is updated on HKEX’s website every minute. The Daily Quota is reset every day. Unused Daily Quota is not carried over to the following day’s Daily Quota. If the Northbound Daily Quota Balance drops to zero or the Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected. However, as order cancellation is common during opening call auction, the Northbound Daily Quota Balance may resume to a positive level before the end of the opening call auction. When that happens, SEHK will again accept Northbound buy orders. Once the Northbound Daily Quota Balance drops to zero or the Daily Quota is exceeded during a continuous auction session (or closing call auction session for SZSE), no further buy orders will be accepted for the remainder of the day.

SEHK will resume the Northbound buying service on the following trading day. Therefore, Northbound Daily quota may adversely affect the Sub-funds’ ability to meet their investment objective.

D) Trading day and severe weather conditions

Through the Hong Kong Stock Connect programs, SSE/ SZSE securities can only be traded on Hong Kong business days, provided that both markets (Hong Kong and Mainland China) are open for trading and banking services are available on the correspondent settlement days. Due to differences in public holidays between both markets or to severe weather conditions (severe typhoons or black rainstorms) the Sub-funds' ability to meet their investment objective may be adversely affected.

E) Risk of ChinaClear default

As the national central counterparty of the PRC Mainland's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. In case of ChinaClear default, HKSCC will in good faith seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process if applicable. HKSCC will in turn distribute the stocks or monies recovered to clearing participants (such as HKSCC) on a pro-rata basis. Although ChinaClear default is considered to be remote, the Sub-funds may be adversely affected by this potential exposure.

F) Risk of Hong Kong Securities and Clearing Company default

As a clearing participant of ChinaClear, the HKSCC provides clearing and settlement services for all trades executed through Northbound trading. A failure or delay by the HKSCC to perform its obligations may result in losses to the Sub-funds.

***China Interbank Bond Market risks***

The China Interbank Bond Market (the "**CIBM**") is an OTC market (that is, a market outside the two main stock exchanges in the PRC, i.e. the Shanghai and Shenzhen stock exchanges) established in 1997 which currently represents more than 95% of the Chinese domestic bond activity. The main debt instruments traded in the CIBM include government bonds, bond repo, bond lending, People's Bank of China ("**PBOC**") bills, and other financial debt instruments. Foreign investors like the Company and its Sub-funds – through the ACD – can access the CIBM. The ACD has made an application to register under the CIBM program at the PBOC. The ACD participates directly in the CIBM through an appointed onshore settlement agent ("**Bond Settlement Agent**").

A) CIBM liquidity and volatility risks

The CIBM has not yet reach maturity and the market capitalisation and trading volume may be inferior to those of more developed markets. By investing in such market, the Sub-funds may be subject to liquidity and volatility risks and may suffer losses due to the market volatility and potential lack of liquidity of the CIBM.

Indeed, the low trading volume in such market may result in prices of debt instruments traded in the CIBM fluctuating significantly.



B) CIBM trading and realisation costs

By investing in the CIBM, the Sub-funds may also incur additional trading and realisation costs and suffer losses due to significant bid and offer spreads of prices that may be observed on such market for some Chinese domestic bonds.

C) CIBM counterparties and settlements risks

By transacting in the CIBM, the Sub-funds may also be exposed to counterparties risks as a counterparty which has entered into a transaction with a Sub-fund may default in its obligation to settle the transaction by delivery of the relevant instruments or by payment for value. There are various settlement methods in the CIBM (such as the delivery of security by the counterparty after receipt of payment by the Sub-fund, payment by the Sub-fund after delivery of the relevant security by the counterparty or simultaneous delivery), but even if terms favourable for the Sub-funds may be negotiated, there is no assurance that settlement risks can be eliminated.

D) CIBM remittance and repatriation rules

To invest in the CIBM funds may be remitted into China in a foreign currency or in CNY. The CIBM program requires that the currencies in outward and inward remittances shall be the same, i.e., the proportion of domestic and foreign currencies in an outward remittance by an investor shall be consistent with that of an inward remittance, with the difference no higher than 10%. Considering the remitted currency will not be CNY, repatriations in respect of funds such as the Sub-funds conducted in a foreign currency are permitted daily and are not subject to any lock-up periods or prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on a Sub-fund's ability to meet redemption requests.

E) CIBM unknown risks

Due to the fact that CIBM regulations are relatively new, their application and interpretation are therefore relatively untested and there is no certainty as to how they will be applied by the PRC's local authorities. In addition, there is no assurance that future local regulatory actions will not affect the Sub-funds invested in the CIBM.

F) Bond Settlement Agent risks

The ACD appointed the Bond Settlement Agent to execute transactions for the Sub-funds in the CIBM. Should, for any reason, a Sub-fund's ability to use the relevant Bond Settlement Agent be affected, this could disrupt the operations of that Sub-fund and affect the ability of a Sub-fund to implement the desired investment strategy. A Sub-fund may also incur losses due to the acts or omissions of the Bond Settlement Agent in the execution or settlement of any transaction or in the transfer of any funds or securities. For investments under the CIBM, applied by the ACD for any Sub-fund directly, the securities and cash accounts for a Sub-fund in the PRC are maintained in the name of "the ACD – the name of the Sub-fund". Subject to the applicable laws and regulations in the PRC, the Depositary Bank will make arrangements

to ensure that Sub-funds' assets are properly kept safe. In the event of any default of the Bond Settlement Agent or other agents (for example, brokers and other counterparties) in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC, a Sub-fund may encounter delays in recovering its assets which may in turn adversely impact the net asset value of a Sub-fund.

### ***Hong Kong Bond Connect program risks***

The Hong Kong Bond Connect program is a mutual market access scheme that allows investors from Mainland China and overseas to trade in each other's bond markets through a connection of the Mainland Chinese and Hong Kong bond markets. Bonds eligible for investment by overseas investors through the Northbound Link include all bonds tradable in the CIBM.

Hong Kong Bond Connect Northbound Trading allows international investors like the Company to trade bonds on the China Foreign Exchange trading System (the "**CFETS**") directly with onshore participating dealers via overseas electronic platforms approved by People's Bank of China (so called "**Trading Link**"). CFETS provides trading services to Northbound Trading. CFETS, supported by the Bond Connect Company Limited, conducts filing and opens the trading account on behalf of an eligible overseas investor like the Company for access to CIBM. Upon opening of the trading account, an overseas investor becomes a member of CFETS. CFETS will organize Northbound Trading participating dealers to provide continuous price quotations to overseas investors. Participating dealers should be market dealers with comparatively strong capabilities in terms of price quotation and price determination. They should have sound international reputation, should be equipped with staff, systems and apparatus that can support the continuous and stable operation of Northbound Trading, and should possess other capabilities which are necessary for providing liquidity to bond markets. The basic process for trading under Northbound Trading is as follows: offshore investors may give trading instructions through an electronic trading platform; and such trading instructions will then be transmitted to the CFETS system, where the trade with the relevant counterparty will be concluded. The CFETS trading system will generate a trade confirmation upon the acceptance of a quotation by an overseas investor. The participating dealer, overseas investor and bond registration and depository institution shall settle the trade in accordance with the information from the conclusion of the trade.

In order to settle the trade an overseas investor like the Company is required to open segregated account in its name with the Central Moneymarkets Unit ("**CMU**") through a CMU participant. The CMU, as a nominee, in turn, opens an omnibus nominee account with the China Central Depository and Clearing Co Ltd (onshore entity) (the "**CCDC**") and Shanghai Clearing House ("**SHCH**") which provide bond registration and depository service for CMU (so called "**Settlement link**"). The bonds purchased by the overseas international investors through the "Northbound Connect" shall be registered in the bond accounts of CMU, and the international overseas investors will have the beneficial ownership of the securities held under the name of the nominee holder (CMU). The settlement of "Northbound Connect" business is conducted with CMU on the one side while the participating dealer to CIBM that has opened its bond account at CCDC or SHCH on the other side. The transfer of bonds is processed

through CCDC or SHCH bonds business system, and the payment of funds through the Crossborder Interbank Payment System (CIPS).

A) Risk of CCDC and SHCH default

CCDC and SHCH are the registration, depository and onshore settlement institution of CIBM designated by the People's Bank of China, serving as a central securities depository (CSD) in CIBM. CCDC and SHCH provide bond registrations and depository service for the overseas investors that have opened accounts at CMU. The bonds purchased by the overseas investors through the "Northbound Connect" shall be registered in the bond accounts of CMU with CCDC and SHCH.

Although CCDC and SHCH default is considered to be remote, the Sub-funds may be adversely affected by this potential exposure.

B) Settlement risk

Settlement through SHCH operates on a delivery-versus-payment basis. In contrast, settlement through CCDC operates on a gross basis. On each settlement date, CCDC will lock up the relevant CIBM bonds in the seller's account whilst the buyer will have to transfer the settlement proceeds to the seller first.

After receiving the payment completion confirmation from both the buyer and the seller, CCDC will effect the settlement on a gross basis by transferring the relevant CIBM bonds to the buyer's account. This may expose the Sub-funds to counterparties risks as a counterparty which has entered into a transaction with a Sub-fund may default in its obligation to settle the transaction. Even if terms for settlement may become more favourable for the Sub-funds in the future, there is no assurance that settlement risks can be eliminated.

C) Risk of CMU default

CMU is an offshore central securities depository operated directly by the Hong Kong Monetary Authority, providing bond registration, depository and settlement services for the overseas investors like the Company. Although CMU default is considered to be remote, the Sub-funds may be adversely affected by this potential exposure.

D) CIBM specific risks

As the Hong Kong Bond Connect Northbound Trading refers to the investment in CIBM by overseas investors via the mutual access and connection arrangements in respect of trading, depository and settlement between Hong Kong and Mainland financial infrastructure institutions, the Sub-funds investing in CIBM may be subject to the specific risks linked to the CIBM, in particular the CIBM liquidity and volatility risks as above mentioned.

***Foreign shareholding restrictions and disclosure obligations***

Under the current PRC rules, a foreign investor's shareholding in a listed company is not allowed to exceed 10% of the company's total issued shares, while all foreign investors'

shareholding in the A-shares of a listed company is not allowed to exceed 30% of its total issued shares. If aggregate foreign shareholding exceeds the 30% threshold, the foreign investors concerned will be requested to sell the shares on a last-in-first-out basis within five business days. Once the aggregate foreign shareholding is near the 30% threshold, further buy orders in that security will not be allowed. Foreign investors can continue to sell A-share which aggregate foreign shareholding has reached the 30% threshold. Therefore, the ability of the Sub-funds to meet their investment objective may be affected by such shareholding restrictions.

Under the current PRC rules, when an investor holds or controls up to 5% of the issued shares of a PRC mainland listed company, the investor is required to disclose his interest within three working days, during which he is not allowed to trade the shares of that listed company. Such investor is also required to make disclosure within three working days when a change in his shareholding reaches 5%. From the day the disclosure obligation arises to two working days after the disclosure is made, the investor is not allowed to trade the shares of the relevant PRC mainland company.

### ***Chinese Renminbi currency and exchange rate risks***

In accordance with their investment policies, the Sub-funds may invest directly in A-Shares and other financial instruments denominated in onshore Chinese Renminbi (the “**CNY**”). In general, the daily exchange rates of the CNY against other currencies are allowed to float within a range above or below the central parity rates daily published by the People’s Bank of China. Any changes to the PRC government’s policies on exchange control could adversely affect the Sub-funds.

### ***Tax risks***

By investing in A-Shares or other financial instruments, the Sub-funds may be subject to withholding and other taxes imposed under China tax law or regulations. In November 2014, PRC tax authorities granted a temporary tax waiver of capital gains for an unspecified period to investors buying mainland shares via the Hong Kong Stock Connect program. The current PRC tax law, regulations and practice may be subject to change in the future with retroactive effect. Investors should note that the regulations around the tax treatment on Hong Kong Stock Connect program investments are not entirely clear and there is no certainty as to how they will be interpreted and applied by the PRC tax authorities.

## **6. MANAGEMENT AND ADMINISTRATION**

### **6.1. Regulatory Status**

The ACD and the Depositary are both authorised and regulated by the FCA.

### **6.2. Authorised Corporate Director**

#### **6.2.1. General**

The ACD is Eurizon SLJ Capital Limited which is a private company limited by shares incorporated in England and Wales on 14 September 2015 with company number 09775525.

The directors of the ACD are:

Saverio Perissinotto

Stephen Li Jen

Massimo Mazzini

Alessandro Maria Solina

Fatih Yilmaz

Giuseppe Distefano

Irene Cervellera.

The directors of the ACD and their significant business activities (if any) not connected with the business of the ACD are set out in Appendix IV.

In addition to managing the Company, the ACD provides market commentary and investment management and advisory services to other clients.

The company details of the ACD are as follows:

<b>Registered office:</b>	2 <sup>nd</sup> Floor, 90 Queen Street, Intesa Sanpaolo's Building, London, United Kingdom, EC4N 1SA
<b>Principal place of business:</b>	Same as registered office
<b>Share capital:</b>	£1,001,000, made up of (i) 65,065,000 A ordinary shares of £0.01 each issued and paid up, and (ii) 35,035,000 B ordinary shares of £0.01 each issued and paid up.
<b>Ultimate holding company:</b>	Intesa Sanpaolo S.p.A., a company incorporated in Italy.

The ACD is responsible for managing the Company's affairs in compliance with the COLL Sourcebook. The ACD may delegate its management functions, but not responsibility, to third parties, including associates, subject to the rules in the COLL Sourcebook.

Appendix I specifies in respect of each Sub-fund whether the function of acting as the investment manager of the assets of that Sub-fund has been delegated by the ACD to an Investment Manager. Where no such delegation has been made in relation to a Sub-fund, the ACD will act as the investment manager of that Sub-fund.

#### **6.2.2. Terms of appointment**

The appointment of the ACD has been made under the ACD Agreement.

Pursuant to the ACD Agreement, the ACD manages the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities.

The ACD Agreement may be terminated by either party on not less than six months' written notice or earlier upon the happening of certain specified events.

The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of its negligence, bad faith, breach of duty, breach of trust, fraud or wilful default in the performance of its duties and obligations.

The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations other than for matters arising by reason of its negligence, bad faith, breach of duty, breach of trust, fraud or wilful default in the performance of its duties and obligations.

Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in section 7.2 "Charges payable to the ACD and the Depositary" below.

The ACD is also under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed.

The Company has no directors other than the ACD. Details of any other open-ended investment companies of which the ACD is the manager are set out in Appendix IV.

### **6.2.3. Remuneration Policy**

FCA Rules require that the ACD applies remuneration policies and practices that are consistent with and promote effective risk management for certain categories of staff (namely those whose activities have a material impact on the risk profile of the ACD or the UCITS funds that they manage ("**Code Staff**"). The ACD, taking account of the principle of proportionality, has in place a remuneration policy (the "**Remuneration Policy**") which is reviewed at least annually.

The ACD considers the Remuneration Policy to be appropriate to the size, internal operations, nature, scale and complexity of the Sub-fund(s) and in line with the risk profile, risk appetite and the strategy of the Sub-fund(s).

The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the Code Staff.

In respect of any investment management delegates, the ACD requires that: (i) the entities to which such activities have been delegated are subject to regulatory requirements on

remuneration that are equally as effective as those applicable under the European Securities and Market's Authority's Guidelines on Sound Remuneration Policies under the UCITS Directive (the "**ESMA Guidelines**"); or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines or the FCA Handbook.

The ACD's remuneration policy requires, amongst other items, that the remuneration practices within the ACD:

- (i) are consistent with and promote sound and effective risk management;
- (ii) do not encourage risk taking and are consistent with the risk profiles of the funds which the ACD manages; and
- (iii) do not impair the ACD's ability to comply with its duty to act in the best interests of the funds which it manages.

Details of the Remuneration Policy, including a description of how remuneration and benefits are calculated and the identities of persons responsible for awarding the remuneration and benefits, are available on the ACD's website ([www.eurizoncapital.com/UK/regulatory-disclosures](http://www.eurizoncapital.com/UK/regulatory-disclosures)) and a paper copy will be made available free of charge from the ACD upon request.

### **6.3. The Depositary**

#### *The Depositary*

State Street Trustees Limited is the Depositary of the Company.

The Depositary is incorporated in England and Wales as a limited company. Its registered and head office is at 20 Churchill Place, Canary Wharf, London, E14 5HJ, United Kingdom. The ultimate holding company of the Depositary is State Street Corporation, which is incorporated in the state of Massachusetts, United States. The principal business activity of the Depositary is the provision of independent depositary services. The Depositary is authorised and regulated by the FCA.

#### *Depositary's functions*

The Depositary has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law, the Instrument of Incorporation and this Prospectus.
- ensuring that the value of the Shares is calculated in accordance with applicable law, the Instrument of Incorporation and this Prospectus.

- carrying out the instructions of the ACD unless they conflict with applicable law, the Instrument of Incorporation or this Prospectus.
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits.
- ensuring that the income of the Company is applied in accordance with applicable law, the Instrument of Incorporation and this Prospectus.
- monitoring of the Company's cash and cash flows.
- safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

#### *Depositary's liability*

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

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall 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 pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the ACD provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

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.

#### *Delegation*

The Depositary has full power to delegate the whole or any part of its safe-keeping functions, but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the depositary agreement.



Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix II – Part II (List of Sub-Custodians).

#### *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:

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

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) 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;
- (iii) 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;
- (iv) may provide the same or similar services to other clients including competitors of the Company;
- (v) may be granted creditors' rights by the Company which it may exercise. In exercising such rights, the Depositary may have the advantage of an increased knowledge about the affairs of the Company thus improving its ability to enforce.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company 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.

The ACD may also be a client or counterparty of the Depositary or its affiliates.

The types and levels of risk that the Depositary is willing to accept may conflict with the Company's preferred investment policy and strategy.

The Depositary will typically only provide depositary services where global custody is delegated to an affiliate of the Depositary.

Other service providers to the Company, which may include affiliates of the Depositary, are appointed by the ACD. The ACD is responsible for the due diligence, selection and ongoing monitoring of such service providers.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

- (1) conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- (2) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- (3) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and
- (4) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

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

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the

underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a standard of conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping 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.

#### *Terms of Appointment*

The Depositary was appointed under a depositary agreement between the ACD, the Company and the Depositary (the “**Depositary Agreement**”).

Under the Depositary Agreement, the Depositary is free to render similar services to others and the Depositary, the Company and the ACD are subject to a duty not to disclose confidential information.

The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

Under the Depositary Agreement the Depositary will be liable to the Company for any loss of financial instruments held in custody or for any liabilities incurred by the Company as a result of the Depositary’s negligent or intentional failure to fulfil its obligations.

However, the Depositary Agreement excludes the Depositary from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations.

It also provides that the Company will indemnify the Depositary for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

The Depositary Agreement may be terminated on 90 days’ notice by the Company or the Depositary or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary.

Details of the fees payable to the Depositary are given in section 7.2.3.

## **6.4. The Investment Manager**

### **6.4.1. General**

Appendix I specifies in respect of each Sub-fund whether the ACD has delegated to an Investment Manager the function of acting as the investment manager of the assets of that Sub-fund. Where no such delegation has been made in relation to a Sub-fund, the ACD will act as the investment manager of that Sub-fund.

Only the following entity can be appointed by the ACD to act as the Investment Manager of a Sub-fund for the time being:

Eurizon Capital SGR S.p.A.  
Piazzetta Giordano dell'Amore, 3  
I-20121 Milan

The above entity belongs to the same group as the ACD, is authorised by the competent authority of its home jurisdiction to act as an investment manager and has as its principal activity the provision of investment management services to the Company and other clients.

#### **6.4.2. Terms of appointment**

Where an Investment Manager is appointed to provide investment management services in relation to a Sub-fund, the terms of the investment management agreement between the ACD and the Investment Manager will provide that the Investment Manager has authority to make decisions on behalf of the ACD on a discretionary basis in respect of the day to day investment management of the Sub-fund, including authority to place purchase orders and sale orders.

Investment Managers will receive a fee paid by the ACD out of its remuneration received each month from the Company as explained in section 7.4 below.

It is expected that an investment management agreement in relation to the management by Eurizon Capital SGR S.p.A. of the Eurizon SLJ Sustainable Global Equity Sub-Fund will be entered into between the ACD and Eurizon Capital SGR S.p.A. prior to the launch of such Sub-Fund. It is expected that such agreement will provide that it can be terminated by the ACD upon written notice having immediate effect or by the Investment Manager upon a 3 months' prior notice.

#### **6.5. The Administrator**

State Street Bank and Trust Company, London branch, will act as Administrator with responsibility for performing administration functions in relation to the Company.

The offices of the Administrator are located at 20 Churchill Place, Canary Wharf, London E14 5HJ.

#### **6.6. The Registrar**

SS&C Financial Services International Limited and SS&C Financial Services Europe Limited (collectively) will act as Registrar with responsibility for maintaining the Register. The Register will be kept at the offices of the Registrar, where it can be inspected by Shareholders during normal business hours.

The offices of the Registrar are located at SS&C House, St. Nicholas Lane, Basildon, Essex SS15 5FS.

#### **6.7. The Auditors**

The auditors of the Company are Ernst & Young LLP whose principal place of business is at Atria One, 144 Morrison Street, Edinburgh EH3 8EX.

## **6.8. Conflicts of interest**

The ACD, an Investment Manager and other companies within the ACD's or an Investment Manager's group may, from time to time, act as investment manager or adviser to other funds or sub-funds which follow similar investment objectives to those of the Company and the Sub-funds. It is therefore possible that the ACD and/or an Investment Manager may in the course of their business, have potential conflicts of interest with the Company or a particular Sub-fund or that a conflict exists between the Company and other funds managed by the ACD or an Investment Manager. The ACD and an Investment Manager will, however, have regard in such event to their obligations under the ACD Agreement and the investment management agreement respectively and, in particular, to their obligations to act in the best interests of the Company so far as practicable, having regard to their obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD and an Investment Manager will ensure that the Company and other collective investment schemes they manage are fairly treated.

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its shareholders will be prevented. Should any such situations arise the ACD will disclose these to the Shareholders in the report and accounts or otherwise in another appropriate format.

Details of the ACD's conflicts of interest policy are available on its website at [www.eurizoncapital.com/UK/regulatory-disclosures](http://www.eurizoncapital.com/UK/regulatory-disclosures).

## **7. FEES AND EXPENSES**

### **7.1. General**

This section sets out the costs, charges, fees and expenses payable by the Company or Shareholders, other than the charges payable in connection with a subscription or redemption of Shares (see section 3.6).

The Company or each Sub-fund (as the case may be) may, so far as the COLL Sourcebook allows, pay out of the Scheme Property all relevant costs, charges, fees and expenses including, but not limited to, the following:

- 7.1.1. the fees and expenses and other charges (including for the avoidance of doubt any performance fee) payable to the ACD, an Investment Manager, the Registrar, the Administrator and the Depositary;
- 7.1.2. broker's commissions, fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessary to be incurred in effecting

transactions for the Sub-funds and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

- 7.1.3. fees and expenses in respect of establishing and maintaining the register of Shareholders, including any sub-registers and any associated expenses, whether such services are provided by the ACD, its associates or any other person;
- 7.1.4. any costs incurred in or about the listing of any Shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;
- 7.1.5. any costs incurred in establishing or maintaining any services or facilities for electronic dealing in Shares;
- 7.1.6. any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or any other form of media;
- 7.1.7. any costs incurred in producing and dispatching any payments made by the Company or a Sub-fund (as the case may be), or the yearly and half-yearly reports of the Company;
- 7.1.8. any fees, expenses and disbursements of any legal or other professional adviser of the Company or of the ACD or an Investment Manager in relation to the Company;
- 7.1.9. any costs incurred in taking out and maintaining any insurance policy in relation to the Company and the ACD;
- 7.1.10. any costs incurred in respect of any meetings of the Shareholders or the Company's directors convened for any purpose;
- 7.1.11. any payment permitted by rule 6.7.15R of the COLL Sourcebook;
- 7.1.12. interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.1.13. taxation and duties payable in respect of the Scheme Property or the issue or redemption of Shares;
- 7.1.14. the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 7.1.15. the fees of the FCA, in accordance with FCA's Fee Manual, together with any corresponding periodic fees of any regulatory authority in any country or territory outside the United Kingdom in which Shares in the Company or any Sub-fund are or may be marketed;
- 7.1.16. any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;

- 7.1.17. any costs incurred in modifying the Instrument of Incorporation, Prospectus, KIIDs and other documentations relating to the Company;
- 7.1.18. any costs incurred in preparing, printing and despatching reports, accounts, the Instrument of Incorporation, the Prospectus and any KIIDs relating to the Company, and any costs incurred as a result of periodic updates of such documents and any other administrative expenses;
- 7.1.19. any expense incurred in relation to each dealing transaction in Shares of the Company including, for example, the cost of telephone, fax, postage and bank charges required to process a dealing transaction;
- 7.1.20. all fees and expenses of paying agents in countries other than the UK where the Shares in the Company are registered for retail sale;
- 7.1.21. the total amount of any cost relating to the authorisation and incorporation of any additional Sub-fund and of its initial offer or issue of Shares;
- 7.1.22. any other fee, cost, charge or expense otherwise due or permitted to be deducted from the Company under the Regulations and/or by virtue of a change to the Regulations;
- 7.1.23. any value added or similar tax relating to any charge or expense set out herein;
- 7.1.24. expenses properly incurred by the ACD in the performance of its duties as the authorised corporate director of the Company, including without limitation any costs incurred in preparing, translating, producing (including printing), distributing and modifying any Instrument of Incorporation, Prospectus, KIID, report, accounts, statements, contract notes and other documents required under the Regulations; and
- 7.1.25. such other expenses as the ACD resolves are properly payable out of the Company or a Sub-fund's property.

The ACD is also entitled to be paid by the Company out of the Scheme Property any expenses incurred by the ACD or its delegates of the kinds described above.

VAT will be added to these fees, charges and expenses where appropriate and will be payable by the Company.

## **7.2. Charges payable to the ACD and the Depositary**

### **7.2.1. ACD charges**

#### ***Annual management charge***

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of each Sub-fund as set out in Appendix I. The annual management charge will accrue on a daily basis in arrears by reference to the Net Asset Value of the Sub-fund on the Valuation

Point on the immediately preceding Dealing Day and the amount due for each month is invoiced and paid as soon as practicable after the end of the month.

The current annual management charges for the Sub-funds (expressed as a percentage per annum of the Net Asset Value of each Sub-fund) are set out in Appendix I.

The fees payable to Investment Managers are payable by the ACD out of its own fee income.

### **7.2.2. ACD Expenses**

The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above, including stamp duty, stamp duty reserve tax on transactions in shares and expenses incurred in effecting regulatory changes to the Company.

VAT is payable on the charges or expenses mentioned above, where appropriate.

If a Share Class's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Share Class.

The current annual fee payable to the ACD for a Share Class may only be increased or a new type of remuneration introduced in accordance with the Regulations.

### **7.2.3. Depositary's fee and expenses**

The Depositary is entitled to receive out of the property of each Sub-fund by way of remuneration a periodic charge, which will be calculated and accrued daily and be paid monthly as soon as practicable after the end of each month, together with certain additional charges and expenses.

The periodic charge commences on the day on which the first Valuation Point occurs. The rate of the Depositary's periodic charge in respect of each Sub-fund will be such rate or rates as agreed from time to time between the ACD and the Depositary in accordance with the Regulations. The current rate of the Depositary's periodic charge in respect of each Sub-fund is:

Net Asset Value Per Sub-fund	Annual Basis Point Fee
First \$1,330mn	2.00
Next \$1,330mn	1.50
Balance	1.25

based on the Net Asset Value of the Sub-fund calculated on the previous Business Day. The valuation used for each day which is not a Business Day will be the value calculated on the previous Business Day. In addition, VAT on the amount of the periodic charge will be paid out of each Sub-fund.



The Depositary's periodic charge in relation to each Sub-fund is subject to a minimum of \$15,000 per annum with effect from the second anniversary of the date of the launch of that Sub-fund.

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property as follows:

Item	Range
Transaction charges	\$2.70 to \$108 per transaction
Custody charges	0.09 to 27.00 basis points per Sub-fund per month depending on the security's safekeeping location

Transaction and custody charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are invoiced and paid as soon as practicable after the end of the month in which they are incurred or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD, the Depositary and the Custodian.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument of Incorporation, the Regulations, the depositary agreement or the general law.

On a winding up, redemption or termination of the Company or a Sub-fund, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, redemption or termination (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

Any of the Depositary's fees, charges and expenses described above may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it by the Depositary pursuant to the FCA Rules.

### **7.3. Investment Managers' fees**

The fees and expenses (plus VAT thereon where applicable) payable to an Investment Manager for providing investment management services in relation to a Sub-fund will be paid by the ACD out of its remuneration under the ACD Agreement.

Each Investment Manager is also entitled to be repaid out of the assets of the Company all reasonable, properly documented, out of pocket expenses incurred in the proper performance of its duties.

Further details of any investment management agreement whereby an Investment Manager has been appointed are provided in section 6.4.2 "Terms of Appointment" above.

#### **7.4. Administrator's fees**

The Administrator's fees for the provision of administration services in relation to the Company will payable on a monthly basis and will be calculated as follows:

Net Asset Value Per Sub-fund	Annual Basis Point Fee
First \$330mn	2.50
Next \$660mn	1.50
Balance	1.00

The Administrator's fees are subject to a minimum of \$45,000 per annum in relation to the Company as a whole, with effect from the second anniversary of the date of the launch of the first Sub-fund.

Where relevant, the Administrator may make a charge for (or otherwise benefit from) providing other services in relation to the Company, provided always that the services concerned are in accordance with the Regulations.

The Administrator will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of its functions.

Any value added tax on any fees, charges or expenses payable to the Administrator will be added to such fees, charges or expenses.

#### **7.5. Registrar's fees**

The Registrar's fee will be 5 bps per annum subject to a minimum annual fee of £100,000 with effect from the first anniversary of the date of launch of the first Sub-fund.

If the agreement between the ACD and the Registrar is terminated prior to the expiry of its initial fixed term, early termination fees may become payable.

#### **7.6. Allocation of fees and expenses between Sub-funds**

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Sub-fund in respect of which they were incurred. This includes any charges and expenses incurred in relation to the Register of Shareholders, except that these will be

allocated and charged to each class of Shares on a basis agreed between the ACD and the Depositary.

Where an expense is not considered to be attributable to any one Sub-fund, the expense will, subject to applicable law, normally be allocated to all Sub-funds pro rata to the Net Asset Value of the Sub-funds, although the ACD has discretion to allocate such fees and expenses in a different manner which it considers fair to Shareholders generally in accordance with COLL.

Where the income of a Sub-fund is insufficient to pay charges, the residual amount is taken from its capital. The Investment Manager may also decide, acting in its absolute discretion, to bear a portion of the Company's charges for the purpose of providing support to a Sub-fund during the initial period after its launch.

#### Allocation of expenses

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given Sub-fund is set out in Appendix I. **Deducting charges from capital may erode or constrain capital growth.**

Where expenses are deducted in the first instance from income, if and only if this is insufficient, the ACD and Depositary have agreed that all or part of the deductions will be made from capital (save for any charge made in respect of SDRT). If deductions were made from capital, this would result in capital erosion and constrain growth.

The ACD and the Depositary have agreed that the fees payable to the ACD and the Depositary will be apportioned as is set out in Appendix I in respect of each share class of each Sub-fund.

## **8. INSTRUMENT OF INCORPORATION**

The Instrument of Incorporation is available for inspection at the ACD's offices at 2nd Floor, 90 Queen Street, Intesa Sanpaolo's Building, London, United Kingdom, EC4N 1SA.

## **9. SHAREHOLDER MEETINGS AND VOTING RIGHTS**

### **9.1. Class, Company and Sub-fund meetings**

The Company has dispensed with the holding of annual general meetings.

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Sub-funds as they apply to general meetings of the Company, but by reference to Shares of the Class or Sub-fund concerned and the Shareholders and value and prices of such Shares.

### **9.2. Requisitions of meetings**

The ACD may convene a general meeting at any time.

Shareholders may request the convening of a general meeting by requisition. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

### **9.3. Notice and quorum**

Shareholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

### **9.4. Voting rights**

At a general meeting, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price of all the Shares in issue at the date seven days before the notice of meeting is sent out, such date to be decided by the ACD.

A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint Shareholders, the vote of the most senior Shareholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose, seniority must be determined by the order in which the names stand in the Register.

Except where the COLL Sourcebook or the Instrument of Incorporation require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

Where all the Shares in a Sub-fund are registered to, or held by, the ACD or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene

such a meeting and the resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

"Shareholders" in this context means Shareholders on the date seven days before the notice of the relevant meeting was sent out but excludes holders who are known to the ACD not to be Shareholders at the time of the meeting.

## **10. TAXATION**

### **10.1. General**

The statements in this section are only intended as a general summary of UK tax law and HM Revenue & Customs ("HMRC") published practice as at the date of issue of this prospectus (which may change in the future). The summary is only applicable to individual and corporate shareholders who are resident (and in the case of individuals, domiciled) for tax purposes solely in the UK and who are the absolute beneficial owners of a shareholding in the Company held as an investment. The applicability of these statements will depend upon the particular circumstances of each shareholder. In particular, the summary may not apply to certain classes of shareholder (such as dealers in securities) to whom special rules may apply. The summary is not exhaustive or definitive and should not be treated as legal or tax advice. This summary also does not address the taxation consequences for investors who may be subject to taxation or exchange control in any jurisdiction outside the UK. Levels and bases of, and reliefs from, taxation are subject to change.

Any shareholder or prospective shareholder who is in any doubt as to the taxation implications of making an investment in the Company (including as regards the acquisition, holding or disposal of any Shares), or who may be subject to taxation or exchange control provisions in any jurisdiction other than the UK should consult their own professional advisers.

### **10.2. Taxation of the Company**

#### **10.2.1. Income**

The Company is subject to UK corporation tax at the basic rate of income tax, currently 20%, on its taxable income (net of allowable expenses), any such liability to corporation tax being allocated to the relevant Sub-fund in which the income arose.

Dividends received by the Company from its holdings of most UK equities and non-UK equities are generally exempt from UK corporation tax. It is not anticipated that the Company will receive any dividends other than exempt dividends in respect of its shareholdings.

Dividends from holdings in non-UK equities may be subject to withholding taxes in the jurisdiction where the paying company is resident. Such withholding taxes may be reduced under a provision of a Double Tax Agreement between that jurisdiction and the UK. Some Double Tax Agreements provide that the reduction in withholding taxes, is not available in relation to dividends where the recipient of the dividend is not charged to tax in respect of it. Chapter 4 of Part 9A Corporation Tax Act 2009 provides that a UK company may make an

election that a dividend is not exempt, such that the company would be charged to corporation tax in respect of it and so may claim under a relevant Double Tax Agreement that the dividend is subject to no, or lower rates of, withholding taxes. The Company therefore reserves the right to make such an election if it should result in a greater net receipt for the Company. Where an election is made the dividend received will be subject to corporation tax but credit will be given against that tax in respect of withholding taxes suffered, up to the level of the UK tax charged on that income.

#### **10.2.2. Capital gains**

Capital gains accruing to the Company will generally be exempt from UK corporation tax on chargeable gains. Should the Company be treated as trading in securities, any gains made will be treated as income and will be subject to corporation tax. Offshore income gains arising from the disposal of interests in non-reporting offshore funds may also be subject to corporation tax.

#### **10.2.3. Stamp Taxes**

The Company may be required to pay UK stamp duty or stamp duty reserve tax (SDRT) in connection with the acquisition or transfer of underlying investments comprising shares or securities in UK companies.

### **10.3. Taxation of Shareholders**

#### **10.3.1. Income**

##### **(a) Dividend distributions**

###### *UK resident individual shareholders*

When the Company makes a dividend distribution in respect of Income Shares (or is deemed to make such a distribution in respect of Accumulation Shares), a UK resident individual shareholder may be liable to tax on such distribution.

For UK resident individuals, no income tax is payable in respect of dividend income received from all sources in the tax year to the extent it falls within the annual dividend allowance (although such income will still count towards the basic, higher and additional rate thresholds). For dividends received above the annual dividend allowance in a tax year, the dividend income would be taxable at 7.5%, 32.5% and 38.1% for income falling within the basic rate, higher rate and additional rate bands respectively. The annual dividend allowance is £2,000 in the 2020/21 tax year.

A UK resident individual shareholder who holds their Shares in an ISA will be exempt from income tax on dividend distributions in respect of such Shares.

###### *Corporate shareholders within the scope of corporation tax*

A dividend distribution made by the Company in respect of Income Shares (or deemed to be made in respect of Accumulation Shares) to a corporate shareholder within the charge to

corporation tax in respect of its investment in the Company will be split into franked and unfranked parts according to the underlying gross income of the Company. Very broadly, the unfranked part corresponds to such part of the Company's gross income as does not derive from franked investment income. The franked part will be treated in the same way as dividend income received by a UK resident corporate shareholder and will be exempt from corporation tax for the shareholder provided it falls within one of the available exemptions and certain anti-avoidance provisions do not apply. The unfranked part will be treated as an annual payment received after deduction of income tax at the basic rate (currently 20%) from a corresponding gross amount and the corporate shareholder will be liable to corporation tax on it accordingly, but with the benefit of credit for, or (subject to any applicable restrictions) repayment of, the income tax deducted at source.

#### **(b) Interest Distributions**

Interest distributions are paid gross to shareholders (with no income tax deducted from the payment).

UK resident individual shareholders will (subject to any available allowance) be subject to income tax at the relevant rate on any interest distributions (or deemed distribution from Accumulation Shares) from any Sub-fund of the Company.

A UK resident individual shareholder may be entitled to a personal savings allowance in each tax year (the amount of the allowance, if any, depends on whether the taxpayer is a basic, higher or additional rate taxpayer).

A UK resident individual shareholder who holds their Shares in an ISA will be exempt from income tax on interest distributions in respect of such Shares.

A corporate shareholder within the charge to UK corporation tax in respect of a shareholding will be subject to corporation tax on any interest distributions (or deemed distribution from Accumulation Shares) from any Sub-fund of the Company.

#### **(c) Equalisation**

Where income equalisation applies, the first distribution or accumulation of income after shares are issued may include an amount reflecting accrued income included in the issue price. This amount is capital (and, in the case of Income Shares, is a refund of capital) and is not subject to tax as income.

#### **10.3.2. Shareholding in the Company treated as a loan relationship**

Special rules apply to shareholders within the charge to corporation tax which in certain circumstances could result in their Shares being treated for the purposes of the UK's loan relationship rules as rights under a creditor relationship. A fair value basis of accounting must generally be used, for corporation tax purposes, with regard to the deemed creditor relationship.

### **10.3.3. Capital gains**

#### **(a) UK resident individual shareholders**

An individual shareholder will be liable to capital gains tax on any chargeable gain accruing on the disposal or deemed disposal (including redemption, switches and certain conversions) of Shares in the Company. Capital gains tax is generally charged at rates of 10% and 20%, dependent on an individual's total amount of taxable income and gains within a tax year. An individual shareholder may also be entitled to set all or part of any gains against their annual capital gains tax exemption.

A UK resident individual shareholder who holds their Shares in an ISA will be exempt from capital gains tax on any gain accruing on the disposal or deemed disposal of Shares.

#### **(b) Corporate shareholders within the scope of corporation tax**

Subject to the possible application of the rules treating a shareholding in the Company as a loan relationship, a corporate shareholder within the charge to corporation tax in respect of its investment in the Company will be liable to corporation tax on any chargeable gain accruing to it on the disposal or deemed disposal (including redemption, switches and certain conversions) of its Shares in the Company.

#### **(c) Equalisation**

Where income equalisation applies to Income Shares, the part of the issue price of Shares which reflects accrued income and is returned to the shareholder with the first allocation of income following the issue is deducted from the shareholder's capital gains tax base cost in the Shares.

### **10.3.4. Inheritance tax**

A gift by an individual shareholder who is domiciled (or deemed domiciled) in the UK for inheritance tax purposes of their Shares in the Company or the death of such a shareholder may give rise to a liability to inheritance tax. For these purposes, a transfer of Shares at less than the full market value may be treated as a gift.

### **10.3.5. Stamp Taxes**

There is generally no charge to UK stamp duty or SDRT on the surrender (i.e. the redemption or switch) of shares in a UK OEIC such as the Company.

Investors will, however, be liable to SDRT at 0.5% on acquiring Shares from a third party (that is other than on an issue of Shares by the Company). SDRT may also apply in cases where an investor redeems Shares in consideration of a transfer of assets of the Company other than cash (i.e. an in-specie redemption) where that consideration is non-pro rata (i.e. not in proportion to the total assets of the Company).



#### **10.3.6. Information reporting**

Shareholders are notified that information relating to them which is required to be reported under The International Tax Compliance Regulations (or by other similar laws or regulations) will be reported to HMRC and may be transferred to the government of another territory in accordance with a relevant agreement.

#### **10.4. The International Tax Compliance Regulations**

The Company is required to comply with The International Tax Compliance Regulations. The regulations transpose into UK law rules and obligations derived from European Union law and inter-governmental agreements entered into by the UK which are aimed at increasing transparency and reducing tax evasion. To be compliant with these regulations the Company must collect information about each investor's tax residence and in certain circumstances provide information about investors' shareholdings to HMRC. HMRC may in turn share this information with overseas tax authorities. Failure to comply with these tax regulations may result in penalties being imposed on the Company and, in the case of non-compliance with the rules relating to FATCA and information sharing with the United States authorities, in the imposition of a 30% US withholding tax on certain types of income and proceeds. Therefore, where an investor fails to provide the information required by the Company to comply with its obligations to HMRC this may result in the ACD taking appropriate action against the shareholder, including invoking the compulsory transfer and redemption provisions set out in section 3.8. The ACD intends to procure compliance with the International Tax Compliance Regulations (and any similar obligations facilitating the automatic exchange of information) but cannot give an assurance that this will be achieved. The underlying laws and agreements are a complex area of tax law and investors should consult their professional advisers on the implications these rules may have for them.

#### **11. WINDING UP OF THE COMPANY OR A SUB-FUND**

The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. A Sub-fund may be terminated under the COLL Sourcebook instead of by the court provided that the Sub-fund is solvent and the steps required by regulation 21 of the OEIC Regulations are complied with.

Where the Company is to be wound up or a Sub-fund terminated under the COLL Sourcebook, such winding up or termination may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company or the Sub-fund) either that the Company (or the Sub-fund, as the case may be) will be able to meet its liabilities within 12 months of the date of the statement or that the Company (or the Sub-fund) will be unable to do so. The Company may not be wound up or a Sub-fund terminated under the COLL Sourcebook if there is a vacancy in the position of ACD at the relevant time.

The Company shall be wound up or a Sub-fund must be terminated under the COLL Sourcebook:

- i) if an extraordinary resolution to that effect is passed by the Shareholders; or

- ii) when the period (if any) fixed for the duration of the Company or a particular Sub-fund by the Instrument of Incorporation expires or any event occurs, on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Sub-fund is to be wound up or terminated (as appropriate), for example if the Share capital of the Company or, in relation to any Sub-fund, the Net Asset Value of the Sub-fund is below £1 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-fund);
- iii) on the date stated in any agreement by the FCA in response to a request by the ACD for the winding up of the Company or for a request for the termination of the relevant Sub-fund;
- iv) on the effective date of a duly approved scheme of arrangement which is to result in the Company or the Sub-fund ceasing to hold any Scheme Property; or
- v) on the date on which all of the Sub-funds of the Company fall within section 11(iv) above or have otherwise ceased to hold any Scheme Property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Sub-fund.

On the occurrence of any of the above:

- i) COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-fund (except in respect of the final calculation);
- ii) the Company will cease to issue and cancel Shares in the Company or the relevant Sub-fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-fund (except in respect of a final cancellation);
- iii) no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- iv) where the Company is being wound up, or a Sub-fund terminated, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or the termination of the Sub-fund;
- v) the corporate status and powers of the Company and, subject to sections 11(i) to 11(iv) above, the powers of the ACD shall continue until the Company is dissolved. The ACD must ensure that it keeps the Shareholders appropriately informed about the winding up or termination of the Company or the Sub-fund including, if known, the likely duration of such winding up or termination.

The ACD shall, as soon as practicable after the winding up or termination commences, realise the assets and meet the liabilities of the Company or the Sub-fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or termination, arrange for the Depositary to make one or more interim

distributions out of the proceeds to the Shareholders proportionately to their rights to participate in the Scheme Property. The ACD must instruct the Depositary how the proceeds must be held prior to being utilised to meet liabilities or make distributions to the Shareholders with a view to the prudent protection of creditors and the Shareholders against loss. If the ACD has not previously notified the Shareholders of the proposal to wind up the Company or terminate the Sub-fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Sub-fund, give written notice of the commencement to the Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-fund to be satisfied, the ACD shall arrange for the Depositary to make a final distribution to the Shareholders on or prior to the date on which the final account is sent to the Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Sub-fund.

As soon as reasonably practicable after completion of the winding up of the Company or the termination of a particular Sub-fund, the Depositary shall notify the FCA that the winding up or termination has been completed.

On completion of the winding up of the Company or termination of a Sub-fund, the Company will be dissolved or the Sub-fund terminated and any money (including unclaimed distributions) still standing to the account of the Company or the Sub-fund will be paid into court by the ACD within one month of the dissolution or termination.

Following the completion of the winding up of the Company or termination of a Sub-fund, the ACD must prepare a final account showing how the winding up or termination took place and how the Scheme Property was distributed. The Auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. Within four months of the completion of the winding up or termination this final account and the Auditors' report must be sent to the FCA and to each person who was a Shareholder (or the first named of joint Shareholders) immediately before the winding up or termination commenced.

As the Company is an umbrella company, with each Sub-fund having segregated liability, any liabilities attributable or allocated to a particular Sub-fund under the COLL Sourcebook shall be met out of the Scheme Property attributable or allocated to that particular Sub-fund.

## **12. GENERAL INFORMATION**

### **12.1. Accounting periods**

The annual accounting period of the Company ends each year on 31 December (the accounting reference date). Details of the interim accounting periods for each Sub-fund are set out in Appendix I.

### **12.2. Notice to Shareholders**

All notices or other documents sent by the ACD to a Shareholder will be sent by normal post (or by email if the Shareholder agrees) to the last address (or email address as appropriate) notified in writing to the Company by the Shareholder.

### **12.3. Income allocations**

Some Sub-funds may have interim and final income allocations. For each of the Sub-funds, income is allocated in respect of the income available at each accounting date set out in Appendix I.

In relation to income Shares, distributions of income for each Sub-fund in which income Shares are issued are paid by bank transfer directly into a Shareholder's bank account on or before the relevant interim or final income allocation date as set out in Appendix I.

The ACD may at its option carry out any authentication procedures that it considers appropriate to verify, confirm or clarify shareholder payment instructions relating to dividend payments. This aims to mitigate the risk of error and fraud for the Company, each Sub-fund, its agents or Shareholders. Where it has not been possible to complete any authentication procedures to its satisfaction, the ACD and transfer agent may, at the ACD's discretion, delay the processing of payment instructions until authentication procedures have been satisfied, to a date later than the envisaged dividend payment date.

If the ACD is not satisfied with any verification or confirmation, it may decline to make the relevant dividend payment until satisfaction is obtained. Neither the ACD nor the Company shall be held responsible to the Shareholder or anyone if it delays or declines to make dividend payments in these circumstances.

For Sub-funds in which accumulation Shares are issued, income will become part of the capital property of the Sub-fund and will be reflected in the price of each such accumulation Share on the relevant interim or final income accumulation date as set out in Appendix I (Sub-fund Details).

If a distribution made in relation to any income Shares remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund (or, if that no longer exists, to the Company).

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-fund in respect of that period and deducting the charges and expenses of the relevant Sub-fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

### **12.4. Annual reports**

Annual reports of the Company will be published within four months of each annual accounting period and half yearly reports will be published within two months of each interim accounting period. The report containing the full accounts will be available upon request free of charge.

## **12.5. Documents of the Company**

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACD at 2nd Floor, 90 Queen Street, Intesa Sanpaolo's Building, London, United Kingdom, EC4N 1SA:

- 12.5.1. the Prospectus;
- 12.5.2. the most recent annual and half yearly reports of the Company (once available);
- 12.5.3. the Instrument of Incorporation (and any amending documents);
- 12.5.4. the KIIDs relating to the Company; and
- 12.5.5. the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents (apart from the most recent versions of the Instrument of Incorporation, the Prospectus and the annual and half yearly reports of the Company which are available free of charge to anyone who requests).

The Prospectus, the most recent annual and half yearly reports of the Company and the KIIDs relating to the Company are also available on the ACD's website: [www.eurizoncapital.com/UK/emerging-markets-debt](http://www.eurizoncapital.com/UK/emerging-markets-debt); [www.eurizoncapital.com/UK/rmb-bond](http://www.eurizoncapital.com/UK/rmb-bond).

## **12.6. Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- 12.6.1. the ACD Agreement between the Company and the ACD;
- 12.6.2. the Depositary Agreement between the Company, the Depositary and the ACD;
- 12.6.3. the Administration Agreement between the Company and the Administrator; and
- 12.6.4. the services agreement between the ACD and the Registrar.

Details of the above contracts are given under section 6 "Management and Administration".

## **12.7. Provision of investment advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD at 2nd Floor, 90 Queen Street, Intesa Sanpaolo's Building, London, United Kingdom, EC4N 1SA.

Neither the ACD nor any of its officers, representatives or advisers shall be regarded as giving investment advice and persons requiring such advice should consult their own professional financial adviser. All applications for Shares are made solely on the basis of the current

Prospectus of the Company, and investors should ensure that they have the most up to date version.

#### **12.8. Telephone recordings**

The ACD and the Registrar may record telephone calls and electronic communications for training, monitoring and compliance purposes and to confirm investors' instructions. A record of such telephone calls and electronic communications is available from them on request. Such records will be kept for up to five years and, where requested by the FCA, for up to seven years.

#### **12.9. Complaints and Financial Services Compensation Scheme**

Complaints may be brought in writing to Eurizon SLJ Capital Limited, PO Box 12798, Chelmsford CM99 2FL or by telephone to 0370 7070073 or +44 203 975 3976.

In the event that an unsatisfactory response is received, you can refer your complaint to the Financial Ombudsman Service at:

Financial Ombudsman Service  
Exchange Tower, Harbour Exchange  
London E14 9SR

Please note that a copy of the ACD's guide to making a complaint is available upon request.

The Financial Services Compensation Scheme (FSCS) offers compensation when an authorised firm is unable to pay claims against it, usually because the firm has gone out of business. The ACD is covered by the Financial Services Compensation Scheme. Investors may be entitled to compensation from the scheme if the ACD cannot meet its obligations. Most types of investment business are covered for 100% of the first £85,000 only. Further information is available from:

Financial Services Compensation Scheme  
10th Floor, Beaufort House  
15 St Botolph Street  
London EC3A 7QU  
Tel: 0800 678 1100  
Website: [www.fscs.org.uk](http://www.fscs.org.uk)

#### **12.10. Risk management**

The ACD will provide upon the request of a Shareholder further information relating to:

12.10.1. the quantitative limits applying in the risk management of any Sub-fund;

12.10.2. the methods used in relation to section 12.10.1; and

12.10.3. any recent development of the risk and yields of the main categories of investment.

#### **12.11. Indemnity**

The Instrument of Incorporation contains provisions indemnifying the ACD, the Auditors and the Depositary against liability in certain circumstances otherwise than in respect of their negligence, default, breach of duty or breach of trust, and, in the case of the Depositary, otherwise than in respect of its failure to exercise due care and diligence in the discharge of its functions.

#### **12.12. Strategy for the exercise of voting rights**

The ACD has a strategy for determining when and how voting rights attached to ownership of the Scheme Property are to be exercised for the benefit of each Sub-fund. A summary of this strategy is available from the ACD on request or on the ACD's website at [www.eurizoncapital.com/UK/regulatory-disclosures](http://www.eurizoncapital.com/UK/regulatory-disclosures). Voting records and further details of the actions taken on the basis of this strategy in relation to each Sub-fund are available free of charge from the ACD on request.

#### **12.13. Best execution**

The ACD's order execution policy sets out the factors which the ACD and the Investment Managers must consider when effecting transactions and placing orders in relation to the Company. This policy has been developed in accordance with the ACD's obligations under the Regulations to obtain the best possible result for the Company.

Details of the order execution policy are available on the ACD's website at [www.eurizoncapital.com/UK/regulatory-disclosures](http://www.eurizoncapital.com/UK/regulatory-disclosures).

#### **12.14. Genuine diversity of ownership**

Shares in the Company are and will continue to be widely available. The intended categories of investors are retail investors and non-retail, professional investors. Different Share Classes of a Sub-fund are issued to different types of investors.

Investment funds or segregated accounts managed or advised by the ACD or an associate of the ACD may also invest in the Company.

#### **12.15. Service of notice on Shareholders**

Any notice or document relating to the Company or any Sub-fund may be served on a Shareholder by the Company, the ACD, the Depositary or any other person providing services in relation to the Company by post, fax or email to the address appearing on the Register in relation to that Shareholder.

#### **12.16. Regulations to prevail**

In the event of any conflict arising between any provision of this Prospectus and any provision of mandatory application contained in the Regulations, the provision contained in the

Regulations shall prevail and this Prospectus shall be construed and shall take effect accordingly.



## APPENDIX I

### SUB-FUND AND SHARE CLASS DETAILS

#### Part 1 – Sub-funds

The following are the Sub-funds of the Company available at the date of this Prospectus:

**1. EURIZON FUNDS ICVC – EURIZON SLJ LOCAL EMERGING MARKETS DEBT <sup>1</sup>**

<b>Name:</b>	<b>EURIZON SLJ LOCAL EMERGING MARKETS DEBT</b>
<b>Type of Fund:</b>	UK UCITS
<b>Fund Currency:</b>	GBP
<b>FCA PRN:</b>	925731
<b>Launch date:</b>	22 February 2021
<b>First Dealing Day:</b>	22 February 2021
<b>Investment objective:</b>	<p>The investment objective of the Sub-fund is to provide capital growth by achieving a return after fees in excess of the return of the JPMorgan GBI EM Global Diversified Index® over any five-year period.</p> <p><b>No guarantee is given with respect to the above objective actually being reached.</b></p>
<b>Investment policy:</b>	<p>The term “Local” in the name of this Sub-fund refers to the fact that this Sub-fund invests in bonds issued in local currency, i.e. bonds denominated in foreign currency or the currency of the corresponding country.</p> <p>The Sub-fund will seek to achieve its investment objective by typically investing 80% (and, in any case, at least 51%) of its net assets, directly or through derivatives of any kind, in debt and debt-related instruments of any kind, including for example bonds and money market instruments, denominated in any local currency, issued by governments and their agencies located in or constituted under the laws of the emerging countries, including those with a Speculative (from BB+ to BB-), Highly Speculative (from B+ to B-) or Extremely Speculative (&lt; B-) Grade credit rating, at issue or issuer level.</p> <p>The emerging countries are those countries whose economies are less developed according to the World Bank, its related organizations or the United Nations or its authorities, insofar as and provided the markets in those countries are considered as recognized securities stock exchanges or as regulated markets that operate regularly and that are recognized and open to the public within the meaning of Article 50(1) of the UCITS Directive.</p> <p>The investments in securities, traded on markets that cannot be characterized as securities markets or regulated markets, which operate regularly and that are recognized and open to the public within the meaning of Article 50(1) of the UCITS Directive, will be treated as</p>

<sup>1</sup> The term “Local” refers to the fact that this Sub-fund invests in bonds issued in local currency, i.e. bonds denominated in foreign currency or the currency of the corresponding country.

investments in unlisted securities or securities that are not traded on a regulated market that operates regularly and that is recognized and open to the public, and therefore they may not, together with any other unlisted securities or securities not traded on a regulated market that operates regularly and that is recognized and open to the public, exceed 10% of the Sub-fund's net assets.

**Investors are asked to note that the Sub-fund may invest in the Russian market, notably the Moscow Exchange, and directly or indirectly through the Bond Connect program in the China Interbank Bond Market (CIBM), both considered as regulated markets within the meaning of Article 50(1) of the UCITS Directive, but which have a higher than average level of risk.**

Typically 10% (and, in any case, no more than 30%) of the Sub-fund's net assets will be invested in Extremely Speculative (< B-) instruments and instruments not rated by any credit rating agency established in the European Union and registered in accordance with the CRA Regulation, at the time of purchase, at issue or issuer level. In any case, the Sub-fund will not invest more than 10% of its net assets in Distressed Debt Securities.

Typically 25% (and, in any case, no more than 49%) of the Sub-fund's net assets will be invested in any other instruments, such as but not limited to other debt and debt-related instruments of any kind, including those issued by corporate issuers, UCITS (up to 10%) and cash, including term deposits with credit institutions, within the limits permitted by law and indicated in Appendix III (Investments and Borrowing Powers of the Company).

The Sub-fund may invest up to 10% of its net assets in contingent convertible bonds. The Sub-fund's net assets may be invested in asset-backed securities (up to 10%), including asset-backed Sukuk, through dedicated investment funds.

**Investments in less developed markets, in particular in emerging countries, Russia and the People's Republic of China, and investments in high yield securities are subject to additional risks, including those described in the section "Risk Factors" of the Prospectus.**

**Investments in China are subject to additional risks, including those described in the "Risk Factors" section of this Prospectus. Investments in Distressed Debt Securities, Cocos and/or Sukuk are subject to additional risks, including those described in the section "Risk Factors" of the Prospectus.**

**The Sub-fund may use derivatives and other financial techniques and instruments within the limits and under the conditions described in Appendix III (Investments and Borrowing Powers of the Company). Derivatives, whether negotiated on a regulated market that operates regularly and that is recognized and open to the public or dealt on OTC markets, will be aimed at hedging risks, ensuring efficient portfolio management and/or investing according to the Investment Policy.**

**Please note that the use of derivatives for investment purposes may amplify the up and down fluctuations of the Sub-fund's Net Asset Value per Share. Investors are advised to consider the**

	<p><b>additional risks associated with the use of derivatives, including those described in the section “Risk Factors” of the Prospectus.</b></p> <p><b>When credit ratings published by credit rating agencies are used, such credit agencies shall be established in the European Union and registered in accordance with the CRA Regulation.</b></p> <p>The method used to calculate the global exposure for the Sub-fund is the commitment approach.</p>
<b>Benchmark</b>	<p>The Sub-fund’s performance is compared against the JPMorgan GBI EM Global Diversified Index® (the “<b>Index</b>”).</p> <p>The Sub-fund’s investment process is not constrained by the Index and the composition of the Sub-fund’s portfolio may deviate from the Index in an important way. Accordingly, the Sub-fund’s returns could be similar to or different from the Index.</p> <p>The Index is an index that tracks local currency bonds issued by emerging markets governments. It excludes countries with explicit capital controls but does not factor in regulatory or tax hurdles. The index is denominated “Global Diversified” as it limits the weight of those index countries with large debt stocks. This benchmark can be expressed in, converted in or hedged against its local currencies or the currency in which the Classes of Shares of the Sub-fund are expressed, in order to reflect the characteristic of each Class of Shares of the Sub-fund.</p> <p>The Index has been selected as the benchmark index of the Sub-fund because the Sub-fund’s portfolio will partly be constructed by investing in investments included within the Index, and for that reason the ACD considers that it is an appropriate comparator for the Sub-fund’s performance.</p> <p>The Index is administered by JP Morgan LLC, which at the date of this Prospectus is not entered in the ESMA register referred to in article 36 of the Benchmarks Regulation.</p>
<b>Investment Manager:</b>	Eurizon SLJ Capital Limited
<b>Final accounting date:</b>	31 December – First final accounting date expected to be 31 December 2021
<b>Interim accounting date(s):</b>	31 March (interim) 30 June (interim) 30 September (interim)
<b>Ex-dividend date(s):</b>	1 January (final) 1 April (interim) 1 July (interim) 1 October (interim)
<b>Income accumulation/distribution date(s):<sup>2</sup></b>	End of February (final) 31 May (interim) 31 August (interim) 30 November (interim)

<sup>2</sup> Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of a final or interim accounting date but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the relevant accounting date as permitted by the Regulations.

<b>Valuation Point:</b>	12 noon
<b>Dealing Frequency:</b>	Daily
<b>Profile of the Typical Investor:</b>	The Sub-fund is intended for institutional and retail investors wishing to diversify their investments with the potential for capital growth over the medium term (i.e. a minimum of 5 years).
<b>Classes of Shares:</b>	See Part 2 of this Schedule.
<b>Dilution Adjustment:</b>	The amount of dilution adjustment for the Sub-fund will generally not exceed 2% of the original Net Asset Value of the Sub-fund.
<b>Preliminary Charge:</b>	0%
<b>Annual Management Charge:</b>	See Part 2 of this Schedule.
<b>Redemption Charge:</b>	None
<b>Minimum initial investment:<sup>3</sup></b>	See Part 2 of this Schedule.
<b>Minimum subsequent investment:</b>	£10,000
<b>Minimum holding:</b>	£1,000,000
<b>Minimum redemption:</b>	N/A (provided minimum holding is maintained)
<b>Regular Savings Plan:</b>	N/A
<b>ISA status:</b>	Eligible
<b>Charges taken from:</b>	Capital  <b>(Note: deducting charges from capital may erode or constrain capital growth)</b>
<b>Past Performance:</b>	As the Sub-fund was launched less than 12 months ago, past performance data is not yet available.  <b><u>NOTE: PAST PERFORMANCE SHOULD NOT BE TAKEN AS A GUIDE TO THE FUTURE. THE VALUE OF INVESTMENTS AND INCOME FROM THEM CAN GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED.</u></b>
<b>Initial price:</b>	100p

<sup>3</sup> The ACD may waive at its discretion in whole or in part the minimum initial investment, subsequent investment and holding requirements.

## 2. EURIZON FUNDS ICVC – EURIZON SLJ BOND AGGREGATE RMB (RENMINBI) <sup>4</sup>

<b>Name:</b>	<b>EURIZON SLJ BOND AGGREGATE RMB (RENMINBI)</b>
<b>Type of Fund:</b>	UK UCITS
<b>Fund Currency:</b>	GBP
<b>FCA PRN:</b>	925732
<b>Launch date:</b>	22 February 2021
<b>First Dealing Day:</b>	22 February 2021
<b>Investment objective:</b>	<p>The objective of the Sub-fund is to provide capital growth by achieving a return after fees in excess of the return of the Bloomberg Barclays China Treasury Total Return Index over any five-year period.</p> <p><b>No guarantee is given with respect to the above objective actually being reached.</b></p>
<b>Investment policy:</b>	<p>The term “Aggregate” in the name of this Sub-fund refers to the fact that this Sub-fund can invest in all bonds in the market, covering all sectors and not only credit bonds or rates bonds, and with full flexibility on the tenor.</p> <p>The Sub-fund will seek to achieve its investment objective by typically investing 80% (and, in any case, at least 51%) of its net assets, directly or through derivatives, in debt and debt-related instruments of any kind, denominated in onshore Renminbi (“<b>CNY</b>”) as well as in offshore Renminbi (“<b>CNH</b>”), including for example bonds, convertible bonds and covered bonds, as well as in money market instruments.</p> <p>The Renminbi denominated debt and debt-related instruments in which the Sub-fund may invest will be dealt on the CIBM or any other securities stock exchanges or regulated markets in the PRC and Hong Kong that operate regularly and that are recognized and open to the public within the meaning of Article 50(1) of the UCITS Directive such as, but not limited to, the Central Moneymarkets Unit, a clearing and settlement facility established and regulated by the Hong Kong Monetary Authority.</p> <p>Typically 70% (and, in any case, at least 51%) of the debt and debt-related instruments in which the Sub-fund invests will be issued by governments and their agencies, supranational institutions, credit institutions or other corporate issuers (the “<b>Issuers</b>”) with an Investment Grade credit rating at the time of purchase, at issue or issuer level.</p> <p>Typically 0% (and, in any case, no more than 49%) of the Sub-fund’s net assets will be invested in debt instruments with a Non-Investment Grade credit rating at the time of purchase, including those with a Speculative (from BB+ to BB-), Highly Speculative (from B+ to B-) or Extremely Speculative (&lt; B-) Grade credit rating at issue or issuer level.</p> <p>Typically 30% (and, in any case, no more than 50%) of the Sub-fund’s net assets will be invested in debt instruments not rated by any credit rating agency established in the European Union and registered in accordance with the CRA Regulation.</p>

<sup>4</sup> The term “Aggregate” refers to the fact that the Sub-fund can invest in all bonds in the market, covering all sectors and not only credit bonds or rates bonds, and with full flexibility on the tenor.

	<p>Typically 0% (and, in any case, no more than 49%) of the Sub-fund's net assets will be invested in UCITS (up to 10%) and cash, including term deposits with credit institutions, within the limits allowed by law and indicated in Appendix III (Investments and Borrowing Powers of the Company).</p> <p>The Sub-fund's net assets will not be directly invested in asset-backed securities but the Sub-fund can obtain exposure to asset-backed securities (up to 10%) by investing in dedicated third-party funds.</p> <p><b>Investors are asked to note that the Sub-fund may directly or indirectly through the Bond Connect program invest in the CIBM, which is considered as a regulated market within the meaning of Article 50(1) of the UCITS Directive, but which has a higher than average level of risk.</b></p> <p><b>Investments in high yield securities and investments in less developed markets are subject to additional risks, including those described in the section "Risk Factors" of this Prospectus. Moreover, investments in China are subject to additional risks, including those described in the section "Risk Factors" section of this Prospectus.</b></p> <p><b>The Sub-fund may use derivatives and other financial techniques and instruments within the limits and under the conditions described in Appendix III (Investments and Borrowing Powers of the Company). Derivatives, whether negotiated on a regulated market that operates regularly and that is recognized and open to the public or dealt on OTC markets, will be aimed at hedging risks, ensuring efficient portfolio management and/or investing according to the investment policy.</b></p> <p><b>Please note that the use of derivatives for investment purposes may amplify the up and down fluctuations of the Sub-fund's Net Asset Value per Share. Investors are advised to consider the additional risks associated with the use of derivatives, including those described in the section "Risk Factors" of the Prospectus.</b></p> <p><b>When credit ratings published by credit rating agencies are used, such credit agencies shall be established in the European Union and registered in accordance with the CRA Regulation.</b></p> <p>The method used to calculate the global exposure for the Sub-fund is the commitment approach.</p>
<p><b>Benchmark</b></p>	<p>The Sub-fund's performance is compared against the Bloomberg Barclays China Treasury Total Return Index (the "<b>Index</b>").</p> <p>The Sub-fund's investment process is not constrained by the Index and the composition of the Sub-fund's portfolio may deviate from the Index in a significant way. Accordingly, the Sub-fund's returns could be similar to or different from the Index.</p> <p>The Index measures the performance of debt instruments denominated in Renminbi which pay income according to a fixed rate of interest. This benchmark can be expressed in, converted in or hedged against its local currencies or the currency in which the Classes of Shares of the Sub-fund are expressed, in order to reflect the characteristic of each Class of Shares of the Sub-fund.</p>

	<p>The Index has been selected as the benchmark index of the Sub-fund because the Sub-fund's portfolio will partly be constructed by investing in investments included within the Index, and for that reason the ACD considers that it is an appropriate comparator for the Sub-fund's performance.</p> <p>The Index is administered by Bloomberg Index Services Limited, which at the date of this Prospectus is not entered in the ESMA register referred to in article 36 of the Benchmarks Regulation.</p>
<b>Investment Manager:</b>	Eurizon SLJ Capital Limited
<b>Final accounting date:</b>	31 December – First final accounting date expected to be 31 December 2021
<b>Interim accounting date(s):</b>	31 March (interim) 30 June (interim) 30 September (interim)
<b>Ex-dividend date(s):</b>	1 January (final) 1 April (interim) 1 July (interim) 1 October (interim)
<b>Income accumulation/distribution date(s):<sup>5</sup></b>	End of February (final) 31 May (interim) 31 August (interim) 30 November (interim)
<b>Valuation Point:</b>	12 noon
<b>Dealing Frequency:</b>	Daily
<b>Profile of the Typical Investor:</b>	This Sub-fund is intended for institutional and retail investors wishing to diversify their investments with the potential for capital growth over the medium term (i.e. a minimum of 5 years).
<b>Classes of Shares:</b>	See Part 2 of this Schedule.
<b>Dilution Adjustment:</b>	The amount of dilution adjustment for the Sub-fund will generally not exceed 2% of the original Net Asset Value of the Sub-fund.
<b>Preliminary Charge:</b>	0%
<b>Annual Management Charge:</b>	See Part 2 of this Schedule.
<b>Redemption Charge:</b>	None
<b>Minimum initial investment:<sup>6</sup></b>	See Part 2 of this Schedule.

<sup>5</sup> Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of a final or interim accounting date but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the relevant accounting date as permitted by the Regulations.

<sup>6</sup> The ACD may waive at its discretion in whole or in part the minimum initial investment, subsequent investment and holding requirements.

<b>Minimum subsequent investment:</b>	£10,000
<b>Minimum holding:</b>	£1,000,000
<b>Minimum redemption:</b>	N/A (provided minimum holding is maintained)
<b>Regular Savings Plan:</b>	N/A
<b>ISA status:</b>	Eligible
<b>Charges taken from:</b>	Capital  <b>(Note: deducting charges from capital may erode or constrain capital growth)</b>
<b>Past Performance:</b>	As the Sub-fund was launched less than 12 months ago, past performance data is not yet available.  <b><u>NOTE: PAST PERFORMANCE SHOULD NOT BE TAKEN AS A GUIDE TO THE FUTURE. THE VALUE OF INVESTMENTS AND INCOME FROM THEM CAN GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED.</u></b>
<b>Initial price:</b>	100p

### 3. EURIZON FUNDS ICVC – EURIZON SLJ SUSTAINABLE GLOBAL EQUITY

<b>Name:</b>	<b>EURIZON SLJ SUSTAINABLE GLOBAL EQUITY</b>
<b>Type of Fund:</b>	UK UCITS
<b>Fund Currency:</b>	GBP
<b>FCA PRN:</b>	925733
<b>Launch date:</b>	This Sub-fund has not yet been launched
<b>First Dealing Day:</b>	This Sub-fund has not yet been launched
<b>Investment objective:</b>	The objective of the Sub-fund is to provide capital growth by achieving a return after fees in excess of the return of the MSCI World 100% Hedged to GBP Index® over any five-year period.  <b>No guarantee is given with respect to the objective actually being reached.</b>
<b>Investment policy:</b>	The Sub-fund will seek to achieve its objective by typically investing 80% (and, in any case, at least 51%) of its net assets in equity and equity-related instruments of any kind, including shares and bonds convertible into shares listed on international regulated markets that are recognized and open to the public within the meaning of Article 50(1) of the UCITS Directive.  The choice of investments will be made according to a scoring method based on negative and positive criteria, including financial and



	<p>environmental, social and governance (ESG) criteria, aimed at selecting a certain number of stocks of companies for each geographic area (United States of America, Europe and Asia) whose competitive advantages may last longer over time. The Sub-fund's net assets will not be invested in companies with direct involvement in cluster bombs and landmines production.</p> <p>The exposure to currencies other than Sterling will typically be 5% (and, in any case, no more than 50%) of the Sub-fund's net assets. Exposure to foreign currency risk will be gained only when a currency is significantly attractive versus Sterling.</p> <p>Typically 5% (and, in any case, no more than 49%) of the Sub-fund's net assets will be invested in other instruments, such as but not limited to Investment Grade credit rating debt and debt-related instruments of any kind, including for example bonds and money market instruments, UCITS (up to 10%) and cash, including term deposits with credit institutions, within the limits allowed by law and indicated in the Appendix III (Investments and Borrowing Powers of the Company).</p> <p>The Sub-fund's net assets will not be invested in asset-backed securities.</p> <p><b>The Sub-fund may use derivatives and other financial techniques and instruments within the limits and under the conditions described in Appendix III (Investments and Borrowing Powers of the Company). Derivatives, whether negotiated on a regulated market that operates regularly and that is recognized and open to the public or dealt on OTC markets, will be aimed at hedging risks, ensuring efficient portfolio management and/or investing according to the investment policy.</b></p> <p><b>Please note that the use of derivatives for investment purposes may amplify the up and down fluctuations of the Sub-fund's Net Asset Value per Share. Investors are advised to consider the additional risks associated with the use of derivatives, including those described in the section "Risk Factors" of the Prospectus.</b></p> <p><b>When credit ratings published by credit rating agencies are used, such credit agencies shall be established in the European Union and registered in accordance with the CRA Regulation.</b></p> <p>The method used to calculate the global exposure for the Sub-fund is the commitment approach.</p>
<p><b>Benchmark</b></p>	<p>The Sub-fund's performance is compared against the MSCI World 100% Hedged to GBP Index® (the "<b>Index</b>").</p> <p>The Sub-fund's investment process is not constrained by the Index and the composition of the Sub-fund's portfolio may deviate from the Index in a significant way. Accordingly, the Sub-fund's returns could be similar to or different from the Index.</p> <p>The Index is a capitalization weighted index that captures large and midcap representation across 23 developed markets countries (the developed markets countries include 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 of America). It represents a close estimation of the</p>

	<p>performance that can be achieved by hedging the currency exposures of its parent index, the MSCI World 115 Line "Active – Market" Index®, to the Euro. With 1,645 constituents, the MSCI World Index® covers approximately 85% of the free float adjusted market capitalization in each country. This benchmark can be expressed in, converted in or hedged against its local currencies or the currency in which the Classes of Shares of the Sub-fund are expressed, in order to reflect the characteristic of each Class of Shares of the Sub-fund.</p> <p>The Index has been selected as the benchmark index of the Sub-fund because the Sub-fund's portfolio will partly be constructed by investing in investments included within the Index, and for that reason the ACD considers that it is an appropriate comparator for the Sub-fund's performance.</p> <p>The Index is administered by MSCI Limited, which at the date of this Prospectus is entered in the ESMA register referred to in article 36 of the Benchmarks Regulation.</p>
<b>Investment Manager:</b>	It is expected that the investment management function relating to the Sub-fund will be delegated by the ACD to Eurizon Capital SGR S.p.A.
<b>Final accounting date:</b>	31 December – First final accounting date expected to be 31 December 2021
<b>Interim accounting date(s):</b>	31 March (interim) 30 June (interim) 30 September (interim)
<b>Ex-dividend date(s):</b>	1 January (final) 1 April (interim) 1 July (interim) 1 October (interim)
<b>Income accumulation/distribution date(s):<sup>7</sup></b>	End of February (final) 31 May (interim) 31 August (interim) 30 November (interim)
<b>Valuation Point:</b>	12 noon
<b>Dealing Frequency:</b>	Daily
<b>Profile of the Typical Investor:</b>	The Sub-fund is intended for institutional and retail investors wishing to diversify their investments with the potential for capital growth over the medium term (i.e. a minimum of 5 years).
<b>Classes of Shares:</b>	See Part 2 of this Schedule.
<b>Dilution Adjustment:</b>	The amount of dilution adjustment for the Sub-fund will generally not exceed 2% of the original Net Asset Value of the Sub-fund.
<b>Preliminary Charge:</b>	0%

<sup>7</sup> Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of a final or interim accounting date but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the relevant accounting date as permitted by the Regulations.

<b>Annual Management Charge:</b>	See Part 2 of this Schedule.
<b>Redemption Charge:</b>	None
<b>Minimum initial investment:<sup>8</sup></b>	See Part 2 of this Schedule.
<b>Minimum subsequent investment:</b>	£10,000
<b>Minimum holding:</b>	£1,000,000
<b>Minimum redemption:</b>	N/A (provided minimum holding is maintained)
<b>Regular Savings Plan:</b>	N/A
<b>ISA status:</b>	Eligible
<b>Charges taken from:</b>	Capital  <b>(Note: deducting charges from capital may erode or constrain capital growth)</b>
<b>Past Performance:</b>	As the Sub-fund has not yet launched, past performance data is not yet available.  <b><u>NOTE: PAST PERFORMANCE SHOULD NOT BE TAKEN AS A GUIDE TO THE FUTURE. THE VALUE OF INVESTMENTS AND INCOME FROM THEM CAN GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED.</u></b>
<b>Initial price:</b>	100p

<sup>8</sup> The ACD may waive at its discretion in whole or in part the minimum initial investment, subsequent investment and holding requirements.

## Part 2 – Share Classes

**The following are the Share Classes expected to be made available to investors in respect of the Sub-funds when they are launched:**

#	Sub-fund Name	Class Code	Class Name	Currency	Accumulation/Income Distribution	Annual Management Charge*	Minimum Initial Investment**
1.	Eurizon SLJ Local Emerging Markets Debt	I6	Wholesale Share Class	GBP	Accumulation	0.50%	£1,000,000
2.	Eurizon SLJ Local Emerging Markets Debt	ID6	Wholesale Share Class	GBP	Income Distribution	0.50%	£1,000,000
3.	Eurizon SLJ Local Emerging Markets Debt	I	Wholesale Share Class	EUR	Accumulation	0.50%	£1,000,000
4.	Eurizon SLJ Local Emerging Markets Debt	E6	Institutional Share Class	GBP	Accumulation	0.35%	£10,000,000
5.	Eurizon SLJ Local Emerging Markets Debt	ED6	Institutional Share Class	GBP	Income Distribution	0.35%	£10,000,000
6.	Eurizon SLJ Local Emerging Markets Debt	E	Institutional Share Class	EUR	Accumulation	0.35%	£10,000,000
7.	Eurizon SLJ Local Emerging Markets Debt	Z6	Founder Share Class***	GBP	Accumulation	0.25%	£1,000,000
8.	Eurizon SLJ Local Emerging Markets Debt	ZD6	Founder Share Class***	GBP	Income Distribution	0.25%	£1,000,000
9.	Eurizon SLJ Local Emerging Markets Debt	Z	Founder Share Class***	EUR	Accumulation	0.25%	£1,000,000
10.	Eurizon SLJ Local Emerging Markets Debt	ZD	Founder Share Class***	EUR	Income Distribution	0.25%	£1,000,000

11.	Eurizon SLJ Bond Aggregate RMB (Renminbi)	I6	Wholesale Share Class	GBP	Accumulation	0.50%	£1,000,000
12.	Eurizon SLJ Bond Aggregate RMB (Renminbi)	ID6	Wholesale Share Class	GBP	Income Distribution	0.50%	£1,000,000
13.	Eurizon SLJ Bond Aggregate RMB (Renminbi)	I	Wholesale Share Class	EUR	Accumulation	0.50%	£1,000,000
14.	Eurizon SLJ Bond Aggregate RMB (Renminbi)	E6	Institutional Share Class	GBP	Accumulation	0.35%	£10,000,000
15.	Eurizon SLJ Bond Aggregate RMB (Renminbi)	ED6	Institutional Share Class	GBP	Income Distribution	0.35%	£10,000,000
16.	Eurizon SLJ Bond Aggregate RMB (Renminbi)	E	Institutional Share Class	EUR	Accumulation	0.35%	£10,000,000
17.	Eurizon SLJ Bond Aggregate RMB (Renminbi)	Z6	Founder Share Class***	GBP	Accumulation	0.25%	£1,000,000
18.	Eurizon SLJ Bond Aggregate RMB (Renminbi)	ZD6	Founder Share Class***	GBP	Income Distribution	0.25%	£1,000,000
19.	Eurizon SLJ Bond Aggregate RMB (Renminbi)	Z	Founder Share Class***	EUR	Accumulation	0.25%	£1,000,000
20.	Eurizon SLJ Bond Aggregate RMB (Renminbi)	ZD	Founder Share Class***	EUR	Income Distribution	0.25%	£1,000,000
21.	Eurizon SLJ Sustainable Global Equity	I6	Wholesale Share Class	GBP	Accumulation	0.50%	£1,000,000
22.	Eurizon SLJ Sustainable Global Equity	ID6	Wholesale Share Class	GBP	Income Distribution	0.50%	£1,000,000
23.	Eurizon SLJ Sustainable Global Equity	I	Wholesale Share Class	EUR	Accumulation	0.50%	£1,000,000

24.	Eurizon SLJ Sustainable Global Equity	E6	Institutional Share Class	GBP	Accumulation	0.35%	£10,000,000
25.	Eurizon SLJ Sustainable Global Equity	ED6	Institutional Share Class	GBP	Income Distribution	0.35%	£10,000,000
26.	Eurizon SLJ Sustainable Global Equity	E	Institutional Share Class	EUR	Accumulation	0.35%	£10,000,000
27.	Eurizon SLJ Sustainable Global Equity	Z6	Founder Share Class***	GBP	Accumulation	0.25%	£1,000,000
28.	Eurizon SLJ Sustainable Global Equity	ZD6	Founder Share Class***	GBP	Income Distribution	0.25%	£1,000,000
29.	Eurizon SLJ Sustainable Global Equity	Z	Founder Share Class***	EUR	Accumulation	0.25%	£1,000,000
30.	Eurizon SLJ Sustainable Global Equity	ZD	Founder Share Class***	EUR	Income Distribution	0.25%	£1,000,000

\* The Annual Management Charge is a percentage of the Net Asset Value of the Sub-fund attributable to the relevant Share Class (plus VAT if applicable).

\*\* The ACD may waive at its discretion in whole or in part the minimum initial investment requirement.

\*\*\* Founder Shares are available at the ACD discretion. They are typically available to investors (whether related to the ACD or not) that (i) invest in a Sub-fund before its NAV has reached £300 million, (ii) invest £100 million or more in a Sub-fund, or (iii) already hold Founder Shares in a Sub-fund and wish to make a further investment into that Sub-fund.

## APPENDIX II

### PART I - ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

The ACD has decided that the following markets shall constitute eligible securities markets and eligible derivatives markets for the purposes of COLL 5.2.10: (i) regulated markets (as defined in the glossary to the FCA Handbook), (ii) markets established in the UK or an EEA State which are regulated, operate regularly and are open to the public, and (iii) the securities markets and derivatives markets listed below:

#### 1. Eurizon SLJ Local Emerging Markets Debt

##### Eligible Securities Markets:

<u>Country</u>	<u>Market</u>
<u>ARGENTINA</u>	<u>Bolsa De Comercio De Buenos Aires</u>
<u>AUSTRALIA</u>	<u>Australian Securities Exchange</u>
<u>BANGLADESH</u>	<u>Dhaka Stock Exchange Ltd</u>
<u>BELGIUM</u>	<u>Euronext Brussels</u>
<u>BRAZIL</u>	<u>B3 - Brasil, Bolsa, Balcao</u>
<u>CANADA</u>	<u>Toronto Stock Exchange TSX Venture Exchange</u>
<u>CHILE</u>	<u>Santiago Stock Exchange</u>
<u>CHINA</u>	<u>Shanghai Stock Exchange Shenzhen Stock Exchange</u>
<u>COLOMBIA</u>	<u>Colombia Stock Exchange</u>
<u>DOMINICAN REPUBLIC</u>	<u>Bolsa de Valores de la República Dominicana</u>
<u>EGYPT</u>	<u>Egyptian Exchange</u>
<u>EURO ZONE</u>	<u>Euroclear</u>
<u>GABON</u>	<u>Bourse des Valeurs Mobilières de l'Afrique Centrale</u>
<u>GHANA</u>	<u>Ghana Stock Exchange</u>
<u>HONG KONG</u>	<u>Hong Kong Exchanges and Clearing Ltd</u>
<u>HUNGARY</u>	<u>Budapest Stock Exchange</u>
<u>INDIA</u>	<u>BSE</u>

<u>INDONESIA</u>	<u>Indonesian Stock Exchange</u>
<u>ISRAEL</u>	<u>Tel-Aviv Stock Exchange</u>
<u>ITALY</u>	<u>Electronic Share Market</u>
<u>IVORY COAST</u>	<u>Bourse Regionale Des Valeurs Mobilieres</u>
<u>JAPAN</u>	<u>Tokyo Stock Exchange</u> <u>Osaka Exchange</u>
<u>KAZAKHSTAN</u>	<u>Kazakhstan Stock Exchange</u>
<u>KENYA</u>	<u>Nairobi Stock Exchange</u>
<u>REPUBLIC OF KOREA</u>	<u>Korea Exchange</u>
<u>MALAYSIA</u>	<u>Bursa Malaysia</u>
<u>MEXICO</u>	<u>Bolsa Mexicana de Valores</u>
<u>MONGOLIA</u>	<u>Mongolian Stock Exchange</u>
<u>NAMIBIA</u>	<u>Namibia Stock Exchange</u>
<u>NEW ZEALAND</u>	<u>NZX Limited</u>
<u>NIGERIA</u>	<u>The Nigerian Stock Exchange</u>
<u>NORWAY</u>	<u>Oslo Bors Asa</u> <u>Nordic Alternative Bond Market</u>
<u>OMAN</u>	<u>Muscat Securities Market</u>
<u>PAKISTAN</u>	<u>Pakistan Stock Exchange</u>
<u>PERU</u>	<u>Bolsa De Valores De Lima</u>
<u>PHILIPPINES</u>	<u>Philippines Stock Exchange</u>
<u>POLAND</u>	<u>Warsaw Stock Exchange</u>
<u>QATAR</u>	<u>Qatar Exchange</u>
<u>ROMANIA</u>	<u>Bucharest Stock Exchange</u>
<u>RUSSIA</u>	<u>Moscow Exchange</u>
<u>SAUDI ARABIA</u>	<u>Tadawul</u>
<u>SERBIA</u>	<u>Belgrade Stock Exchange</u>



<u>SENEGAL</u>	<u>Bourse des Valeurs Mobilières de l'Afrique Centrale</u>
<u>SOUTH AFRICA</u>	<u>Johannesburg Stock Exchange (JSE)</u>
<u>SRI LANKA</u>	<u>Colombo Stock Exchange</u>
<u>SWEDEN</u>	<u>Nasdaq Stockholm Ab</u>
<u>SWITZERLAND</u>	<u>SIX Swiss Exchange</u>
<u>TAIWAN</u>	<u>Taiwan Stock Exchange</u> <u>Taipei Exchange</u>
<u>TANZANIA</u>	<u>Dar Es Salaam Stock Exchange</u>
<u>THAILAND</u>	<u>Stock Exchange of Thailand</u>
<u>TUNISIA</u>	<u>Bourse De Tunis</u>
<u>TURKEY</u>	<u>Borsa Istanbul</u>
<u>UGANDA</u>	<u>Uganda Securities Exchange</u>
<u>UKRAINE</u>	<u>Ukrainian Stock Exchange</u>
<u>UNITED KINGDOM</u>	<u>London Stock Exchange</u>
<u>UNITED STATES</u>	<u>NYSE Euronext</u> <u>NASDAQ</u> <u>the NYSE MKT LLC</u>
<u>URUGUAY</u>	<u>Bolsa de Valores de Montevideo</u>
<u>VIETNAM</u>	<u>Hochiminh Stock Exchange</u>
<u>ZAMBIA</u>	<u>Lusaka Stock Exchange</u>

**Eligible Derivatives Markets:**

<u>Country</u>	<u>Market</u>
<u>EURO ZONE</u>	<u>EUREX</u>
<u>UNITED STATES</u>	<u>CBOT</u>
<u>UNITED KINGDOM</u>	<u>ICE FUTURES EUROPE</u>
<u>UNITED STATES</u>	<u>CME GROUP</u>
<u>SOUTH AFRICA</u>	<u>JSE INTEREST RATE MARKET</u>

<u>SOUTH KOREA</u>	<u>KSE, Korea</u>
<u>JAPAN</u>	<u>OSE Osaka</u>
<u>AUSTRALIA</u>	<u>ASX Trade24</u>

## 2. Eurizon SLJ Bond Aggregate RMB (Renminbi)

### Eligible Securities Markets:

<u>Country</u>	<u>Market</u>
<u>China</u>	<u>Shanghai Stock Exchange</u> <u>Shenzhen Stock Exchange</u> <u>China Interbank Bond Market (CIBM)</u> <u>China Financial Future Exchange</u>

### Eligible Derivatives Markets:

<u>Country</u>	<u>Market</u>
<u>CHINA</u>	<u>CFFEX</u>
<u>EURO ZONE</u>	<u>EUREX</u>
<u>SINGAPORE</u>	<u>SGX</u>
<u>UNITED STATES</u>	<u>CME</u>
<u>UNITED STATES</u>	<u>CBOT</u>
<u>UNITED KINGDOM</u>	<u>ICE FUTURES EUROPE</u>

## 3. Eurizon SLJ Sustainable Global Equity

### Eligible Securities Markets:

<u>Country</u>	<u>Market</u>
<u>AUSTRALIA</u>	<u>Australian Securities Exchange</u>
<u>AUSTRIA</u>	<u>Vienna Stock Exchange</u>
<u>BELGIUM</u>	<u>Euronext Brussels</u>
<u>CANADA</u>	<u>Toronto Stock Exchange</u>
<u>CROATIA</u>	<u>Zagreb Stock Exchange</u>

<u>DENMARK</u>	<u>Nasdaq OMX Copenhagen (formerly Copenhagen Stock Exchange)</u>
<u>ESTONIA</u>	<u>Nasdaq OMX Tallin AS Exchange</u>
<u>FINLAND</u>	<u>Nasdaq OMX Helsinki</u>
<u>FRANCE</u>	<u>Euronext Paris</u>
<u>GERMANY</u>	<u>Deutsche Borse Ag via Xetra</u>
<u>GREECE</u>	<u>Athens Exchange</u>
<u>ITALY</u>	<u>Borsa Italiana</u>
<u>JAPAN</u>	<u>Tokyo Stock Exchange</u>
<u>LATVIA</u>	<u>Nasdaq Riga</u>
<u>NETHERLAND</u>	<u>Euronext Amsterdam</u>
<u>NORWAY</u>	<u>Oslo Stock Exchange</u>
<u>POLAND</u>	<u>Warsaw Stock Exchange</u>
<u>PORTUGAL</u>	<u>Euronext Lisbon</u>
<u>SINGAPORE</u>	<u>Singapore Exchange</u>
<u>SPAIN</u>	<u>Bolsa de Madrid</u>
<u>SWEDEN</u>	<u>Nasdaq OMX Stockholm AB</u>
<u>SWITZERLAND</u>	<u>Six Swiss Exchange</u>
<u>UK</u>	<u>London Stock Exchange</u>
<u>USA</u>	<u>New York Stock Exchange, Inc.</u> <u>NASDAQ/NMS (Global Market)</u> <u>NASDAQ/NGS (Global Select Market)</u> <u>NASDAQ Capital Market</u>

**Eligible Derivatives Markets:**

<u>Country</u>	<u>Market</u>
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<u>AUSTRALIA</u>	<u>SFE Sydney</u>
<u>BRAZIL</u>	<u>BM &amp;F</u>
<u>CANADA</u>	<u>ME Montreal</u>
<u>EUROPE</u>	<u>EURONEXT Paris, Amsterdam and Brussels</u>
<u>EUROPE</u>	<u>OMX</u>
<u>EURO ZONE</u>	<u>EUREX</u>
<u>GREECE</u>	<u>ATHENS</u>
<u>HONG KONG</u>	<u>HKFE Hong Kong</u>
<u>HUNGARY</u>	<u>BSE Budapest</u>
<u>ITALY</u>	<u>IDEM</u>
<u>JAPAN</u>	<u>TSE Tokyo</u>
<u>JAPAN</u>	<u>TIFFE Tokyo</u>
<u>JAPAN</u>	<u>OSE Osaka</u>
<u>MALAYSIA</u>	<u>Malaysia Derivatives Exchange</u>
<u>MEXICO</u>	<u>MERCADO MEXICANO DE DERIVADOS</u>
<u>POLAND</u>	<u>WSE Warsaw</u>
<u>REPUBLIC OF KOREA</u>	<u>KSE. Korea</u>
<u>SINGAPORE</u>	<u>SIMEX Singapore</u>
<u>SOUTH AFRICA</u>	<u>SAFEX</u>
<u>SPAIN</u>	<u>MEFF</u>
<u>TURKEY</u>	<u>Turkish Derivatives Exchange</u>
<u>UK</u>	<u>EURONEXT LIFFE</u>

<u>USA</u>	<u>CME GROUP</u>  <u>NYSE</u>  <u>ICE US</u>  <u>CBOE</u>
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## PART II – LIST OF SUB-CUSTODIANS (AS AT THE DATE OF THIS PROSPECTUS)

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian.

At the date of this prospectus 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.

MARKET	SUBCUSTODIAN
<b>Albania</b>	Raiffeisen Bank sh.a.
<b>Argentina</b>	Citibank, N.A., Buenos Aires
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Austria</b>	Deutsche Bank AG
	UniCredit Bank Austria AG
<b>Bahrain</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Bangladesh</b>	Standard Chartered Bank
<b>Belgium</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
<b>Benin</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Bermuda</b>	HSBC Bank Bermuda Limited
<b>Federation of Bosnia and Herzegovina</b>	UniCredit Bank d.d.
<b>Botswana</b>	Standard Chartered Bank Botswana Limited
<b>Brazil</b>	Citibank, N.A.
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD
<b>Burkina Faso</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Canada</b>	State Street Trust Company Canada
<b>Chile</b>	Itaú CorpBanca S.A., Santiago
<b>China – A – share market</b>	HSBC Bank (China) Company Limited, Shanghai (as delegate of The Hongkong and Shanghai Banking Corporation Limited) China Construction Bank Corporation, Beijing

<b>China – B – share market</b>	HSBC Bank (China) Company Limited, Shanghai (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>China Connect</b>	Citibank N.A The Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank (Hong Kong) Limited
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	Banco BCT S.A.
<b>Croatia</b>	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.
<b>Cyprus</b>	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
<b>Czech Republic</b>	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
<b>Egypt</b>	Citibank, N.A. Cairo Branch (Citibank)
<b>Estonia</b>	AS SEB Pank
<b>Eswatini</b>	Standard Bank Swaziland Limited, Mbabane
<b>Euroclear</b>	Euroclear Bank
<b>Clearstream</b>	Clearstream Banking Luxembourg
<b>Finland</b>	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
<b>France</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
<b>Republic of Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	State Street Bank GmbH
	Deutsche Bank AG
<b>Ghana</b>	Standard Chartered Bank Ghana Limited
<b>Greece</b>	BNP Paribas Securities Services, S.C.A.
<b>Guinea-Bissau</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Hong Kong</b>	Standard Chartered Bank (Hong Kong) Limited
<b>Hungary</b>	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
<b>Iceland</b>	Landsbankinn hf.
<b>India</b>	Deutsche Bank AG
	Citibank, N.A. (Citibank), Mumbai
<b>Indonesia</b>	Deutsche Bank AG
<b>Ireland</b>	State Street Bank and Trust Company, United Kingdom branch

<b>Israel</b>	Bank Hapoalim B.M.
<b>Italy</b>	Deutsche Bank S.p.A. Intesa Sanpaolo S.p.A.
<b>Ivory Coast</b>	Standard Chartered Bank Côte d'Ivoire S.A.
<b>Japan</b>	Mizuho Bank, Limited
	The Hongkong and Shanghai Banking Corporation Limited
<b>Jordan</b>	Standard Chartered Bank
<b>Kazakhstan</b>	JSC Citibank Kazakhstan
<b>Kenya</b>	Standard Chartered Bank Kenya Limited
<b>Republic of Korea</b>	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
<b>Kuwait</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Latvia</b>	AS SEB banka
<b>Lithuania</b>	AB SEB bankas
<b>Luxembourg</b>	Clearstream Banking S.A., Luxembourg
<b>Malawi</b>	Standard Bank Limited
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
<b>Mali</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de México, S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Namibia</b>	Standard Bank Namibia Limited
<b>Netherlands</b>	Deutsche Bank AG
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Niger</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Nigeria</b>	Stanbic IBTC Bank Plc.
<b>Norway</b>	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
<b>Oman</b>	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Pakistan</b>	Deutsche Bank AG
<b>Panama</b>	Citibank, N.A.
<b>Peru</b>	Citibank del Perú, S.A.
<b>Philippines</b>	Deutsche Bank AG
<b>Poland</b>	Bank Handlowy w Warszawie S.A.

<b>Portugal</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
<b>Qatar</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Romania</b>	Citibank Europe plc, Dublin – Romania Branch
<b>Russia</b>	AO Citibank
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Senegal</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Serbia</b>	UniCredit Bank Serbia JSC
<b>Singapore</b>	Citibank N.A.
<b>Slovak Republic</b>	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.
<b>South Africa</b>	FirstRand Bank Limited
	Standard Bank of South Africa Limited
<b>Spain</b>	Deutsche Bank S.A.E.
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Republic of Srpska</b>	UniCredit Bank d.d.
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (publ)
<b>Switzerland</b>	Credit Suisse AG
	UBS Switzerland AG
<b>Taiwan – R.O.C.</b>	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Tanzania) Limited
<b>Thailand</b>	Standard Chartered Bank (Thai) Public Company Limited
<b>Togo</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Tunisia</b>	Union Internationale de Banques
<b>Turkey</b>	Citibank, A.Ş.
	Deutsche Bank A.Ş.
<b>Uganda</b>	Standard Chartered Bank Uganda Limited
<b>Ukraine</b>	JSC Citibank
<b>United Arab Emirates Dubai Financial Market</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Dubai International Financial Center</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)



<b>United Arab Emirates Abu Dhabi</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Kingdom</b>	State Street Bank and Trust Company, United Kingdom branch
<b>United States</b>	State Street Bank and Trust Company, Boston
<b>Uruguay</b>	Banco Itaú Uruguay S.A.
<b>Vietnam</b>	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Zambia</b>	Standard Chartered Bank Zambia Plc.
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)

## APPENDIX III

### INVESTMENT AND BORROWING POWERS OF THE COMPANY

#### 1. General

The Scheme Property of a Sub-fund will be invested with the aim of achieving the investment objective of that Sub-fund but subject to the limits set out in that Sub-fund's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") and this Prospectus. These limits apply to each Sub-fund as summarised below.

Normally, the Sub-funds will be fully invested save for an amount to enable redemption of shares, efficient management of the Sub-funds in relation to their strategic objectives and other purposes which may be reasonably regarded as ancillary to the investment objectives of the Sub-funds.

This amount will vary depending upon prevailing circumstances and although it would normally not exceed 10% of the total value of each Sub-fund, there may be times when the ACD or an Investment Manager considers stock markets to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of fixed interest, cash or near cash instruments held would be increased. Unless market conditions were deemed unusually risky, the increased amount and period would not be expected to exceed 30% and six months respectively.

A breach of any of limits set out in COLL 5 does not prevent the exercise of rights conferred by investments held by a Sub-fund but, in the event of a breach, the ACD must restore compliance with COLL 5 as soon as reasonably practicable having regard to the interests of the Shareholders.

#### 1.1. Prudent spread of risk

The ACD must ensure that, taking account of the investment objectives and policy of each Sub-fund, the Scheme Property of each Sub-fund aims to provide a prudent spread of risk.

#### 1.2. Cover

1.2.1. Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained (for example, investment in nil and partly paid securities and the general power to accept or underwrite) only if possible obligations arising out of the transaction or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of a Sub-fund under any other of those rules has also to be provided for.

1.2.2. Where the COLL Sourcebook permits a transaction to be entered into or an investment to be retained only if that transaction, or the retention, or other similar transactions, are covered:

- (a) it must be assumed that in applying any of those rules, a Sub-fund must also simultaneously satisfy any other obligation relating to cover; and
- (b) no element of cover must be used more than once.

## **2. UCITS schemes – general**

- 2.1. Subject to the investment objective and policy of a Sub-fund, the Scheme Property of a Sub-fund must, except where otherwise provided in COLL 5, only consist of any or all of:
  - 2.1.1. transferable securities;
  - 2.1.2. approved money-market instruments;
  - 2.1.3. permitted units in collective investments schemes;
  - 2.1.4. permitted derivatives and forward transactions; and
  - 2.1.5. permitted deposits.
- 2.2. It is not intended that the Sub-funds will have an interest in any immovable property or tangible movable property.

## **3. Transferable securities**

- 3.1. A transferable security is an investment which is any of the following; (a) a share; (b) a debenture; (c) an alternative debenture; (d) a government and public security; (e) a warrant; or (f) a certificate representing certain securities.
- 3.2. An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 3.3. In applying paragraph 3.2 of this Appendix to an investment which is issued by a body corporate, and which is a share or debenture, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 3.4. An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.
- 3.5. A Sub-fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
  - 3.5.1. the potential loss which a Sub-fund may incur with respect to holding the transferable security is limited to the amount paid for it;
  - 3.5.2. its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder under the FCA Handbook;

3.5.3. reliable valuation is available for it as follows:

- (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
- (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

3.5.4. appropriate information is available for it as follows:

- (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
- (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;

3.5.5. it is negotiable; and

3.5.6. its risks are adequately captured by the risk management process of the ACD.

3.6. Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

3.6.1. not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and

3.6.2. to be negotiable.

#### **4. Closed end funds constituting transferable securities**

4.1. A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Sub-fund, provided it fulfils the criteria for transferable securities set out in paragraph 3.5 and either:

4.1.1. where the closed end fund is constituted as an investment company or a unit trust:

- (a) it is subject to corporate governance mechanisms applied to companies; and

- (b) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

4.1.2. Where the closed end fund is constituted under the law of contract:

- (a) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
- (b) it is managed by a person who is subject to national regulation for the purpose of investor protection.

## **5. Transferable securities linked to other assets**

5.1. A Sub-fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Sub-fund provided the investment:

5.1.1. fulfils the criteria for transferable securities set out in 3.5 above; and

5.1.2. is backed by or linked to the performance of other assets, which may differ from those in which a Sub-fund can invest.

5.2. Where an investment in 5.1 contains an embedded derivative component, the requirements of this paragraph with respect to derivatives and forwards will apply to that component.

## **6. Approved money-market instruments**

6.1. An approved money-market instrument is a money-market instrument which is normally dealt in on the money-market, is liquid and has a value which can be accurately determined at any time.

6.2. A money-market instrument shall be regarded as normally dealt in on the money-market if it:

6.2.1. has a maturity at issuance of up to and including 397 days;

6.2.2. has a residual maturity of up to and including 397 days;

6.2.3. undergoes regular yield adjustments in line with money-market conditions at least every 397 days; or

6.2.4. has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 6.2.1 or 6.2.2 or is subject to yield adjustments as set out in 6.2.3.

6.3. A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.

- 6.4. A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
- 6.4.1. enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Scheme Property of a Sub-fund could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  - 6.4.2. based either on market data or on valuation models including systems based on amortised costs.
- 6.5. A money-market instrument that is normally dealt in on the money-market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

## **7. Transferable securities and money-market instruments generally to be admitted or dealt in on an Eligible Market**

- 7.1. Transferable securities and approved money-market instruments held within a Sub-fund must be:
- 7.1.1. admitted to or dealt in on an eligible market as described in 8.3.1; or
  - 7.1.2. dealt in on an eligible market as described in 8.3.2; or
  - 7.1.3. admitted to or dealt in on an eligible market as described in 8.4; or
  - 7.1.4. for an approved money-market instrument not admitted to or dealt in on an eligible market, within 9.1; or
  - 7.1.5. recently issued transferable securities provided that:
    - (a) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
    - (b) such admission is secured within a year of issue.
- 7.2. However, a Sub-fund may invest no more than 10% of its Scheme Property in transferable securities and approved money-market instruments other than those referred to in 7.1.

## **8. Eligible markets regime: purpose and requirements**

- 8.1. To protect Shareholders the markets on which investments of the Sub-funds are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.
- 8.2. Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in 7.2 above on investing in non-approved securities applies

and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

- 8.3. A market is eligible for the purposes of the rules if it is:
- 8.3.1. a regulated market as defined in the FCA Handbook; or
  - 8.3.2. a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or
  - 8.3.3. a market in paragraph 8.4 of this Appendix.
- 8.4. A market not falling within paragraph 8.3.1 or paragraph 8.3.2 of this Appendix is eligible for the purposes of COLL 5 if:
- 8.4.1. the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
  - 8.4.2. the market is included in a list in the prospectus; and
  - 8.4.3. the Depositary has taken reasonable care to determine that:
    - (a) adequate custody arrangements can be provided for the investment dealt in on that market; and
    - (b) all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 8.5. In paragraph 8.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of Shareholders.
- 8.6. The Eligible Markets for the Sub-funds are set out in Appendix II – Part I (Eligible Securities Markets and Eligible Derivatives Markets).

## **9. Money-market instruments with a regulated issuer**

- 9.1. In addition to instruments admitted to or dealt in on an eligible market, a Sub-fund may invest in an approved money-market instrument provided it fulfils the following requirements:
- 9.1.1. the issue or the issuer is regulated for the purpose of protecting Shareholders and savings; and
  - 9.1.2. the instrument is issued or guaranteed in accordance with paragraph 0 (Issuers and guarantors of money-market instruments) below.

9.2. The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting Shareholders and savings if:

9.2.1. the instrument is an approved money-market instrument;

9.2.2. appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 0 (Appropriate information for money-market instruments) below; and

9.2.3. the instrument is freely transferable.

## **10. Issuers and guarantors of money-market instruments**

10.1. A Sub-fund may invest in an approved money-market instrument if it is:

10.1.1. issued or guaranteed by any one of the following:

(a) a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

(b) a regional or local authority of an EEA State;

(c) the European Central Bank or a central bank of an EEA State;

(d) the European Union or the European Investment Bank;

(e) a non-EEA State or, in the case of a federal state, one of the members making up the federation;

(f) a public international body to which one or more EEA States belong; or

10.1.2. issued by a body, any securities of which are dealt in on an eligible market; or

10.1.3. issued or guaranteed by an establishment which is:

(a) subject to prudential supervision in accordance with criteria defined by European Union law; or

(b) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Union law.

10.2. An establishment shall be considered to satisfy the requirement in 10.1.3(b) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

10.2.1. it is located in the European Economic Area;

10.2.2. it is located in an OECD country belonging to the Group of Ten;



- 10.2.3. it has at least Investment Grade rating;
- 10.2.4. on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by European Union law.

## **11. Appropriate information for money-market instruments**

11.1. In the case of an approved money-market instrument within 10.1.2 or issued by a body of the type referred to in COLL 5.2.10E G, or which is issued by an authority within 10.1.1(b) or a public international body within 10.1.1(f) but is not guaranteed by a central authority within 10.1.1(a), the following information must be available:

- 11.1.1. information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
- 11.1.2. updates of that information on a regular basis and whenever a significant event occurs; and
- 11.1.3. available and reliable statistics on the issue or the issuance programme.

11.2. In the case of an approved money-market instrument issued or guaranteed by an establishment within 10.1.3, the following information must be available:

- 11.2.1. information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
- 11.2.2. updates of that information on a regular basis and whenever a significant event occurs; and
- 11.2.3. available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

11.3. In the case of an approved money-market instrument:

- 11.3.1. within 10.1.1(a), 10.1.1(d) or 10.1.1(e); or
- 11.3.2. which is issued by an authority within 10.1.1(b) or a public international body within 10.1.1(f) and is guaranteed by a central authority within 10.1.1(a);

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

## **12. Spread: general**

12.1. This rule on spread does not apply to government and public securities.

- 12.2. For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.
- 12.3. Not more than 20% in the value of the Scheme Property of a Sub-fund is to consist of deposits with a single body.
- 12.4. Not more than 5% in value of the Scheme Property of a Sub-fund is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes, certificates representing certain securities are treated as equivalent to the underlying security.
- 12.5. The limit of 5% is raised to 25% in value of the Scheme Property in respect of covered bonds provided that when a Sub-fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.
- 12.6. The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property of a Sub-fund. This limit is raised to 10% where the counterparty is an approved bank.
- 12.7. Not more than 20% in value of the Scheme Property of a Sub-fund is to consist of transferable securities and approved money-market instruments issued by the same group.
- 12.8. Not more than 20% in value of the Scheme Property of a Sub-fund is to consist of the units of any one collective investment scheme.
- 12.9. The COLL Sourcebook provides that in applying the limits in 12.3, 12.4 and 12.6 and subject to 12.5, not more than 20% in value of the Scheme Property of a Sub-fund is to consist of any combination of two or more of the following:
- 12.9.1. transferable securities (including covered bonds) or approved money-market instruments issued by; or
  - 12.9.2. deposits made with; or
  - 12.9.3. exposures from OTC derivatives transactions made with;
- a single body.

### **13. Counterparty risk and issuer concentration**

- 13.1. The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 12.6 and 12.9 above.

- 13.2. When calculating the exposure of a Sub-fund to a counterparty in accordance with the limits in paragraph 12.6 the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 13.3. An ACD may net the OTC derivative positions of a Sub-fund with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Sub-fund.
- 13.4. The netting agreements in paragraph 13.3 above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Sub-fund may have with that same counterparty.
- 13.5. The ACD may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 13.6. The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 12.6 when it passes collateral to an OTC counterparty on behalf of a Sub-fund.
- 13.7. Collateral passed in accordance with paragraph 13.6 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Sub-fund.
- 13.8. The ACD must calculate the issuer concentration limits referred to in paragraph 12.6 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.
- 13.9. In relation to the exposure arising from OTC derivatives as referred to in paragraph 12.6 the ACD must include in the calculation any exposure to OTC derivative counterparty risk.
- 13.10. The ACD measures the creditworthiness of counterparties as part of the risk management process. The counterparties of these transactions will be highly rated financial institutions specialising in these types of transactions and approved by the ACD which may give rise to a conflict of interest. For further details of the ACD's conflict of interest policy please see "Conflicts of Interest".

#### **14. Spread: government and public securities**

- 14.1. The following paragraph applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued by:
  - (a) an EEA state;
  - (b) a local authority of an EEA state;
  - (c) a non-EEA state; or
  - (d) a public international body to which one or more EEA states belong.

- 14.2. Where no more than 35% in value of the Scheme Property of a Sub-fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 14.3. **Up to 100% of the Scheme Property of any Sub-fund may be invested in such securities issued by or on behalf of or guaranteed by a single issuer which may be one of the following:**
- 14.3.1. **the government of the United Kingdom;**
  - 14.3.2. **the government of any Member State of the European Union (i.e. Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden);**
  - 14.3.3. **the government of Iceland, Liechtenstein, Norway and Switzerland;**
  - 14.3.4. **local authorities of any of the above-mentioned states;**
  - 14.3.5. **the government of any Member State of the OECD not already mentioned above (i.e. Australia, Canada, Chile, Israel, Japan, Korea, Mexico, New Zealand, Turkey and the United States of America);**
  - 14.3.6. **the government of any Member State of the G20 not already mentioned above (Argentina, Brazil, China, India, Indonesia, Russia, Saudi Arabia and South Africa);**
  - 14.3.7. **the government of Singapore; and**
  - 14.3.8. **public international bodies of which the United Kingdom or one or more Member States of the European Union are members.**
- 14.4. Before the ACD invests more than 35% in value of the Scheme Property of a Sub-fund in such securities issued by any one body, the ACD must consult with the Depositary and as a result consider that the issuer of such securities is one which is appropriate in accordance with the investment objectives of that Sub-fund. If more than 35% in value of the Scheme Property of a Sub-fund is invested in such securities issued by any one issuer, no more than 30% in value of the Scheme Property of that Sub-fund may consist of such securities of any one issue and the Scheme Property must also include at least six different issues whether of that issuer or another issuer.
- 14.5. Notwithstanding paragraph 12.1 and subject to paragraphs 14.2 and 14.3 above, in applying the 20% limit in paragraph 12.9 with respect to a single body, government and public securities issued by that body shall be taken into account.

## 15. Investment in collective investment schemes

15.1. No more than 10% of the Scheme Property of a Sub-fund may be invested in units or shares in other collective investment schemes (“Second Scheme”) provided the Second Scheme satisfies all of the following conditions and provided that no more than 30% in value of the Scheme Property of a Sub-fund is invested in Second Schemes within 15.1.1(b) - 15.1.1 (e) below.

15.1.1. The Second Scheme must:

- (a) be a UCITS scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
- (b) be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or
- (c) be authorised as a non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1), (3) and (4) are met);
- (d) be authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or
- (e) be authorised by the competent authority of an OECD member country (other than another EEA State) which has:
  - (i) signed the IOSCO Multilateral Memorandum of Understanding; and
  - (ii) approved the Second Scheme’s management company, rules and depositary/custody arrangements;

(provided the requirements of COLL 5.2.13AR are met).

15.1.2. The Second Scheme must have terms which prohibit it from having more than 10% in value of the scheme property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 15.1.2, paragraph 15.1.3 and paragraph 0 (Spread: General) apply to each sub-fund as if it were a separate scheme.

15.1.3. Investment may only be made in other collective investment schemes managed by the ACD or an associate of the ACD if the Sub-fund’s Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.

15.2. The Sub-funds may, subject to the limit set out in 15.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD or one of its associates.

15.3. Where a Sub-fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to the Sub-fund by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase and, in the case of a sale, any charge made for the disposal. In addition, during any period during which a Sub-fund is invested in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD will endeavour to avoid the double charging of any annual management fees.

15.4. Sub-funds in the Company are not permitted to invest in other Sub-funds of the Company.

## **16. Investment in nil and partly paid securities**

A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by a Sub-fund, at the time when payment is required, without contravening the rules in COLL 5.

## **17. Derivatives: general**

Unless otherwise stated in the Prospectus (see Appendix I for the approach of each Sub-fund), the ACD or an Investment Manager may employ derivatives for the purposes of meeting the investment objectives of a Sub-fund and may further employ derivatives for the purposes of hedging with the aim of reducing the risk profile of a Sub-fund, or reducing costs, or generating additional capital or income, in accordance with Efficient Portfolio Management. Further information on EPM is provided in paragraph 18 (Efficient Portfolio Management). To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to a Sub-fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated.

17.1. A transaction in derivatives or a forward transaction must not be effected for the Company unless the transaction is of a kind specified in paragraph 19 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 31 (Cover for investment in derivatives and forward transactions) of this Appendix.

17.2. Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to COLL 5.2.11R (Spread: general) and COLL 5.2.12R (Spread: government and public securities) except for index based derivatives where the rules below apply.

17.3. Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.

17.4. A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

17.4.1. by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which

functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;

- 17.4.2. its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 17.4.3. it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 17.5. A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 17.6. Where the Company invests in an index-based derivative, provided the relevant index falls within paragraph 20 (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.

## **18. Efficient Portfolio Management**

- 18.1. The Company may enter into derivative and forward transactions for the purposes of EPM- which permits techniques and instruments which relate to transferable securities and approved money-market instruments and satisfy the following criteria:
- 18.1.1. the transaction must be economically appropriate in that it is realised in a cost-effective way;
  - 18.1.2. the exposure on the transaction must be fully covered; and
  - 18.1.3. the transaction must be entered into for one of the following specific aims:
    - (a) the reduction of risk;
    - (b) the reduction of costs; or
    - (c) the generation of additional capital or income for the Fund with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules laid down in COLL.
- 18.2. A transaction which is regarded as speculative will not be permitted for EPM purposes. A list of the current eligible derivatives markets is set out in Appendix II – Part I (Eligible Securities Markets and Eligible Derivatives Markets). Further derivatives markets may be added following consultation with the Depositary in accordance with COLL.
- 18.3. A derivatives or forward transaction which would or could lead to delivery of property to the Depositary may be entered into only if such property can be held by the Company and the

ACD has taken reasonable care to determine that delivery of the property pursuant to the transaction will not lead to a breach of the relevant provisions in COLL.

- 18.4. Where a transaction is entered into for hedging purposes and relates to the actual or potential acquisition of transferable securities, the ACD must intend that the Company should invest in such transferable securities within a reasonable time and the ACD must ensure that, unless the position has itself been closed out, that intention is realised within such time.

**19. Permitted transactions (derivatives and forwards)**

- 19.1. A transaction in a derivative must be in an approved derivative or be one which complies with paragraph 23 (OTC transactions in derivatives).

- 19.2. A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Sub-fund is dedicated:

19.2.1. transferable securities;

19.2.2. approved money-market instruments permitted under paragraphs 7.1.1 to 7.1.4;

19.2.3. deposits permitted under paragraph 26.1;

19.2.4. permitted derivatives under this paragraph;

19.2.5. collective investment scheme units permitted under paragraph 15 (Investment in collective investment schemes);

19.2.6. financial indices which satisfy the criteria set out in paragraph 20 (Financial indices underlying derivatives);

19.2.7. interest rates;

19.2.8. foreign exchange rates; and

19.2.9. currencies.

- 19.3. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

- 19.4. A transaction in a derivative must not cause a Sub-fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.

- 19.5. A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money-market instruments, units in collective investment schemes or derivatives.

- 19.6. Any forward transaction must be with an eligible institution or an approved bank.

- 19.7. A derivative includes an instrument which fulfils the following criteria:



- 19.7.1. it allows transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
  - 19.7.2. it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR, including cash;
  - 19.7.3. in the case of an OTC derivative, it complies with the requirements in paragraph 23 (OTC transactions in derivatives); and
  - 19.7.4. its risks are adequately captured by the risk management process of the ACD and by its internal control mechanisms in the case of risk asymmetry of information between the ACD and the counterparty to the derivative resulting from the potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 19.8. A Sub-fund may not undertake transactions in derivatives on commodities.

## **20. Financial Indices underlying derivatives**

- 20.1. The financial indices referred to in paragraph 19.2.6 are those which satisfy the following criteria:
- 20.1.1. the index is sufficiently diversified;
  - 20.1.2. the index represents an adequate benchmark for the market to which it refers; and
  - 20.1.3. the index is published in an appropriate manner.
- 20.2. A financial index is sufficiently diversified if:
- 20.2.1. it 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;
  - 20.2.2. where it is composed of assets in which a Sub-fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
  - 20.2.3. where it is composed of assets in which a Sub-fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.
- 20.3. A financial index represents an adequate benchmark for the market to which it refers if:
- 20.3.1. it measures the performance of a representative group of underlyings in a relevant and appropriate way;
  - 20.3.2. it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

- 20.3.3. the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 20.4. A financial index is published in an appropriate manner if:
  - 20.4.1. its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
  - 20.4.2. 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.
- 20.5. Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to 19.2, be regarded as a combination of those underlyings.

## **21. Transactions for the purchase of property**

- 21.1. A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-fund may be entered into only if that property can be held for the account of that Sub-fund, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the COLL Sourcebook.

## **22. Requirement to cover sales**

- 22.1. No agreement by or on behalf of a Sub-fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by that Sub-fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by a Sub-fund at the time of the agreement. This requirement does not apply to a deposit.

## **23. OTC transactions in derivatives**

- 23.1. Any transaction in an OTC derivative under paragraph 19.1 must be:
  - 23.1.1. with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank; or a person whose permission (including any requirements or limitations), as published in the financial services register or whose home state authorisation, permits it to enter into the transaction as principal off-exchange;
  - 23.1.2. on approved terms; the terms of the transaction in derivatives are approved only if, the ACD: carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty and can enter into one or more further

transactions to sell, liquidate or close out that transaction at any time, at its fair value; and

23.1.3. capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

(a) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or

(b) if the value referred to in paragraph 23.1.4 (a) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

23.1.4. subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

(a) an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or

(b) a department within the ACD which is independent from the department in charge of managing a Sub-fund and which is adequately equipped for such a purpose.

23.2. For the purposes of paragraph 23.1.3, “fair value” is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

## **24. Valuation of OTC derivatives**

24.1. For the purposes of paragraph 23.1.3 the ACD must:

24.1.1. establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Sub-fund to OTC derivatives; and

24.1.2. ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

24.2. Where the arrangements and procedures referred to in paragraph 24.1 above involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (5) to (6) (Due diligence requirements of AFMs of UCITS schemes).

24.3. The arrangements and procedures referred to in 24.1 must be:

24.3.1. adequate and proportionate to the nature and complexity of the OTC derivative concerned; and

24.3.2. adequately documented.

## **25. Risk management**

25.1. The ACD uses a risk management process (including a risk management policy) in accordance with COLL 6.12, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure at any time the risk of a Sub-fund's positions and their contribution to the overall risk profile of the Sub-fund. The following details of the risk management process must be regularly notified to the FCA at least on an annual basis:

25.1.1. a true and fair view of the types of derivatives and forward transactions to be used within the Sub-fund together with their underlying risks and any relevant quantitative limits; and

25.1.2. the methods for estimating risks in derivative and forward transactions.

25.2. The ACD must notify the FCA in advance of any material alteration to the above details.

## **26. Investment in deposits**

26.1. A Sub-fund may invest in deposits only if it is with an approved bank, is repayable on demand or has the right to be withdrawn and matures in no more than 12 months.

## **27. Significant influence**

27.1. The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

27.1.1. immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate; or

27.1.2. the acquisition gives the Company that power.

27.2. For the purposes of paragraph 27.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## **28. Concentration**

28.1. The Company must not acquire transferable securities other than debt securities which:

- 28.1.1. do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
- 28.1.2. represent more than 10% of these securities issued by that body corporate;
- 28.2. The Company must not acquire more than 10% of the debt securities issued by any single issuing body;
- 28.3. The Company must not acquire more than 25% of the units in a collective investment scheme;
- 28.4. The Company must not acquire more than 10% of the approved money-market instruments issued by any single body; and
- 28.5. Need not comply with the limits in paragraphs 28.2, 28.3 and 28.4 of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

## **29. Schemes replicating an index**

- 29.1. Notwithstanding paragraph 0 (Spread: general), a Sub-fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.
- 29.2. Replication of the composition of a relevant index shall be understood to be a reference to a replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.
- 29.3. The 20% limit can be raised for a particular Sub-fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.
- 29.4. In the case of a Sub-fund replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where a Sub-fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.
- 29.5. The indices referred to above are those which satisfy the following criteria:
  - 29.5.1. the composition is sufficiently diversified;
  - 29.5.2. the index represents an adequate benchmark for the market to which it refers; and
  - 29.5.3. the index is published in an appropriate manner.
- 29.6. The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.

- 29.7. An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- 29.8. An index is published in an appropriate manner if:
- 29.8.1. it is accessible to the public;
  - 29.8.2. the index provider is independent from the index-replicating UCITS scheme; this does not preclude index providers and the UCITS scheme from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

### **30. Derivative exposure**

- 30.1. The Sub-funds may invest in derivatives and forward transactions as long as the exposure to which a Sub-fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 30.2. Cover ensures that a Sub-fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which that Sub-fund is committed. Paragraph 31 (Cover for investment in derivatives and forward transactions) below sets out detailed requirements for cover of that Sub-fund.
- 30.3. A future is to be regarded as an obligation to which a Sub-fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which a Sub-fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- 30.4. Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

### **31. Cover for investment in derivatives and forward transactions**

- 31.1. A Sub-fund may invest in derivatives and forward transactions as part of its investment policy provided:
- 31.1.1. its global exposure relating to derivatives and forward transactions held in the Sub-fund does not exceed the net value of the Scheme Property; and
  - 31.1.2. its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 12 (Spread: general) above.

## 32. Cover and borrowing

- 32.1. Cash obtained from borrowing and borrowing which the ACD reasonably regards an eligible institution or an approved bank to be committed to provide, is not available for cover under paragraph 31 (Cover for investment in derivatives and forward transactions) except where 32.2 below applies.
- 32.2. Where, for the purposes of this paragraph a Sub-fund borrows an amount of currency from an eligible institution or an approved bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in paragraph 32.1 on deposit with the lender (or his agent or nominee), then this paragraph 32.2 applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

## 33. Calculation of global exposure

- 33.1. The ACD must calculate the global exposure of a Sub-fund on at least a daily basis.
- 33.2. The ACD must calculate the global exposure of any Sub-fund it manages either as:
  - 33.2.1. the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 17 (Derivatives: general), which may not exceed 100% of the net value of the Scheme Property; or
  - 33.2.2. the market risk of the Scheme Property.
- 33.3. For the purposes of this section exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements the positions.
- 33.4. The ACD must calculate the global exposure of a Sub-fund by using:
  - 33.4.1. commitment approach; or
  - 33.4.2. the value at risk approach.
- 33.5. The ACD must ensure that the method selected above is appropriate, taking into account:
  - 33.5.1. the investment strategy pursued by the Sub-fund;
  - 33.5.2. types and complexities of the derivatives and forward transactions used; and
  - 33.5.3. the proportion of the Scheme Property comprising derivatives and forward transactions.
- 33.6. Where a Sub-fund employs techniques and instruments including reverse repurchase transactions (“**Repo Contracts**”) or stock lending transactions in accordance with paragraph 43 (“**Stock Lending**”) in order to generate additional leverage or exposure to market risk, the ACD must take those transactions into consideration when calculating global exposure.

### **34. Stock lending**

- 34.1. The entry into Stock Lending transactions or Repo Contracts for the account of a Sub-fund is permitted for the generation of additional income for the benefit of that Sub-fund, and hence for its Shareholders. Stock Lending and Repo Contracts involve counterparty risk in that the borrower or seller may default on a loan or a transaction, become insolvent or otherwise be unable to meet, or refuse to honour, its obligations to sell (in the case of Repo Contracts) or return loaned or equivalent securities (in the case of Stock Lending). In this event, the relevant Sub-fund could experience delays in recovering the securities, may not be able to recover the securities and may incur a capital loss which might result in a reduction in the net asset value of the Sub-fund.
- 34.2. The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the “lender” to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed. Collateral may be in the form of cash or other acceptable collateral as set out in this Prospectus.
- 34.3. The stock lending permitted by this section may be exercised by a Sub-fund when it reasonably appears to a Sub-fund to be appropriate to do so with a view to generating additional income with an acceptable degree of risk.
- 34.4. The Company, or the Depositary acting in accordance with the instructions of the ACD, may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of a Sub-fund are in a form which is acceptable to the Depositary and are in accordance with good market practice, the counterparty meets the criteria set out in COLL 5.4.4(b), and high quality and liquid collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.
- 34.5. The Depositary must ensure that the value of the collateral at all times is equal in value to the market value of the securities transferred by the depositary plus a premium. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 34.6. Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of a Sub-fund.



34.7. There is no limit on the value of the Scheme Property of a Sub-fund which may be the subject of Stock Lending transactions or Repo Contracts.

34.8. Any intent to enter into any Stock Lending transactions or Repo Contracts on behalf of a Sub-fund is disclosed in section 43 below.

### **35. Cash and near cash**

35.1. Cash and near cash must not be retained in the Scheme Property of the Sub-funds except to the extent that, where this may reasonably be regarded as necessary in order to enable:

35.1.1. the pursuit of a Sub-fund's investment objectives; or

35.1.2. redemption of Shares; or

35.1.3. efficient management of a Sub-fund in accordance with its investment objectives; or

35.1.4. other purposes which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.

35.1.5. During the period of the initial offer the Scheme Property of the Sub-funds may consist of cash and near cash without limitation.

### **36. Underwriting**

36.1. Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in COLL 5, be entered into for the account of a Sub-fund.

### **37. General power to borrow**

37.1. The Company may borrow money from an eligible institution or an approved bank for the use of a Sub-fund on terms that the borrowing is to be repayable out of the Scheme Property.

37.2. Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.

37.3. The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of a Sub-fund.

37.4. These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

### **38. Restrictions on lending of money**

- 38.1. None of the money in the Scheme Property of a Sub-fund may be lent and, for the purposes of this paragraph, money is lent by a Sub-fund if it is paid to a person (“the payee”) on the basis that it should be repaid, whether or not by the payee.
- 38.2. Acquiring a debenture is not lending for the purposes of paragraph 38.1, nor is the placing of money on deposit or in a current account.
- 38.3. Nothing in paragraph 38.1 prevents the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

### **39. Restrictions on lending of property other than money**

- 39.1. Scheme Property of the Sub-funds other than money must not be lent by way of deposit or otherwise (other than permitted stock lending).
- 39.2. The Scheme Property of the Sub-funds must not be mortgaged.
- 39.3. Where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL 5, nothing in this paragraph prevents the Company or the Depositary at the request of the Company, from lending, depositing, pledging or charging its Scheme Property for margin requirements, or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

### **40. General power to accept or underwrite placings**

- 40.1. Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Sub-fund.
- 40.2. This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.
- 40.3. The exposure of a Sub-fund to agreements and understandings as set out above must, on any Business Day, be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL 5.

#### **41. Guarantees and indemnities**

- 41.1. The Company or the Depository for the account of the Company must not provide any guarantee or indemnity in respect of the obligation of any person.
- 41.2. None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 41.3. Paragraphs 41.1 and 41.2 do not apply to in respect of the Company:
  - 41.3.1. any indemnity or guarantee given for margin requirements where the derivative or forward transactions are being used in accordance with COLL 5; and
  - 41.3.2. an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
  - 41.3.3. an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depository against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
  - 41.3.4. an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Company and the holders of units in that scheme become the first Shareholders in the Company.

#### **42. Total Return Swaps**

The Company can also enter into one or several total return swap to gain exposure to reference assets, which may be invested according to the investment policy of the relevant Sub-fund. A total return swap (“TRS”) is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses. TRS can be funded or unfunded

depending whether the full value or notional value of the agreed underlying reference asset is paid on the date of entry into the TRS or not.

Securities eligible for TRS are limited to: (a) debt and debt related instruments; (b) equity and equity related instruments; and (c) financial indexes that fulfil the criteria set by the Regulations.

The counterparty to a TRS does not assume any discretion over the composition or management of the Sub-fund or over the underlying of the financial derivative instruments.

The Company may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered as equivalent to those prescribed by United Kingdom law.

Any intent to enter into TRS on behalf of a Sub-fund is disclosed in section 43 below.

No direct and indirect operational costs and/or fees arising from TRS are deducted from the revenue delivered to the Company.

All returns from TRS will accrue to the Sub-fund and are not subject to any returns sharing arrangements with the ACD or any other third parties.

#### **43. Transparency of Securities Financing Transactions and of Reuse**

In order to comply with Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) 648/2012, data regarding the maximum and expected proportions of assets under management that Efficient Portfolio Management techniques and TRS represent for a Sub-fund is reported in the table below, when relevant. A Sub-fund that does not use Efficient Portfolio Management techniques and TRS as of the date of this Prospectus (i.e. its expected proportion of assets under management subject to each Efficient Portfolio Management techniques and TRS being 0%) may still use Efficient Portfolio Management techniques and TRS provided that the maximum proportion of assets under management of that Sub-fund subject to these financial techniques does not exceed the maximum proportion indicated. In such case, the table below is updated accordingly at the next available opportunity.

##### **EPM techniques and total return swaps**

<b>Sub-fund</b>	<b>Securities lending*</b>		<b>Repurchase and reverse repurchase agreements*</b>		<b>Total return swaps*</b>	
	<b>Expected**</b>	<b>Maximum**</b>	<b>Expected**</b>	<b>Maximum**</b>	<b>Expected**</b>	<b>Maximum**</b>
Eurizon SLJ Local Emerging Markets Debt	0%	30%	0%	30%	0%	30%

Eurizon SLJ Bond Aggregate RMB (Renminbi)	0%	30%	0%	30%	0%	30%
Eurizon SLJ Sustainable Global Equity	0%	30%	0%	30%	0%	30%

\* Investors should refer to the annual and semi-annual reports for exact and up to date information on the actual use and revenues of such transactions in the relevant Sub-fund.

\*\* Percentage of the Net Asset Value of the relevant Sub-fund. For Total return swaps, the Commitment Approach is used to calculate this ratio.

Securities eligible for securities lending transactions are limited to: (a) equity and equity-related instruments of any kind listed or dealt on a regulated market that fulfil the criteria set by the Regulations; and (b) debt and debt-related instruments of any kind.

The securities lending arrangements will be concluded with counterparties approved by the ACD after completion of appropriate credit reviews in order to assess their credit quality with a conclusion of a proper credit analysis.

Securities eligible for repurchase and reverse repurchase agreements are limited to: (a) short-term bank certificates; (b) money market instruments; (c) bonds issued or guaranteed by an OECD member state or by their local authorities or by supranational institutions and undertakings with the UK, EU, regional or worldwide scope; (d) shares or units issued by money market collective investment schemes (having daily NAV and AAA rating or equivalent); (e) bonds issued by non-governmental issuers offering an adequate liquidity; (f) shares quoted or negotiated on a regulated market of a EU Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included within a main index.

The Company may purchase or sell securities in the context of reverse repurchase or repurchase agreement transactions only if the counterparties are highly rated financial institutions specialised in this type of transactions.

#### **44. Collateral Management**

44.1. Where the Company enters into OTC financial derivative transactions and EPM techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

44.1.1. Any collateral received other than cash shall 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 pre-sale valuation. Collateral received should also comply with the Regulations.

- 44.1.2. Collateral received shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.
- 44.1.3. Collateral received shall be of high quality.
- 44.1.4. The collateral received by a Sub-fund shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- 44.1.5. Collateral shall be sufficiently diversified in terms of country, markets and issuers; The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if a Sub-fund receives from a counterparty of Efficient Portfolio Management and OTC financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Sub-fund's net asset value. When a Sub-fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
- 44.1.6. By way of derogation to the above collateral diversification rules, a Sub-fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by the UK, a Member State of the EU, one or more of their local authorities, any Member State of the OECD, or a public international body to which the UK or one or more Member States of the EU belong. In this case the Sub-fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of its net asset value.
- 44.2. Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the risk management process.
- 44.3. Where there is a title transfer, the collateral received shall be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third-party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral. Details on entities eventually entrusted with the deposit of collateral received by the Company will be disclosed in the annual and semi-annual reports.
- 44.4. Collateral received shall be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- 44.5. Non-cash collateral received shall not be sold, re-invested or pledged.
- 44.6. Cash collateral received shall only be:
  - 44.6.1. Placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive.
  - 44.6.2. Invested in high-quality government bonds.

- 44.6.3. Used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis.
- 44.6.4. Invested in short-term money market funds as defined in Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.
- 44.7. The Company accepts as collateral cash in different currencies, negotiable debt obligations issued by governments or, if agreed with counterparties on a case by case basis, corporate issuers to cover the exposure towards various counterparties. A collateral arrangement can set (i) a minimum transfer amount, i.e. a minimum level below which the relevant collateral is not required to be posted to the Company, this avoids the need to transfer (or return) a small amount of collateral to reduce operational procedures or (ii) a threshold, so that the collateral is only required to be posted if the Company counterparty's exposure exceeds an agreed level.
- 44.8. Collateral posted to the Company is usually subject to a *haircut*, i.e. the collateral is valued less than its market value, this is achieved by applying a valuation percentage to each type of collateral. In this case, the collateral provider will have to provide a greater amount of collateral than would otherwise have been the case. The purpose of this extra posting requirement is to set off the possible decline in the value of the collateral. The collateral may be subject to daily variation margin requirements. The valuation percentage is linked to the liquidity, less liquid securities are usually assigned lower valuation percentages, it also varies with the residual maturity of the instrument, its currency and rating, or with the rating of the issuer.
- 44.9. The percentage values set forth below represent the range of haircuts defined in the collateral policy set forth by the ACD on behalf of the Company and are aligned with the ones defined in the different collateral arrangements entered into on behalf of the Company. The ACD reserves the right to vary the haircuts to reflect future variations of the collateral policy.

<b>Collateral Instrument Type</b>	<b>Haircut</b>
Cash*	0%-8%**
OECD Government Bonds***	3%-20%
Non-Government Bonds	25%

\* The haircut may vary depending on the currency.

\*\* 0% only if the cash collateral received is in the same currency as the related Sub-fund currency.

\*\*\* The haircut may vary depending on the residual maturity of the security.

## APPENDIX IV

### LIST OF OTHER INTERESTS OF DIRECTORS AND OTHER REGULATED COLLECTIVE INVESTMENT SCHEMES IN RELATION TO WHICH THE ACD ACTS

**Directors of the ACD and their significant business activities not connected with the business of the Company.**

Saverio Perissinotto	Chairman of board of directors
Stephen Li Jen	Chief executive officer and Co-Chief investment officer
Massimo Mazzini	Non-executive director
Alessandro Maria Solina	Non-executive director
Fatih Yilmaz	Co-Chief investment officer
Giuseppe Distefano	Independent non-executive director
Irene Cervellera	Independent non-executive director

No director (other than the independent non-executive directors) is engaged in any significant business activity not connected with the business of the ACD or its associates.

<b>Other regulated collective investment schemes in relation to which the ACD acts</b>				
Name	Place of registration	Registration Number	Product Reference	Capacity
Eurizon Fund	Luxembourg	O00000484 (Luxembourg)	N/A	Delegated portfolio manager of the following sub-funds: <ol style="list-style-type: none"> <li>1. Bond Aggregate RMB</li> <li>2. SLJ Local Emerging Markets Debt</li> <li>3. SLJ Flexible Global Macro</li> <li>4. SLJ Enhanced Currency Basket</li> </ol>



## APPENDIX V

### DIRECTORY

<b>The Company and Head Office:</b>	Eurizon Funds ICVC 2nd Floor 90 Queen Street Intesa Sanpaolo's Building London EC4N 1SA United Kingdom
<b>Authorised Corporate Director:</b>	Eurizon SLJ Capital Limited 2nd Floor 90 Queen Street Intesa Sanpaolo's Building London EC4N 1SA United Kingdom
<b>Depositary:</b>	State Street Trustees Limited 20 Churchill Place Canary Wharf London E14 5HJ United Kingdom
<b>Administrator:</b>	State Street Bank and Trust Company, London Branch 20 Churchill Place Canary Wharf London E14 5HJ United Kingdom
<b>Registrar:</b>	SS&C Financial Services International Limited and SS&C Financial Services Europe Limited SS&C House, St. Nicholas Lane Basildon Essex SS15 5FS United Kingdom
<b>Investment Managers:</b>	Eurizon SLJ Capital Limited 2nd Floor 90 Queen Street Intesa Sanpaolo's Building London EC4N 1SA United Kingdom  Eurizon Capital SGR S.p.A. Piazzetta Giordano dell'Amore, 3

I-20121 Milan  
Italy

**Auditors:**

Ernst & Young LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX  
United Kingdom