Colchester®
GLOBAL INVESTORS

# The Colchester Multi-Strategy Global Bond Fund Plc Prospectus

31 May 2023

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

**THE COLCHESTER MULTI-STRATEGY GLOBAL BOND FUND PLC**

(an investment company with variable capital incorporated with limited liability in Ireland and established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)

# Prospectus

for

**THE COLCHESTER GLOBAL BOND FUND**

**THE COLCHESTER GLOBAL BOND ENHANCED CURRENCY FUND**

**THE COLCHESTER GLOBAL AGGREGATE BOND FUND**

**THE COLCHESTER GLOBAL AGGREGATE BOND ENHANCED CURRENCY FUND**

**THE COLCHESTER GLOBAL GREEN BOND FUND**

**THE COLCHESTER GLOBAL LOW DURATION BOND FUND**

**THE COLCHESTER GLOBAL REAL RETURN BOND FUND**

**THE COLCHESTER LOCAL MARKETS BOND FUND**

**THE COLCHESTER LOCAL MARKETS REAL RETURN BOND FUND**

**THE COLCHESTER BLEND LOCAL & HARD CURRENCY EMERGING MARKETS BOND FUND**

**THE COLCHESTER ALPHA FUND**

Dated 31 May 2023

CO590/001/AC#40151823.15

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY AND THE FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF AN INVESTOR HAS ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS, IT SHOULD CONSULT ITS LEGAL ADVISER, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

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

### Authorisation by the Central Bank

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

### Investment Risks

**There can be no assurance that the Funds will achieve their investment objective. It should be appreciated that the value of Shares may go down as well as up. An investment in a Fund involves investment risks, including possible loss of the entire amount invested. The capital return and income of the Funds are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. No guarantees as to future performance of, or future return from, a Fund can be given by the Company itself, or by any Director or officer of the Company, the Distributors, the Manager, the Investment Manager or any of its affiliates, or by any of their directors or officers, or by any authorised dealers. Investors' attention is drawn to the specific risk factors set out in the section of this Prospectus entitled "Risk Factors".**

### Selling Restrictions

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

Before investing in a Fund an investor shall be required to confirm whether the investor is an Irish Resident for tax purposes.

There will be no public offering of Shares in the United States.

Unless otherwise permitted by the Company, Shares may not be offered to investors who are deemed to be U.S. Persons and the transfer of Shares to U.S. Persons is prohibited.

For these purposes, "U.S. Person" means a person that is either: (x) a U.S. Person for U.S. federal income tax purposes; (y) any entity not organised under the laws of the United States that is organised principally for passive investment (such as an investment company, commodity pool or other similar vehicle) in which U.S. Persons, other than Qualified Eligible Persons as defined in CFTC Rule 4.7, own in aggregate more than 10% of the beneficial interests in the entity; or (z) a U.S. Person as defined in Regulation S, as amended from time to time, of the U.S. Securities Act of 1933, as amended (the "Securities Act") . Regulation S currently defines a "U.S. Person" as: (a) any natural person resident in the United States; (b) any partnership or corporation or other entity organised or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a U.S. Person as defined in sub-paragraphs (a) and (b) herein; (d) any trust of which any trustee is a U.S. Person as defined in sub-paragraphs (a) and (b) herein; (e) any agency or branch of a foreign entity located in the United States; (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or similar fiduciary for the benefit or account of a U.S. Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or, if an individual, resident in the United States; or (h) any partnership or corporation (i) if organised or incorporated under the laws of any foreign jurisdiction and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts. "U.S. Person" does not include: (a) a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated or, if an individual, resident in the United States; (b) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-US law; (c) any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person; (d) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (e) any agency or branch of a U.S. Person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located or (f) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

The Shares have not been and will not be registered under the Securities Act or the securities laws of any of the states of the United States, nor is such registration contemplated.

Subscriptions will not be accepted from investors that are employee benefit plans subject to Title I of the U.S. Employee Retirement Income Security Act of 1974 as amended ("ERISA"), certain tax qualified plans subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended, or other entities deemed to hold assets of such plans (together, "Benefit Plan Investors") unless the Company, the Manager or its delegate otherwise consent. For these purposes a "benefit plan investor" is as defined in Section 3(42) of ERISA and any regulations promulgated by the U.S. Department of Labor thereunder, being "employee benefit plans" as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, "plans" that are subject to the prohibited transaction provisions of Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, and entities the assets of which are treated as "plan assets" under Section 3(42) of ERISA and any regulations promulgated thereunder.

A registration statement under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (the "FIEL") has not been and will not be filed in connection with the offering of Shares in Japan because the offering is made under Article 2, Paragraph 3, Item 2-c of the FIEL.

This Prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company, and should not be reproduced or used for any other purpose. Notwithstanding anything herein to the contrary, each Shareholder (and each employee, representative or other agent of such Shareholder) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of: (i) the Company and the Funds; and (ii) any of their transactions, and all materials of any kind (including, without limitation, opinions or other tax analyses) that are provided to such Shareholder relating to such tax treatment and tax structure, it being understood that "tax treatment" and "tax structure" do not include the name or the identifying information of the Company, any Fund or any party to a transaction.

### Marketing Rules

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

Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

The distributors of this Prospectus in some jurisdictions may require the translation of this Prospectus into other languages specified by the regulatory authorities of those jurisdictions provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the laws of Ireland.

### Investors in the Dubai International Financial Centre

This Prospectus relates to Funds which are not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with the Funds. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective investors should conduct their own due diligence on the Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

**Potential investors should read this entire Prospectus before determining whether to invest in the Shares and should consult with their own financial and tax advisers. Potential investors should also be aware that, if they decide to purchase Shares, they will have no role in the management of the Fund and will be required to rely on the expertise of the Investment Manager in dealing with the risks of an investment on a day to day basis.**

### Key Investor Document

A KID is produced for each Class that is currently offered in each Fund. Each KID contains essential characteristics of the Class, and is provided to investors (excluding those domiciled in the U.K.) before their proposed subscription into the Class. The KID is a pre-contractual document and investors will have to confirm that they have read the latest KID before making a subscription. The Company, the Manager or its delegate have the right to reject a subscription if the investor does not confirm that it has read the latest KID at the time of application. Investors can obtain the latest version of the KID on the website www.colchesterglobal.com and/or www.fundinfo.com.

## Key Investor Information Document

A KIID is produced for each Class that is currently offered in each Fund to investors domiciled in the U.K. Each KIID contains the essential characteristics of the Class, and is provided to U.K. investors, or investors domiciled in other jurisdictions who may be in receipt of a KIID, before their proposed subscription into the Class. The KIID is a pre-contractual document and U.K. investors, or investors in other jurisdictions that may be in receipt of the KIID, will have to confirm that they have read the latest KIID before making a subscription. The Company, the Manager or its delegate have the right to reject a subscription if the investor does not confirm that it has read the latest KIID at the time of application. Investors can obtain the latest version of the KIID on the website www.colchesterglobal.com and/or www.fundinfo.com.

## Profile of a Typical Investor in the Funds

The Shares in all the Funds are suitable for investors: (i) who are non-U.S. Persons and meet the eligibility tests pertaining to each Class; (ii) for which an investment in a Fund does not constitute a complete investment programme and who are looking to diversify their investments through exposure to developed and emerging market government and government related bonds and currencies; (iii) that fully understand and are willing to assume the risks involved in such Fund's investment programme including an acceptance of moderate risk tolerance; (iv) who seek returns from both income and moderate capital appreciation; and (v) who are willing to adopt a medium to long-term approach to their investment strategy, investing for a minimum of three to five years.

There is no established secondary market for the Shares, and none is expected to develop. The redemption and transfer of Shares are subject to limitations imposed by the Constitution.

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

## DIRECTORY OF SERVICE PROVIDERS

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|---|---|
| The Board of Directors | Michael Boyce<br>Michele Connell<br>Keith Lloyd<br>Cian O'Brien<br>Simon O'Sullivan |
| Registered Office | George's Court<br>54-62 Townsend Street<br>Dublin 2<br>Ireland |
| Manager | Colchester Global Investors (Dublin) Management Limited<br>10 Earlsfort Terrace,<br>Dublin 2,<br>D02 T380<br>Ireland |
| Investment Manager | Colchester Global Investors Limited<br>Heathcoat House 20 Savile Row<br>London W1S 3PR<br>United Kingdom |
| Sub-Investment Manager | Colchester Global Investors (Singapore) Pte. Ltd.<br>6 Battery Road<br>#40-02A<br>Six Battery Road<br>Singapore 049909 |
| Distributors | Colchester Global Investors Limited<br>Heathcoat House<br>20 Savile Row<br>London W1S 3PR<br>United Kingdom<br><br>Colchester Global Investors (Singapore) Pte. Ltd.<br>6 Battery Road<br>#40-02A Six Battery Road<br>Singapore 049909<br><br>Colchester Global Investors Middle East Limited<br>Index Tower, Unit 403<br>P.O. Box 506850<br>Dubai International Financial Centre<br>Dubai<br>United Arab Emirates |

| | |
|---|---|
| Administrator | Northern Trust International Fund<br>Administration Services (Ireland) Limited<br>George's Court<br>54-62 Townsend Street<br>Dublin 2<br>Ireland |
| Depositary | Northern Trust Fiduciary Services (Ireland) Limited<br>George's Court<br>54-62 Townsend Street<br>Dublin 2<br>Ireland |
| Auditor | PricewaterhouseCoopers<br>One Spencer Dock<br>North Wall Quay<br>Dublin 1<br>Ireland |
| Legal Advisers in Ireland | William Fry LLP<br>2 Grand Canal Square<br>Dublin 2<br>Ireland |
| Company Secretary | Bradwell Limited<br>10 Earlsfort Terrace<br>Dublin 2 D02 T380<br>Ireland |

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# The Colchester Multi-Strategy Global Bond Fund PLC

## SUMMARY

The information set out under this heading is a summary of the principal features of the Company and should be read in conjunction with the full text of this Prospectus.

## Structure

The Company is an umbrella fund with segregated liability between Funds, established as an openended, variable capital investment company and incorporated as a public limited company under the laws of Ireland. The Constitution provides for separate Funds, each representing interests in a separate and defined portfolio of assets and liabilities, which may be issued from time to time with the approval of the Central Bank. The Company as a whole, including all of the existing Funds and all future Funds, is one legal entity and may enter into contractual arrangements in respect of one or more of the Funds. However, with regard to third parties and, in particular, with regard to the Company's creditors and as between Shareholders, each Fund shall be exclusively responsible for all liabilities attributable to it.

The Company offers investors the opportunity to invest in separate Funds. Each Fund may have one or more Classes of Shares related to it. Details of the Funds are set out below.

## Investment Objectives of the Funds

### The Colchester Global Bond Fund

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

### The Colchester Global Bond Enhanced Currency Fund

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

### The Colchester Global Aggregate Bond Fund

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

### The Colchester Global Aggregate Bond Enhanced Currency Fund

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt securities and currencies. An associated objective is the preservation and enhancement of principal.

### The Colchester Global Green Bond Fund

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily Green Bonds and of currencies. An associated objective is the preservation and enhancement of principal.

### The Colchester Global Low Duration Bond Fund

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities with shorter-dated maturities and currencies. An associated objective is the preservation and enhancement of principal.

### The Colchester Global Real Return Bond Fund

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign inflation-indexed debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

### The Colchester Local Markets Bond Fund

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign emerging market debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

### The Colchester Local Markets Real Return Bond Fund

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign emerging market inflation-indexed debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

### The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign emerging market debt securities and currencies. An associated objective is the preservation and enhancement of principal.

### The Colchester Alpha Fund

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of long and short positions in primarily sovereign debt and other debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

## Share Classes

Multiple Classes of Shares are available in respect of the Funds including currency classes, unhedged and hedged classes and income accumulation and distribution classes. Further details of the Classes of Shares in respect of each Fund are set out under the section of this Prospectus entitled "Share Classes of the Funds".

The Minimum Initial Investment and Minimum Holding requirements for each Class are set out in the section of this Prospectus entitled "Share Classes of the Funds".

## Distribution Policy

Shares are available as Accumulation Shares or Distribution Shares.

Net income and realised and unrealised capital gains net of realised and unrealised capital losses attributable to the Accumulation Shares of a Fund will not be declared or distributed but will accumulate in the Net Asset Value per Share.

Net income attributable to the Distribution Shares of a Fund will be declared and distributed by way of dividend and may include sums representing any interest or dividend or other income accrued but not received by the Company in any accounting period. Realised and unrealised capital gains net of realised and unrealised capital losses will accumulate in the Net Asset Value per Share.

## Fees and Expenses

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

## Dealing Days

Shares may be issued on a Dealing Day by sending an Application Form and all anti-money laundering documentation to the Administrator to arrive in good order no later than the Application Form Cut-Off Time and an initial subscription form to arrive in good order no later than the Trade Cut-Off Time. Alternatively, Shares may be issued by opening an account via an Approved Clearing System and submitting the necessary electronic trade message.

Additional Shares may be issued on a Dealing Day by sending an additional subscription form to the Administrator to arrive in good order by no later than the Trade Cut-Off Time or, if using an Approved Clearing System, by submitting the necessary electronic trade message by no later than the Trade Cut-Off Time.

Cleared funds must be received by the relevant Fund by the Settlement Time.

Shares may be redeemed on a Dealing Day by sending a redemption form to the Administrator to arrive in good order by no later than the Trade Cut-Off Time. Alternatively, Shares may be redeemed on a Dealing Day by submitting the necessary electronic trade message via an Approved Clearing System by no later than the Trade Cut-Off Time.

**Investors should note that as at the date of this Prospectus only certain Classes of Shares may currently be available for purchase. Investors should contact the Manager, the Investment Manager or the Administrator if they wish to invest in a class of a Fund to determine whether it is available for subscription.**

## Taxation

As an investment undertaking within the meaning of Section 739B (1) of the TCA, the Company is exempt from Irish tax on its income and gains and the Company will not be required to account for any tax in respect of Shareholders who are not Irish Residents provided that the necessary signed declarations are in place. The Company may be required to account for tax in respect of Shareholders who are Irish Residents. The Company should not be required to account for tax on any transaction in relation to, or in respect of, Shares which are held in a "recognised clearing system" within the meaning of Section 246A TCA (the National Securities Clearing System is so recognised).

## Investor Restrictions

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

## Investment Risks

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

## Definitions

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

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| "A Shares" | Shares in an A Class, as described in the section of this Prospectus entitled "Share Classes of the Funds"; |
| "Accumulation Shares" | Shares belonging to an accumulating Class (as described in the section of this Prospectus entitled "Distribution Policy"); |
| "Administrator" | Northern Trust International Fund Administration Services (Ireland) Limited; |
| "Administration Agreement" | the amended and restated agreement dated 8 June 2022, as amended from time to time, between the Company, the Manager and the Administrator pursuant to which the Administrator was appointed administrator, registrar and transfer agent of the Company; |
| "Application Form" | the application form to be completed by subscribers for Shares as prescribed by the Company from time to time; |
| "Application Form Cut-Off Time" | the time by which complete Application Forms and supporting documentation must be received by the Administrator, which is before 1:00 p.m. (Irish time) one Business Day before the relevant Dealing Day or such other time as may be agreed by the Company or the Manager with the Administrator and notified to the relevant Shareholder; |
| "Approved Clearing System" | the National Securities Clearing Corporation and such other clearing system as may be approved by the Board from time to time; |
| "Asset Backed Security" | a bond whose income payments and value are derived and collateralised from an underlying pool of assets; |
| "AUD" | Australian Dollar, the lawful currency of Australia; |
| "B Shares" | Shares in a B Class, as described in the section of this Prospectus entitled "Share Classes of the Funds"; |
| "Base Currency" | the base currency of the Funds is USD; |

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| "Base Currency Hedged" | shares belonging to a Base Currency Hedged Class (as described in the section of this Prospectus entitled "Hedged, Base Currency Hedged and Unhedged Share Classes"); |
| "Benchmark" | in respect of a Fund, the benchmark specified as applying to that Fund in the section of this Prospectus entitled "Investment Objectives and Policies of the Funds"; |
| "Benchmarks Regulation" | Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as such may be amended, supplemented or replaced from time to time; |
| "BRL" | Brazilian Real, the lawful currency of Brazil; |
| "Business Day" | unless otherwise determined by the Company and notified in advance to Shareholders, a day on which retail banks are generally open for business in Ireland and the United Kingdom, excluding Christmas Eve and New Year's Eve; |
| "CAD" | Canadian Dollars, the lawful currency of Canada; |
| "Capital Requirements Regulation" | Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 |
| "Central Bank" | the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Company; |
| "Central Bank Regulations" | the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, as amended or any further amendment thereto for the time being in force and any guidance, regulations and conditions issued by the Central Bank from time to time pursuant to the UCITS Regulations and/or the Central Bank Act regarding the regulation of undertakings for collective investment in transferable securities, as such may be amended, supplemented or replaced from time to time; |
| "CFTC" | the U.S. Commodity Futures Trading Commission; |
| "CHF" | Swiss Francs, the lawful currency of Switzerland; |
| "Class" | any class of Shares, each representing interests in the Funds; |
| "Class Currency" | the currency of each Class, as set out in the section in this Prospectus entitled "Share Classes of the Funds"; |
| "Company" | The Colchester Multi-Strategy Global Bond Fund plc, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Act 2014 and the UCITS Regulations; |
| "Constitution" | the constitution of the Company; |

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| "Corporate Bond" | a bond issued by a borrower whose equity capital is at least 50% owned by an entity or entities not classified individually or collectively as a sovereign, government, quasi-or-semi-government body, province, state, region, local authority, county, city, supra-national body or any body backed by the full faith and credit of any of the foregoing non-corporate entities; |
| "CPO" | a commodity pool operator; |
| "Depositary" | Northern Trust Fiduciary Services (Ireland) Limited; |
| "Depositary Agreement" | the agreement dated 1 June 2016, as amended from time to time, between the Company and the Depositary pursuant to which the Depositary was appointed depositary of the Company; |
| "Dealing Day" | each Business Day; |
| "Directive" | Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (Recast), as such may be amended, supplemented or replaced from time to time; |
| "Directors" | the directors of the Company for the time being and any duly constituted committee thereof; |
| "Disclosures Regulation" or "SFDR" | Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 Novem-ber 2019 on sustainability-related disclosures in the financial service sector; |
| "Distribution Agreement" | each agreement between the Manager, the Company and a Distributor, as amended from time to time, pursuant to which the latter acts as a distributor in relation to the Company; |
| "Distribution Shares" | Shares belonging to a distributing Class (as described in the section of this Prospectus entitled "Distribution Policy"); |
| "Distributors" | Colchester Global Investors Limited, Colchester Global Investors (Singapore) Pte. Ltd. and Colchester Global Investors Middle East; |
| "DKK" | Danish Krone, the lawful currency of Denmark; |
| "EEA" | the European Economic Area; |
| "Eligible Collective Investment Schemes" | schemes established (i) in Member States which are authorised under the Directive and which may be listed on a Regulated Market in the EU and/ or any of the following open-ended collective investment schemes:<br><br>(a) schemes established in Guernsey and authorised as Class A schemes;<br><br>(b) schemes established in Jersey as recognised funds;<br><br>(c) schemes established in the Isle of Man as authorised schemes;<br><br>(d) retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects with the provisions of the UCITS Requirements; |

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| | (e) alternative investment funds authorised in the EU, the EEA, the U.S., Jersey, Guernsey or the Isle of Man and which comply, in all material respects with the provisions of the UCITS Requirements; and<br><br>(f) such other schemes as may be permitted by the Central Bank and set out in this Prospectus; or<br><br>(ii) alternative investment funds authorised in the U.K. which will comply in all material respects with the UCITS Regulations and the Central Bank Regulations; |
| "EUR" | the currency unit referred to in the Second Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro; |
| "EU" | the European Union; |
| "FATCA" | the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act 2010; |
| "Fitch" | Fitch Ratings Inc.; |
| "FCA" | the Financial Conduct Authority of the U.K.; |
| "Fund" or "Funds" | any fund from time to time established by the Company including the Funds the subject of this Prospectus, where appropriate. As at the date of this Prospectus, the Funds are: The Colchester Global Bond Fund; The Colchester Global Bond Enhanced Currency Fund; The Colchester Global Aggregate Bond Fund; The Colchester Global Aggregate Bond Enhanced Currency Fund; The Colchester Global Green Bond Fund; The Colchester Global Low Duration Bond Fund; The Colchester Global Real Return Bond Fund; The Colchester Local Markets Bond Fund; The Colchester Local Markets Real Return Bond Fund; The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund; and The Colchester Alpha Fund; |
| "GBP" | Pound Sterling, the lawful currency of the U.K.; |
| "Green Bonds" | bonds issued by governments, supra-nationals, agencies and other types of issuers to fund projects that benefit the environment; |
| "Hedged" | in respect of Classes of Share, a Class that limits the exposure to fluctuations between the currency of that Class and the currencies of the assets in the relevant Fund by hedging or partially hedging the currency exposures into the relevant Class Currency; |
| "HKD" | Hong Kong Dollar, the lawful currency of Hong Kong; |
| "JPY" | Japanese Yen, the lawful currency of Japan; |
| "I Shares" | Shares in an I Class, as described in the section of this Prospectus entitled "Share Classes of the Funds"; |
| "I Premier Shares" | Shares in an I Premier Class, as described in the section of this Prospectus entitled "Share Classes of the Funds"; |

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| "Initial Offer Period" | in respect of the new Classes of Shares in the Funds, the period commencing at 9.00 a.m. on 1 June 2023 and ending at 5.00 p.m. on 30 November 2023 and in respect of the extended and reoffered Classes of Shares in the Funds, the period ending at 5.00 p.m. on 30 November 2023, or such other time as the Company or the Manager may determine, in accordance with the requirements of the Central Bank and which information is available from the Manager, the Administrator or the Investment Manager; |
| "Initial Offer Price" | the price at which a Class of Shares is first offered or at which it is re-offered which shall be 10.00 units in the appropriate Class Currency of the Class; |
| "Investment Grade" | rated at least BBB- by Standard & Poor's or Fitch or Baa3 by Moody's, or if unrated, deemed to have an equivalent rating by the Investment Manager in its sole discretion; securities below B- are determined in accordance with the section of this Prospectus entitled "Investment Policy" in respect of each Fund; |
| "Investment Manager" | Colchester Global Investors Limited; |
| "Investment Management Agreement" | the agreement dated 8 June 2022, as amended from time to time, between the Manager and the Investment Manager, as amended from time to time, pursuant to which the Investment Manager was appointed investment manager of the Company; |
| "KID" | the key information document issued in respect of a Class of Shares of a Fund; |
| "KIID" | the key investor information document issued in respect of a Class of Shares of a Fund; |
| "Management Agreement" | the agreement dated 8 June 2022, as amended from time to time, between the Company and the Manager pursuant to which the latter was appointed manager of the Company; |
| "Management Fee" | the management fee in respect of each Fund as set out in the section of this Prospectus entitled "Fees and Expenses"; |
| "Manager" | Colchester Global Investors (Dublin) Management Limited; |
| "Member State" | a member state of the EU; |
| "MiFID II" | Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012; |
| "Minimum Holding" | in respect of each Class, the USD amount (or its equivalent in the relevant Class Currency) set out in the section of this Prospectus entitled "Share Classes of the Funds", or such other minimum holding as the Company, the Manager or its delegate may determine and notify to the relevant Shareholder in writing, including by e-mail; |
| "Minimum Initial Investment" | in respect of each Class, the USD amount (or its equivalent in the relevant Class Currency) set out in the section of this Prospectus entitled "Share Classes of the Funds" or such other minimum initial investment as the Company, the Manager or its delegate may determine; |

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| "Money Market Funds Regulation" | Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds; |
| "Moody's" | Moody's Investor Services, Inc.; |
| "Mortgage Backed Security" | a bond whose income payments and value are derived and collateralised from an underlying pool of mortgages; |
| "Net Asset Value" or "NAV" | the Net Asset Value of a Fund, Class or Share, as appropriate, calculated as described herein; |
| "Net Asset Value per Share" | in respect of any Shares, the Net Asset Value attributable to the Shares issued in respect of a Fund or Class, divided by the number of Shares in issue in respect of that Fund or Class; |
| "NOK" | Norwegian Krone, the lawful currency of Norway; |
| "NZD" | New Zealand Dollar, the lawful currency of New Zealand; |
| "OECD" | the Organisation for Economic Co-Operation and Development; |
| "Preliminary Charge" | means the preliminary charge, if any, payable on the application for Shares as is specified for the relevant Fund and Class in the section of this Prospectus entitled "Fees and Expenses"; |
| "Professional Investor" | shall have the meaning as set out in the section of this Prospectus entitled "Share Classes of the Funds"; |
| "R Shares" | Shares in an R Class, as described in the section of this Prospectus entitled "Share Classes of the Funds"; |
| "R Premier Shares" | Shares in an R Premier Class, as described in the section of this Prospectus entitled "Share Classes of the Funds"; |
| "Regulated Market" | any stock exchange or regulated market in the EU or a stock exchange or regulated market which is set forth in Schedule I to this Prospectus, or such other markets as the Company, the Manager or its delegate may from time to time determine in accordance with the UCITS Requirements and as shall be specified in a supplement or addendum to this Prospectus; |
| "Securities Financing Transactions Regulations" | Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as such may be amended, supplemented or replaced from time to time; |
| "SEK" | Swedish Krona, the lawful currency of Sweden; |
| "Settlement Time" | the time by which cleared funds representing subscription monies in respect of an initial or additional subscription must be received by the Company which time is 6.00 p.m. (Irish time) on the day falling three Business Days after the Dealing Day, or such other time as may be agreed with the Administrator and notified to the relevant Shareholder. Investors should note the industry standard cut-off times for the transfer and receipt of cleared funds in the relevant Class Currency; |

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| "SGD" | Singapore Dollars, the lawful currency of the Republic of Singapore; |
| "Share" or "Shares" | any share or shares in the Company or a Fund, as the context so requires; |
| "Shareholder" | a holder of Shares; |
| "Standard and Poor's" | Standard & Poor's Corporation; |
| "Sub-Distributor" | means those entities providing distribution services in relation to certain Funds, in accordance with a sub-distribution agreement and who may themselves enter into further sub-distribution agreements; |
| "Subscriber Shares" | the initial share capital of two Shares of no par value; |
| "Supplemental Prospectus" | any supplemental prospectus issued by the Company in connection with the Company or a Fund from time to time in accordance with the requirements of the Central Bank; |
| "Switch Charge" | the fee paid by Shareholders in A Shares, R Shares or R Premier Shares that exchange such Shares for Shares in another Class or Fund in accordance with the terms of this Prospectus. The Switch Charge is generally payable to the Distributor (in connection with the services provided by the Distributor to the Company) and/or repaid to participating brokers, certain banks and other financial intermediaries in connection with the switch of A Shares, R Shares or R Premier Shares. Details of the Switch Charge are included in the sections of this Prospectus entitled "Fees and Expenses" and "Switching of Shares"; |
| "Taxonomy Regulation" | Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending the Disclosures Regulation; |
| "TCA" | the Taxes Consolidation Act 1997, as amended from time to time; |
| "Trade Cut-Off Time" | the time by which initial subscription forms, additional subscription forms, redemption forms, switch forms and transfer forms or the equivalent Approved Clearing System messages must be received by the Administrator, which is before 1:00 p.m. (Irish Time) on the relevant Dealing Day, or such other time as may be agreed by the Company, the Manager or its delegate with the Administrator and notified to the relevant Shareholder; |
| "UCITS" | an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations or, in the case of UCITS established in a Member State other than Ireland, the Directive; |
| "UCITS Regulations" | the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and any amendment thereto or replacement thereof for the time being in force; |
| "UCITS Requirements" | the requirements outlined in the UCITS Regulations and/or the Central Bank Regulations; |
| "Umbrella Cash Accounts" | umbrella cash accounts established in the name of the Company; |

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| "Unhedged" | in respect of a Class, any Class that is not a Hedged Class; |
| "U.K." | the United Kingdom of Great Britain and Northern Ireland; |
| "U.S." | the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction; |
| "USD" | U.S. Dollars, the lawful currency of the U.S.; |
| "U.S. Person" | any person, any individual or entity described in the section of this Prospectus entitled "Selling Restrictions"; |
| "Valuation Point" | 9.00 p.m. (Irish time) on each Dealing Day; |
| "World Bank" | the International Bank for Reconstruction and Development, a United Nations agency created to assist developing nations through loans guaranteed by member governments; |
| "Z Shares" | Shares in a Z Class, as described in the section of this Prospectus entitled "Share Classes of the Funds"; and |
| "ZAR" | South African Rand, the lawful currency of South Africa. |

## INTRODUCTION

The Company is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014 and the UCITS Regulations. It was incorporated in Ireland on 24 June 2011. It was authorised by the Central Bank on 24 June 2011. Its sole object, as set out in the Constitution, is the collective investment in transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and which operates on the basis of risk spreading.

The Company has appointed the Manager to act as the manager of the Company pursuant to the Management Agreement. Please refer to the section entitled "Management and Administration" for further details in relation to the Manager.

The Company is organised in the form of an umbrella fund with segregated liability between Funds. The Constitution provides that the Company may offer separate Classes of Shares, each representing interests in a Fund, with each Fund comprising a separate and distinct portfolio of investments. The Company has obtained the approval of the Central Bank for the establishment of The Colchester Global Bond Fund, The Colchester Global Bond Enhanced Currency Fund, The Colchester Global Aggregate Bond Fund, The Colchester Global Aggregate Bond Enhanced Currency Fund, The Colchester Global Green Bond Fund, The Colchester Global Low Duration Bond Fund, The Colchester Global Real Return Bond Fund, The Colchester Local Markets Bond Fund, The Colchester Local Markets Real Return Bond Fund, The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund and The Colchester Alpha Fund. Additional Funds may be established by the Company with the prior approval of the Central Bank. A Fund may consist of one or more Classes of Shares. A separate pool of assets will not be maintained for each Class within a Fund. Further Classes of Shares may be issued by the Company on advance notification to, and in accordance with the requirements of, the Central Bank.

## HISTORY OF THE COMPANY

Prior to 24 June 2011, the Company was established as an open-ended investment company organised as an exempted mutual fund company of unlimited duration under the laws of Bermuda pursuant to bye-laws dated 13 March 2009. With effect from 24 June 2011, the Shareholders of the Company approved the change of domicile of the Company to Ireland. As a result, the Company became compliant with the UCITS Regulations and subject to Irish law with effect from 24 June 2011. With effect from 8 June 2022, the Company converted its management structure from a self-managed investment company to an externally managed fund with the appointment of the Manager.

## DISCLOSURES REGULATION

Pursuant to the Disclosures Regulation, otherwise known as SFDR, the Manager is required to disclose the manner in which sustainability risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of the Funds. A sustainability risk is defined in the Disclosures Regulation as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Manager, acting in respect of the Funds, through the Investment Manager as its delegate, integrates sustainability risks into the investment decisions made in respect of the Funds. The Manager has acknowledged the Investment Manager's policy on the integration of sustainability risks in its investment decision-making process, a summary of which is as follows:

The Investment Manager is a signatory to the Principles for Responsible Investment ("PRI"). The PRI is an investor initiative in partnership with the United Nations Environment Programme Finance Initiative and the United Nations Global Compact. Commitments made as a signatory to the PRI are not legally binding, but are voluntary and aspirational. They include efforts, where consistent with an Investment Manager's fiduciary responsibilities, to incorporate environmental, social and governance ("ESG") issues into investment analysis and investment decision making.

Accordingly, as part of its investment process, the Investment Manager performs detailed research assessments for all countries within the investment opportunity set. Such research is performed independently by the Investment Manager's investment professionals and supplemented, where possible, by meetings with government finance departments, economists, political analysts, major corporates and independent "think tanks". ESG factors such as government effectiveness, social cohesion and climate transition risk amongst others are integrated holistically into the Investment Manager's valuation framework for sovereign bonds and currencies. This assessment and the overall valuation framework of the Investment Manager informs the investment decisions made for the Funds. The Investment Manager does not make investment decisions based solely upon ESG factors, but it does believe that these factors are an important determination of identifying sustainable value, and as such, are in the best interests of the Funds. Further detail on the integration of ESG factors into the investment process for each Fund is set out in the corresponding annex to this Prospectus.

The Disclosures Regulation defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment. The Investment Manager has integrated sustainability risks as part of its investment decision-making for the Funds as outlined above. The integration approach is more fully described in the Investment Manager's ESG Policy which can be found on the Investment Manager's website at www.colchesterglobal.com. As of the date of the prospectus the portfolios of the Funds are comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on a country-by-country basis in accordance with the foregoing policy.

A Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the "Risk Factors" section in the Prospectus. The Investment Manager's assessment is that integration of sustainability risks should help mitigate the potential material negative impact of such risks on the returns of the Funds, although there can be no assurance that all such risks will be mitigated.

### No consideration of adverse sustainability impacts

The Manager, in conjunction with the Investment Manager, does not consider the adverse impacts of investment decisions on sustainability factors at entity level for the time being. The Manager, in conjunction with the Investment Manager, does not currently do so because it could not gather and/or measure all of the data on which it would be obliged by the Disclosures Regulation to report, or could not do so systematically, consistently, and at a reasonable cost to investors. This is in part because the information required to assess the adverse impacts of investment decisions on sustainability factors may not yet be fully available and/or not up to date. The Manager, in conjunction with the Investment Manager, may reconsider its position on this matter and will be reviewed annually by reference to market developments.

The Disclosures Regulation also requires the Manager to determine and disclose whether it considers the principal adverse impacts of its investment decisions on sustainability factors at the level of each Fund. The extent to which principal adverse impacts of investment decisions on sustainability factors are considered within each Fund are set out in the corresponding Fund annex to this Prospectus.

## INVESTMENT STRATEGY OF THE INVESTMENT MANAGER

For each Fund, the Investment Manager generally seeks to invest primarily in sovereign debt or debt-like securities that, in its opinion, possess fundamental value. The Investment Manager believes that debt securities that offer higher prospective real yields i.e. yields after allowing for the impact of estimated future inflation, and accounting for the financial stability of the underlying issuer, typically possess fundamental investment value. In addition, the Investment Manager believes that currencies that are undervalued or of a reasonable value according to purchasing power parity analysis, after adjusting for financial stability and the short term real interest rate differential, also typically possess fundamental investment value. The Investment Manager may purchase a local currency debt security and hedge some or all of its currency exposure and may take exposure to a currency without purchasing a debt security to achieve that currency exposure.

The Investment Manager carries out financial analysis on countries and individual issues in order to assess the issuer's respective financial strengths and vulnerabilities and with the aim of determining whether the government has the ability to repay its debt and the country's economy can support the level of the currency. As a UNPRI signatory, the Investment Manager adheres to the six principles of responsible investment and takes Environmental, Social and Governance considerations into account when determining the financial stability of the issuer.

Selection of debt security investments within each Fund is based on the relative valuation of each country's government bond market based on the prospective real yield, and the Investment Manager's assessment of financial stability within that market. The Investment Manager assesses the outlook for inflation within each market in order to derive the prospective real yield, and each Fund will, in accordance with the Investment Policy of that Fund, look to invest in debt securities in those markets offering relatively higher prospective real yields ceteris paribus. The Investment Manager's assessment of financial stability, including Environmental, Social and Governance considerations such as political stability, the rule of law, and levels of human capital, will be incorporated into the relative valuation of each market. This assessment may also involve analysis of a country's macroeconomic fundamentals, the level of public debt, the sustainability and cost of financing, government policies, and monetary policy framework. In selecting debt securities the Investment Manager will also have regard to the depth and liquidity of a given market.

Selection of currency investments is undertaken separately from the selection of debt securities. The Investment Manager looks to assess the relative value of each currency based on its real exchange rate. The Investment Manager will evaluate the over- or undervaluation of a currency's real exchange rate and also consider the financial stability of each economy, and the level of short-term real interest rates in assessing value. Each Fund will, in accordance with the Investment Policy of that Fund, look to take exposure to those currencies offering relative value based on the criteria described above.

It is not anticipated that the Funds will invest in Corporate Bonds. The Funds will not invest in equity securities.

Debt securities and currencies that appear attractive according to the Investment Manager's criteria will generally constitute a high proportion of a Fund's investments.

Each Fund promotes a broad range of environmental and social characteristics including raising awareness amongst, and recognising improvements by, national governments and other policymakers in adapting and responding to the decarbonisation of the global economy, and mitigating vulnerabilities to climate change, addressing issues such as social cohesion and prudent economic governance, and building human capital via standards of education and labour market inclusivity. Such characteristics are promoted through the Investment Manager's investment strategy, outlined above, and its ESG framework which is described in more detail in the annex to this Prospectus.

## INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS

Each Fund aims to achieve its investment objective, as set out below, while spreading investment risks through investment in a diversified portfolio of debt securities and currencies in accordance with the UCITS Regulations and the restrictions set forth in Schedule II. An associated objective of each Fund is the preservation and enhancement of principal.

# The Colchester Global Bond Fund

### Investment Objective

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

### Investment Policy

The Fund will invest primarily in sovereign debt or debt-like securities and in currencies. Securities and currencies will be rated Investment Grade, save that the Fund may purchase and hold up to 20% of the Net Asset Value of the Fund in securities rated below Investment Grade. The Fund is a financial product subject to Article 8 of the Disclosures Regulation. Information on the Fund's environmental and social characteristics is set out in the annex to this Prospectus.

The Fund is managed against, and its performance is measured against, the FTSE World Government Bond Index (the "Benchmark"). The Benchmark consists of fixed-rate, local currency, investment grade sovereign bonds. If the Class Currency of a Class differs from the Base Currency of the Fund, the performance of that Class will be measured against the Benchmark expressed in the Class Currency. A Hedged Class will be measured against the Benchmark in hedged terms.

The Fund is actively managed and the Investment Manager may use its discretion to invest in bonds not included in the Fund's Benchmark, although the Fund will tend to purchase bonds with characteristics similar to those in its Benchmark. The investment strategy implemented by the Investment Manager may lead to significant deviation from the Fund's Benchmark in terms of country and currency weightings and duration, which could cause the return of the Fund to differ significantly from that of its Benchmark. Investors should note that the Fund does not intend to track its Benchmark and there is no guarantee that the Fund will outperform its Benchmark.

The financial derivative instruments the Fund may employ to achieve its strategy are described in the section of this Prospectus entitled "Financial Derivative Instruments". Sovereign debt and debt-like securities will be issued by: (i) world governments, their agencies and instrumentalities and government owned corporations; (ii) state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies; (iii) supra-national entities; and (iv) entities guaranteed by any of (i), (ii) and (iii) above. The Investment Manager may acquire such securities as fixed and floating rate bonds, inflation-indexed securities, zero-coupon and discount bonds, eurobonds, global bonds or yankee bonds issued by such issuers. All investments shall comply with the requirements of the UCITS Regulations.

In the event of a downgrade of securities to below B- by Standard & Poor's and/or Fitch or B3 by Moody's, the Investment Manager will sell such downgraded securities within 180 days of such downgrade. For the purposes of determining the B-/B3 rating when there is a split rating between Standard & Poor's, Fitch, or Moody's, the middle of the three ratings will apply. When the security is rated by only two of the three agencies, the lower of the two ratings shall apply. When the security is rated by only one agency that rating shall apply.

For the Hedged Classes, the currency positions in the Fund will be mainly hedged to give exposure to the currency of that particular Class. For example, for the EUR Hedged Class, the currency exposure of the Class will be mainly to EUR.

For the Base Currency Hedged Classes, only the exposure to fluctuations in the exchange rate between the Base Currency of the Fund and the Class Currency will be hedged.

Please see the section of this Prospectus entitled "Share Classes of the Funds" for further information in relation to the Share Classes of the Fund.

# The Colchester Global Bond Enhanced Currency Fund

### Investment Objective

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

### Investment Policy

The Fund will invest primarily in sovereign debt or debt-like securities and in currencies. Securities and currencies will be rated Investment Grade, save that the Fund may purchase and hold up to 20% of the Net Asset Value of the Fund in securities rated below Investment Grade. The Fund is a financial product subject to Article 8 of the Disclosures Regulation. Information on the Fund's environmental and social characteristics is set out in the annex to this Prospectus.

The Fund will employ a "long-short" currency strategy along with the underlying debt securities holdings. Each Class will hold a maximum of 130% in long currency positions and up to 30% in short currency positions. Long and short currency positions are established through the use of currency forwards (including non-deliverable currency forwards) and debt securities.

The Fund is managed against, and its performance is measured against, the FTSE World Government Bond Index (the "Benchmark"). The Benchmark consists of fixed-rate, local currency, investment grade sovereign bonds. If the Class Currency of a Class differs from the Base Currency of the Fund, the performance of that Class will be measured against the Benchmark expressed in the Class Currency. A Hedged Class will be measured against the Benchmark in hedged terms.

The Fund is actively managed and the Investment Manager may use its discretion to invest in bonds not included in the Fund's Benchmark, although the Fund will tend to purchase bonds with characteristics similar to those in its Benchmark. The investment strategy implemented by the Investment Manager may lead to significant deviation from the Fund's Benchmark in terms of country and currency weightings and duration, which could cause the return of the Fund to differ significantly from that of its Benchmark. Investors should note that the Fund does not intend to track its Benchmark and there is no guarantee that the Fund will outperform its Benchmark.

The financial derivative instruments the Fund may employ to achieve its strategy are described in the section of this Prospectus entitled "Financial Derivative Instruments". Sovereign debt and debt-like securities will be issued by: (i) world governments, their agencies and instrumentalities and government owned corporations; (ii) state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies; (iii) supra-national entities; and (iv) entities guaranteed by any of (i), (ii) and (iii) above. The Investment Manager may acquire securities such as fixed and floating rate bonds, inflation-indexed securities, zero-coupon and discount bonds, eurobonds, global bonds or yankee bonds issued by such issuers. All investments shall comply with the requirements of the UCITS Regulations.

In the event of a downgrade of securities to below B- by Standard & Poor's and/or Fitch or B3 by Moody's, the Investment Manager will sell such downgraded securities within 180 days of such downgrade. For the purposes of determining the B-/B3, when there is a split rating between Standard & Poor's, Fitch, or Moody's the middle of the three ratings will apply. When the security is rated by only two of the three agencies, the lower of the two ratings shall apply. When it is rated by only one agency, that rating shall apply.

For the Hedged Classes, the currency positions in the Fund will be mainly hedged to give exposure to the currency of that particular Class. For example, for the EUR Hedged Class, the currency exposure of the Class will be mainly to EUR.

For the Base Currency Hedged Classes, only the exposure to fluctuations in the exchange rate between the Base Currency of the Fund and the Class Currency will be hedged.

Please see the section of this Prospectus entitled "Share Classes of the Funds" for further information in relation to the Share Classes of the Fund.

# The Colchester Global Aggregate Bond Fund

### Investment Objective

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

### Investment Policy

The Fund will invest primarily in sovereign debt or debt-like securities and in currencies. Securities and currencies will be rated Investment Grade, save that the Fund may purchase and hold up to 20% of the Net Asset Value of the Fund in securities rated below Investment Grade. Not all bonds contained in the Fund's Benchmark fall within the Fund's investment universe. It is not the intention of the Fund to invest in Corporate Bonds, Asset Backed Securities or Mortgage Backed Securities. The Fund will normally have different country weightings to the other global strategy Funds of the Company, most commonly resulting in a larger weighting to the U.S. bond market. The Fund is a financial product subject to Article 8 of the Disclosures Regulation. Information on the Fund's environmental and social characteristics is set out in the annex to this Prospectus.

The Fund is managed against, and its performance is measured against, the Bloomberg Global-Aggregate Index (the "Benchmark"). The Benchmark consists of global investment grade debt, including treasury, government-related, corporate and securitised fixed-rate bonds from both developed and emerging market issuers. If the Class Currency of a Class differs from the Base Currency of the Fund, the performance of that Class will be measured against the Benchmark expressed in the Class Currency. A Hedged Class will be measured against the Benchmark in hedged terms.

The Fund is actively managed and the Investment Manager may use its discretion to invest in bonds not included in the Fund's Benchmark, although the Fund will tend to purchase bonds with characteristics similar to those sovereign bonds in its Benchmark. The investment strategy implemented by the Investment Manager may lead to significant deviation from the Fund's Benchmark in terms of country and currency weightings and duration, which could cause the return of the Fund to differ significantly from that of its Benchmark. The Fund's Benchmark also contains debt securities issued by entities other than governments, government agencies and supra-national agencies, which is also a source of potential divergence between the returns of the Fund and its Benchmark. Investors should note that the Fund does not intend to track its Benchmark and there is no guarantee that the Fund will outperform its Benchmark.

The financial derivative instruments the Fund may employ to achieve its strategy are described in the section of this Prospectus entitled "Financial Derivative Instruments". Sovereign debt and debt-like securities will be issued by: (i) world governments, their agencies and instrumentalities and government owned corporations; (ii) state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies; (iii) supra-national entities; and (iv) entities guaranteed by any of (i), (ii) and (iii) above. The Investment Manager may acquire such securities as fixed and floating rate bonds, inflation-indexed securities, zero-coupon and discount bonds, eurobonds, global bonds or yankee bonds issued by such issuers. All investments shall comply with the requirements of the UCITS Regulations.

In the event of a downgrade of securities to below B- by Standard & Poor's and/or Fitch or B3 by Moody's, the Investment Manager will sell such downgraded securities within 180 days of such downgrade. For the purposes of determining the B-/B3 rating when there is a split rating between Standard & Poor's, Fitch, or Moody's, the middle of the three ratings will apply. When the security is rated by only two of the three agencies, the lower of the two ratings shall apply. When the security is rated by only one agency that rating shall apply.

For the Hedged Classes, the currency positions in the Fund will be mainly hedged to give exposure to the currency of that particular Class. For example, for the USD Hedged Class, the currency exposure of the Class will be mainly to USD.

For the Base Currency Hedged Classes, only the exposure to fluctuations in the exchange rate between the Base Currency of the Fund and the Class Currency will be hedged.

Please see the section of this Prospectus entitled "Share Classes of the Funds" for further information in relation to the Share Classes of the Fund.

# The Colchester Global Aggregate Bond Enhanced Currency Fund

**Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### Investment Objective

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt securities and currencies. An associated objective is the preservation and enhancement of principal.

### Investment Policy

The Fund will invest primarily in sovereign debt securities and in currencies. Securities and currencies will be rated Investment Grade, save that the Fund may purchase and hold up to 20% of the Net Asset Value of the Fund in securities rated below Investment Grade. Not all bonds contained in the Fund's Benchmark fall within the Fund's investment universe. It is not the intention of the Fund to invest in Corporate Bonds, Asset Backed Securities or Mortgage Backed Securities. The Fund will normally have different country weightings to the other global strategy Funds of the Company, most commonly resulting in a larger weighting to the U.S. bond market. Further detail on the investment strategy implemented by the Fund is set out in the section of this Prospectus entitled "Investment Strategy of the Investment Manager". The Fund is a financial product subject to Article 8 of the Disclosures Regulation. Information on the Fund's environmental and social characteristics is set out in the annex to this Prospectus.

The Fund will employ a "long-short" currency strategy along with the underlying debt securities holdings. Each Class will hold a maximum of 200% in long currency positions and a maximum of 100% in short currency positions. Long and short currency positions are established through the use of currency forwards (including non-deliverable currency forwards) and debt securities.

The Fund is managed against, and its performance is measured against, the Bloomberg Global-Aggregate Index (the "Benchmark"). The Benchmark consists of global investment grade debt, including treasury, government-related, corporate and securitised fixed-rate bonds from both developed and emerging market issuers. If the Class Currency of a Class differs from the Base Currency of the Fund, the performance of that Class will be measured against the Benchmark expressed in the Class Currency. A Hedged Class will be measured against the Benchmark in hedged terms.

The Fund is actively managed and the Investment Manager may use its discretion to invest in bonds not included in the Fund's Benchmark, although the Fund will tend to purchase bonds with characteristics similar to those sovereign bonds in its Benchmark. The investment strategy implemented by the Investment Manager may lead to significant deviation from the Fund's Benchmark in terms of country and currency weightings and duration, which could cause the return of the Fund to differ significantly from that of its Benchmark. The Fund's Benchmark also contains debt securities issued by entities other than governments, government agencies and supra-national agencies, which is also a source of potential divergence between the returns of the Fund and its Benchmark. Investors should note that the Fund does not intend to track its Benchmark and there is no guarantee that the Fund will outperform its Benchmark.

The financial derivative instruments the Fund may employ to achieve its strategy are described in the section of this Prospectus entitled "Financial Derivative Instruments". Sovereign debt securities will be issued by: (i) world governments, their agencies and instrumentalities and government owned corporations; (ii) state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies; (iii) supra-national entities; and (iv) entities guaranteed by any of (i), (ii) and (iii) above. The Investment Manager may acquire securities such as fixed and floating rate bonds, inflation-indexed securities, zero-coupon and discount bonds, eurobonds, global bonds or yankee bonds issued by such issuers. All investments shall comply with the requirements of the UCITS Regulations.

In the event of a downgrade of securities to below B- by Standard & Poor's and/or Fitch or B3 by Moody's, the Investment Manager will sell such downgraded securities within 180 days of such downgrade. For the purposes of determining the B-/B3, when there is a split rating between Standard & Poor's, Fitch, or Moody's the middle of the three ratings will apply. When the security is rated by only two of the three agencies, the lower of the two ratings shall apply. When it is rated by only one agency, that rating shall apply.

The currency strategy implemented by the Fund is described in the section of this Prospectus entitled "Investment Strategy of the Investment Manager".

For the Hedged Classes, the currency positions in the Fund will be mainly hedged to give exposure to the currency of that particular Class. For example, for the EUR Hedged Class, the currency exposure of the Class will be mainly to EUR.

For the Base Currency Hedged Classes, only the exposure to fluctuations in the exchange rate between the Base Currency of the Fund and the Class Currency will be hedged.

Please see the section of this Prospectus entitled "Share Classes of the Funds" for further information in relation to the Share Classes of the Fund.

# The Colchester Global Green Bond Fund

### Investment Objective

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily Green Bonds and of currencies. An associated objective is the preservation and enhancement of principal.

### Investment Policy

The Fund will invest primarily in sovereign debt and in currencies. Securities and currencies will be rated Investment Grade, save that the Fund may purchase and hold up to 20% of the Net Asset Value of the Fund in securities rated below Investment Grade. The Fund will invest primarily in Green Bonds. Green Bonds are bonds issued by governments, supra-nationals, agencies and other types of issuers to fund projects that benefit the environment. Green Bonds are committed to financing or re-financing investments, projects, expenditure or assets helping to address climate and environmental issues. Governments and other issuers use Green Bonds to finance the transition to a more sustainable and low-carbon economy. The Fund is a financial product subject to Article 8 of the Disclosures Regulation. Information on the Fund's environmental characteristics is set out in the annex to this Prospectus.

The Fund is managed against, and its performance is measured against, the ICE Sovereign and Government Related Green Bond Custom Index (the "Benchmark"). The Benchmark consists of fixed-rate, local currency, investment grade sovereign bonds, including Green Bonds issued by governments. If the Class Currency of a Class differs from the Base Currency of the Fund, the performance of that Class will be measured against the Benchmark expressed in the Class Currency. A Hedged Class will be measured against the Benchmark in hedged terms.

The Fund is actively managed and the Investment Manager may use its discretion to invest in bonds not included in the Fund's Benchmark, including in bonds other than Green Bonds, although the Fund will tend to purchase bonds with characteristics similar to those in its Benchmark. As at the date of this Prospectus, supra-nationals and agencies are the major issuers of Green Bonds, therefore, the Fund may be substantially invested in such Green Bonds. The investment strategy implemented by the Investment Manager may lead to significant deviation from the Fund's Benchmark in terms of country and currency weightings and duration, which could cause the return of the Fund to differ significantly from that of its Benchmark. Investors should note that the Fund does not intend to track its Benchmark and there is no guarantee that the Fund will outperform its Benchmark.

The financial derivative instruments the Fund may employ to achieve its strategy are described in the section of this Prospectus entitled "Financial Derivative Instruments". Sovereign debt and debt-like securities will be issued by: (i) world governments, their agencies and instrumentalities and government-owned corporations; (ii) state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies; (iii) supra-national entities; and (iv) entities guaranteed by any of (i), (ii) or (iii) above. The Investment Manager may acquire securities such as fixed and floating rate bonds, inflation-indexed securities, zero-coupon and discount bonds, eurobonds, global bonds or yankee bonds issued by such issuers. All investments shall comply with the requirements of the UCITS Regulations.

In the event of a downgrade of securities to below B- by Standard & Poor's and/or Fitch or B3 by Moody's, the Investment Manager will sell such downgraded securities within 180 days of such downgrade. For the purposes of determining the B-/B3, when there is a split rating between Standard & Poor's, Fitch, or Moody's the middle of the three ratings will apply. When the security is rated by only two of the three agencies, the lower of the two ratings shall apply. When it is rated by only one agency, that rating shall apply.

For the Hedged Classes, the currency positions in the Fund will be mainly hedged to give exposure to the currency of that particular Class. For example, for the EUR Hedged Class, the currency exposure of the Class will be mainly to EUR.

For the Base Currency Hedged Classes, only the exposure to fluctuations in the exchange rate between the Base Currency of the Fund and the Class Currency will be hedged.

Please see the section of this Prospectus entitled "Share Classes of the Fund" for further information in relation to the Share Classes of the Fund.

# The Colchester Global Low Duration Bond Fund

### Investment Objective

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities with shorter-dated maturities, and currencies. An associated objective is the preservation and enhancement of principal.

### Investment Policy

The Fund will invest primarily in sovereign debt or debt-like securities with shorter-dated maturities, and in currencies. Securities and currencies will be rated Investment Grade, save that the Fund may purchase and hold up to 20% of the Net Asset Value of the Fund in securities rated below Investment Grade. Debt or debt-like securities with maturities less than or equal to five years are considered to have shorter-dated maturities. The Fund may also invest in securities of longer maturities. The Fund is a financial product subject to Article 8 of the Disclosures Regulation. Information on the Fund's environmental and social characteristics is set out in the annex to this Prospectus.

The Fund is managed against, and its performance is measured against, the FTSE World Government Bond Index 1-3yr (the "Benchmark"). The Benchmark consists of fixed-rate, local currency, investment grade sovereign bonds with a remaining average life of at least one year, but less than three years. If the Class Currency of a Class differs from the Base Currency of the Fund, the performance of that Class will be measured against the Benchmark expressed in the Class Currency. A Hedged Class will be measured against the Benchmark in hedged terms.

The Fund is actively managed and the Investment Manager may use its discretion to invest in bonds not included in the Fund's Benchmark, although the Fund will tend to purchase bonds with characteristics similar to those in its Benchmark. The investment strategy implemented by the Investment Manager may lead to significant deviation from the Fund's Benchmark in terms of country and currency weightings and duration, which could cause the return of the Fund to differ significantly from that of its Benchmark. Investors should note that the Fund does not intend to track its Benchmark and there is no guarantee that the Fund will outperform its Benchmark.

The financial derivative instruments the Fund may employ to achieve its strategy are described in the section of this Prospectus entitled "Financial Derivative Instruments". Sovereign debt and debt like securities will be issued by: (i) world governments, their agencies and instrumentalities and government-owned corporations; (ii) state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies; (iii) supra-national entities; and (iv) entities guaranteed by any of (i), (ii) or (iii) above. The Investment Manager may acquire securities such as fixed and floating rate bonds, inflation-indexed securities, zero-coupon and discount bonds, eurobonds, global bonds or yankee bonds issued by such issuers. All investments shall comply with the requirements of the UCITS Regulations.

In the event of a downgrade of securities to below B- by Standard & Poor's and/or Fitch or B3 by Moody's, the Investment Manager will sell such downgraded securities within 180 days of such downgrade. For the purposes of determining the B-/B3, when there is a split rating between Standard & Poor's, Fitch, or Moody's the middle of the three ratings will apply. When the security is rated by only two of the three agencies, the lower of the two ratings shall apply. When it is rated by only one agency, that rating shall apply.

For the Hedged Classes, the currency positions in the Fund will be mainly hedged to give exposure to the currency of that particular Class. For example, for the EUR Hedged Class, the currency exposure of the Class will be mainly to EUR.

For the Base Currency Hedged Classes, only the exposure to fluctuations in the exchange rate between the Base Currency of the Fund and the Class Currency will be hedged.

Please see the section of this Prospectus entitled "Share Classes of the Fund" for further information in relation to the Share Classes of the Fund.

# The Colchester Global Real Return Bond Fund

### Investment Objective

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign inflation-indexed debt or debt-like securities, and currencies. An associated objective is the preservation and enhancement of principal.

### Investment Policy

The Fund will invest primarily in sovereign inflation-indexed debt or debt-like securities and in currencies. Securities and currencies will be rated Investment Grade, save that the Fund may purchase and hold up to 20% of the Net Asset Value of the Fund in securities rated below Investment Grade. An inflation-indexed debt security is one that is structured to provide protection against inflation. The value of the bond's principal or the interest income paid on the bond is adjusted to track changes in an official inflation measure. The Fund is a financial product subject to Article 8 of the Disclosures Regulation. Information on the Fund's environmental and social characteristics is set out in the annex to this Prospectus.

The Fund is managed against, and its performance is measured against, the Bloomberg World Government Inflation Linked Index (the "Benchmark"). The Benchmark contains investment grade, government inflation-linked debt from developed market countries. If the Class Currency of a Class differs from the Base Currency of the Fund, the performance of that Class will be measured against the Benchmark expressed in the Class Currency. A Hedged Class will be measured against the Benchmark in hedged terms.

The Fund is actively managed and the Investment Manager may use its discretion to invest in bonds not included in the Fund's Benchmark, although the Fund will tend to purchase bonds with characteristics similar to those in its Benchmark. The investment strategy implemented by the Investment Manager may lead to significant deviation from the Fund's Benchmark in terms of country and currency weightings and duration, which could cause the return of the Fund to differ significantly from that of its Benchmark. Investors should note that the Fund does not intend to track its Benchmark and there is no guarantee that the Fund will outperform its Benchmark.

The financial derivative instruments the Fund may employ to achieve its strategy are described in the section of this Prospectus entitled "Financial Derivative Instruments". Sovereign debt and debt like securities will be issued by: (i) world governments, their agencies and instrumentalities and government owned corporations; (ii) state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies; (iii) supra-national entities; and (iv) entities guaranteed by any of (i), (ii) and (iii) above. The Investment Manager may acquire securities such as fixed and floating rate bonds, inflation-indexed securities, zero-coupon and discount bonds, eurobonds, global bonds or yankee bonds issued by such issuers. All investments shall comply with the requirements of the UCITS Regulations.

In the event of a downgrade of securities to below B- by Standard & Poor's and/or Fitch or B3 by Moody's, the Investment Manager will sell such downgraded securities within 180 days of such downgrade. For the purposes of determining the B-/B3 rating, when there is a split rating between Standard & Poor's, Fitch, or Moody's the middle of the three ratings will apply. When the security is rated by only two of the three agencies, the lower of the two ratings shall apply. When the security is rated by only one agency that rating shall apply.

For the Hedged Classes, the currency positions in the Fund will be mainly hedged to give exposure to the currency of that particular Class. For example, for the EUR Hedged Class, the currency exposure of the Class will be mainly to EUR.

For the Base Currency Hedged Classes, only the exposure to fluctuations in the exchange rate between the Base Currency of the Fund and the Class Currency will be hedged.

Please see the section of this Prospectus entitled "Share Classes of the Fund" for further information in relation to the Share Classes of the Fund.

# The Colchester Local Markets Bond Fund

**Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### Investment Objective

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign emerging market debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

### Investment Policy

The Fund will invest primarily in sovereign local market debt or debt-like securities of emerging markets that are issued in the local currency of the issuer but may also invest in debt securities denominated in or exposed to developed market currencies. Emerging markets are defined for these purposes as all countries included in the benchmark, or countries that are not defined as "developed markets" by MSCI All Country World Index. A list of countries classified as "developed markets" by MSCI All Country World Index is available on https://www.msci.com/acwi.

The Fund may make investments that are rated either Investment Grade or below Investment Grade; although the Fund may not make investments that are rated below B- by Standard & Poor's and Fitch or below B3 by Moody's. The Fund's investments in below Investment Grade securities may be up to 30% above the exposure of Benchmark weight in below Investment Grade securities. The Fund is a financial product subject to Article 8 of the Disclosures Regulation. Information on the Fund's environmental and social characteristics is set out in the annex to this Prospectus.

The Fund is managed against, and its performance is measured against, the J.P.Morgan GBI-EM Global Diversified Index (the "Benchmark"). The Benchmark consists of local currency government debt, from emerging market countries, issued in markets accessible to foreign investors. If the Class Currency of a Class differs from the Base Currency of the Fund, the performance of that Class will be measured against the Benchmark expressed in the Class Currency. A Hedged Class will be measured against the Benchmark in hedged terms.

The Fund is actively managed and the Investment Manager may use its discretion to invest in bonds not included in the Fund's Benchmark, although the Fund will tend to purchase bonds with characteristics similar to those in its Benchmark. The investment strategy implemented by the Investment Manager may lead to significant deviation from the Fund's Benchmark in terms of country and currency weightings and duration, which could cause the return of the Fund to differ significantly from that of its Benchmark. Investors should note that the Fund does not intend to track its Benchmark and there is no guarantee that the Fund will outperform its Benchmark.

In the event of a downgrade of securities to below B- by Standard & Poor's and/or Fitch or B3 by Moody's, the Investment Manager will sell such downgraded securities within 180 days of such downgrade. For the purposes of determining the B-/B3 rating, when there is a split rating between Standard & Poor's, Fitch, or Moody's the middle of the three ratings will apply. When the security is rated by only two of the three agencies, the lower of the two ratings shall apply. When it is rated by only one agency, that rating shall apply.

The financial derivative instruments the Fund may employ to achieve its strategy are described in the section of this Prospectus entitled "Financial Derivative Instruments". Sovereign debt and debt like securities will be issued by: (i) world governments, their agencies and instrumentalities and government owned corporations; (ii) state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies; (iii) supra-national entities; and (iv) entities guaranteed by any of (i), (ii) and (iii) above. The Investment Manager may acquire securities such as fixed and floating rate bonds, inflation-indexed securities, zero-coupon and discount bonds, eurobonds, global bonds and yankee bonds issued by such issuers. All investments shall comply with the requirements of the UCITS Regulations.

For the Hedged Classes, the currency positions in the Fund will be mainly hedged to give exposure to the currency of that particular Class. For example, for the EUR Hedged Class, the currency exposure of the Class will be mainly to EUR.

For the Base Currency Hedged Classes, only the exposure to fluctuations in the exchange rate between the Base Currency of the Fund and the Class Currency will be hedged.

Please see the section of this Prospectus entitled "Share Classes of the Funds" for further information in relation to the Share Classes of the Fund.

# The Colchester Local Markets Real Return Bond Fund

**Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### Investment Objective

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign emerging market inflation-indexed debt or debt-like securities, and currencies. An associated objective is the preservation and enhancement of principal.

## Investment Policy

The Fund will invest primarily in sovereign inflation-indexed local market debt or debt-like securities of emerging markets that are issued in the local currency of the issuer. An inflation-indexed debt security is one that is structured to provide protection against inflation. The value of the bond's principal or the interest income paid on the bond is adjusted to track changes in an official inflation measure. The Fund may also invest in other debt or debt-like securities in emerging markets that are not inflation-indexed as described below. Emerging markets are defined for these purposes as all countries included in the benchmark, or countries that are not defined as "developed markets" by MSCI All Country World Index. A list of countries classified as "developed markets" by MSCI All Country World Index is available on https://www.msci.com/acwi.

The Fund is a financial product subject to Article 8 of the Disclosures Regulation. Information on the Fund's environmental and social characteristics is set out in the annex to this Prospectus.

The Fund is managed against, and its performance is measured against, the Bloomberg Emerging Markets Tradable Inflation-Linked Bond Index (the "Benchmark"). The Benchmark contains tradable, government inflation-linked debt from emerging market countries. If the Class Currency of a Class differs from the Base Currency of the Fund, the performance of that Class will be measured against the Benchmark expressed in the Class Currency. A Hedged Class will be measured against the Benchmark in hedged terms.

The Fund is actively managed and the Investment Manager may use its discretion to invest in bonds not included in the Fund's Benchmark, although the Fund will tend to purchase bonds with characteristics similar to those in its Benchmark. The investment strategy implemented by the Investment Manager may lead to significant deviation from the Fund's Benchmark in terms of country and currency weightings and duration, which could cause the return of the Fund to differ significantly from that of its Benchmark. Investors should note that the Fund does not intend to track its Benchmark and there is no guarantee that the Fund will outperform its Benchmark.

The Fund may make investments that are rated at least B- by Standard & Poor's and/or Fitch or B3 by Moody's. In the event of a downgrade of securities to below B- by Standard & Poor's and/or Fitch or B3 by Moody's, the Investment Manager will sell such downgraded securities within 180 days of such downgrade. For the purposes of determining the B- /B3 rating, when there is a split rating between Standard & Poor's, Fitch, or Moody's the middle of the three ratings will apply. When the security is rated by only two of the three agencies, the lower of the two ratings shall apply. When it is rated by only one agency, that rating shall apply.

The financial derivative instruments the Fund may employ to achieve its strategy are described in the section of this Prospectus entitled "Financial Derivative Instruments". Sovereign debt and debt like securities will be issued by: (i) world governments, their agencies and instrumentalities and government owned corporations; (ii) state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies; (iii) supra-national entities; and (iv) entities guaranteed by any of (i), (ii) and (iii) above. The Investment Manager may acquire securities such as fixed and floating rate bonds, inflation-indexed securities, zero-coupon and discount bonds, eurobonds, global bonds or yankee bonds issued by such issuers. All investments shall comply with the requirements of the UCITS Regulations.

For the Hedged Classes, the currency positions in the Fund will be mainly hedged to give exposure to the currency of that particular Class. For example, for the EUR Hedged Class, the currency exposure of the Class will be mainly to EUR.

For the Base Currency Hedged Classes, only the exposure to fluctuations in the exchange rate between the Base Currency of the Fund and the Class Currency will be hedged.

Please see the section of this Prospectus entitled "Share Classes of the Fund" for further information in relation to the Share Classes of the Fund.

# The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund

**Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### Investment Objective

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign emerging market debt securities and currencies. An associated objective is the preservation and enhancement of principal.

### Investment Policy

The Fund will invest primarily in sovereign debt securities of emerging markets that are issued in either the local currency of the issuer or in USD or other developed world currencies. Emerging markets are defined for these purposes as all countries included in the benchmark, or countries that are not defined as "developed markets" by MSCI All Country World Index. A list of countries classified as "developed markets" by MSCI All Country World Index is available on https://www.msci.com/acwi. Further detail on the investment strategy implemented by the Fund is set out in the section of this Prospectus entitled "Investment Strategy of the Investment Manager".

The Fund may make investments that are rated either Investment Grade or below Investment Grade, with no restriction on the minimum credit rating. The Fund is managed against, and its performance is measured against, the J.P.Morgan EM Sovereign 50-50 Blend Index (the "Benchmark"). The Benchmark consists of local currency government debt and USD denominated bonds and loans, including fixed and floating rate instruments, issued by sovereign and quasi sovereign entities, from emerging market countries. If the Class Currency of a Class differs from the Base Currency of the Fund, the performance of that Class will be measured against the Benchmark expressed in the Class Currency. A Hedged Class will be measured against the Benchmark in hedged terms.

The Fund is a financial product subject to Article 8 of the Disclosures Regulation. Information on the Fund's environmental and social characteristics is set out in the annex to this Prospectus.

The Fund is actively managed and the Investment Manager may use its discretion to invest in bonds not included in the Fund's Benchmark, although the Fund will tend to purchase bonds with characteristics similar to those in its Benchmark. The investment strategy implemented by the Investment Manager may lead to significant deviation from the Fund's Benchmark in terms of country and currency weightings and duration, which could cause the return of the Fund to differ significantly from that of its Benchmark. Investors should note that the Fund does not intend to track its Benchmark and there is no guarantee that the Fund will outperform its Benchmark.

The financial derivative instruments the Fund may employ to achieve its strategy are described in the section of this Prospectus entitled "Financial Derivative Instruments". Sovereign debt securities will be issued by: (i) world governments, their agencies and instrumentalities and government owned (wholly or otherwise) corporations; (ii) state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies; (iii) supra-national entities;

and (iv) entities guaranteed by any of (i), (ii) and (iii) above. The Investment Manager may acquire securities such as fixed and floating rate bonds, inflation-indexed securities, zero-coupon and discount bonds, eurobonds, global bonds and yankee bonds issued by such issuers. All investments shall comply with the requirements of the UCITS Regulations.

The currency strategy implemented by the Fund is described in the section of this Prospectus entitled "Investment Strategy of the Investment Manager".

For the Hedged Classes, the currency positions in the Fund will be mainly hedged to give exposure to the currency of that particular Class. For example, for the EUR Hedged Class, the currency exposure of the Class will be mainly to EUR.

For the Base Currency Hedged Classes, only the exposure to fluctuations in the exchange rate between the Base Currency of the Fund and the Class Currency will be hedged.

Please see the section of this Prospectus entitled "Share Classes of the Fund" Prospectus for further information in relation to the Share Classes of the Fund.

# The Colchester Alpha Fund

### Investment Objective

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of long and short positions in primarily sovereign debt and other debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

### Investment Policy

The Fund will invest in a diversified portfolio consisting primarily of long and short interest rate and currency positions. The Fund seeks to establish long and short positions that will benefit from the difference in performance of some countries' bond markets relative to others and from favourable movements in some currencies relative to others. Long positions in interest rates are established through investment in sovereign debt and other debt or debt-like securities and through the purchase of bond and interest rate futures and interest rate swaps. Short interest rate positions are established through the sale of bond and interest rate futures and through the use of interest rate swaps. Long and short currency positions are established through the use of currency forwards, including non-deliverable currency forwards. Typically, positions are balanced such that the sum of interest rate long positions matches the sum of interest rate short positions; currency long and short positions are similarly matched.

The Fund is a financial product subject to Article 8 of the Disclosures Regulation. Information on the Fund's environmental and social characteristics is set out in the annex to this Prospectus.

The Fund is not managed against a particular benchmark or index. The performance of each Share Class of the Fund is measured against a reference rate for short term interest rates in its Class Currency. The reference rate applicable to a particular Class is stated in that Class's KID/KIID.

The Fund will primarily acquire positions in debt securities and currencies of countries. Such debt securities and currencies will be rated Investment Grade save that the Fund may purchase and hold up to 20% of the Net Asset Value of the Fund in securities rated below Investment Grade.

In the event of a downgrade of securities to below B- by Standard & Poor's and/or Fitch or B3 by Moody's, the Investment Manager will sell such downgraded securities within 180 days of such downgrade. For the purposes of determining the B- / B3, when there is a split rating between Standard & Poor's, Fitch, or Moody's the middle of the three ratings will apply. When the security is rated by only two of the three agencies, the lower of the two ratings shall apply. When it is rated by only one agency, that rating shall apply.

The financial derivative instruments the Fund may employ to achieve its strategy are described below and in the section of this Prospectus entitled "Financial Derivative Instruments". Sovereign debt and debt like securities will be issued by: (i) world governments, their agencies and instrumentalities and government owned corporations; (ii) state, provincial, county, and city governments, as well as those of public utilities and other quasi-governmental bodies; (iii) supra-national entities; and (iv) entities guaranteed by any of (i), (ii) and (iii) above. The Investment Manager may acquire such securities as fixed and floating rate bonds, inflation-indexed securities, zero-coupon and discount bonds, eurobonds, global bonds or yankee bonds issued by such issuers. All investments shall comply with the requirements of the UCITS Regulations.

**The Fund may also use the following derivative instruments in establishing its long and short positions: interest rate swaps, forwards (including currency forwards and non-deliverable currency forwards) and futures (including bond futures and interest rate futures).**

For the purposes of compliance with the UCITS Regulations, the market risk of the Fund will be measured using the value-at-risk ("VaR") methodology. In accordance with the requirements of the Central Bank, the Fund is subject to an absolute VaR limit of 20% of the Fund's Net Asset Value, based on a 20 Business Day holding period, a historical observation period of at least one year (250 Business Days) and a 99% one-tailed confidence interval. VaR is a statistical methodology that seeks to predict, using historical data, the likely maximum loss that the Fund could suffer, calculated to a specific one-tailed confidence level (i.e., 99%). Please see Schedule IV for details of the standards which currently apply to the calculation of the absolute VaR of the Fund.

In accordance with the requirements of the Central Bank, the Fund will be managed subject to the above VaR limits. The Fund will employ leverage. In this context, leverage is calculated, in accordance with the requirements of the Central Bank, as the sum of the notionals of the derivatives used. Applying this calculation method, it is currently expected that the leverage of the Fund will generally be in the range of 250% to 350% of the Net Asset Value of the Fund, but the leverage levels may be higher and it is possible for the leverage of the Fund to be as high as 400% of the Net Asset Value of the Fund. The disclosed level of leverage is not intended to be an additional risk exposure limit for the Fund. Furthermore, it is not intended that the leverage level by itself be indicative of the risk profile of the Fund. Leverage is just one of many risk factors considered in constructing the Fund's portfolio and investors are advised to read carefully the section of this Prospectus entitled "Risk Factors".

For the Base Currency Hedged Classes, only the exposure to fluctuations in the exchange rate between the Base Currency of the Fund and the Class Currency will be hedged. Please see the section of this Prospectus entitled "Share Classes of the Funds" for further information in relation to the Share Classes of the Fund.

# All Funds

### Base Currency

The Base Currency of each Fund is USD. Unless specifically stated otherwise, the Net Asset Value of the Funds shall be expressed in USD. The Net Asset Value of certain Classes of the Funds may be expressed in Class Currencies, which may differ from the Base Currency.

### Regulated Markets

The transferable securities and liquid financial assets in which the Funds may invest generally must be listed, traded or dealt in on a Regulated Market except that up to 10% of the Net Asset Value of each Fund may be invested in transferable securities and liquid financial assets which are not so listed, traded or dealt. The Regulated Markets in which the Funds' investments will be listed, traded or dealt in are set out in Schedule I.

### Hedged, Base Currency Hedged and Unhedged Share Classes

The Company may create Hedged Classes and Base Currency Hedged Classes. Hedged Classes limit the exposure to fluctuations between the currency of those Classes and the currencies of the assets in the Fund by hedging or partially hedging the currency exposures into the relevant Class Currency. Base Currency Hedged Classes limit the exposure to fluctuations between the Base Currency of the Fund and the Class Currency, The Base Currency Hedged Classes retain the same exposure to fluctuations in the exchange rates of the underlying assets as the Unhedged Share Class.

Hedged Classes are Classes which use currency forward exchange contracts in order to reduce (hedge) the impact of the variation of the exchange rates between the currencies of the underlying investments in the Fund and the applicable Class Currency.

Base Currency Hedged Classes are Classes which use currency forward exchange contracts in order to reduce (hedge) the impact of the variation of the exchange rates between the Base Currency of the Fund and the applicable Class Currency.

Unhedged Classes are Classes which do not provide any hedging against the impact of these variations. Shareholders of Shares in Unhedged Classes will receive the return of the underlying investments in the Fund, bearing the risk associated with the currency movements between the currencies of those underlying investments and the applicable Class Currency.

Shareholders should also note that the hedging of Share Classes by the Investment Manager is distinct from the strategies and techniques that may be adopted at the level of the portfolio of underlying investments held within each Fund.

### Additional Information for Shareholders in the BRL Hedged and Base Currency Hedged Classes

Notwithstanding any section in this Prospectus, the settlement currency for subscriptions and redemptions relating to the BRL Hedged and BRL Base Currency Hedged Classes is the Base Currency of the Fund (i.e., USD). In accordance with the terms of this Prospectus, the Net Asset Value of the BRL Hedged and BRL Base Currency Hedged Classes shall be published in the Base Currency of the Fund (i.e., USD).

As set out in this Prospectus, with respect to the BRL Base Currency Hedged Classes, the Company intends to limit the Investor's currency risk by reducing the effect of exchange rate fluctuations between the BRL and the Base Currency of the Fund. With respect to the BRL Hedged Classes, the Company intends to reduce (hedge) the Investor's currency risk against the exposure to fluctuations between the BRL and the currencies of the assets in the Fund.

### Eligible Collective Investment Schemes

Due to restrictions on direct investments by foreign entities in certain foreign countries, investments in other Eligible Collective Investment Schemes may be the most practical or only manner in which a Fund can obtain securities exposure to certain eligible debt or debt-like securities in accordance with the above mentioned policies of the Funds. Accordingly, each Fund may, in the sole discretion of the Investment Manager, invest up to 10% of its Net Asset Value in Eligible Collective Investment Schemes within the meaning of Regulation 68(e) of the UCITS Regulations or those schemes established as alternative investment funds authorised in the U.K. and which comply, in all material respects, with the provisions of the UCITS Regulations and the Central Bank Regulations. It should be noted, however, that such investments may: (i) involve the payment of premiums above the net asset value of such issuers' portfolio securities (such as subscription fees payable upon subscription for units in other Eligible Collective Investment Schemes); and (ii) be constrained by market availability as there may not be Eligible Collective Investment Schemes available for all markets in which restrictions on direct investment by foreign entities apply. As a shareholder in such an Eligible Collective Investment Scheme, the Fund would bear its pro rata share of that company's expenses. Such investment in collective investment schemes includes investing in other Funds. However, a Fund may not invest in another Fund which itself holds Shares in other Funds.

### Cash Deposits

Each Fund may invest its cash balance in, or may hold for temporary defensive purposes, cash deposits and short-term securities, such as commercial paper, bankers' acceptances, certificates of deposit, and government securities issued by an OECD member country or by any supra-national entity provided that the securities are denominated in USD, are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better.

### European Benchmarks Regulation

The section of this Prospectus entitled "Investment Objectives and Policies of the Funds" indicates if a Fund is managed against a Benchmark. Shareholders should note that the Manager and/or a Distributor may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in the section of this Prospectus entitled "Investment Objectives and Policies of the Funds", they are not formal benchmarks against which the Fund is managed.

In respect of the relevant Funds, the Manager and the Investment Manager are working with the applicable benchmark administrator for each benchmark used by a Fund to confirm that the benchmark administrators are, or intend to procure that they are, included in the register maintained by ESMA under the Benchmarks Regulation. A plan has been adopted by the Manager and the Investment Manager to address the contingency of a benchmark changing materially or ceasing to be provided in accordance with the Benchmarks Regulation.

### Financial Derivative Instruments

Investment techniques and financial derivative instruments may be used by each Fund for efficient portfolio management and/or investment purposes within the limits set forth in Schedule III as described in the section of this Prospectus entitled "Investment Techniques and Instruments". Financial derivative instruments may be used to effect positions in, or to reduce the risk of adverse market changes in, interest rates or exchange rates.

Forward foreign exchange transactions (including non-deliverable forward foreign exchange transactions) may be used by each Fund to reduce the risk of adverse market changes in exchange rates, to increase exposure to foreign currencies or to shift exposure in order to address foreign currency fluctuations between currencies. Each Fund whose use of financial derivative instruments is limited to forward foreign exchange transactions (including non-deliverable forward foreign exchange

transactions) (i.e. each Fund except The Colchester Alpha Fund) uses the commitment approach to measure global exposure. The Colchester Global Bond Fund, The Colchester Global Bond Enhanced Currency Fund, The Colchester Global Aggregate Bond Fund, The Colchester Global Aggregate Bond Enhanced Currency Fund, The Colchester Global Green Bond Fund, The Colchester Global Low Duration Bond Fund, The Colchester Global Real Return Bond Fund, The Colchester Local Markets Real Return Bond Fund and The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund may be leveraged up to 100% of the Net Asset Value of the Fund as a result of the Fund's use of financial derivative instruments for investment purposes after netting and hedging have been applied. The Colchester Local Markets Bond Fund may be leveraged up to 75% of its Net Asset Value as a result of its use of financial derivative instruments for investment purposes after netting and hedging have been applied.

It is anticipated that up to 200% of the assets of each Fund (except The Colchester Global Bond Enhanced Currency Fund, The Colchester Global Aggregate Bond Enhanced Currency Fund and The Colchester Alpha Fund) may be comprised of long positions (100% in direct investments and 100% in financial derivative instruments) and that up to 100% of the assets of each Fund (except The Colchester Global Bond Enhanced Currency Fund, The Colchester Global Aggregate Bond Enhanced Currency Fund and The Colchester Alpha Fund) may be comprised of short positions achieved through financial derivative instruments.

It is anticipated that up to 230% of the assets of The Colchester Global Bond Enhanced Currency Fund may be comprised of long positions (100% in direct investments and 130% in financial derivative instruments) and that up to 130% of the assets of The Colchester Global Bond Enhanced Currency Fund may be comprised of short positions achieved through financial derivative instruments. The Colchester Global Bond Enhanced Currency Fund uses the commitment approach to measure global exposure. Accordingly, The Colchester Global Bond Enhanced Currency Fund may be leveraged up to 100% of its Net Asset Value as a result of its use of financial derivative instruments for investment purposes after netting and hedging have been applied.

It is anticipated that up to 300% of the assets of The Colchester Global Aggregate Bond Enhanced Currency Fund may be comprised of long positions (100% in direct investments and 200% in financial derivative instruments) and that up to 200% of the assets of The Colchester Global Aggregate Bond Enhanced Currency Fund may be comprised of short positions achieved through financial derivative instruments. The Colchester Global Aggregate Bond Enhanced Currency Fund uses the commitment approach to measure global exposure. Accordingly, The Colchester Global Aggregate Bond Enhanced Currency Fund may be leveraged up to 100% of its Net Asset Value as a result of its use of financial derivative instruments for investment purposes after netting and hedging have been applied.

Interest rate swaps and futures may be used by The Colchester Alpha Fund to create directional interest rate risk positions in a manner similar to that of a physical bond. Interest rate swaps or futures may be a more efficient means than a bond to create a position that will increase in value as interest rates increase and may also provide greater flexibility in the management of portfolio duration. The Colchester Alpha Fund will employ leverage and uses a Value at Risk approach to measure global exposure. It is anticipated that up to 300% of the assets of The Colchester Alpha Fund may be comprised of long positions (100% in direct investments and 200% in financial derivative instruments) and that up to 300% of the assets of The Colchester Alpha Fund may be comprised of short positions achieved through financial derivative instruments.

### Proxy Voting Policy

The Manager has adopted a proxy voting policy, which accords with the Investment Manager's proxy voting policy, to whom it has delegated authority to vote. Typically, sovereign bond investors may only vote in the event there is a sovereign default related to their bond holdings. In such cases, bond investors may have the opportunity to vote on the terms of a restructuring. As the Investment Manager generally invests in Investment Grade sovereign bonds, situations in which the Funds may vote

are expected to be rare. In the unlikely event that a Fund is presented with an opportunity to vote, the Investment Manager will determine, in its discretion and in the best interests of the relevant Fund, how and whether to vote on behalf of the Fund. Sometimes the Investment Manager may not be able to vote because the Depositary does not provide a voting service in a given market, or the Investment Manager does not receive voting materials in sufficient time, or for other reasons beyond the Investment Manager's control. The Investment Manager may also choose not to vote if it is considering liquidating a position, or for any other reason, if it considers voting would be inappropriate.

The Manager delegates responsibility for determining when and how voting rights are exercised to the Investment Manager in accordance with the Investment Manager's own strategies and policies.

### Best Execution Policy

The Manager and the Investment Manager have adopted a policy designed to ensure that the Funds' best interests are protected when executing decisions to deal and placing orders to deal on behalf of the Funds in the context of managing the Funds' portfolios (the "Best Execution Policy"). The Investment Manager recognises its obligation to take all sufficient steps to obtain the best possible result for the Funds when executing orders on their behalf. The Investment Manager may consider certain "execution factors", including the price, the size and nature of the order, market conditions (including market holidays), financial instrument liquidity, the time of the order, the quality, likelihood and speed of execution and settlement of the order or any other consideration relevant to the execution of the order. The Investment Manager endeavours to act in accordance with the best interests of the Funds when placing orders for execution. Information about the Best Execution Policy and any material change to the policy are available to Shareholders at no charge upon request.

### Brokerage Arrangements

The Investment Manager may select counterparties, brokers and dealers to be used in purchasing or selling securities and currencies, and for executing and clearing trades and other exchange transactions in its sole discretion, but subject always to the Best Execution Policy. The Investment Manager may employ additional brokers for clearing and execution services at any time without notifying Shareholders. Any such counterparties so selected are referred to in this Prospectus as "Approved Counterparties".

The Investment Manager is responsible for negotiating commissions and spreads paid in connection with such transactions.

The Investment Manager is obligated by the FCA to take all sufficient steps to obtain best execution on all security transactions for the Funds. In order to fulfil its obligations, the Investment Manager uses the broker selection process discussed below under the section of this Prospectus entitled "Approved Counterparty Relationships for Bond Trading" and "Approved Counterparty Relationships for Foreign Exchange Arrangements".

Neither the Investment Manager nor any of its affiliates share, directly or indirectly, in any of the revenues generated by the Funds' brokerage or over the counter (OTC) transactions. The Investment Manager is not affiliated with any counterparty.

### Approved Counterparty Relationships for Bond Trading

The Investment Manager maintains relationships with a selection of Approved Counterparties to execute bond transactions for the Funds. The Investment Manager believes that maintaining a number of counterparty relationships in this range ensures that the Investment Manager has an appropriate choice of counterparties when determining how best to meet its obligations of "best execution" in relation to the Funds' bond transactions.

The Investment Manager initially selects and continuously monitors each Approved Counterparty based on factors that it believes assist the Investment Manager in its endeavours to meet its obligations to the Company. In relation to each Approved Counterparty, these factors include, but may not be limited to: (i) the competitiveness of the pricing it is willing to offer; (ii) the range of markets it trades (the Investment Manager believes that a broad list of counterparties based on global and local specialists, is appropriate); (iii) its quality ranking relative to its peers, inclusive of its relative pricing and operational efficiency; (iv) the share of the market it has in markets of interest (if available); (v) its observable level of integrity and regulatory standing; (vi) its credit-worthiness and financial responsibility; (vii) its error rate, as well as its efficiency in taking corrective action when an error does occur; (viii) specialist knowledge or experience that it has that will likely add value to the quality of the service offered; and (ix) any issues it has that may detract from the quality of the service offered. The factors in the prior sentence are not listed in an order that indicates their relative importance to the Investment Manager in its counterparty selection process.

### Approved Counterparty Relationships for Foreign Exchange Arrangements

The Investment Manager maintains relationships with a selection of Approved Counterparties in respect of foreign currency forward contracts for the Funds (spot, deliverable and non-deliverable forwards). An affiliate of the Depositary, The Northern Trust Company ("Northern Trust"), acts as an Approved Counterparty .and there may be instances in which Northern Trust acts as the sole Approved Counterparty. The Investment Manager monitors Northern Trust (and other Approved Counterparties) and the foreign exchange services they provide to help ensure such rates are obtained on the basis of best execution as set out under the section of this Prospectus entitled "Monitoring Approved Counterparty Performance". Please also see the section of this Prospectus entitled "Conflicts of Interest".

The Investment Manager receives and posts collateral from and to Northern Trust and other Approved Counterparties, as applicable, to support unrealised gains and losses related to the Funds' foreign currency forward contracts. For The Colchester Alpha Fund, the Investment Manager receives and posts collateral from and to other Approved Counterparties (which may differ from the Approved Counterparties with which foreign currency forwards are exchanged) to support unrealised gains and losses related to the Fund's interest rate swap contracts.

### Restricted Foreign Currency Forwards

For restricted foreign currencies, spot trades arising from the sale and purchase of restricted currency bonds are executed by the Depositary or its sub-custodian. Due to the local currency restrictions of these markets, the Investment Manager is unable to control or negotiate the execution of these trades.

### Monitoring Approved Counterparty Performance

The Investment Manager monitors its Approved Counterparties and the execution services they provide on an ongoing basis to ensure that their performance is consistent with the duty of "best execution". The Investment Manager reviews transaction cost analysis of bond and foreign exchange trading and, where it believes that the pricing achieved by an Approved Counterparty in relation to a given period was outside an acceptable level of tolerance, the issue will be raised with the Approved Counterparty. The Approved Counterparty will be required to provide a satisfactory explanation for the divergence from tolerance and where no explanation that the Investment Manager deems satisfactory is offered and the Investment Manager deems that the issue is of a significant magnitude, the Investment Manager may suspend the Approved Counterparty until it is satisfied suitable action has been taken to correct the issue at hand.

### Borrowing

The Funds may not borrow money except that:

(a) a Fund may acquire foreign currency by means of a "back to back" loan. Foreign currency obtained in this manner is not classified as borrowing for the purpose of Regulation 103(1) of the UCITS Regulations except to the extent that such foreign currency exceeds the value of a "back to back" deposit; and

(b) a Fund may borrow up to 10% of its Net Asset Value provided such borrowing is on a temporary basis.

### Adherence to Investment Objectives, Strategies and Policies

Any change in investment objectives and any material change in investment strategies or policies of a Fund will be subject to approval by the majority of votes of Shareholders in that Fund passed at a general meeting or by all of the Shareholders in that Fund by way of a written resolution. In accordance with the Constitution, Shareholders will be given 21 clear days' notice of such general meeting. The notice shall specify the place, day, hour, and nature of business of such meeting, as well as the proposed effective date of any changes to the investment objectives and policies. In the event that a change in investment objectives and/or policies is approved by Shareholders, a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change in the event of any objection to the changes. Separate Fund or Class meetings may be held on certain matters materially affecting the interests of the relevant Shareholders, at which only the Shares of the relevant Fund and/or Class may vote for example where it is necessary to obtain approval of a fee change relevant to a specific Fund and/or Class.

### Determination of Credit Rating of Sovereign Securities

Rating agencies assign credit ratings to sovereign securities as an assessment of the commitment from central governments to repay their outstanding debt obligations. For the purposes of monitoring the Investment Objectives and Policies of the Funds set out herein, the rating of a sovereign security is determined by reference to the rating of the issuer of that sovereign security as determined by the relevant rating agency. This will also apply to securities the issuer of which is backed by a central government. For all other securities, its rating is determined by reference to the rating granted to that security as determined by the relevant rating agency, or if unrated by all of them, by an equivalent rating determined by the Investment Manager at its sole discretion.

## INVESTMENT RESTRICTIONS

Each Fund's investments will be limited to investments permitted by the UCITS Regulations, as set out in Schedule II. If the UCITS Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations but any such changes shall be in accordance with the Central Bank's requirements and will be subject to approval by the majority of votes of Shareholders passed at a general meeting or by all of the Shareholders by way of a written resolution. Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the Company.

The Company also employs a collateral policy which includes permitted types of collateral and the reinvestment policy (including the risks arising from the reinvestment policy).

### Investment Techniques and Instruments

The Funds may employ financial derivative instruments for investment purposes and/or for efficient portfolio management purposes, if the Investment Manager considers the use of such techniques and instruments to be economically appropriate

in order to seek to reduce risk, reduce costs, generate additional capital or income for the Fund with an appropriate level of risk. The Funds' use of such financial derivative instruments shall be subject to the conditions and within the limits from time to time laid down by the Central Bank. The Manager employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with such financial derivative instruments. The Manager shall supply to a Shareholder on request supplementary information relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

### Forward Currency Contracts

Each Fund engages in foreign currency forward contracts (spot, deliverable and non-deliverable) to pursue its investment objectives.

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

Forward contracts are not market traded. They settle only at the pre-determined settlement date. In the absence of exchange trading and the involvement of clearing houses, there are no standardised terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a currency as desirable, which may vary from the standardised provisions available through any exchange traded derivative contract. Finally, forward contracts, as two party obligations for which there is no secondary market, involve counterparty credit risk.

Many of the Funds' investments may be denominated in currencies other than the relevant Base Currency or Class Currency. The Funds may seek to limit this foreign currency exposure by entering into currency forwards (including for non-deliverable currencies). The Funds may also enter into currency forwards to increase exposure to foreign currencies or to shift exposure in order to address foreign currency fluctuations between currencies.

Non-deliverable foreign currency forward contracts are swap arrangements in which a Fund may agree with a counterparty that its return (or loss) will be based on the relative performance of two different currencies. As to one of the currencies, the Fund's return is based on theoretical long positions in that currency (with an aggregate face value equal to the notional amount of the contract for differences) and, as to the other currency, the Fund's return is based on theoretical short positions in that second currency. The payment obligations of the two legs of the contract are netted and thus based on changes in the relative value of the currencies rather than on the aggregate change in the value of the two legs. However, it is possible that the short currency position will outperform the long currency position, resulting in a loss to the Fund, even in circumstances when the currencies on both the long and short legs of the contract appreciate in value.

Each Fund may only close out foreign currency forward contracts with the particular counterparty. Also, if the counterparty defaults, the Fund will have contractual remedies pursuant to the agreement relating to the transaction, but there is no assurance that contract counterparties will be able to meet their obligations pursuant to such contracts or that, in the event of default, the Fund will succeed in enforcing contractual remedies. There also may be documentation risk, including the risk that the parties may disagree as to the proper interpretation of the terms of a contract. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims against the counterparty. The Fund thus assumes the risk that it may be unable to obtain payments owed to it under contracts or that those payments may be delayed or made only after the Fund has incurred the costs of litigation.

### Futures

The Colchester Alpha Fund may engage in futures contracts to pursue its investment objectives.

Futures contracts provide for the future sale by one party and purchase by another party of a specified amount of an underlying asset at a specified price, date and time. Entering into a contract to buy an underlying asset is commonly referred to as buying a contract or holding a long position in the asset. Entering into a contract to sell an underlying asset is commonly referred to as selling a contract or holding a short position in the asset. In particular, the Funds may invest in bond futures and interest rate futures. A bond futures contract is an agreement pursuant to which a party agrees to take or make delivery of a specified fixed-income security (such as U.S. Treasury bonds or notes) or to take or make delivery of cash based upon the change in value of a basket or index of securities at a specified future time and at a specified price. An interest rate future is an agreement pursuant to which a party agrees to take or make delivery of a specified interest-bearing asset at a specified future time and at a specified price. Delivery may not always occur with settlement being made for the difference in price between the settlement price and the trading price. Interest rate futures are used to hedge against interest rate movements and may be used in combination with bond futures.

### Swaps

The Colchester Alpha Fund may engage in interest rate swaps to pursue its investment objectives.

Swaps are contracts in which two parties agree to pay each other (swap) the returns derived from underlying assets with differing characteristics. Most swaps do not involve the delivery of the underlying assets by either party, and the parties might not own the assets underlying the swap. The payments are usually made on a net basis so that, on any given day, a Fund would receive (or pay) only the amount by which its payment under the contract is less than (or exceeds) the amount of the other party's payment. Swap agreements are sophisticated instruments that can take many different forms. In particular, the Funds may invest in interest rate swaps. An interest rate swap involves the exchange by a Fund with another party of their respective commitments to pay or receive a floating or fixed rate of interest.

### Collateral Policy

The policy that will be applied to collateral arising from OTC derivative transactions relating to the Funds is to adhere to the requirements set out in Schedule III. This sets out the permitted types of collateral, the level of collateral required and the haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the UCITS Regulations. The categories of collateral which may be received by the Funds include cash and sovereign bonds. From time to time and subject to the requirements in Schedule III, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The level of collateral required will be at least that which is necessary to ensure that the risk exposure to a counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations (i.e., the difference between the risk exposure to the counterparty and the limits set out in Regulation 70(1)(c) of the UCITS Regulations). The haircuts applied (if any) by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Schedule III. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy.

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

### Securities Lending

The Funds may not enter into securities lending agreements.

### Securities Financing Transactions Regulations

As of the date of this Prospectus, it is not intended that the Funds shall enter into securities financing transactions or total return swaps within the meaning of the Securities Financing Transactions Regulations.

### Distribution Policy

Shares are available as Accumulation Shares or Distribution Shares, as described in the section of this Prospectus entitled "Share Classes of the Funds".

Net income and realised and unrealised capital gains net of realised and unrealised capital losses attributable to the Accumulation Shares of a Fund will not be declared or distributed but will accumulate in the Net Asset Value per Share.

Net income attributable to the Distribution Shares of a Fund will be declared and distributed and may include sums representing any interest or dividend or other income accrued but not received by the Company in any accounting period. Where monies are available for distribution, it is proposed to declare a distribution in respect of the Distribution Shares, payable as at the end of each quarter. Realised and unrealised capital gains net of realised and unrealised capital losses attributable to the Distribution Shares will not be declared or distributed but will accumulate in the Net Asset Value per Share.

The Company may distribute in respect of each accounting period a percentage (as determined by the Company, the Manager or its delegate from time to time) of surplus net income represented by the coupons and interest received for each Distribution Class of each Fund to the holders of Shares of the relevant Class, after charging expenses and various other items, as set out in the section of this Prospectus entitled "Fees and Expenses", as are attributable to the income of that Fund. The Company, the Manager or its delegate may, at their discretion, declare additional or different dividend payment dates in respect of any Distribution Class.

Dividend payments may be delayed and held in the Umbrella Cash Accounts (and not bear interest) if the original Application Form (other than in instances where the account was opened via an Approved Clearing System) or any requested anti-money laundering documentation has not been received by the Administrator. In such circumstances, any sums payable by way of dividend or distribution to Shareholders shall remain an asset of the Company until such time as the Administrator is satisfied that its anti-money laundering procedures have been fully complied with, following which such dividend will be paid.

### Side Letters and Other Similar Agreements

In certain limited circumstances, the Company, the Manager or the Investment Manager may agree to issue a side letter (other than a fee rebate letter) in connection with an investment in a Fund. The Company, the Manager and the Investment Manager generally will consider entering into a side letter agreement only when rules governing the investment by a specific Shareholder (such as the governing documents related to such Shareholder) in a Fund require a specific variation, provided that such change is not expected to materially impact the Company, the Manager, the Investment Manager, the Depositary, the Administrator or the other Shareholders. It is the policy of the Company, the Manager and the Investment Manager not to agree to any side letter or other similar agreements that grant any Shareholder or group of Shareholders preferential rights with respect to the payment or timing of redemptions, indemnification from the Company, the Manager or the Investment Manager, the law governing the Investment Manager's and each Shareholder's responsibilities under the Constitution or access to the Fund's trading activity before trades are made. In addition, the Investment Manager may provide such other reports as may be requested by a Shareholder from time to time provided such reports do not grant any Shareholder

preferential rights with respect to the payment or timing of redemptions over other Shareholders and such reports would be made available to other Shareholders upon request. The Manager or the Investment Manager will provide a summary of all side letter agreements currently in effect upon the written request of a Shareholder.

## SHARE CLASSES OF THE FUNDS

A number of Classes of Shares are available in respect of the Funds including currency classes, unhedged and hedged classes and accumulation and distribution classes. None of the Share Classes of the Funds is listed.

The Minimum Initial Investment and Minimum Holding requirements for the relevant Class are set out below. The Company, the Manager or its delegate reserve the right to vary the Minimum Initial Investment and the Minimum Holding in the future and may choose to waive these criteria.

Investors must demonstrate to the satisfaction of the Manager that they are eligible to buy the Shares they are applying to purchase by providing the Manager and the Administrator with sufficient evidence of their status. Investors indemnify the Company and its delegates against any losses, costs or expenses that the Company or its delegates may incur by acting in good faith upon any declarations made or purporting to be made upon application.

The Company, the Manager or its delegate may, at their discretion, delay the acceptance of any subscription (including by way of switch or transfer) for Shares until such date as it has received sufficient evidence on the qualification of the investor as being eligible to invest in those Shares. If it determines at any time that a holder of Shares is not eligible to hold those Shares, the Company may either redeem the relevant Shares in accordance with the section of this Prospectus entitled "Mandatory Redemption" below, or convert such Shares into Shares of a Class which the investor is eligible to hold.

See the table 'Available Share Classes' below for details on Minimum Holding and Minimum Initial Subscription related to each Class.

All Shares belong to one of the following Classes:

### I Shares, I Premier Shares, R Shares and R Premier Shares

I Shares, I Premier Shares, R Shares and R Premier Shares are available to invest in by Professional Investors. I Shares, I Premier Shares, R Shares and R Premier Shares are also available to invest in by all categories of investor when investing via an intermediary. The intermediary will not be remunerated out of the applicable Management Fee and must be a Professional Investor.

### A Shares and B Shares

A and B Shares are available to invest in by all categories of investor but must be invested in via an intermediary. The intermediary will be remunerated out of the applicable Management Fee and must be a Professional Investor.

"Professional Investor" is defined as the following institutional investors, together with individuals and retail entities who have elected to be treated as professional clients by the Investment Manager:

- any authorised or regulated financial institution including, but not restricted to, credit institutions and investment firms;
- insurance and reinsurance companies;
- a national or regional government, a public body that manages public debt, a central bank, an international or supra-national institution or another similar international organisation;

- pension funds, industrial, commercial and financial group companies, all subscribing on their own behalf, and the structures which such Professional Investors put into place for the management of their own assets;
- collective investment schemes; and
- any other institution whose main activity is investing in financial instruments.

### Z Shares

Z Shares are only available to invest in by employees of the Investment Manager or its affiliates that invest directly or through certain intermediaries, and Professional Investors who may be required to enter into a suitable agreement with the Investment Manager or Sub-Investment Manager at the discretion of the Company, the Manager or its delegate. No Management Fees are payable in respect of Z Shares, instead a fee may be paid to the Investment Manager or Sub-Investment Manager under a separate agreement outside of the Company.

## AVAILABLE SHARE CLASSES

| | I Shares | I Premier Shares | A Shares | B Shares | R Shares | R Premier Shares | Z Shares |
|---|---|---|---|---|---|---|---|
| Available Funds | All | All | All | All | All | All | All |
| Class Currency | AUD, BRL, CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, NZD, SEK, SGD, USD, ZAR | AUD, BRL,CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, NZD, SEK, SGD, USD, ZAR | AUD, BRL,CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, NZD, SEK, SGD, USD, ZAR | AUD, BRL,CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, NZD, SEK, SGD, USD, ZAR | AUD, BRL,CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, NZD, SEK, SGD, USD, ZAR | AUD, BRL,CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, NZD, SEK, SGD, USD, ZAR | AUD, BRL,CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, NZD, SEK, SGD, USD, ZAR |
| Unhedged | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Hedged | Yes, with the exclusion of The Colchester Alpha Fund. | Yes, with the exclusion of The Colchester Alpha Fund. | Yes, with the exclusion of The Colchester Alpha Fund. | Yes, with the exclusion of The Colchester Alpha Fund. | Yes, with the exclusion of The Colchester Alpha Fund. | Yes, with the exclusion of The Colchester Alpha Fund. | Yes, with the exclusion of The Colchester Alpha Fund. |
| Base Currency Hedged | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Accumulation [1] | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Distribution [1] | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Trade Date Cut- Off Time (Irish time) [2] | 1.00 p.m. each Dealing Day | 1.00 p.m. each Dealing Day | 1.00 p.m. each Dealing Day | 1.00 p.m. each Dealing Day | 1.00 p.m. each Dealing Day | 1.00 p.m. each Dealing Day | 1.00 p.m. each Dealing Day |
| Settlement Time (Irish time) for receipt of cleared funds [3] | 6.00 p.m. 3 Business Days after the Dealing Day | 6.00 p.m. 3 Business Days after the Dealing Day | 6.00 p.m. 3 Business Days after the Dealing Day | 6.00 p.m. 3 Business Days after the Dealing Day | 6.00 p.m. 3 Business Days after the Dealing Day | 6.00 p.m. 3 Business Days after the Dealing Day | 6.00 p.m. 3 Business Days after the Dealing Day |
| Minimum Holding [4] | US$3,000,000 | US$100,000,000 | US$1,000 | US$1,000,000 | US$1,000 | US$100,000,000 | None |
| Minimum Initial Investment [4] | US$3,000,000 | US$100,000,000 | US$1,000 | US$1,000,000 | US$1,000 | US$100,000,000 | None |
| Redemption Settlement Period [5] | 3 Business Days after the Dealing Day | 3 Business Days after the Dealing Day | 3 Business Days after the Dealing Day | 3 Business Days after the Dealing Day | 3 Business Days after the Dealing Day | 3 Business Days after the Dealing Day | 3 Business Days after the Dealing Day |

1. Accumulation or Distribution: Please see the section of this Prospectus entitled "Distribution Policy".
2. Trade Cut-Off Time: The Trade Cut-Off Time is 1.00 p.m. (Irish time) on the Dealing Day, or such other time as may be agreed by the Company, the Manager or its delegate with the Administrator and notified to the relevant Shareholder.
3. Settlement Time: Investors should note the industry standard cut-off times for the transfer and receipt of cleared funds in the relevant Class Currency. Where subscriptions for Shares are made through intermediaries, such intermediaries may impose earlier deadlines for the receipt of payment.
4. Minimum Holding and Minimum Initial Investment or equivalent in the relevant Share Class Currency: The Company, the Manager or its delegate may waive the Minimum Initial Investment (applicable to investors prior to becoming a Shareholder) and Minimum Holding (applicable to Shareholders) in its discretion.
5. Redemption Settlement Period: The Redemption Settlement Period is the time by which redemption proceeds will generally be paid. In any event, the period between a redemption request and payment of proceeds should not exceed 10 calendar days, provided all relevant documentation has been received.

**Investors should note that as at the date of this Prospectus only certain Classes of Shares may have funded and be available for subscription. Investors should contact the Manager, the Investment Manager or the Administrator if they wish to invest in a class of a Fund to determine whether it is available for subscription.**

**If the Company launches a Share Class there may be a delay in making the Share Class available for purchase.**

**The Company, the Manager or its delegate may in their absolute discretion decide not to launch a Share Class and reject any subscriptions until subscriptions amounting to US$ 1,000,000 in aggregate (or currency equivalent) have been received in such Share Class.**

**The Company may create additional Classes of Shares in a Fund to which different terms, fees and expenses may apply. Any such additional classes of Shares will be notified to, and cleared, in advance with the Central Bank.**

**The Initial Offer Period for each Class shall close as soon as an investor subscribes for Shares of that Class. If all of the Shares of a Class are redeemed, the Company, the Manager or its delegate may re-open the Initial Offer Period upon notification to the Central Bank.**

## FEES AND EXPENSES

### Preliminary Charge

If subscribing through an intermediary that (i) has been appointed by a Distributor and (ii) has been authorised in writing by the Distributor to charge a Preliminary Charge, a Preliminary Charge of up to 5% of the amount of the investment in the Fund may, if permitted by law and regulation, be deducted from the amount payable in respect of the subscription at the discretion of the intermediary. No Preliminary Charge is payable if subscribing directly through the Administrator. None of the Investment Manager, the Sub-Investment Manager or the Distributors will charge a Preliminary Charge. The Net Asset Value payable for any Shares shall be exclusive of any Preliminary Charge.

### Switch Charge

A Switch Charge may be imposed which may not exceed 1% of the subscription price for the total number of Shares in the Fund being switched. The Switch Charge, if any, will be deducted at the time of such exchange and paid to the Distributor or intermediaries in respect of Shares acquired through them. The Net Asset Value payable for any Shares shall be exclusive of any Switch Charge.

### Management Fee

The Manager will receive a Management Fee out of the assets of the Funds on a monthly basis, save that the Fund will not pay a Management Fee out of the Z Share Classes. The Management Fee in respect of all applicable Classes in a Fund is calculated and accrued by the Administrator as of each Dealing Day, at the annual rate set out in respect of the specific Class of a Fund below.

The Management Fee is payable based on the Net Asset Value; this may have been adjusted by the swing pricing mechanism described in the section of this Prospectus entitled "Swing Pricing Mechanism".

Management Fees are payable in the Class Currency. Currency conversion will take place at prevailing exchange rates when the Management Fees are calculated.

The Management Fee attributable to the A Shares and the B Shares is higher than the Management Fee attributable to the I Shares, the I Premier Shares, the R Shares and the R Premier Shares. From this higher fee the Manager may pay for the expense of distribution, intermediary and other services rendered to Shareholders in such Shares of the Funds directly or indirectly by intermediaries.

| I Shares | Preliminary Charge | Redemption Charge | Switch Charge | Management Fee |
|---|---|---|---|---|
| The Colchester Global Bond Fund | None | None | None | 0.60% |
| The Colchester Global Bond Enhanced Currency Fund | None | None | None | 0.60% |
| The Colchester Global Aggregate Bond Fund | None | None | None | 0.60% |
| The Colchester Global Aggregate Bond Enhanced Currency Fund | None | None | None | 0.60% |
| The Colchester Global Green Bond Fund | None | None | None | 0.60% |
| The Colchester Global Low Duration Bond Fund | None | None | None | 0.45% |
| The Colchester Global Real Return Bond Fund | None | None | None | 0.45% |
| The Colchester Local Markets Bond Fund | None | None | None | 0.75% |
| The Colchester Local Markets Real Return Bond Fund | None | None | None | 0.75% |
| The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund | None | None | None | 0.75% |
| The Colchester Alpha Fund | None | None | None | 0.60% |

| I Premier Shares | Preliminary Charge | Redemption Charge | Switch Charge | Management Fee |
|---|---|---|---|---|
| The Colchester Global Bond Fund | None | None | None | 0.35% |
| The Colchester Global Bond Enhanced Currency Fund | None | None | None | 0.35% |
| The Colchester Global Aggregate Bond Fund | None | None | None | 0.35% |
| The Colchester Global Aggregate Bond Enhanced Currency Fund | None | None | None | 0.35% |
| The Colchester Global Green Bond Fund | None | None | None | 0.35% |
| The Colchester Global Low Duration Bond Fund | None | None | None | 0.30% |
| The Colchester Global Real Return Bond Fund | None | None | None | 0.30% |
| The Colchester Local Markets Bond Fund | None | None | None | 0.45% |
| The Colchester Local Markets Real Return Bond Fund | None | None | None | 0.45% |
| The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund | None | None | None | 0.45% |
| The Colchester Alpha Fund | None | None | None | 0.35% |

| A Shares | Preliminary Charge | Redemption Charge | Switch Charge | Management Fee |
|---|---|---|---|---|
| The Colchester Global Bond Fund | Max. 5% | None | Max. 1% | 1.40% |
| The Colchester Global Bond Enhanced Currency Fund | Max. 5% | None | Max. 1% | 1.40% |
| The Colchester Global Aggregate Bond Fund | Max. 5% | None | Max. 1% | 1.40% |
| The Colchester Global Aggregate Bond Enhanced Currency Fund | Max. 5% | None | Max. 1% | 1.40% |
| The Colchester Global Green Bond Fund | Max. 5% | None | Max. 1% | 1.40% |
| The Colchester Global Low Duration Bond Fund | Max. 5% | None | Max. 1% | 1.40% |
| The Colchester Global Real Return Bond Fund | Max. 5% | None | Max. 1% | 1.40% |
| The Colchester Local Markets Bond Fund | Max. 5% | None | Max. 1% | 1.70% |
| The Colchester Local Markets Real Return Bond Fund | Max. 5% | None | Max. 1% | 1.70% |
| The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund | Max. 5% | None | Max. 1% | 1.70% |
| The Colchester Alpha Fund | Max. 5% | None | Max. 1% | 1.40% |

| B Shares | Preliminary Charge | Redemption Charge | Switch Charge | Management Fee |
|---|---|---|---|---|
| The Colchester Global Bond Fund | Max. 5% | None | None | 1.00% |
| The Colchester Global Bond Enhanced Currency Fund | Max. 5% | None | None | 1.00% |
| The Colchester Global Aggregate Bond Fund | Max. 5% | None | None | 1.00% |
| The Colchester Global Aggregate Bond Enhanced Currency Fund | Max. 5% | None | None | 1.00% |
| The Colchester Global Green Bond Fund | Max. 5% | None | None | 1.00% |
| The Colchester Global Low Duration Bond Fund | Max. 5% | None | None | 0.90% |
| The Colchester Global Real Return Bond Fund | Max. 5% | None | None | 0.90% |
| The Colchester Local Markets Bond Fund | Max. 5% | None | None | 1.20% |
| The Colchester Local Markets Real Return Bond Fund | Max. 5% | None | None | 1.20% |
| The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund | Max. 5% | None | None | 1.20% |
| The Colchester Alpha Fund | Max. 5% | None | None | 1.00% |

| R Shares | Preliminary Charge | Redemption Charge | Switch Charge | Management Fee |
|---|---|---|---|---|
| The Colchester Global Bond Fund | Max. 5% | None | Max. 1% | 0.65% |
| The Colchester Global Bond Enhanced Currency Fund | Max. 5% | None | Max. 1% | 0.65% |
| The Colchester Global Aggregate Bond Fund | Max. 5% | None | Max. 1% | 0.65% |
| The Colchester Global Aggregate Bond Enhanced Currency Fund | Max. 5% | None | Max. 1% | 0.65% |
| The Colchester Global Green Bond Fund | Max. 5% | None | Max. 1% | 0.65% |
| The Colchester Global Low Duration Bond Fund | Max. 5% | None | Max. 1% | 0.55% |
| The Colchester Global Real Return Bond Fund | Max. 5% | None | Max. 1% | 0.55% |
| The Colchester Local Markets Bond Fund | Max. 5% | None | Max. 1% | 0.85% |
| The Colchester Local Markets Real Return Bond Fund | Max. 5% | None | Max. 1% | 0.85% |
| The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund | Max. 5% | None | Max. 1% | 0.85% |
| The Colchester Alpha Fund | Max. 5% | None | Max. 1% | 0.65% |

| R Premier Shares | Preliminary Charge | Redemption Charge | Switch Charge | Management Fee |
|---|---|---|---|---|
| The Colchester Global Bond Fund | Max. 5% | None | Max. 1% | 0.35% |
| The Colchester Global Bond Enhanced Currency Fund | Max. 5% | None | Max. 1% | 0.35% |
| The Colchester Global Aggregate Bond Fund | Max. 5% | None | Max. 1% | 0.35% |
| The Colchester Global Aggregate Bond Enhanced Currency Fund | Max. 5% | None | Max. 1% | 0.35% |
| The Colchester Global Green Bond Fund | Max. 5% | None | Max. 1% | 0.35% |
| The Colchester Global Low Duration Bond Fund | Max. 5% | None | Max. 1% | 0.30% |
| The Colchester Global Real Return Bond Fund | Max. 5% | None | Max. 1% | 0.30% |
| The Colchester Local Markets Bond Fund | Max. 5% | None | Max. 1% | 0.45% |
| The Colchester Local Markets Real Return Bond Fund | Max. 5% | None | Max. 1% | 0.45% |
| The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund | Max. 5% | None | Max. 1% | 0.45% |
| The Colchester Alpha Fund | Max. 5% | None | Max. 1% | 0.35% |

No Preliminary Charge, Redemption Charge, Switch Charge or Management Fee is payable in respect of the Z Shares.

### Management Fee Rebates

Certain Shareholders which are either "founder" Shareholders in the I Classes or other Shareholders in the I Classes and I Premier Classes maintaining substantial investments with the Funds and/or with the Investment Manager or otherwise offering strategic value to the Fund and/or the Investment Manager may receive from the Manager a fee rebate which will lower the overall effective rate of the Management Fee which they pay. The Manager will enter into separate fee rebate letters with relevant Shareholders, outside of the Company, regarding the calculation and administration of these fee rebates. Fee rebates may be reinvested in Shares in the relevant Fund or reimbursed to the relevant Shareholder in cash.

### Expenses borne by the Manager

The Manager has agreed to pay, out of the Management Fee, or in respect of Z Shares such other fees payable to the Manager as may be agreed, all fees and reasonable out of pocket expenses (other than those expenses to be borne by a Fund in accordance with this Prospectus) payable to the Directors, the Investment Manager, the Administrator, the Depositary, the Auditor, the Distributors, and financial intermediaries and the Irish legal adviser as well as legal expenses incurred in the offering and formation of the Funds (and in the offering and formation of any new Funds) and the issuance of Shares. Should the Management Fee at any time not be sufficient to cover all these expenses, the Manager will exclusively bear these expenses. The Manager shall reimburse the Depositary for the reasonable and customary agents' charges paid by the Depositary to any sub-custodian which shall be charged at normal commercial rates together with value added tax, if any, thereon.

The Manager is responsible for negotiating various of the expenses which are borne by it from the Management Fee. Given the fixed nature of the Management Fee, the Manager and not the Shareholders therefore takes the risk of any pricing or price increases in the cost of services covered by the Management Fee. It also takes the risk of expense levels relating to such services increasing above the Management Fee. Conversely, the Manager, and not the Shareholders, would benefit from any pricing or price decreases in the cost of services covered by the Management Fee.

### Directors' Fees

The Directors shall be entitled to be paid a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. Such fees shall be paid by the Manager. The Directors will be entitled to be reimbursed by the Manager on behalf of the Fund for all reasonable disbursements and out-of-pocket expenses incurred by them.

### Expenses borne by the Funds

The Funds will bear all expenses related to entity-level taxes, including withholding taxes, which may be payable on the assets, income, capital gains or expenses chargeable to the Fund, the costs of dealing in Fund assets including standard brokerage, the expenses of registering or passporting Classes of one or more of the Funds in any jurisdiction (although as at the date of this Prospectus, these expenses are paid on behalf of the Funds by the Manager) or with any stock exchange, regulated market or settlement system (allocated across the Funds on such basis as may be determined by the Investment Manager), and all other expenses arising from such registration, fiscal charges, bank charges, interest on borrowings, charges incurred in effecting and terminating such borrowings or in negotiating the terms of such borrowings, proxy voting costs not otherwise borne by the Investment Manager, as well as stamp duty (if any), and registration fees. The fees and expenses of any Paying Agents (although as at the date of this Prospectus, these expenses are paid on behalf of the Funds by the Manager) will be borne by each Fund, such fees and expenses to be charged at normal commercial rates. Legal expenses incurred by the Manager, the Investment Manager, the Administrator and the Depositary (other

than those indicated above) for actions taken in the interest of the Shareholders (such as extraordinary legal expenses incurred in connection with pending or threatened litigation or non-routine proceedings by any governmental body or regulatory organisation) may be borne by the Fund at the discretion of the Company or the Manager. Interest charges incurred as a result of late payment of subscription monies by an investor may be borne by the Fund at the discretion of the Company, the Manager or its delegate. Interest charges incurred as a result of subscription monies being received by the Administrator prior to the Settlement Time but after the industry standard cut-off times for the transfer and receipt of cleared funds may be borne by the Fund at the discretion of the Company, the Manager or its delegate . Certain costs may be borne by the relevant Class, such as the costs and gains/losses of the hedging transactions.

### Swing Pricing Mechanism

A Fund may suffer a reduction in value, known as "dilution" when trading the underlying investments as a result of net subscriptions or net redemptions of such Fund. This is due to the spreads between the buying and selling prices and any transaction charges and other costs that may be incurred by selling and purchasing the underlying assets. In order to counter this effect and to protect Shareholders' interests the Company has adopted a swing pricing mechanism as part of its valuation process. This means that in certain circumstances adjustments may be made to the Net Asset Value per Share to counter the impact of dealing and other costs. If on any Dealing Day, the aggregate net Shareholder transactions in a Fund exceed a pre-determined threshold, the Net Asset Value per Share may be adjusted upwards or downwards to reflect the costs attributable to the net subscriptions and net redemptions respectively. Typically, such adjustments will increase the Net Asset Value per Share when there are net subscriptions into the Fund and decrease the Net Asset Value per Share when there are net redemptions out of the Fund. The Manager or the Investment Manager is responsible for setting a threshold, which may be a percentage of the net assets of the respective Fund or it may be zero, and this will subsequently be reviewed by the Company. Any threshold would be based on objective criteria such as the size of a Fund and the dealing costs for a Fund, and may be revised from time to time. Different thresholds may apply in respect of different Funds.

The swing pricing mechanism may be applied across all Funds. The percentage by which the Net Asset Value is adjusted will be determined by the Investment Manager or the Manager and communicated to the Administrator to reflect an approximation of dealing and other costs and will subsequently be reviewed on a periodic basis by the Company. The extent of the adjustment may vary from Fund to Fund due to different transaction costs on the sell and the buy side. There is no cap on an adjustment to the original Net Asset Value per Share as a result of the application of the swing pricing mechanism as this will depend on, and is limited to, the anticipated transaction costs. The Net Asset Value per Share of each Class in a Fund will be calculated separately but any adjustment will be made on Fund level and in percentage terms, equally affecting the Net Asset Value per Share of each Class. If swing pricing is applied to a Fund on a particular Dealing Day, the Net Asset Value adjustment will be applicable to all transactions above the threshold placed on that Dealing Day. Where there are no subscriptions or redemptions in a Fund on any Dealing Day, or no net subscriptions or redemptions in a Fund on any Dealing Day above the threshold, the Net Asset Value will be unadjusted by the swing pricing mechanism. Shareholders are advised that the volatility of the Fund's Net Asset Value might not reflect the true portfolio performance as a consequence of the application of swing pricing. The amount of any adjusted Net Asset Value shall be retained in the relevant Fund.

### Remuneration Policy of the Manager

The Manager has adopted a remuneration policy as required by the UCITS Regulations (the "Remuneration Policy") and which is consistent with the principles outlined in the ESMA guidelines on sound remuneration policies under the UCITS Directive. The Remuneration Policy seeks to be consistent with, and promote, sound and effective risk management and is designed

to discourage risk-taking by the Manager which is inconsistent with the risk profiles of the Funds. The Remuneration Policy applies to those categories of staff of the Manager whose professional activities have a material impact on the risk profile of the Company or the Funds ("Identified Staff"). As at the date of this Prospectus, the Identified Staff comprise the directors and certain staff of the Manager. While certain directors are paid a fixed annual fee for their services to the Manager, directors that are employees of the Investment Manager or an affiliate are not paid any fees for their services as director. Due to the size and internal organisation of the Manager and the nature, scope and complexity of its activities, a remuneration committee has not been established by the Manager.

Further information on the current Remuneration Policy of the Manager, including a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits is available at www.colchesterglobal.com or such other website as may be notified to Shareholders from time to time. A paper copy of this information is available free of charge upon request from the Manager. The Remuneration Policy and its implementation is reviewed at least annually.

The Manager will procure that any delegate, including the Investment Manager, to whom such requirements also apply pursuant to the ESMA Remuneration Guidelines will have equivalent remuneration policies and practices in place.

## RISK FACTORS

Investors should understand that all investments involve risks.

### Investment and Counterparty Risks

There can be no assurance that the Funds will achieve their investment objective. An investment in a Fund involves investment risks, including possible loss of the amount invested. Each Fund bears the risk of default on the part of the issuer of any securities. The price of the Shares may fall as well as rise. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's returns may be expected to fluctuate in response to changes in such capital appreciation or income. Consequently, the investment is suitable only for investors who are in a position to take such risks and to adopt a long-term approach to their investment strategy.

### Strategy Risks

*Investment Approach*

There is no guarantee that the investment approach, techniques, or strategies utilised by the Investment Manager on behalf of the Funds will be successful or profitable. All investments of the Fund risk the loss of capital. As is true of any investment, there is a risk that an investment in a Fund will be lost entirely or in part.

Furthermore, there can be no assurance that the specific trading strategies utilised for the Funds will produce profitable results. Any factor that would make it difficult to execute trades, such as reduced liquidity or extreme market developments, also could be detrimental to profits. Unlike certain other types of funds, it is the intention that each Fund will have only one Investment Manager. No assurance can be given that the Investment Manager's techniques and strategies will be profitable.

*Credit Ratings*

Investors are advised that ratings applied to debt securities are not absolute measures of credit quality and do not reflect all potential market risks. Ratings agencies may fail to reflect changes in an issuer's underlying financial condition in a timely manner.

The Investment Manager does not rely solely on credit ratings and develops its own analysis of the credit quality of debt issuers.

*Sovereign Debt*

Each Fund may purchase sovereign debt issued by governments, or their agencies and instrumentalities either in the currency of their domicile or in a foreign currency. Investors in sovereign debt may be asked to participate in debt restructuring, including the deferral of interest and principal payments, and may also be requested by the issuer to extend additional loans. There is no current means of collecting on defaulted sovereign debt as part of bankruptcy proceedings.

*Green Investment Style Risk*

Funds following a Green Bond strategy seek to hold bonds whose purpose is to benefit the environment. The current investment universe for these Funds is smaller and may be more concentrated in some issuers than that of other Funds and therefore such Funds may underperform the market as a whole if such investments underperform the market. Investors should also be aware that, as at the date of this Prospectus, supra-nationals and agencies are the major issuers of Green Bonds, therefore, The Colchester Global Green Bond Fund is likely to be invested in a greater proportion of bonds issued by such issuers.

*Inflation-Indexed Securities*

The interest and principal value of inflation-indexed securities are adjusted periodically for inflation as measured by the consumer price index. The interest and principal value of inflation-indexed securities issued by foreign governments are generally adjusted for a measure of inflation of the relevant country expressed as an index. If the index measuring inflation falls, the principal value of inflation-indexed securities will be adjusted downwards, and consequently the interest payable on these securities (calculated with respect to a smaller principal amount) will be similarly reduced. On the other hand, if the index measuring inflation rises, the principal value of inflation-indexed securities will be adjusted upwards, and consequently the interest payable on these securities (calculated with respect to a larger principal amount) will be similarly increased.

*The Inflation-Indexed Securities Market*

Currently, domestic inflation-indexed securities are primarily issued by sovereign governments. While the inflation-indexed securities issued by sovereign entities generally have active secondary markets, they are generally not as active or liquid as the secondary market for respective fixed-principal sovereign securities. As a result, there may be larger spreads between bid and asked prices for such inflation-indexed securities than the bid-asked spreads for fixed-principal securities with the same remaining maturity. Larger bid-asked spreads ordinarily result in higher transaction costs and thus, lower overall returns.

*Forward Contracts on Foreign Currencies*

Each Fund may engage in interbank spot and forward contract markets for foreign currencies. Forward contracts are not traded on exchanges; rather, a counterparty will act as agent or as principal in order to make or take future delivery of a specified lot of a particular currency for a Fund's account. Although the Investment Manager does not believe that the foreign currency market is necessarily more volatile than other commodity markets, such forward currency transactions may involve less protection against defaults than trading on exchanges. Each Fund is subject to the risk of a counterparty's failure or inability or refusal to perform with respect to such contracts. The failure of a counterparty with which a Fund has contracted would likely result in a default, thereby depriving the Fund of unrealised profits or forcing the Fund to cover its commitments for resale, if any, at the then market price.

While many of the obligations under the European Market Infrastructure Regulation ("EMIR") have come into force, the initial margin requirements for non-cleared OTC derivatives are subject to a staggered implementation timeline through to 2022.

In contrast, the obligation to exchange variation margin on non-deliverable forwards came into force on 1 March 2017. Assets of a Fund provided by way of variation margin with such principals are not protected by the same segregation requirements imposed on regulated commodity brokers with respect to customer funds on deposit with them. Forward contracts will be transacted only with banks and dealers that the Investment Manager believes to be appropriate, taking into account the contracts to be traded and their access to liquidity in these contracts, their credit ratings and whether they will provide, on a consistent basis, the best possible result for the execution of orders. If the Investment Manager places trades for a Fund through an agent, the insolvency or bankruptcy of such party could also subject the Fund to the risk of loss.

Counterparties in the forward markets have no obligation to continue to make markets in currencies. There have been periods during which certain counterparties have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they are prepared to buy and that at which they are prepared to sell. Government authorities may limit forward trading to levels below those preferred by the Investment Manager.

Where the underlying currency is either thinly traded or non-convertible, the Funds may utilise non deliverable forward contracts ("NDFs"). NDFs are cash-settled, short-term forward contracts and differ from a normal foreign currency forward contract in that there is no physical settlement of two currencies at maturity. Rather, based on the movement of two currencies, a net cash settlement will be made by one party to the other. The net cash settlement is derived by calculating the difference between the agreed upon exchange rate and the spot rate at the time of settlement, for an agreed upon notional amount of funds.

NDFs are illiquid instruments and a Fund may be required to hold such instruments until their settlement date. NDFs are regulated in Europe and the US as swaps and the NDFs traded by the Fund are subject to EMIR and may be subject to the provisions of Title VII of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"). Regulations adopted by the European Securities and Markets Authority ("ESMA"), the US Prudential Regulators and the CFTC require margining of NDFs. Although clearing mandates have not yet been extended to NDFs, they may be in the future. If clearing mandates are extended to NDFs, trading in NDFs may become more expensive. As a result, a Fund's ability to hedge through the use of NDFs may become more limited in the future.

*Derivative Risks*

While the prudent use of financial derivative instruments can be beneficial, financial derivative instruments also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments. The prices of all financial derivative instruments can be highly volatile. Price movements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. The value of financial derivative instruments also depends upon the price of the securities or currencies underlying them.

Since many financial derivative instruments 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 financial derivative instruments 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.

The use of such financial derivative instruments involves a variety of material risks. These risks include the high degree of leverage that can be embedded in such instruments, a risk that can be materially increased by the limited liquidity that often

characterises the derivatives markets. The pricing relationships between derivatives and the underlying instruments on which they are based also may not conform to anticipated or historical correlation patterns, resulting in unanticipated losses. The risk of counterparty non-performance can be significantly greater in the case of over-the-counter instruments as opposed to exchange-traded derivative instruments. Furthermore, "bid-ask" spreads may be unusually wide in the over the counter (OTC) derivative markets.

A Fund utilizing such instruments is subject to the risk of a counterparty's failure or inability or refusal to perform with respect to over the counter (OTC) derivative contracts. The failure of a counterparty with which a Fund has contracted would likely result in a default, thereby depriving the Fund of unrealised profits or forcing the Fund to cover its commitments for resale, if any, at the then market price. Assets of a Fund on deposit by way of collateral with such counterparties generally are not protected by the same segregation requirements imposed on regulated commodity brokers with respect to customer funds on deposit with them.

*Futures Contracts*

The Colchester Alpha Fund may engage in transactions involving futures contracts.

In contrast to the purchase or sale of a security, no price is paid or received upon the purchase or sale of a futures contract. Initially, a Fund utilizing a futures contract is required to deposit an amount of cash and/or liquid securities equal to a percentage (which may range between 1% and 10%) of the contract amount with the futures commission merchant. This amount is known as initial margin. The nature of initial margin in futures contract transactions is different from that of margin in securities transactions in that futures contract margin does not involve the borrowing of funds by the customer to finance the transaction. Rather, the initial margin is in the nature of a performance bond or good faith deposit on the contract, which is returned to the Fund upon termination of the futures contract and satisfaction of its contractual obligations. Subsequent payments to and from the margin account, called variation margin, are made on a daily basis as the price of the underlying securities or index fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as marking to market. At any time prior to expiration of the futures contract, a Fund may elect to terminate the position by taking an opposite position. A final determination of variation margin is then made, additional cash is required to be paid by or released to the Fund, and the Fund realizes a loss or a gain.

There are several risks connected with the use of futures contracts. These include the risk of imperfect correlation between movements in the price of the futures contracts and of the underlying bonds or interest rate index; the risk of market distortion; the risk of illiquidity; and the risk of error in anticipating price or interest rate movements. There is the risk that the price of futures contracts may not correlate perfectly with movements in the securities, interest rate or index underlying the futures contract due to certain market distortions. First, all participants in the futures contract market are subject to margin depository and maintenance requirements. Rather than meet additional margin depository requirements, investors may close out futures contracts through offsetting transactions, which could distort the normal relationship between the futures contract market and the securities or index underlying the futures contract. Second, from the point of view of speculators, the deposit requirements in the futures contract market are less onerous than margin requirements in the securities markets. Therefore, increased participation by speculators in the futures contract markets may cause temporary price distortions. Due to the possibility of price distortion in the futures contract markets and because of the imperfect correlation between movements in futures contracts and movements in the securities underlying them, a correct forecast of general market trends by the Investment Manager may still not result in a successful hedging transaction.

There is also the risk that futures contract markets may not be sufficiently liquid. Futures contracts may be closed out only on an exchange or board of trade that provides a market for such futures contracts. Although it is intended that futures contracts for a

Fund will be purchased or sold primarily on exchanges and boards of trade where there appears to be an active secondary market, there can be no assurance that an active secondary market will exist for any particular contract or at any particular time. In the event of such illiquidity, it might not be possible to close a futures contract position and, in the event of adverse price movement, a Fund would continue to be required to make daily payments of variation margin. Since the securities being hedged would generally not be sold until the related futures contract is sold, an increase, if any, in the price of the securities may to some extent offset losses on the related futures contract. In such event, a Fund would lose the benefit of the appreciation in value of the securities.

Successful use of futures contracts is also subject to the Investment Manager's ability to correctly predict the direction of movements in the market and movements in interest rates. For example, if the Fund hedges against a decline in the market, and market prices instead advance, a Fund will lose part or all of the benefit of the increase in value of its securities holdings because it will have offsetting losses in futures contracts. In such cases, if a Fund has insufficient cash, it may have to sell portfolio securities at a time when it is disadvantageous to do so to meet the daily variation margin.

Although it is the intention to enter into futures contracts only if there is an active market for such contracts, there is no assurance that an active market will exist for the contracts at any particular time. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. It is possible that futures contract prices would move to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures contract positions and subjecting some futures contract traders to substantial losses. In such event, and in the event of adverse price movements, a Fund would be required to make daily cash payments of variation margin. In such circumstances, an increase in interest rates or the value of the portion of the portfolio being hedged, if any, may partially or completely offset losses on the futures contract. However, there is no guarantee that the price of the securities being hedged will, in fact, correlate with the price movements in a futures contract and thus provide an offset to losses on the futures contract.

*Interest Rate Swaps*

The Colchester Alpha Fund may invest in over the counter (OTC) derivative contracts such as interest rate swaps. A Fund will enter into swap transactions only with counterparties approved by the Investment Manager. If there is a default by the other party to such a transaction, a Fund will have contractual remedies pursuant to the agreements related to the transaction. Swaps generally do not involve the delivery of securities, other underlying assets or principal. Accordingly, the risk of loss with respect to these types of swaps is limited to the net amount of payments that the Fund is contractually obligated to make. In addition, because some swap agreements do not require the investment of principal, adverse changes in the value or level of the underlying asset, reference rate, or index can result in a loss substantially greater than the amount invested in the swap itself. If the other party to a swap defaults, a Fund's risk of loss consists of the net amount of payments that a Fund is contractually entitled to receive. If there is a default by the counterparty, a Fund may have contractual remedies pursuant to the agreements related to the transaction. 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 typically utilizing standardized swap documentation.

The use of swaps is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Investment Manager is incorrect in its forecasts of market values, interest rates and other applicable factors, the investment performance of a Fund would diminish compared with what it would have been if these investment techniques were not used.

It is possible that government regulation of various types of derivative instruments, including swap agreements, may limit or prevent a Fund from using such instruments as part of its investment strategy, which could negatively impact that Fund.

For example, the regulatory regime for derivatives, EMIR and the Dodd-Frank Act has and may further impose mandatory clearing, exchange-trading and margin requirements on many derivatives transactions (including formerly unregulated over the counter (OTC) derivatives) in which the Fund may engage. Nonetheless, the possible effect of EMIR and the Dodd-Frank Act may be to increase the overall costs of entering into derivatives transactions, such as swaps. In particular new margin requirements, position limits and capital charges, even if not directly applicable to a Fund, may cause an increase in the pricing of derivatives transactions sold by market participants to whom such requirements apply. Administrative costs, due to new requirements such as registration, recordkeeping, reporting, and compliance, even if not directly applicable to a Fund, may also be reflected in higher pricing of derivatives. New exchange-trading and trade-reporting requirements may lead to reductions in the liquidity of derivatives transactions, causing higher pricing or reduced availability of derivatives, or the reduction of arbitrage opportunities for a Fund, adversely affecting the performance of certain of that Fund's trading strategies.

*Price Fluctuations*

Prices of debt securities and other instruments can be highly volatile. Prices are affected by a wide variety of complex and difficult-to-predict factors, including, but not limited to, supply of money, inflation, weather and climatic conditions, changing supply and demand relationships, governmental activities and regulations, political and economic events and prevailing psychological characteristics of the marketplace. These same factors also can affect the securities markets adversely.

*Illiquidity*

The Funds may purchase investment instruments that later become illiquid or otherwise restricted. A Fund might only be able to liquidate these positions at disadvantageous prices, should the Investment Manager determine, or it becomes necessary, to do so. The decision to hold or liquidate such securities is at the sole discretion of the Investment Manager. For example, substantial redemptions from a Fund could require the Fund to liquidate its positions more rapidly than otherwise desired in order to obtain the cash necessary to fund the redemptions. Illiquidity in certain markets could make it difficult for the Fund to liquidate positions on favourable terms, thereby resulting in losses or a decrease in the Net Asset Value of the Fund. In addition, although many of the securities that the Fund may acquire may be traded on public exchanges, each exchange typically has the right to suspend or limit trading in the securities which it lists. Such a suspension could render it difficult or impossible for the Fund to liquidate its positions and would thereby expose the Fund to losses. A Fund therefore may be locked into an adverse price movement for several days or more which may result in immediate and substantial loss to Shareholders.

*Global Market Exposure*

The Funds invest on a global basis in both developed and emerging markets. In doing so, the Funds are subject to: (i) currency risk; (ii) the possible imposition of withholding, income or excise taxes; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and little or potentially biased government supervision and regulation; (iv) financial, economic and political risks, including expropriation, currency exchange control and potential restrictions on foreign investment and repatriation of capital; and (v) global market turmoil.

*No Formal Diversification Policies*

Although diversification is an integral part of the Investment Manager's overall portfolio risk management process, the Investment Manager is not restricted as to the percentage of the assets in a Fund that may be invested in any particular instrument, market or asset class. Except for the investment restrictions set out in Schedule II, the Funds have not adopted fixed guidelines for diversification of their investments among issuers, countries, instruments or markets and investment

of Fund assets may be heavily concentrated, at any time, in a limited number of positions. In attempting to maximise the Funds' returns, the Investment Manager may concentrate the holdings of a Fund in those countries, companies, instruments or markets which, in the sole judgement of the Investment Manager, provide the best profit opportunity in view of the Fund's investment objectives.

*Counterparty (Credit) Risk*

Each Fund is subject to the risk that the brokers and counterparties with which, and the exchanges on which, it executes transactions or carries positions may default. The default by an exchange, clearing house or counterparty with or through which a Fund trades could result in material losses.

*Collateral*

There is a risk that the value of collateral held by a Fund or that the proceeds resulting from the realisation of the collateral are not sufficient to cover the relevant Fund's exposure to an insolvent counterparty and that the relevant Fund may not recover any subsequent shortfall. This may occur for instance in cases where there is no liquidity or limited liquidity on the markets or where the price volatility is high and the collateral cannot be sold at a fair price. A Fund is also exposed to the risk of insolvency of the bank with which cash collateral is placed. In addition, it cannot be excluded that, in certain circumstances, insufficient coverage of the counterparty's exposure or failure by the counterparty to return the collateral when due may occur as a result of a technical or operational failure. The Investment Manager, on behalf of the Company, seeks to deal with reputable counterparties so that this risk is reduced. Legal arrangements entered into with the counterparty may also not be enforceable in the courts of the relevant jurisdiction, in which case the relevant Fund will be unable to enforce its rights over the collateral it has received.

*Political Risks*

The performance of the Funds may be affected by changes in economic and market conditions, uncertainties such as political developments, military conflict and civil unrest, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements.

Any imposition of sanctions against a country, its entities or individuals, may result in the reduction of a country's credit rating, the freezing of foreign assets, a decline in the value and liquidity of a country's securities, properties, or interests, as well as other adverse consequences to a country's economy and assets. A Fund's ability to price, buy, sell, receive or deliver investments may be impaired. For example, such adverse consequences arose within the Russian economy after the imposition of sanctions in 2022 against Russian governmental institutions, Russian entities and Russian individuals. Those countries themselves may also impose restrictions on the movement of capital and the activities of foreign investors in their domestic markets. For example, the Russian Government took a number of these measures in response to the 2022 sanctions.

Sanctions and the resulting disruption to a country's economy may also cause volatility in other regional and global markets which may negatively impact the performance of various sectors and industries in other countries, which could have a negative effect on the performance of a Fund.

*Benchmark Risk*

Each Fund is actively managed and is not intended to track a Benchmark. The Colchester Alpha Fund is not managed against a particular benchmark or index. The performance of each Share Class of this Fund is measured against a reference rate for short term interest rates in the relevant Class Currency. With the exception of The Colchester Alpha Fund, the Funds are managed against a Benchmark. A Fund's performance may not correspond to its Benchmark and may underperform such

Benchmark. Additionally, to the extent that a Fund's investments vary from the composition of its Benchmark, the Fund's performance could potentially vary from the Benchmark's performance to a greater extent than if the Fund merely attempted to replicate the Benchmark. There is no expectation that all asset types composing the Benchmark will be held by the respective Fund; for example, it is not the intention of The Colchester Global Aggregate Bond Fund or The Colchester Global Aggregate Bond Enhanced Currency Fund to hold Corporate Bonds, Asset Backed Securities or Mortgage Backed Securities.

*Currency Risk*

A Fund will invest in securities that are denominated in currencies other than the Class Currency of each of that Fund's Classes. Some currencies may experience declines against the Class Currency and any such devaluation may occur after the investment in these currencies by a Fund. The value of the assets of the Fund, as measured in a Class Currency, may consequently be affected unfavourably by such devaluations. Investment in such assets or currencies may increase the volatility of the Net Asset Value of the Fund. In addition, the Fund may be exposed to currencies of emerging markets and experience even greater volatility. Therefore, the value of a Shareholder's investment may be affected unfavourably by fluctuations in the exchange rates of the different currencies of the securities to which the Fund is exposed relative to the Class Currency.

Currency conversion will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates. The Net Asset Value of an unhedged Class of Shares will be subject to exchange rate risk in relation to the Base Currency of the Fund.

Investors should consult their own advisers before investing in a Class denominated in a currency that is different to their local currency or other currency from which they converted to invest in a particular Class. The Company and the Manager accept no responsibility for the impact of any currency movements between the currency of the relevant Class held by an investor and any local or other currency that the investor converted from in order to invest in a Class and the investor will not be protected against such currency movements by the Class level hedging which may be deployed by the Company.

*Hedged Classes and Base Currency Hedged Classes*

The Company may create Hedged Classes and Base Currency Hedged Classes. Hedged Classes limit the exposure to fluctuations between the currency of those Classes and the currencies of the assets in the Fund by hedging or partially hedging the currency exposures into the relevant Class Currency. Base Currency Hedged Classes limit the exposure to fluctuations between the Base Currency of the Fund and the Class Currency, The Base Currency Hedged Classes retain the same exposure to fluctuations in the exchange rates of the underlying assets as the Unhedged Share Class.

Hedging transactions will be clearly attributable to a specific Class (therefore currency exposures of different Class Currencies may not be combined or offset and currency exposures of assets of the Company may not be allocated to separate Classes). Any costs related to such hedging shall be borne solely by the relevant Class, save that any cost associated with the conversion of a subscription in a currency other than the Base Currency into the Base Currency may, in certain circumstances, be borne by the Fund. All gains/losses which may be made by a Class as a result of such hedging transactions shall accrue to that Class. However, due to the lack of segregation of liabilities between Classes within a Fund, it cannot be excluded that, under certain circumstances, the settlement of currency hedging transactions or the requirement for collateral in relation to one Hedged Class could have an adverse impact on the Net Asset Value of the other Classes in that Fund.

It should be noted that a Hedged Class may not be fully hedged into the Class Currency. To the extent this is the case, a Class will retain partial exposure to fluctuations between the Class Currency and the currencies of the assets in the Fund. Nevertheless, subject to the following paragraph, there are minimum levels of hedging implemented in each Hedged Class. The currency risk of all Hedged Classes of each Fund, except The Colchester Global Bond Enhanced Currency Fund,

is Hedged to a minimum of 60% of the Net Asset Value of the hedged Class into the Class Currency. The currency risk of any Hedged Class of the Colchester Global Bond Enhanced Currency Fund is hedged to a minimum of 70% of the Net Asset Value of the Hedged Class into the Class Currency. The Colchester Global Bond Enhanced Currency Fund employs a "long-short" currency strategy; each Class will hold a maximum of 130% in long currency positions and up to 30% in short currency positions.

Whilst it is not the intention, over-hedged or under-hedged positions may arise due to factors outside the control of the Company. Where this occurs, in relation to the Hedged Classes, the currency hedge may increase to, but shall not exceed, 105% of the Net Asset Value of the Class and may decrease to, but shall not fall below, 95% of the minimum hedging levels set out in the preceding paragraph. In the case of the Base Currency Hedged Classes, the currency hedge may increase to, but shall not exceed, 105% of the Net Asset Value of the Class, and may decrease to, but shall not fall below, 95% of the Net Asset Value of the Class. The positions will be reviewed at least monthly and any over or under-hedged positions will not be carried forward. To the extent that the hedging is successful, the performance of the Hedged Class or the Base Currency Hedged Class is likely to move more in line with the performance of the underlying assets because some of the currency exposures have been reduced. Conversely, unlike investors in an Unhedged Class, investors in the Hedged Class and Base Currency Hedged Class will not benefit in the event of a currency depreciation of the Class Currency against the asset currency exposures that are hedged.

*Leverage Risks*

Some transactions may give rise to a form of economic leverage. These transactions may include among others, financial derivative instruments, and may expose the Fund to greater risk. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet any required asset segregation requirements. Increases and decreases in the value of a Fund's portfolio will be magnified when the Fund uses leverage.

*Settlement Risks*

Each Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. In addition, market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks.

*Emerging Market Risks*

Certain Funds may invest in markets of emerging countries. Accordingly, these markets may be insufficiently liquid and levels of volatility in price movements may be greater than those experienced in more developed economies and markets. The volatility of emerging market exchanges can arise due to smaller market capitalisation and evolving clearance and settlement procedures, potential restrictions on foreign investment, security transfer and on the repatriation of investment income and capital. The currencies in which emerging market debt are issued may experience significant declines against the USD either as a result of market pressures or government devaluation. Inflation in emerging markets has historically been in excess of inflation in more established countries, thereby increasing negative pressures on emerging market economies and markets. In addition, reporting standards and market practices may not provide the same degree of information as would generally apply internationally and therefore may increase risk.

It should be remembered that the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of shareholder protection or information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

The value of the assets of a Fund may be affected by uncertainties, such as political developments, changes in government policies, taxation and currency repatriation and restrictions on foreign investment in some of the countries in which the Fund may invest.

Safe custody of securities in emerging markets involves risk and considerations which do not normally apply when settling transactions and providing safe custody services in more developed countries. In circumstances such as the insolvency of a sub-custodian or registrar, a Fund may not be able to establish title to investments made and may suffer losses as a result. A Fund may find it impossible to enforce its rights against third parties. As the Funds may invest in markets where custodial and/or settlement systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Depositary may have no liability.

*Risks of Investing in Chinese Securities*

Although investment in Chinese securities or securities economically tied to China does not constitute the principal investment focus of any Fund, rather it may constitute a sector in the investment discretion of certain Funds, the Funds may invest a portion of their assets in securities issued by the People's Republic of China ("PRC"). In addition to the risks disclosed under the heading "Emerging Market Risks", investments in securities issued by the PRC may involve a particularly high degree of risk and special considerations not typically associated with investing in more developed markets.

These additional risks include (without limitation): (i) inefficiencies resulting from erratic and rapid growth in recent years; (ii) the unavailability of consistently-reliable economic data; (iii) potentially high rates of inflation; (iv) dependence on exports and international trade; (v) fluctuations in currency exchange rates, particularly in light of the relative lack of currency hedging instruments and controls on the ability to exchange local currency for USD or other currencies; (vi) the developing nature of the legal and regulatory framework for securities markets, custody arrangements and commerce, and the untested enforceability conditions of the legal and regulatory systems. In addition, there is a lower level of regulation and enforcement activity in these securities markets compared to more developed international markets; and (xi) uncertainty with respect to the commitment of the government of the PRC to the development of the China Bond Connect program, pursuant to which the Funds may invest in the on-shore bond market of the PRC. There could potentially be a lack of consistency in interpreting and applying the relevant regulations and a risk that the regulators may impose immediate or rapid changes to existing laws or introduce new laws, rules, regulations or policies without any prior consultation with or notice to market participates which may restrict a Fund's ability to pursue its investment objectives or strategies. As a result of PRC regulatory requirements, a Fund may be limited in its ability to invest in securities or instruments tied to the PRC and/or may be required to liquidate its holdings in securities or instruments tied to the PRC. Under certain instances, such liquidations may result in losses for a Fund. The PRC government or relevant PRC regulators may also implement policies that may adversely affect the PRC financial markets. Such suspensions, limitations or policies may have a negative impact on the performance of a Fund's investments.

Investments in the PRC are subject to risks associated with greater governmental control over and involvement in the economy. The PRC manages its currency at artificial levels relative to the USD rather than at levels determined by the market. This type of system can lead to sudden and large adjustments in the currency, which, in turn, can have a disruptive and negative effect on foreign investors. The PRC also may restrict the free conversion of its currency into foreign currencies. Economic reform programs in the PRC have contributed to growth, but there is no guarantee that such reforms will continue.

*China Bond Connect*

China Bond Connect is a bond trading link between China and Hong Kong which allows foreign institutional investors to invest in onshore Chinese bonds and other debt instruments traded on the China Interbank Bond Market ("CIBM"). The Funds may invest a portion of their assets directly in the instruments traded on the CIBM via China Bond Connect.

China Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and mainland China, established by China Foreign Exchange Trade System & National Interbank Funding Centre (CFETS), China Central Depositary & Clearing Co. Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit. Under the prevailing regulations in mainland China, eligible foreign investors may invest in the bonds traded on the CIBM through the northbound trading of the China Bond Connect ("Northbound Trading Link"). There is no investment quota for the Northbound Trading Link.

Pursuant to the prevailing regulations in mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority must open omnibus nominee accounts with an onshore custody agent recognised by the People's Bank of China (the Central Management Unit). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

*Risks Associated with Investment in other Collective Investment Schemes*

The Funds may invest in one or more collective investment schemes including schemes managed by the Manager, the Investment Manager or their affiliates. Non-Irish domiciled collective investment schemes may not provide a level of investor protection equivalent to that provided by collective investment schemes authorised by the Central Bank. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which the Fund bears directly in connection with its own operations.

**Risks Related to the Funds' Structure**

*Conflicts of Interest*

The Manager and the Investment Manager are engaged in investment management activities other than on behalf of the Funds. Accordingly, conflicts of interest may arise in connection with the allocation of investment opportunities between the Funds and other clients. The Manager and the Investment Manager may enter into performance fee arrangements with clients whose accounts are managed separately. Theoretically, an investment manager has an incentive to favour an account or accounts that pay performance fees over those that do not, such as the Funds. The Manager and the Investment Manager do not believe its performance fee arrangements disadvantage the Funds or any of its clients and take all reasonable steps to ensure the fair and equitable allocation of investment opportunities amongst their clients without regard to fee arrangements. When a purchase or sale of the same security is made at substantially the same time on behalf of a Fund and another Fund or another client, the transaction will be averaged as to price, and available securities allocated as to amount, in a manner believed equitable by the Manager or the Investment Manager. Brokers who provide supplemental investment research to the Manager or the Investment Manager may receive orders for transactions by the Company. The Depositary may also be subject to certain conflicts of interest. See the section of this Prospectus entitled "Conflicts of Interest".

*Fees and Expenses*

Each Fund bears its own expenses relating to investment and trading activities, including brokerage and clearing commissions, "bid-ask" spreads, mark-ups, regulatory and other governmental fees and transactional charges. Each Fund must achieve gains in excess of the Fund's total fees and costs in order for an investment in the Fund to be profitable. There is no assurance that the Funds will be able to achieve these gains.

*Limitations on Transferability*

The Shares can be redeemed in accordance with this Prospectus, but, except as otherwise provided in the Constitution or this Prospectus, a Shareholder may not assign, transfer or otherwise dispose of any Shares.

**Subscription Default Risk**

Each Fund will bear the risk of subscription default by investors. For the purposes of efficient portfolio management, the Investment Manager may purchase securities or utilise efficient portfolio management techniques and instruments on the basis that settlement monies will be received by the Settlement Time. In the event that such settlement monies are not received by the Fund on or by the Settlement Time, the Fund may have to sell such purchased securities or close out its positions under such efficient portfolio management techniques which could result in a loss to the Fund notwithstanding that a subscriber who defaults in settling a subscription payment may be liable to the Fund for any such loss.

If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims against the counterparty. The Fund thus assumes the risk that it may be unable to obtain payments owed to it under contracts or that those payments may be delayed or made only after the Fund has incurred the costs of litigation.

**Subscriptions and Redemptions via Intermediaries**

Investors who choose or are obliged under local regulations to pay and/or receive subscription or redemption monies via an intermediary entity rather than directly to the Depositary (e.g. a Sub-Distributor or agent in the local jurisdiction) may bear a credit risk against that intermediate entity with respect to: (i) subscription monies prior to the transmission of such monies to the Umbrella Cash Accounts; and (ii) redemption monies payable by such intermediate entity from the Umbrella Cash Accounts.

*Reclamation of Foreign Withholding Tax*

Although the Company may attempt to reclaim withholding taxes in a limited number of markets, there is no guarantee that the Company can or will do so in the future. The Company is not obligated to pursue withholding tax reclaims in any market. Changes in law, treaty rates, tax status of Shareholders, filing obligations, and deadlines for tax submission can all affect the amount of any taxes that can be reclaimed on behalf of a Fund and its Shareholders. All reclaimed taxes are paid directly to the relevant Fund.

*Determination of Net Profit and Loss*

The determination of net profit and net loss for any accounting period includes unrealised gains and losses. In order to determine such profits and losses, the securities, forwards and other positions held by a Fund must be valued. Some of the securities or positions may not be traded on an exchange, or may be thinly traded, making valuation and the determination of the resulting gain or loss subject to Administrator's and the Investment Manager's judgement and expertise.

*Excessive Trading Risk*

Prospective investors' attention is drawn to the risks associated with excessive trading as set out in the section of this Prospectus entitled "Excessive Trading".

*Umbrella Structure of the Company and Cross Class Liability Risk*

Each Fund will be responsible for paying its liabilities, fees and expenses regardless of the level of its profitability. The Company is an umbrella fund with segregated liability between Funds under Irish law. However, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

Although each Fund will maintain separate accounts or book entries with respect to each Class of Shares, separate Classes of Shares are not separate legal entities but rather Classes of Shares in the Funds and the assets of the Funds' Classes of Shares will not be segregated. All of the assets of each Fund are available to meet all of the liabilities of that Fund, regardless of the Classes of Shares to which such assets or liabilities are attributable. In practice, cross Class liability will usually only arise where any separate Class of Shares becomes insolvent and is unable to meet all of its liabilities. In this case, all of the assets of a Fund attributable to other separate Classes of Shares may be applied to cover the liabilities of the insolvent Class of Shares.

If losses or liabilities are sustained by a Class of Shares in excess of the assets attributable to such Class, such excess may be apportioned to the other Class of Shares. The assets attributable to any one Class of Shares will not be isolated from the liabilities attributable to other Classes of Shares to the extent that the assets of one particular Class of Shares are insufficient to satisfy the liabilities attributable to such Class of Shares then the assets of other Classes of Shares may be charged with such liabilities.

*"Brexit" - The U.K's Withdrawal from the European Union*

On 31 December 2020, the U.K. ceased to be a Member State of the European Union ("Brexit").

The U.K.'s post-Brexit economic and political relationship with the EU (and with other non-EU countries by agreement) remains uncertain.

It is possible that there will be more divergence between U.K. and EU regulations post-Brexit, limiting what cross-border activities can take place. However it is unlikely to affect the Sub-Funds' ability to receive portfolio management services. At the date of this Prospectus, the Funds continue to be recognised by the Financial Conduct Authority and can be marketed to U.K. investors.

The nature and extent of the impact of any long-term Brexit related changes are uncertain, but may be significant. The information provided in this section was correct as of the date of this Prospectus.

*Cyber Security Risks and Risk of Identity Theft*

Information and technology systems relied upon by the Company, the Manager, the Investment Manager, the Company's service providers (including, but not limited to, the auditors, the Depositary and the Administrator) and/or the issuers of securities in which a Fund invests may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Company and its delegates' service providers have implemented measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, significant investment may be required to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Company, a Fund, the Manager, the Investment Manager, a service provider and/or the issuer of a security in which a Fund invests and may result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could also harm the reputation of the Company, a Fund, the Manager, the Investment Manager, a service provider and/or an issuer, subject such entity and its affiliates to legal claims and/or otherwise affect its business and financial performance.

### *Regulatory Risks*

#### *Regulation of Off-Exchange Derivatives Markets*

The Dodd-Frank Act, Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 ("EMIR") and various other regulatory initiatives developed in other jurisdictions seek to comprehensively regulate the global over-the-counter derivatives markets. Some of these regulations have become effective and some have not yet been completed. As a result, certain of the requirements described below have yet to come into force. Nevertheless, when such rulemakings are complete and the requirements become effective, the Funds may be subject to additional costs and regulations as described below.

The regulatory regimes, among other things, provide variously for the registration and regulation of swap dealers; impose clearing and trade execution requirements on standardized derivative products; mandate collection of margin for uncleared derivative products at levels established by the regulations; create real-time and ongoing swap reporting regimes; and grant enhanced rulemaking and enforcement authority to the regulators with respect to all registered entities and financial intermediaries subject to their oversight.

Because the Funds may utilise swaps including, but not limited to, NDFs and interest rate swaps, these requirements may increase the costs to a Fund of participating in the off-exchange derivatives markets. The Funds and the Investment Manager are subject to new disclosure requirements, reporting and recordkeeping requirements, transparency requirements, limitations on conflicts of interest, and other regulatory burdens. Taken as a whole, the regulatory regimes may have the effect of rendering certain derivatives strategies in which a Fund might otherwise engage impossible or uneconomical to implement. In particular, the Dodd-Frank Act and EMIR establishes certain requirements for OTC derivatives contracts including mandatory clearing obligations, mandatory margining obligations for non-cleared derivatives contracts, bilateral risk-management requirements and reporting requirements. Investors should be aware that certain provisions of these regulatory regimes impose obligations on the Funds in relation to its transaction of OTC derivative contracts. The implications of these regulatory regimes for the Funds include, without limitation, the following:

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

(b) risk mitigation techniques and collateralisation: for those of its OTC derivatives which are not subject to central clearing, the Funds have been required to put in place risk mitigation requirements, which include the collateralisation of all OTC derivatives. Initial and variation margin at levels established pursuant to the regulations may be payable to a counterparty in respect of the OTC derivative transactions that are not subject to the clearing obligation. These risk mitigation requirements may increase the cost of a Fund pursuing its investment strategy (or hedging risks arising from its investment strategy); and

(c) reporting obligations: each of the Funds' OTC derivative transactions must be reported to a trade depository or ESMA. This reporting obligation may increase the costs to the Funds of utilising OTC derivatives.

### *Sustainability Risks*

The likely impacts of sustainability risks on the returns of each Fund will depend on each Fund's exposure to investments that are vulnerable to sustainability risks and the materiality of the sustainability risks. The negative impacts of sustainability risks on each Fund should be mitigated by the Investment Manager's approach to integrating sustainability risks in its investment decision-making as described in the section titled "Disclosures Regulation" of this Prospectus. However, there is no guarantee that these measures will mitigate or prevent sustainability risks from materialising in respect of a Fund.

The likely impact on the returns of a Fund from an actual or potential material decline in the value of an investment due to an ESG event or condition will vary and depend on several factors including, but not limited to, the type, extent, complexity and duration of the event or condition, prevailing market conditions and the existence of any mitigating factors.

The ESG and non-ESG information used within the investment decision making process is based on macroeconomic and ESG data from publicly available data sources published by national statistical offices and other organisations including, but not limited to, the World Bank and the United Nations. The subjective nature of non-financial ESG criteria means a wide variety of outcomes are possible. The data may not adequately address material sustainability factors. The analysis is also dependent on countries disclosing relevant data and the availability of this data can be limited.

*Taxation Risk*

Potential investors' attention is drawn to the taxation risks associated with investing in any Fund. Before making an investment in a Fund, prospective investors are advised to consult their own tax advisers regarding this investment. Please see the section of this Prospectus entitled "Taxation".

*Legal Representation*

Before making an investment in a Fund, prospective investors are advised to consult their own independent counsel regarding legal and tax implications of this investment.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in investing in the Company. Potential investors should read this entire Prospectus before determining whether to invest in the Shares and should consult with their own financial and tax advisers. Potential investors should also be aware that, if they decide to purchase Shares, they will have no role in the management of the Fund and will be required to rely on the expertise of the Investment Manager in dealing with the foregoing (and other) risks on a day to day basis.

## ADMINISTRATION OF THE COMPANY

### Determination of Net Asset Value

The Administrator shall determine the Net Asset Value per Share of each Class, on each Dealing Day at the Valuation Point on the basis set forth below and in accordance with the Constitution and as adjusted, where appropriate, by the swing pricing mechanism described in the section of this Prospectus entitled "Swing Pricing Mechanism".

The Net Asset Value per Share of a Fund shall be the value of the gross assets attributable to such Fund less all of the liabilities attributable to the Fund (including such provisions as the Administrator considers appropriate in respect of the costs and expenses payable in relation to the Fund) divided by the number of Shares of the Fund outstanding as of the Dealing Day. Any liabilities of the Company which are not attributable to any Fund shall be allocated among all of the Funds pro rata to the relative Net Asset Value of the Funds.

The Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value of a Fund attributable to each Class in that Fund. The amount of the Net Asset Value of a Fund attributable to a Class shall be determined by establishing the proportion of the assets of the Class as at the most recent Net Asset Value calculation adjusted to take account of any subscription orders (after deduction of any redemption orders) and by allocating relevant expenses and fees to the Class (as described above) and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net Asset Value accordingly. Fund expenses and fees relating specifically to a Fund and Class expenses

and fees relating specifically to a Class will be charged to that Fund and that Class respectively. In the event that Classes are priced in a currency other than the Base Currency of the relevant Fund, currency conversion costs will be borne by that Class or Fund. Class expenses or fees or charges not attributable to a particular Class may be allocated amongst the Classes based on their respective Net Asset Value or any other reasonable basis approved by the Depositary having taken into account the nature of the fees and charges.

The Net Asset Value per Share of a Class shall be calculated by dividing the Net Asset Value of the Class by the number of Shares in issue in that Class. The Net Asset Value per Share shall be rounded upwards or downwards as appropriate to the nearest six decimal places.

In determining the value of the assets of each Fund, each investment listed, traded or dealt in on a Regulated Market for which market quotations are readily available shall be valued by reference to the latest available mid-market price in the relevant Regulated Market as at the Valuation Point on the relevant Dealing Day, provided that the value of the investment listed, traded or dealt in on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange may be valued, taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary must ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security. If the investment is normally listed, traded or dealt in on or under the rules of more than one Regulated Market, the relevant Regulated Market shall be that which constitutes the main market for the investment. If prices for an investment listed, traded or dealt in on the relevant Regulated Market are not available at the relevant time or are unrepresentative, or in the event that any investments are not listed or traded on any Regulated Market, such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by a competent professional person appointed by the Company or the Manager and approved for such purpose by the Depositary, which may be the Investment Manager. Neither the Investment Manager nor the Administrator shall be under any liability if a price reasonably believed by them to be the latest available price for the time being may be found not to be such.

Units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available net asset value per unit/share as published by the collective investment scheme.

Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Company, the Manager or its delegate any adjustment should be made to reflect the fair value thereof.

Exchange-traded derivative instruments (if any) shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange-traded derivative instrument is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Company or the Manager and approved for the purpose by the Depositary, which may be the Investment Manager. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract and to close out the transaction at the request of the Company, the Manager or the Investment Manager at fair value. The Company may choose to value over the counter derivatives using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Company or by an independent pricing vendor. The Company must value over the counter derivatives on a daily basis. Where the Company values over the counter derivatives using an alternative valuation the Company must follow international best practice and will adhere to the principles on the valuation of over the counter instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Company or the Manager and approved for the purpose by the Depositary. The alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Company values over the counter derivatives using the counterparty valuation the

valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty. The independent verification must be carried out at least weekly. Forward foreign exchange contracts shall be valued by reference to the price at which a new forward contract of the same size and maturity could be undertaken as of the close of business on the Dealing Day.

The Funds may apply an amortised cost method of valuation in respect of money market instruments in a non-money market fund in accordance with the requirements of the Central Bank.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above or if such valuation is not representative of an asset's fair market value, a competent person appointed by the Company or the Manager and approved for the purpose by the Depositary, which may be the Investment Manager, is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary.

The value of an asset may be adjusted by the Company, the Manager or the Investment Manager in consultation with the Depositary where such an adjustment is considered necessary to reflect the fair value of an asset in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

Investors should note that the value of Shares and redemptions thereof, and the performance of the Company, may be based on unaudited and in some cases, estimated, valuations of the Company's investments and that valuations provided in an Investor's account statement may be an unaudited, estimated value.

### Application for shares

All investors must either complete an Application Form which may be obtained from the Administrator, the Manager or the Investment Manager or else open an account via an Approved Clearing System. An initial subscription form is sent with the Application Form or it may be submitted separately after the Application Form and supporting documentation has been approved, depending on the timing of the investor's first subscription. Alternatively, initial and subsequent subscriptions may be made via an Approved Clearing System using the necessary electronic trade message in which case an Application Form and initial subscription form are not required. See the below and the section of this Prospectus entitled "Share Classes of the Funds" for more information regarding Application Form Cut-Off Times and Trade Cut-Off Times.

By purchasing Shares, Shareholders should confirm that the Shares are not being acquired either directly or indirectly by or on behalf of any person in any jurisdiction that would be restricted or prohibited from acquiring Shares and that the investor will not sell, transfer, or otherwise dispose of any such Shares, directly or indirectly, to or for the account of any person in such jurisdiction to whom it is unlawful to make such an offer or solicitation.

Other than when opening an account via an Approved Clearing System, investors will be required to complete a declaration (included in the Application Form) as to the investor's tax residency or status as required by applicable law. Where an account is opened via an Approved Clearing System, the investor's country of residence will be confirmed by electronic message via such Approved Clearing System during the account set up process. Please see the section "Selling Restrictions" for further information.

If an Application Form is being used to open an account, it must be received by fax, in the original or by electronic means (as may be determined by the Manager or the Investment Manager from time to time and agreed with the Administrator) in accordance with the requirements of the Central Bank. In the case of a faxed or electronic Application Form, the signed original Application Form must be promptly received by the Administrator thereafter. Alternatively, an account may be opened via

an Approved Clearing System. No initial subscription may be received until the faxed, original or electronic Application Form and supporting documentation, including all anti-money laundering documentation, have been received from the investor and all anti-money laundering procedures have been carried out or, if opening an account via an Approved Clearing System, such account has been opened. In addition, other than when using an Approved Clearing System, no additional subscriptions may be received and no redemption or distribution payments may be made until the original Application Form and supporting documentation, including all anti-money laundering documentation, have been received from the investor and all anti-money laundering procedures have been carried out.

### Anti-Money Laundering and Counter-Terrorist Financing Procedures

Measures provided for in applicable anti-money laundering and counter terrorist financing legislation, which are aimed towards the prevention of money laundering and counter terrorist financing, may require a subscriber for Shares to verify its identity and the source of the subscription monies to the Manager and the Administrator. In the case of corporate applicants this may require production of a copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners (who may also be required to provide proof of identity). An individual may be required to produce a copy of a passport or identification card together with evidence of their address such as a utility bill or bank statement.

Depending on the circumstances of each application, a detailed verification may not be required where: (a) the investor is a regulated credit or financial institution; or (b) the application is made through a regulated financial intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is located in a country which has ratified the recommendations of the Financial Action Task Force and has equivalent anti-money laundering legislation to that in place in Ireland. Applicants may contact the Administrator in order to determine whether they meet the above exceptions. The details given above are by way of example only and the Manager and the Administrator each reserve the right to request such documentation as is necessary to verify the identity of the applicant and the source of the subscription monies and to ensure compliance with the Manager's or Administrator's obligations under applicable anti-money laundering and counter terrorist financing legislation.

In the event of delay or failure by the applicant to produce any information and documentation required for verification purposes, the Administrator or the Manager will refuse to accept or process the application and subscription monies or mandatorily redeem such Shareholder's Shares and/or payment of redemption proceeds may be delayed (no redemption proceeds will be paid nor will any interest accrue thereto if the Shareholder fails to produce such information and documentation) and the Company, the Directors, the Manager, the Investment Manager and the Administrator, each parent, subsidiary, affiliate and shareholder thereof and each of the respective officers, directors, trustees, employees and agents of the foregoing shall not be liable, and shall be held harmless and fully indemnified by the applicant, for any and all claims, liabilities, losses, damages, costs and expenses (including without limitation, legal fees and expenses) arising out of any failure to process the application or redemption or otherwise if any such requested information has not been provided by the applicant or has been provided in incomplete form or if Shares are mandatorily redeemed in such circumstances. Any failure to supply the Manager or the Administrator with any documentation requested by them for anti-money laundering purposes, as described above, may result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the Company and the Shareholder will rank as a general creditor of the Company until such time as the Administrator has verified the Shareholder's identity to its satisfaction, following which redemption proceeds will be released. Any failure to supply the Manager or the Administrator with any documentation requested by them for anti-money laundering purposes, as described above, may result in a delay in the settlement of distribution proceeds. In such circumstances, any sums payable by way of

dividend to Shareholders shall remain an asset of the Fund until such time as the Administrator has verified the Shareholder's identity to its satisfaction, following which such dividend will be paid.

No redemption proceeds or dividends will be paid where the requisite information and documentation for verification purposes has not been produced by a Shareholder or has been provided in incomplete form.

### Umbrella Cash Accounts

The Company has established Umbrella Cash Accounts into which subscription monies received from, and redemption and distribution monies due to, investors in the Funds will be held. The Umbrella Cash Accounts are established in the name of the Company. Amounts within the Umbrella Cash Accounts can at all times be attributed to the individual Fund to which they relate in accordance with the requirements of the Constitution. Subscription monies will become the property of the relevant Fund upon receipt and, accordingly, investors will be treated as general creditors of the relevant Fund during the period, if any, between receipt of subscription monies and the Dealing Day on which such Shares are issued.

The Company, in conjunction with the Depositary, has established a policy to govern the operation of the Umbrella Cash Accounts in accordance with the requirements of the Central Bank. The policy identifies certain procedures that must be adhered to in relation to the operation of the Umbrella Cash Accounts, the process for transferring money out of the accounts, the reconciliation process and reporting in relation to the accounts.

Subscription monies will become the property of the Company upon receipt and accordingly investors will be treated as general creditors of the relevant Fund during the period between receipt of subscription monies and the Dealing Day on which such Shares are issued.

Applications for Shares by in specie transfer may be made by agreement with the Manager or the Investment Manager on a case-by-case basis and subject to the approval of the Depositary and the Depositary being satisfied that there is unlikely to be any material prejudice to the existing Shareholders. In such cases the Company shall issue Shares in exchange for investments which the Company may acquire in accordance with its investment objectives, policies and restrictions and may hold or sell, dispose of or otherwise convert such securities into cash. No Shares shall be issued until the investments have cleared and are vested in the Depositary or its nominee and the Trade Cut-Off Time relevant to the subscription will be amended accordingly by the Company, the Manager or its delegates in their discretion with the consent of the Depository. The value of the Shares to be issued shall be calculated on the same basis as the valuation of Shares to be issued for cash.

### Initial Subscriptions

If an Application Form is used to open an account, that Application Form and all supporting documents must be in order and received by the Administrator by fax, in the original or by electronic means (as may be determined by the Manager or the Investment Manager from time to time and agreed with the Administrator) in accordance with the requirements of the Central Bank on or before the Application Form Cut-Off Time. Thereafter, Shares may be issued to eligible investors on receipt of an initial subscription form before the Trade Cut-Off Time on the following Dealing Day. The initial subscription form is available from the Administrator. Individual subscription and redemption requests may also be submitted via Approved Clearing Systems and such other forms of approved electronic communication as the Manager may at its sole discretion accept.

Investors should transmit cleared funds in the relevant Class Currency representing the subscription monies by wire instructions to either the Umbrella Cash Accounts set out in the initial subscription form so that the monies are received in the Company's account by the Settlement Time or, if subscribing via an Approved Clearing System, to the settlement bank designated by such Approved Clearing System. Investors should note the industry standard cut-off times for the transfer

and receipt of cleared funds in the relevant Class Currencies. If payment for a subscription is not received into the Umbrella Cash Accounts by the Settlement Time, the Fund reserves the right to delay or cancel any subscription without prejudice to the right of the Fund to obtain compensation for any loss directly or indirectly resulting from the failure of an applicant to effect settlement, including, without limitation, in respect of overdraft charges and interest incurred at normal commercial rates and any losses on a sale of securities purchased. If a subscription is cancelled and cleared monies are subsequently received, the Fund may issue Shares on the date cleared monies are received, at the relevant Dealing Day's Net Asset Value, subject to any applicable charges.

**UNLESS TRANSACTING VIA AN APPROVED CLEARING SYSTEM, INVESTORS SHOULD ENSURE THAT THE COMPLETED AND SIGNED APPLICATION FORM, TOGETHER WITH APPLICABLE DOCUMENTATION REQUIRED IN CONNECTION WITH ANTI-MONEY LAUNDERING PROCEDURES, IS RETURNED BY FAX, IN THE ORIGINAL OR BY ELECTRONIC MEANS (AS MAY BE DETERMINED BY THE MANAGER OR THE INVESTMENT MANAGER FROM TIME TO TIME AND AGREED WITH THE ADMINISTRATOR) IN ACCORDANCE WITH THE REQUIREMENTS OF THE CENTRAL BANK TO THE ADMINISTRATOR BY THE APPLICATION FORM CUT-OFF TIME AND THE INITIAL SUBSCRIPTION FORM IS RETURNED BY THE TRADE CUT-OFF TIME OR THE SUBSCRIPTION MAY BE DELAYED.**

### Additional Subscriptions

Additional subscriptions either into the Fund in which the investor is already invested or into any other Fund may be made on any Dealing Day by either submitting an additional subscription form in good order to the Administrator by fax, in the original or by electronic means (as may be determined by the Investment Manager from time to time and agreed with the Administrator) in accordance with the requirements of the Central Bank by the Trade Cut-Off Time, or by way of electronic message via an Approved Clearing System.

An additional subscription form is available from the Administrator on request. Applications for additional subscriptions made on a form other than the Fund's additional subscription form must contain specific information. Accordingly, use of a non-standard form must be pre-approved in writing (including by e-mail) by the Administrator in consultation with the Manager or its delegate. In addition, when using a form other than the Fund's additional subscription form, an investor must confirm that it can continue to give the representations set out in its Application Form, it has reviewed the relevant KID or where appropriate, the KIID, and has verified, if investing in a different Class, that the said Class is available for subscription. Otherwise any additional subscription using a non-standard form may be delayed. The Company, the Manager or its delegates may accept individual dealing orders submitted via other forms of approved electronic communication, in lieu of the additional subscription form, including via Approved Clearing Systems.

Additional subscription forms received subsequent to the relevant Trade Cut-Off Time shall be effective on the next succeeding Dealing Day.

Additional subscription requests may be delayed or cancelled if the original Application Form (in instances where the account was opened using an Application Form) or any anti-money laundering documentation (requested either before or after initial subscription) has not been received by the Administrator.

Investors should transmit funds in the relevant Class Currency representing the additional subscription monies by wire instructions to the Umbrella Cash Accounts set out in the additional subscription form so that the monies are received in the Company's account by the Settlement Time or, if subscribing via an Approved Clearing System, to the settlement bank designated by such Approved Clearing System. Investors should note the industry standard cut-off times for the transfer and receipt of cleared funds in the relevant Class Currencies. If payment for a subscription is not received into the Umbrella

Cash Accounts by the Settlement Time, the Fund reserves the right to delay or cancel any subscription without prejudice to the right of the Fund to obtain compensation for any loss directly or indirectly resulting from the failure of a Shareholder to effect settlement, including, without limitation, in respect of overdraft charges and interest incurred at normal commercial rates and any losses on a sale of securities purchased. In the event that an existing Shareholder fails to reimburse a Fund for such a loss, the Company shall be entitled to redeem any Shares held by such Shareholder in accordance with the section of this Prospectus entitled "Mandatory Redemption of the Shares" in satisfaction of any loss. The Company, the Manager, or its delegate may determine, in their discretion, whether to pursue a recalcitrant investor (whether existing or otherwise) for such losses. If a subscription is cancelled and cleared monies are subsequently received, the Fund may issue Shares on the date cleared monies are received, at that Dealing Day's Net Asset Value, subject to any applicable charges.

Amendments to a Shareholder's registration details and payment instruction can only be effected upon receipt of signed original documents or other electronic instruction.

### Subscription Price

During the Initial Offer Period, Shares shall be offered at the Initial Offer Price under Share Classes in respect of each Fund as set out in the sections of this Prospectus entitled "Definitions" and "Share Classes of the Funds". Thereafter, the subscription price per Share shall be the applicable Net Asset Value per Share determined on the Dealing Day as adjusted, if applicable (please see the section "Swing Pricing Mechanism" for further information). The subscription price per Share shall be exclusive of any Preliminary Charge or Switch Charge.

### Written Confirmations of Ownership

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all subscriptions, redemptions, switches and transfers of Shares will be recorded. Written confirmations of ownership will be issued in relation to the Shares by the Administrator. Shares shall be in registered form. The Administrator shall not issue a Share certificate in respect of Shares. A Share may be registered in a single name or in up to four joint names. The register of Shareholders shall be available for inspection upon reasonable notice at the registered office of the Company during normal business hours where a Shareholder may inspect only his entry on the register.

### Redemption Requests

Shares may be redeemed on any Dealing Day by either submitting a signed redemption form in good order to the Administrator by fax, in the original or by electronic means (as may be determined by the Investment Manager from time to time and agreed with the Administrator) in accordance with the requirements of the Central Bank by the Trade Cut-Off Time or by way of electronic message via an Approved Clearing System. A redemption form is available from the Administrator on request. Redemption requests are unconditional and irrevocable.

In the case of faxed or electronic redemption requests, payment will be made either to the account of record as set out in the original Application Form or to the settlement bank designated by the relevant Approved Clearing System.

Requests for redemptions made on a form other than the Fund's redemption form must contain specific information. Accordingly, use of a non-standard form must be pre-approved in writing (including by e-mail) by the Administrator in consultation with the Manager or its delegate, otherwise any redemption using a non-standard form may be delayed. The Company, the Manager or its delegate may accept individual dealing orders submitted via other forms of approved electronic communication, in lieu of the redemption form.

Redemption requests received subsequent to the Trade Cut-Off Time shall be effective on the next succeeding Dealing Day.

If redemption requests on any Dealing Day exceed 10% of the total number of Shares in a Fund, the Company may defer the excess redemption requests to subsequent Dealing Days and shall redeem such Shares rateably.

Other than where the account was opened via an Approved Clearing System, redemption payments may be delayed if the original Application Form and supporting documentation, including all anti-money laundering documentation, has not been received by the Administrator. Where an account was opened via an Approved Clearing System, redemption payments may be delayed if anti-money laundering documentation requested by the Manager or the Administrator has not been received by the Administrator.

A redemption payment will not be processed until the subscription price on the purchase of Shares has been received into the Umbrella Cash Account in cleared funds.

### Redemption Price

Shares shall be redeemed at the applicable Net Asset Value per Share as adjusted, if applicable (please see the section of this Prospectus entitled "Swing Pricing Mechanism" for further information) on the Dealing Day on which the redemption is effected.

All payments of redemption monies shall normally be made within three Business Days after the relevant Dealing Day but in any event shall be made within 10 Business Days of the relevant Trade Cut-Off Time. The redemption proceeds shall be made by wire transfer at the Shareholder's expense either to the Shareholder's bank account, details of which shall be set out by the Shareholder in the Application Form or otherwise provided to the Administrator in accordance with the Application Form or, if the account was opened via an Approved Clearing System, to the settlement bank account, details or which were provided upon opening the account.

Where amounts held in the Company's Umbrella Cash Accounts cannot be transmitted to an investor (or to a settlement bank account, if transacting via an Approved Clearing System) following a redemption request because, for example, the investor has failed to supply such information as is necessary to allow the Company to comply with its obligations under applicable anti-money laundering/counter terrorist financing legislation, the redemption monies will be held in the Umbrella Cash Accounts and no interest will be paid on the amounts held in the accounts prior to the payment of the redemption proceeds. Any interest earned on the redemption monies in the circumstances described above will be for the benefit of the relevant Fund as a whole and will be allocated to the Fund on a periodic basis for the benefit of the Shareholders at the time of the allocation. It is important for the redeeming investor in these situations described above to understand that the investor is no longer a Shareholder in the Fund and in the event of an insolvency of the Company or of the relevant Fund, the rights of the investor to the monies held in the Umbrella Cash Accounts are those of an unsecured creditor to the Company. The monies held in the Umbrella Cash Accounts will be commingled with the assets and liabilities of the relevant Fund and will be exposed to the risk of markets generally, the Fund's creditors and any other risks affecting the Fund.

Subscription monies received from and redemption and distribution monies due to investors, attributable to all Funds within the Company, will also be held in the Umbrella Cash Accounts. In the event of the insolvency of a Fund (an "Insolvent Fund"), the recovery of any amounts to which another Fund (the "Beneficiary Fund") is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of the Umbrella Cash Accounts, will be subject to applicable law and the operational procedures for the Umbrella Cash Accounts. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Beneficiary Fund.

At the discretion of the Company, the Manager or its delegate and (subject to the below) with the consent of the Shareholder making such redemption request, assets in specie may be transferred to a Shareholder in satisfaction of the redemption monies payable on the redemption of Shares, provided that such distribution is equitable and not prejudicial to the interests of the remaining Shareholders. The allocation of such assets shall be subject to the approval of the Depositary.

Where a redemption request represents 5% or more of the Shares of a Fund, the Company may satisfy the redemption request by the transfer of assets in specie to the Shareholder without the Shareholder's consent. At the request of the Shareholder making such redemption request such assets may be sold by the Company and the proceeds of sale shall be transmitted to the Shareholder. The transaction costs incurred in the sale of the assets will be payable by the Shareholder.

### Mandatory Redemption of Shares

If a redemption causes a Shareholder's holding in the Company to fall below the Minimum Holding, the Company may redeem the whole of that Shareholder's holding. Before doing so, the Manager shall notify the Shareholder in writing (including by e-mail) and allow the Shareholder 30 days to purchase additional Shares to meet the Minimum Holding requirement.

Shares may be mandatorily redeemed on 30 days' notice to a Shareholder if: (i) the Shareholder has acquired its investment as a result of a misrepresentation; (ii) the Shareholder is unwilling or unable to provide requested information that would allow the Company to reclaim or otherwise reduce or eliminate certain withholding taxes (if any); (iii) the Shareholder is unwilling or unable to provide information requested by the Administrator or the Manager to satisfy any applicable laws and regulations pertaining to "money laundering"; or (iv) in the Manager' discretion, the Shareholder's ownership of Shares: (a) would result in the assets of the Fund being treated as "plan assets" for the purposes of ERISA; or (b) the investment would cause the Company, the Manager or the Fund to violate any other law or regulation applicable to the Company, the Manager or to the Shareholder or otherwise adversely affects the rights of other Shareholders, the Company, the Manager, the Investment Manager, the Administrator, the Depositary or their affiliates, officers, directors or employees; or (c) would result in circumstances which, in the opinion of the Board, might result in the Manager, the Company, a Fund or the Shareholders as a whole suffering regulatory, legal, pecuniary or material administrative disadvantages.

### Transfer of Shares

A transfer of Shares can take the following form:

(a) a transfer of Shares from a Shareholder to another existing Shareholder, which may be enacted by either (i) each Shareholder completing a transfer form (which is available from the Administrator on request) and providing this to the Administrator by fax or electronic means with an original to follow or else (ii) by the transferor only submitting the required transfer instruction message via an Approved Clearing System; and

(b) a transfer of shares from an existing Shareholder to a new Shareholder, in which event the existing Shareholder must contact the Administrator. The transferor will be required to complete a transfer form (which is available from the Administrator). The transferee will also be required to complete the transfer form together with an Application Form and to provide these to the Administrator by fax or electronic means with an original to follow together with all supporting documentation, including all relevant anti-money laundering documentation. The transferee must meet the requirements for holding Shares of a particular Class as outlined in this Prospectus. A Preliminary Charge will not be payable on a transfer.

Shareholders may not transfer, assign or encumber Shares except as otherwise permitted in the Constitution. Transfers of Shares to U.S. Persons are prohibited. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of members in respect thereof. The Company, the Manager or its delegate may decline to register any transfer of Shares if: (i) in consequence of such transfer the transferor or transferee would hold less than the Minimum Holding; (ii) the transfer would, in the Company, the Manager or its delegate's discretion, otherwise infringe the restrictions on holding Shares outlined in this Prospectus; or (iii) if a transfer form is being used, the transfer form is not deposited at the registered office of the Company or at such other place as the Manager may reasonably require together with such other evidence as the Manager may reasonably require to evidence the right of the transferor to make the transfer.

The registration of transfers may be suspended at such times and for such periods as the Company, the Manager or its delegate may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any year.

Where applications were made using an Application Form, such transfers will be cancelled or delayed if the original Application Form or any requested anti-money laundering documentation from the transferor has not been received by the Administrator.

### Taxation

Statements in this Prospectus concerning the taxation of Shareholders, the Company or a Fund are based on law and our understanding of the practice of the Revenue Commissioners as at the date of this Prospectus. Any change in the tax status of the Company or a Fund, or in accounting standards, or in tax legislation or the tax regime, or in the practice relating to, the interpretation or application of tax legislation applicable to the Company, a Fund or the assets of a Fund, could affect the value of the investments held by a Fund, the Fund's ability to achieve its stated objective, the Fund's ability to provide distributions to Shareholders and/or alter the post-tax returns to Shareholders. It is possible that any legislative changes may have retrospective effect. The information contained in this Prospectus is intended as a guide only and is not a substitute for professional advice. Investors are advised to consult their own tax advisors in relation to their personal circumstances and suitability of this investment. Please see the section headed "Taxation" below.

### Withholdings and Deductions on Transfer

The Company may be required to account for tax on the value of the Shares redeemed or transferred at the applicable rate unless either (i) it has received from the transferor a declaration in the prescribed form confirming that the Shareholder in respect of whom it is necessary to deduct tax is not an Irish Resident. The Company should not be required to account for tax on any transaction in relation to, or in respect of, Shares which are held in a "recognised clearing system" within the meaning of Section 246A TCA (the National Securities Clearing System is so recognised). The Company, the Manager or its delegate reserve the right to redeem such number of Shares held by a transferor as may be necessary to discharge any tax liability arising therefrom. The Company, the Manager or its delegate reserve the right to refuse to register a transfer of Shares until it receives a declaration as to the transferee's residency or status in the form prescribed by the relevant tax authorities, if applicable.

### Switching of Shares

A Shareholder will be entitled to exchange its Shares for: (i) Shares of the same Class of another Fund; or (ii) Shares of a different Class of the same or of another Fund provided that (a) a Shareholder may not switch between an I Share, A Share, B Share or R Share unless consented to by the Company, the Manager or its delegate; (b) the Shareholder satisfies any relevant eligibility and minimum initial investment requirements of the new Class of the same Fund or, if relevant, the same Class or different Class of another Fund; and (c) the requested Class is funded and available in the jurisdiction in which the Shareholder is subscribing.

If a Shareholder wishes to switch all or some of its Shares in a Class of a Fund to Shares in a different Class of the same or another Fund, it must either provide a switch form to the Administrator or else submit the necessary exchange order message via an Approved Clearing System. Switch forms are available from the Administrator on request. Applications for switches that are made on forms that are not the Fund's standard switch form must contain specific information. Accordingly, use of a non-standard form must be pre-approved in writing (including by e-mail) by the Administrator in consultation with the Manager or its delegate. The Company, the Manager, or its delegate, at their sole discretion, may accept individual dealing orders submitted via other forms of approved electronic communication, in lieu of the switch form or an Approved Clearing System message.

The switch form must be received in good order by the Administrator by fax, in the original or by electronic means (as may be determined by the Manager or the Investment Manager from time to time and agreed with the Administrator) in accordance with the requirements of the Central Bank by the Trade Cut-Off Time in which event the switch may take place on such Dealing Day. Likewise, if using an Approved Clearing System, if the necessary message is received by the Trade Cut-Off Time then the switch may take place on that Dealing Day. Both the Net Asset Value of the Shares to be redeemed and the Net Asset Value of the Shares subscribed for in the new Class will be determined on the same Dealing Day.

The switch is effected by arranging for the redemption of Shares of one Fund or Class and the subscription for the Shares of the other Fund or Class with the proceeds in accordance with the following formula:

$$NS = \frac{A \times (B \times C)}{D}$$

where:

NS = the number of Shares which will be issued in the new Fund or Class

A = the number of the Shares to be switched

B = the Net Asset Value of the Shares to be switched on the relevant Dealing Day

C = the prevailing currency conversion factor (if any) as determined by the Administrator

D = the Net Asset Value of Shares in the new Fund or Class on the relevant Dealing Day

If NS is not an integral number of Shares the Company, the Manager or its delegate reserve the right to issue fractional Shares in the new Fund or Class or to return the surplus arising to the Shareholder seeking to convert the Shares.

The Net Asset Value per Share may be adjusted, if applicable (please see the section "Swing Pricing Mechanism" for further information). A Switch Charge may also be payable when the switch is carried out by a Shareholder as further set out in the section of this Prospectus entitled "Fees and Expenses". The Net Asset Value per Share is exclusive of the Switch Charge.

The switch of Shares should not be used to facilitate short-term or excessive trading.

Shareholders that are switching their Shares shall note that:

- they may be subject to the application of the Swing Pricing Mechanism (both on redemption from one Class and subscription into another);
- where an exchange involves a change of denomination or payment currency, the currency conversion costs will be borne by the Shareholder; and
- a Switch Charge of up to 1% of the Net Asset Value of the Shares may be payable on each switch of those Shares. See the section of this Prospectus entitled "Fees and Expenses".

The exchange of Shares is not available in certain countries and prospective investors should inform themselves as to whether the exchange of Shares is available in their country. Shareholders should also be aware that the exchange of Shares may constitute a taxable event and should inform themselves of any potential consequence of this.

### Excessive Trading

Investment in a Fund is intended for medium to long-term purposes only. The Company will take reasonable steps to seek to prevent short-term trading. Excessive short-term trading (or market timing) into and out of a Fund or other abusive trading

practices may disrupt portfolio investment strategies and may increase expenses and adversely affect investment returns for all Shareholders, including long-term Shareholders who do not generate these costs. The Company, the Manager or its delegate reserve the right to reject any application for Shares (including any switch request) by any investor or group of investors for any reason without prior notice, including, in particular, if it believes that the trading activity would be disruptive to a Fund or the Shareholder has engaged in market timing activity. For example, the Company, the Manager or its delegate may refuse to effect a subscription (or execute a switch) if the Investment Manager believes it would be unable to invest the money effectively in accordance with the relevant Fund's investment policies or the Fund would otherwise be adversely affected due to the size of the transaction, frequency of trading or other factors. The Company, the Manager and the Investment Manager will not be held liable for any loss resulting from rejected orders.

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

### Temporary Suspension of Valuation of the Shares and of Sales and Redemptions

The Company, the Manager or its delegate may temporarily suspend the determination of the Net Asset Value and the subscription for, transfer, switch or redemption of Shares in the Company or any Fund:

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

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

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

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

(v) during any period when the proceeds of the sale or redemption of the Shares cannot be transmitted to or from a Fund's account;

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

(vii) upon the occurrence of an event causing it or any Fund to enter into liquidation; or

(viii) in exceptional cases, where the circumstances so require, and where the Company, the Manager or its delegate consider it justifiable to do so having regard to the best interests of the Shareholders as a whole.

A suspension of redemptions may be made at any time prior to the payment of redemption proceeds and the removal of the Shareholder's name from the register of members. A suspension of subscriptions may be made at any time prior to the entry of a Shareholder's name on the register of members.

Any such suspension shall be notified to the Shareholders of the relevant Fund if, in the opinion of the Company, the Manager or its delegate, such suspension is likely to continue for a period exceeding 14 days and any such suspension shall be notified immediately and in any event within the same Irish Business Day to the Central Bank. Where possible, all reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

### Disclosure of Portfolio Information

Information on the underlying investments in each Fund, such as securities, sector, credit ratings, duration, risk and return characteristics and geographic allocation, and periodic certifications regarding the Investment Manager is available to all Shareholders. Shareholders should contact the Investment Manager to request this information and/or report. There will be an appropriate time-lag between the purchase/sale of the relevant Fund's investments and the time at which the information is made available. Month-end newsletters are provided to investors upon request. Where, due to exceptional market circumstances, an investor requires more up-to-date information than on a month-end basis, and the Investment Manager is able to satisfy such information request, the information may be provided. In such circumstances, it will be made available to any investor that so requests it.

### Publication of the Net Asset Value per Share

Except where the determination of the Net Asset Value has been temporarily suspended in the circumstances described above, the Net Asset Value per Share shall be made public at the office of the Administrator on each Dealing Day. In addition, the Net Asset Value per Share shall be published as at each Dealing Day on the internet address www.colchesterglobal.com or such other internet address as may be notified to the Shareholders by the Manager from time to time. Such information is published for information purposes only. It is not an invitation to subscribe for, redeem or convert Shares at that Net Asset Value per Share.

### Data Protection Notice

Investors should note that by completing the Application Form or opening an account via an Approved Clearing House they have provided personal information, which may constitute "personal data" within the meaning of the Irish Data Protection Acts 1988 to 2018, the General Data Protection Regulation (Regulation (EU) 2016/679), the EU ePrivacy Directive 2002/58/EC (as amended) and any relevant transposition of, or successor or replacement to, those laws (together, the "Data Protection Legislation").

Where personal data is provided to the Company then the Company, acting as a data controller, may itself or through a third party, such as the Administrator acting as a data processor in its capacity as the Fund's administrator, process an investor's personal data or that of an investor's directors, officers, employees and/or beneficial owners. When processing personal information, there may also be times where the Administrator will act as an independent data controller in respect of an investor's personal information. For the avoidance of doubt, the Administrator will not at any time be acting as a joint controller with the Fund.

*Purposes of Processing and Legal Basis for processing*

Personal data may be processed by the Company or the Administrator (or any of their affiliates, agents, employees, delegates or sub-contractors) for the following purposes:

- to facilitate the opening of an account with the Fund, the management and administration of investors' holdings in the Fund and any related account on an on-going basis which are necessary for the performance of an investor's contract with the Fund, including without limitation the processing of subscription, redemption, switch, transfer and the payment of distributions;

- in order to carry out anti-money laundering checks and related actions which the Manager considers appropriate to meet any legal obligations imposed on the Company or the Manager relating to, or the processing in the public interest, or to pursue the legitimate interests of the Company in relation to, the prevention of fraud, money laundering, terrorist financing, bribery, corruption, tax evasion and to prevent the provision of financial and other services to persons who may be subject to economic or trade sanctions, on an on-going basis, in accordance with the Company's anti-money laundering procedures;
- to report tax related information to tax authorities in order to comply with a legal obligation;
- to monitor and record calls and electronic communications for (i) processing verification of instructions; (ii) investigation and fraud prevention purposes; (iii) crime detection, prevention, investigation and prosecution; (iv) enforcing or defending the Company's rights, itself or through third parties to whom it delegates such responsibilities or rights in order to comply with any legal obligation imposed on the Company; (v) pursuing the legitimate interests of the Company in relation to such matters; or (vi) where the processing is in the public interest;
- to disclose information to other third parties, such as service providers of the Manager or the Company, auditors, regulatory authorities and technology providers, in order to comply with any legal obligation imposed on the Company, the Manager or the Administrator or in order to pursue the legitimate interests of the Company, the Manager or the Administrator;
- to monitor and record calls for quality, business analysis, training and related purposes in order to pursue the legitimate interests of the Company, the Manager or the Administrator to improve their service delivery;
- to update and maintain records and carry out fee calculations in order to pursue the legitimate interests of the Company, the Manager or the Administrator or in order to comply with any legal obligation imposed on the Company, the Manager or the Administrator and which are necessary to comply with the Company, the Manager or the Administrator's legal obligations and/or which are necessary for the Company, the Manager, the Administrator or the Administrator's affiliates' legitimate interests indicated above and/or where the processing is in the public interest.

*Recipients of Data and International Transfer of Data*

The Company may disclose the personal data of an investor as follows:

- to the Company's service providers, including the Manager, the Investment Manager, the Administrator and other third party service providers engaged by the Company and their affiliates, in order to store or process the data for the above mentioned purposes;
- to competent authorities (including tax authorities), courts and bodies as required by law or requested or to affiliates for internal investigations and reporting; and
- to the Administrator and/or its affiliates as joint controllers:
  - to create a single source record, relating to an investor, which is held, maintained and used by the Administrator and its affiliates as joint controllers in pursuance of the Administrator's, its affiliate's and the Company's legitimate interests;
  - where the investor subscribes to use the Administrator's investor portal functionality, for the purposes of the performance of the Administrator's agreement with the investor in relation to the investor's use of that portal functionality, including for security in connection with the portal;
  - to retain anti-money laundering and other records of individuals to assist with subsequent screening of them by the Administrator or its affiliates, including in relation to other funds or clients of the Administrator or any of its affiliates in pursuance of the Administrator's, its affiliates' or its clients' legitimate interests and to meet any legal obligations imposed on the Administrator or its affiliates.

In any case where the Company shares investors' personal data with a third-party data controller (including, as appropriate, the Administrator and its affiliates), the use by that third party of an investor's personal data will be subject to the third party's own privacy policies. The Administrator's privacy policy may be accessed at https://protect-eu.mimecast.com/s/SngfC4EySBvvoxtOdOEI?domain=northerntrust.com.

The disclosure of personal data to the third parties set out above may involve the transfer of data to the U.S. and other jurisdictions outside the EEA in accordance with the requirements of the General Data Protection Regulation or outside the United Kingdom in accordance with the requirements of the UK Data Protection Act 2018 (as amended by the draft Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019) (as applicable), as amended or replaced from time to time. Such countries may not have the same data protection laws as an investor's jurisdiction.

Where such countries are not recognised as having an adequate level of data protection by the European Commission, or the relevant adequacy regulations made under the UK Data Protection Act 2018 (as amended by the draft Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019) (as applicable), the Company: (i) has, or has authorised the Administrator as its agent, to put in place Standard Contractual Clauses with relevant parties to whom personal data will be transferred; (ii) acknowledges that the personal data will be transferred in accordance with Standard Contractual Clauses or, once adopted, the Binding Corporate Rules by the Northern Trust Group. Please contact ucitsta@colchesterglobal.com or the Administrator for copies of: (i) the Standard Contractual Clauses that have been entered into on behalf of the Company; and / or (ii) the Northern Trust Binding Corporate Rules, once adopted.

*Retention period*

The Company and the Administrator will retain personal data for as long as required for the Company or the Administrator to perform its services and/or carry out the purposes for which the data was collected, or perform investigations in relation to same and/or for additional periods where legal/regulatory obligations mandate that the Manager or the Administrator retains personal data.

*Updates to Personal Data*

The Company will use reasonable efforts to keep investors' personal data up to date. However, investors will need to notify the Company and the Administrator without delay in the event of any change in personal circumstances, so that the Company can keep the personal information up to date.

*Data Subject Rights*

Investors have the following rights, in certain circumstances, in relation to their personal data:

- The right to access personal data;
- The right to rectify personal data;
- The right to restrict the use of personal data;
- The right to request that personal data is erased;
- The right to object to processing of personal data;
- The right to data portability;

Where the Company or the Administrator requires personal data to comply with anti-money laundering or other legal requirements, failure to provide this information means the Company may not be able to accept an investor in the Fund.

Investors have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the Company or its service providers.

*Contacting the Company*

For queries, requests or comments in respect of this notice or the way in which the Company uses investors' personal data, please contact ucitsta@colchesterglobal.com or the Administrator.

### Confidentiality

By either signing the Application Form or opening an account via an Approved Clearing System, an investor acknowledges that all information relating to the investor's investment in the Company shall be regarded by the investor as confidential and shall not be disclosed by the investor to third parties other than the investor's employees, officers, partners and members, outside legal counsel and accountants (as the case may be) and to the investor's agents, advisors and consultants that are assisting the investor in evaluating its initial and ongoing investment in the Company (the "Representatives") without the prior written consent of the Manager or the Investment Manager, except where such disclosure is required by law, requested by any regulatory or self-regulatory authority, or the information becomes part of the public domain, other than as a result of a breach of confidentiality by the investor or the Representatives. "Confidential Information" means any information related to the Investment Manager's investment strategy or the holdings and/or trading activity of the Company, including, but not limited to, information contained in periodic reports delivered to the investor and/or the Representatives as well as data disclosed (without regards to the form of disclosure, whether written (including machine readable form) or oral) by the Company, the Manager, the Administrator or the Investment Manager or any of their directors, employees, offices agents, or affiliates to the investor and/or the Representatives. The Investor further agrees that the Confidential Information will be used solely by the investor for the purpose of evaluating its investments in the Company and will not be used in any way, directly or indirectly, that is detrimental to the Company, including, without limitation, the use of Confidential Information by the Representatives for their own commercial benefit.

### Consent to Recording of Telephone Conversations

The Investment Manager and the Manager are subject to regulation that requires them to record certain telephone conversations for regulatory compliance purposes. The Administrator may also choose to record certain telephone conversations for internal compliance purposes. By subscribing for Shares, each Shareholder consents to the recording of any telephone conversation between the Shareholder, the Shareholder's employees, representatives or relatives, and any employee or representative of the Manager, the Investment Manager or of the Administrator.

## MANAGEMENT AND ADMINISTRATION

### The Board of Directors

The Board of Directors is responsible for managing the business affairs of the Company in accordance with the Constitution. The Directors may delegate certain functions to the Manager and other parties, subject to supervision and direction by the Directors and provided that the delegation does not prevent the Company from being managed in the best interests of its Shareholders. The conduct of the Company's business shall be decided by at least two of the Directors.

The Directors and their principal occupations are set forth below. The address of the Directors is the registered office of the Company.

**Michael Boyce** acts as an independent director and a consultant to a number of Irish collective investment schemes. Prior to this, he was executive director of Northern Trust Investor Services (Ireland) Limited (formerly Ulster Bank Investment Services Limited) since 1990. Mr. Boyce was managing director of Ulster Bank Custodial Services, the trustee and custody operation of Ulster Bank's funds business from 1990 to 1997. From 1997 to 2000 he was managing director of Ulster Investment Bank Investment Services. Following the purchase of Ulster Bank Investment Services Limited by Northern Trust in May 2000, Mr. Boyce was appointed director of client operations with responsibility for servicing a large range of institutional and retail clients. He has worked in the financial services industry for over 30 years, including in the areas of stockbroking, fund management and fund administration. Mr. Boyce is a graduate of the Michael Smurfit School of Business at UCD from which he holds a Diploma in Corporate Governance and is a member of the Chartered Institute for Securities and Investment, serving on the Committee of the Independent Directors forum. He is also a member of the Institute of Directors Ireland, and a member of the Corporate Governance Association of Ireland.

**Michele Connell** is the Global Head of Legal and Compliance and Chief Compliance Officer of the Investment Manager's group companies. Ms. Connell is responsible for the management of the firm's legal and compliance resources and the oversight of procedural, legal and regulatory compliance of the firm. Ms. Connell was appointed to the role in July 2014 having been a senior member of the Investment Manager's compliance team since 2012. Prior to joining the Investment Manager, Ms. Connell practised as a capital markets lawyer at Simmons & Simmons and a funds and regulatory lawyer at Appleby during which time she also acted for the Investment Manager. Ms. Connell qualified as a lawyer in the U.K. in 1994. Ms. Connell has a law degree (LLB) from University College London.

**Keith Lloyd** is the Chief Executive Officer of the Investment Manager's group companies. Mr. Lloyd holds an MSc in Economics from the London School of Economics and is a CFA charter holder. Mr. Lloyd's career as an investment strategist and economist began with the Reserve Bank of New Zealand in 1985 as a macro-monetary economist involved in central bank policy setting. In 1993 Mr. Lloyd moved to the World Bank, in Washington DC where he began as an economist working on the former Soviet Union before moving to the Investment Management Department. During this time, Mr. Lloyd managed a diverse group of global bond portfolios. In these roles, Mr. Lloyd acted as senior strategist responsible for the Investment Department's weekly strategy meetings and managed proprietary capital for the World Bank. Mr. Lloyd became a senior portfolio manager of the Investment Manager in 2000 and a Director in 2004.

**Cian O'Brien** is the Head of Investment and Chief Executive Officer at the Manager and has been with the Colchester Group since 2013. Mr O'Brien manages both developed and emerging market bond portfolios and conducts sovereign balance sheet research at the firm. He began his career in 2002 with the Central Bank of Ireland before moving into asset management with Bank of Ireland Asset Management. In 2011 Mr O'Brien joined State Street Global Advisors (SSgA) in London where he was a senior portfolio manager on the active global fixed income team. Mr O'Brien graduated from University College Cork with a degree in Commerce and German, before obtaining a Masters in Investment and Treasury from Dublin City University. He is a CFA charterholder and a member of the CFA Society of the UK.

**Simon O'Sullivan** has worked in the investment management sector since 1993. From April 2002 to April 2006 he was employed in Dublin by Pioneer Alternative Investments as a product specialist. In May 2006 he left Pioneer to join his family company as financial controller and in May 2013 Mr O'Sullivan became a partner in Maraging Funds Limited, trading as RiskSystem, a specialist provider of financial risk solutions to the investment funds industry. He has also worked for Fleming Investment Management as a fund manager in London, as well as Eagle Star and Merrion Capital, both in Dublin. He holds a Bachelor of Arts in Economics and Politics, a Master of Arts in Economics, a Master of Sciences in Investment & Treasury Management and a Diploma in Corporate Governance. Mr O'Sullivan is currently a non-executive director of a number of investment funds.

The Company Secretary is Bradwell Limited, 10 Earlsfort Terrace, Dublin 2 D02 T380, Ireland.

The Constitution does not stipulate a retirement age for Directors and does not provide for retirement of Directors by rotation. The Constitution provides that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. A Director may not vote in respect of any contract in which he has a material interest. However, a Director may vote in respect of any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5% or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote in respect of any proposal concerning an offer of shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement, and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in part.

## The Manager

The Company has appointed the Manager to act as manager to the Company and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the Company. The Manager is a private limited company and was incorporated in Ireland on 2 December 2020 under the registration number 683693 and has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing management and related administration services to UCITS collective investment schemes.

The Manager is responsible for the general management, investment management, distribution and administration of the Company's and the Funds' affairs and for ensuring compliance with the UCITS Regulations and the Central Bank Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. Pursuant to the Investment Management Agreement, the Manager has delegated the investment management function in respect of each Fund to the Investment Manager. The Manager has delegated certain administration and transfer agency functions in respect of each Fund to the Administrator pursuant to the Administration Agreement. The Manager has delegated certain distribution functions in respect of each Fund to the Distributors pursuant to a Distribution Agreement with each Distributor. References to the Manager's "delegate" in this Prospectus are to the Investment Manager, the Administrator and/or the Distributors as the context requires.

In the absence of bad faith, wilful default, fraud or negligence on the part of the Manager, neither the Manager, nor its associated companies, employees, directors, officers or agents (each an "Indemnified Party") shall be liable to the Company or any Shareholder for any loss, costs, demands, expenses or damages that may arise in connection with the conduct of the Manager's duties hereunder or for any depreciation in the value of any of the Funds' investments. The Company shall indemnify and hold harmless the Manager its associated companies and their respective officers, employees and directors against all actions, proceedings and claims and against all costs, demands, loss and expenses (including reasonable legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by an Indemnified Party under the Management Agreement (otherwise than due to the wilful default, fraud, recklessness or negligence in the performance by the Manager and its employees, officers and directors or agents (which, for the avoidance of doubt shall not include unaffiliated brokers or dealers used by the Manager) of its obligations or functions.

The directors of the Manager are (see bios above):

Michael Boyce
Cian O'Brien
Keith Lloyd

The secretary of the Manager is Bradwell Limited, 10 Earlsfort Terrace, Dublin 2, D02 T380, Ireland

### The Investment Manager

Colchester Global Investors Limited has been appointed the Investment Manager and promoter of the Company. The Investment Manager is authorised and regulated by the FCA, is registered as an investment adviser with the SEC and is licensed as a financial services provider by the Financial Sector Conduct Authority in South Africa. The Investment Manager was established in 1999.

The Investment Management Agreement between the Company, the Manager and the Investment Manager provides that the Investment Manager shall be responsible for the investment and reinvestment of the Funds' assets. The Investment Management Agreement shall continue in force until terminated at any time by any of the parties on not less than ninety (90) days' notice in writing.

Notwithstanding the foregoing, any party may at any time terminate the Investment Management Agreement: (a) in the event that any of the parties shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing) or be unable to pay its debts or commit any act of bankruptcy under applicable law or if a receiver is appointed over any of the assets of such other party or if some event having an equivalent effect occurs; (b) the Investment Manager ceases to be authorised to act as investment manager under any applicable laws or regulations; (c) any party shall commit any material breach of the agreement and shall not have remedied such breach (if capable of remedy) within thirty (30) days of notice requiring the same to be remedied; or (d) an examiner, administrator or similar person is appointed to either party.

The Investment Manager shall be liable for any loss suffered by the Company in connection with the matters to which the Investment Management Agreement relates where such loss results from fraud, bad faith, wilful misconduct, or negligence on the part of the Investment Manager in the performance of its obligations and duties under the Investment Management Agreement. The Company shall indemnify and hold harmless the Investment Manager for any losses (including without limitation reasonable legal fees and expenses) arising from the breach of the agreement by the Company in the performance of its duties or which otherwise may be suffered or incurred by the Investment Manager in the performance of its duties save where such losses, arise due to the fraud, bad faith, wilful misconduct, or negligence of the Investment Manager, its directors, officers or authorised agents.

The Investment Manager may, with the prior approval of the Manager, delegate its investment management functions to an investment adviser or sub-investment manager (as applicable) provided that such delegation is made in accordance with the requirements of the Central Bank. The fees and expenses of such investment adviser or sub-investment manager shall be paid by the Investment Manager. Information on any investment adviser or sub-investment manager will be provided to Shareholders on request and details of the investment adviser or sub-investment manager will be disclosed in the annual report and the half-yearly accounts of the Company.

### The Administrator

Northern Trust International Fund Administration Services (Ireland) Limited has been appointed by the Manager and the Company pursuant to the Administration Agreement to act as the Company's Administrator. The Administrator performs certain administrative duties for the Company and provides certain regulatory, recordkeeping and accounting services to the Company. The Administrator is wholly owned by the Northern Trust Corporation. The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990. Its main activity is the provision of administrative services to collective investment schemes.

Duties of the Administrator include, but are not limited to, maintaining the Company's records, producing regular valuations, and processing orders for the purchase and redemption of Shares.

The Administration Agreement may be terminated by any party on not less than ninety (90) days' notice in writing to the other parties or may be terminated by any party immediately in the event: (i) that another party is in material breach of any of the terms, provisions or conditions set out in the Administration Agreement and where such breach is capable of remedy fails to remedy the breach within thirty days of a request to do so; (ii) of the winding up of or the appointment of an administrator, examiner or receiver to the other or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction; (iii) that the continued performance of the Administration Agreement for any reason ceases to be lawful.

The Administration Agreement provides that the Administrator shall exercise all reasonable care in the performance of its duties. Nonetheless, in the absence of fraud, negligence, wilful default, bad faith or recklessness in the performance of its duties, the Administrator will not be liable to the Company or the Manager for any loss incurred by it in connection with the performance or non-performance by the Administrator of its obligations and duties under the Administration Agreement. The Company agrees to indemnify the Administrator against any loss suffered by the Administrator in the performance of its obligations under the Administration Agreement except where such loss arises by reason of the Administrator's fraud, negligence, wilful default, bad faith or recklessness in the performance of its duties.

### The Depositary

The Company has appointed Northern Trust Fiduciary Services (Ireland) Limited to act as the depositary to the Company. The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2022, the Northern Trust Group's assets under custody totalled in excess of USD 10.7 trillion.

The Depositary Agreement provides that the appointment of the Depositary will continue unless and until terminated by the Company or the Depositary giving to the other parties not less than 90 days' written notice although in certain circumstances the Agreement may be terminated immediately by the Company or the Depositary provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved by the Central Bank has been appointed and provided further that if within a period of 90 days from the date on which the Depositary notifies the Company of its desire to retire or from the date on which the Company notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the Company shall apply to the High Court for an order to wind up the Company or convene in an extraordinary general meeting of the Shareholders of the Company at which there shall be proposed an ordinary resolution to wind up the Company. This Agreement contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that: (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations; (ii) the Depositary can demonstrate that there is an objective reason for the delegation; and (iii) the Depositary has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of the Services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in

respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to its global sub-custodian, The Northern Trust Company, London branch, responsibility for the safekeeping of the Company's financial instruments and cash. The global sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Schedule V to this Prospectus.

The Depositary Agreement provides that the Depositary shall be liable: (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary; and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

### The Distributors

The Manager has appointed the Investment Manager and its subsidiaries, Colchester Global Investors (Singapore) Pte. Ltd. and Colchester Global Investors Middle East Limited, as the distributors of the Company. The Distributors shall be responsible for promoting the sale of the Shares in accordance with the provisions of this Prospectus and in accordance with the requirements of applicable law.

The Distribution Agreement entered into between the Manager, the Company and the Distributors provides that a Distributor shall not be liable for any loss suffered by Manager, the Company or the Shareholders in connection with the performance by a Distributor of its functions and duties under the Distribution Agreement, except a loss resulting from negligence, wilful default, fraud, bad faith or recklessness by a Distributor or its directors, officers or agents in the performance of its or their functions and duties under the Distribution Agreement. The Distributors shall not be liable in any circumstance for any indirect, special or consequential loss howsoever arising. The Manager shall indemnify the Distributors and their directors, officers or agents against all liabilities, damages, costs and claims and expenses incurred by the Distributors, their directors, officers or agents in the performance of their functions and duties under the Distribution Agreements and from and against all taxes on profits or gains of the Funds which may be assessed upon or become payable by the Distributor or its directors, officers or agents to the extent permitted by law provided that such indemnity shall not be given where a Distributor, its directors, officers or agents is or are guilty of any bad faith, fraud, negligence or wilful default in the performance of its or their functions or duties.

The Distribution Agreement may be terminated by any party on ninety (90) days' notice in writing to the other party. The Manager may at any time terminate the Distribution Agreement, without the payment of a penalty, by notice in writing to the Distributor in the event of the appointment of any examiner or receiver to the Distributor or on the happening of a like event or in the event that the Distributor is no longer permitted to perform its functions and duties under applicable law or is in material breach of any of its obligations under the agreement.

### Sub-Distributors

The Distributors may appoint financial institutions as Sub-Distributors, financial intermediaries and placement agents in connection with the distribution of the Shares of the Company. The fees of any such agents will be paid out of the Management Fee.

### The Paying Agents

The Manager may be required to appoint paying agents in connection with the public distribution of its Shares in certain jurisdictions (each a "Paying Agent"). Local regulations may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. Investors who choose or

are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary entity rather than directly to the Depositary (e.g. a Sub-Distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to: (i) subscription monies prior to the transmission of such monies to the Umbrella Cash Accounts; and (ii) redemption monies payable by such intermediate entity to the Umbrella Cash Accounts.

## TAXATION

The following is a general summary of certain Irish, United Kingdom and Japanese tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of Shares in the Company. It does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the Company would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Company regarding the law and practice in force at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

## IRELAND TAX REGIME

### Ireland Tax Regime - Taxation of the Company

The Company has been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking for the purposes of Section 739B of the TCA so long as the Company is resident in Ireland. Accordingly, the Company is generally not chargeable to Irish tax on its income and gains.

As a result of changes introduced in the Finance Act 2016, a new regime applies to IREFs (i.e. Irish Real Estate Funds) which imposes a 20% withholding tax on 'IREF taxable events'. The changes primarily target non-Irish resident investors. On the basis that the Company is a UCITS, it is excluded from the definition of an IREF and so, these provisions should not be relevant and are not discussed further.

*Chargeable Event*

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

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to, or in respect of, Shares held in a "recognised clearing system" within the meaning of Section 246A TCA (the National Securities Clearing System is so recognised); or
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm's length bargain, of Shares in the Company for other Shares in the Company; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking.

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

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

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

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

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

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

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

*Irish Courts Service*

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

*Exempt Irish Resident Shareholders*

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company or the Manager has in its possession the necessary declarations from those persons (or an intermediary acting

on their behalf) and the Company or the Manager is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Company is referred to herein as an "Exempt Irish Resident":

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

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

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

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

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

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

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

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

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

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

(k) the National Asset Management Agency;

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

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

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

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

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

### Ireland Tax Regime - Taxation of Shareholders

*Taxation of Non-Irish Resident Shareholders*

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

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

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

### Taxation of Irish Resident Shareholders

*Deduction of Tax*

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

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

*Deemed Disposals*

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

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

Irish Resident Shareholders who have suffered a withholding tax should consult their tax advisers to determine their residual Irish tax liability, if any.

### FATCA withholding

If a Shareholder causes (directly or indirectly) the Company to suffer a FATCA Deduction, or other financial penalty, cost, expense or liability, the Company may compulsorily repurchase any Shares or such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such Shareholder. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA

## UNITED KINGDOM TAX REGIME

### United Kingdom Tax Regime – Taxation of the Company

The Company and the Manager intend that the affairs of the Company should be managed and conducted in such a way that the Company does not become resident in the United Kingdom ("U.K.") for U.K. tax purposes. In these circumstances, the Company should not be subject to U.K. tax on its income and gains (other than potential U.K. withholding or other taxes on any interest or certain other income or amounts which have a U.K. source) provided that it is not treated as carrying on a trade in the U.K. through a fixed place of business or an agent situated therein which constitutes its U.K. "permanent establishment" or "U.K. Representative" and that it does not otherwise undertake trading transactions in the U.K. The Company, the Manager, and Investment Manager each intend that the respective affairs of the Company, the Manager, and the Investment Manager are conducted so that these requirements are met, insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

### United Kingdom Tax Regime - Taxation of United Kingdom Shareholders

Subject to their personal circumstances, Shareholders who are resident in the U.K for taxation purposes. will normally be liable to U.K. income tax or corporation tax in respect of dividends or other distributions of an income nature of a Fund received or treated as received, whether or not such dividends or distributions are reinvested, together with their share of income retained by a reporting fund (if applicable, as to which see below). The nature of the charge to tax and any entitlement to a tax credit in respect of such dividends or distributions will depend on a number of factors which may include the composition of the relevant assets of the Company and the extent of a Shareholder's interest in the Company.

Individuals resident in the U.K. for taxation purposes should note that a Fund making an actual or deemed distribution will be treated as making an interest distribution if the Fund fails to meet the "qualifying investments" test at any point during the relevant accounting period of the Fund. A Fund will fail to meet the qualifying investments test if the market value of the Fund's qualifying investments (broadly speaking interest bearing securities or equivalent instruments, excluding cash awaiting investment) exceeds 60% of the market value of all the assets of the Fund.

Given the nature of each Fund's investments, it is likely that each Fund will fail the qualifying investments test and that distributions paid by or deemed paid by a Fund will be taxable as interest distributions rather than dividends.

Shareholders who are individuals resident but not domiciled in the U.K. who claim the remittance basis of taxation in the U.K. will only be subject to U.K. tax on any such dividend or other distribution to the extent that such dividend or other distribution is remitted or deemed remitted to the U.K.

#### *Offshore funds and reporting status*

The Offshore Funds (Tax) Regulations 2009 (the "Offshore Funds Regulations") set out the regime for the taxation of investments in offshore funds (as defined in the United Kingdom Taxation (International and Other Provisions) Act 2010

("TIOPA 2010")) which operates by reference to whether a fund opts into a reporting regime ("reporting funds") or not ("non-reporting funds"). Shares will constitute interests in an offshore fund for the purposes of the U.K.'s offshore funds regime. If an offshore fund does not qualify as a "reporting fund" throughout a Shareholder's period of investment, any gain realised by a U.K. resident Shareholder on the sale, disposal or redemption of Shares (including a deemed disposal on death) is treated for U.K. tax purposes as an income receipt (an "offshore income gain") rather than a capital gain.

The Company has applied to the U.K. HM Revenue & Customs for recognition of certain Classes of Shares as a reporting fund. The Company, the Manager or its delegate may in the future apply to the U.K. HM Revenue & Customs for recognition of further Classes of Shares as reporting funds. In particular, reporting fund status has been obtained or will be obtained for those Shares in each GBP Share Class which has launched. Please refer to the website of the U.K. HM Revenue & Customs (at www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds) for full details of the Share Classes with reporting fund status. Such information is also available from the Manager, the Administrator or the Investment Manager.

The effect of obtaining and maintaining reporting fund status for a particular Class of Shares throughout a Shareholder's relevant period of ownership would be that any gains on disposal of such Shares would be taxed as capital gains. However, there can be no guarantee that reporting fund status will be obtained and maintained for any Class of Shares in relation to which an application is or has been made. Were such application to be unsuccessful or such status subsequently to be withdrawn, any gains arising to Shareholders resident in the U.K. on a sale, redemption or other disposal of such Shares (including a deemed disposal on death) would be taxed as offshore income gains rather than capital gains

The precise consequences of the taxation of gain realised upon a disposal of Shares as "offshore income gain" (taxed as income) rather than capital gain will depend upon a Shareholder's particular U.K. tax position, but U.K. resident Shareholders who are individuals should be aware that capital gains tax rates are generally lower than income tax rates, and also that it may be possible to utilise capital gains tax exemptions and reliefs to reduce the tax liability on capital gains, where such exemptions and reliefs could not be utilised in the case of "offshore income gain". However, individual Shareholders who are resident but not domiciled in the U.K. (and who claim the remittance basis of taxation for the tax year in which such gains are realised) will only be subject to U.K. tax on gains realised upon the disposal of their Shares – whether such gains are in principle taxable as capital gains or as "offshore income gain" - to the extent that they remit or are deemed to remit the proceeds of disposal of Shares to the U.K.. Any loss realised on a sale, redemption or other disposal of Shares will be a capital loss.

Shareholders should also be aware that where Shares have reporting fund status, the Company is required to make available to each Shareholder holding such Shares for each period of account a report of the "reportable income" of the Company for that period of account (on a "reportable income per share" basis) which is attributable to those Shares (whether or not such income has been distributed). Shareholders in reporting funds are subject to tax on the share of the reporting fund's income attributable to their holding in the fund, whether or not distributed, therefore the amount of each such Shareholder's "reportable income" for the period of account in excess of the income distributed to the Shareholder is treated as an additional or deemed distribution made to that Shareholder on which a Shareholder may (subject to their U.K. tax position) be subject to U.K. tax. As described above, it is expected that such a deemed distribution will generally be an interest distribution for U.K. tax purposes.

The attention of Shareholders within the charge to U.K. corporation tax is drawn to Chapter 3 of Part 6 of U.K. Corporation Tax Act 2009, whereby interests of such persons in offshore funds may be deemed to constitute a creditor "loan relationship" for the purposes of the loan relationships regime. The relevant provisions will apply if at any time in an accounting period of such a person, that person holds an interest in an offshore fund within the meaning of the relevant provisions of the

Offshore Funds Regulations and TIOPA 2010, and there is a time in that period when that fund fails to satisfy the "qualifying investments" test, with the effect that the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the qualifying investments test at any time when more than 60% of its assets by market value (excluding cash awaiting investment) comprise "qualifying investments". Qualifying investments include government and corporate debt securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test. Special rules apply to the taxation of such holdings for authorised unit trusts, open-ended investment companies, insurance companies and investment trusts. The Shares will constitute interests in an offshore fund and the investment policies of each Fund are such that the Fund is likely to fail the qualifying investments test. In that eventuality, the Shares will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in respect of such a person's accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a Shareholder might, depending upon its particular circumstances, incur a charge to U.K. corporation tax on an unrealised increase in the value of its Shares (or obtain relief against U.K. corporation tax for an unrealised diminution in the value of its Shares). In 2013, the U.K. Government consulted on the future of the loan relationships regime, including proposals potentially to reform this aspect of the regime.

*Anti-avoidance*

The attention of individuals resident in the U.K. for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the U.K. Income Tax Act 2007 (transfer of assets abroad), which may render them liable to income tax in respect of the undistributed income of the Company.

The attention of persons resident in the U.K. for taxation purposes (and who, if individuals, are also domiciled in the U.K. for those purposes) is drawn to the provisions of section 3 of the Taxation of Chargeable Gains Act 1992 (previously section 13 of the same Act) ("Section 3"). Section 3 applies to a "participator" in the Company for U.K. taxation purposes (which term includes a Shareholder) if, at a time when any gain accrues to the Company which constitutes a chargeable gain or an offshore income gain for those purposes, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the U.K. for taxation purposes, be a "close" company for those purposes. The provisions of Section 3 could, if applied, result in such a Shareholder being treated for the purposes of U.K. taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to the Shareholder directly, that part being equal to the aggregate proportion of the gain that is reasonably attributable to that Shareholder's interest in such gain. No liability under Section 3 could be incurred by such a Shareholder, however, where such a proportion does not exceed one quarter of the gain. In addition, Section 3 does not apply where the asset giving rise to the gain was neither disposed of nor acquired or held as part of a scheme or arrangements having a tax avoidance main purpose. In the case of Shareholders who are individuals domiciled outside the U.K., Section 3 applies subject to the remittance basis in particular circumstances.

Shareholders which are companies resident in the U.K. for taxation purposes should note the "controlled foreign companies" legislation contained in Part 9A of TIOPA 2010 (the "CFC rules"). The CFC rules could in particular be material to any company that has (either alone or together with persons connected or associated with it for U.K. taxation purposes) an interest in 25% or more of the "chargeable profits" of the Company if the Company is controlled (as "control" is defined in section 371RA of TIOPA 2010) by persons (whether companies, individuals or others) who are resident in the U.K. for taxation purposes or is controlled by two persons taken together, one of whom is resident in the U.K. for tax purposes and has at least 40% of the interests, rights and powers by which those persons control the Company, and the other of whom

has at least 40% and not more than 55% of such interests, rights and powers. The effect of the CFC rules could be to render such companies liable to U.K. corporation tax by reference to their proportionate interest in the chargeable profits of the Company. The chargeable profits of the Company do not include any capital gains.

*Transfer taxes*

Transfers of Shares will not be liable to U.K. stamp duty unless the instrument of transfer is executed within the U.K. when the transfer will be liable to U.K. ad valorem stamp duty at the rate of 0.5% of the consideration paid rounded up to the nearest £5. No U.K. stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

The foregoing description of U.K. tax consequences of an investment in and the operations of the Company, which is intended as a general guide only and does not constitute tax advice, is based on current laws and regulations which are subject to change through legislative, judicial or administrative action and what is understood to be the current practice of the U.K. HM Revenue & Customs as at the date of this Prospectus. If a Shareholder is in any doubt as to their taxation position or if a Shareholder is subject to tax in any jurisdiction in addition to or other than the U.K., they should consult an appropriate professional adviser immediately. It should be noted that the levels and bases of, and reliefs from, taxation can change.

## JAPANESE TAX REGIME

### Japan Tax Regime – Fund Level

The Funds intend to operate such that they do not create a permanent establishment in Japan for Japanese tax purposes. Accordingly, the earnings of the Funds should not be subject to Japanese corporation income tax in principle. Shareholders should note, however, that it is theoretically possible for the Funds to be subject to Japanese tax. In order for the Japanese tax authorities to successfully assert that the Funds are taxable in Japan, the Japanese authorities should demonstrate that the Funds have a "permanent establishment" in Japan. The Funds have not appointed any Japanese firm in an advisory or sub-advisory role and it is therefore considered unlikely for the permanent establishment rules to apply to the Funds.

However, the Funds may be subject to Japanese withholding tax or corporate income tax on certain Japanese sourced income including coupon interest and redemption gains realised on any investment the Funds may make in bonds issued in Japan. Currently, interest and redemption gains on Japanese government bonds, including Japanese inflation-linked government bonds, ("JGBs") and bonds issued by Japanese local governments ("Municipal Bonds"), which are traded on the book-entry system, should be exempt from Japanese tax (please see the detail below). Assuming that in Japan the Funds intend to make investments only in JGBs and Municipal Bonds which are traded on the book-entry system and the Funds do not have a permanent establishment in Japan, the following are treatments for income and gain derived from the holding or transfer of JGBs and Municipal Bonds:

*Coupon-bearing bonds*

Interest on JGBs and Municipal Bonds paid to the Funds is generally subject to Japanese withholding tax at the rate of 15.315% (15% from 1 January 2038). However, interest on JGBs and Municipal Bonds held by the Funds in a transfer account at a book entry-system participant in Japan or certain qualified financial intermediaries ("QFI") should be exempt from Japanese withholding tax provided that certain procedural requirements are met.

*T-Bills*

Redemption margins on T-Bills, which are calculated to be 0.2% of the redemption amount (the "Redemption Margins") earned by the Funds are generally subject to withholding tax at the rate of 15.315% (15% from 1 January 2038) at the time of redemption.

However, Redemption Margins on T-Bills held by the Funds in a transfer account at a book-entry system participant in Japan or a QFI, the Redemption Margins should be exempt from withholding tax provided certain procedural requirements are met.

The difference between the redemption amount and the acquisition cost of JGBs and Municipal Bonds ("Redemption Gains") is generally subject to Japanese corporate income tax and the Funds are required to file Japanese corporation tax returns. However, Redemption Gains from JGBs and Municipal Bonds held by the Funds in a transfer account at a book-entry system participant in Japan or a QFI should be exempt from such income tax.

Capital gains realised by the Funds on the sale of JGBs and Municipal Bonds should not be subject to Japanese tax.

**Japan Tax Regime – Shareholder Level**

*Japanese Residents/Japanese Corporations*

Japanese tax rules generally assess income, capital gains, gift, inheritance, death and transfer taxes on assets owned by Shareholders who are resident in Japan for Japanese tax purposes. Individual investors resident within Japan for Japanese tax purposes should be liable for individual income tax at progressive rates with respect to dividends in principal or other distribution paid by a Fund or at 20.315% (20% from 1 January 2038) with respect to capital gains realised on the sale of Shares. Japanese corporate investors should be liable for corporate income tax at the effective tax rate of approximately 30% with respect to both of any dividend or other distribution paid by a Fund and capital gains realised on the sale of Shares.

Any dividend or other distribution should be subject to 20.315% (20% from 1 January 2038) Japanese withholding tax if paid through a paying agent in Japan at the time of payment of such dividends or distribution. In this case, the withholding tax could be creditable against the individual income tax liability for individual investors or corporation income tax liability for corporate investors.

Capital losses resulting from the sale of Shares may be offset against the taxable income of corporate investors or capital gains from the sale of certain securities for individual investors.

*Non-Japanese Resident/Foreign Corporation*

In the case of non-Japanese resident Shareholders who do not have a permanent establishment or taxable presence in Japan such Shareholders should not be subject to Japanese income tax for dividend or other distribution paid by the Fund and the gains arising on the sale of the Shares.

The above discussion summarises general Japanese income tax consequences based on current law deemed relevant to the Funds, the Manager, the Investment Manager and Shareholders. This summary should not be construed as tax advice to any particular Shareholder, therefore prospective Japanese Shareholders should consult with their own professional advisors for specific tax implications of their investment into the Funds and the extent to which their income from the Funds would be subject to Japanese tax.

The foregoing taxation summaries do not address tax considerations that may be applicable to certain investors under the laws of jurisdictions other than Ireland, the United Kingdom or Japan. The Company has no present plans to apply for any certifications or registrations, or to take any other actions under the laws of any jurisdictions that would afford relief to local investors therein from the normal tax regime otherwise applicable to an investment. It is the responsibility of all persons interested in purchasing shares to inform themselves as to any income or other tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Shares.

The foregoing is a summary of some of the important tax considerations affecting investors in the Company and the operations of the Company. The foregoing, however, does not purport to be a complete analysis of all relevant tax rules and considerations, nor does it purport to be a complete listing of all potential tax risks involved in purchasing or holding shares. Prospective investors in the Company are urged to consult their own tax advisers.

## GENERAL

### Conflicts of Interest

The Directors, the Manager, the Investment Manager, the Depositary, the Administrator and the Distributors may from time to time act as directors, managers, investment manager, investment adviser, depositary, administrator, company secretary, dealer or distributor in relation to, or be otherwise involved in, other funds and accounts established by parties other than the Company which have similar investment objectives to those of the Company and any Fund. Such other funds and accounts may pay higher fees than a Fund or performance-based fees for such services. The Investment Manager and its affiliates shall not be under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the Company and other clients.

The Directors, the Manager, the Investment Manager or any of its directors, employees or other connected persons may hold Shares in any Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company and a Fund. The Manager and the Investment Manager will, at all times, have regard in such event to their obligations to the Company and the relevant Fund and will ensure that such conflicts are resolved fairly.

In addition, any of the Directors, the Manager, the Investment Manager or the Depositary, the delegates or sub-delegates of the Depositary (excluding any non-group company sub-custodians appointed by the Depositary) and any associated or group company of the Depositary or a delegate or sub-delegate of the Depositary (excluding any non-group company sub-custodians appointed by the Depositary) may provide brokerage services or otherwise deal, as principal or agent, with the Company in respect of the assets of a Fund, provided that such dealings are negotiated on an arm's length basis and are in the best interests of the Shareholders. Such dealings will be deemed to have been negotiated at arm's length if: (a) the value of the transaction is certified by either (i) a person who has been approved by the Depositary as being independent and competent; or (ii) a person who has been approved by the Company as being independent and competent in the case of transactions involving the Depositary; (b) the transaction is executed on best terms on an organised exchange in accordance with the rules of the relevant venue; or (c) the transaction is executed on terms which the Depositary or, in the case of a transaction involving the Depositary or its affiliates, the Company are satisfied are negotiated at arm's length and are in the best interests of Shareholders. The Depositary or, in the case of a transaction involving the Depositary, the Company, shall document how it complied with the requirements of paragraphs (a), (b) or (c) above. Where transactions are conducted in accordance with paragraph (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Company, shall document its rationale for being satisfied that the transaction conformed to the principles outlined here. Any benefits to any of the Manager, the Investment Manager, the Depositary, the Administrator and the Distributor or their affiliates arising from such arrangements may be retained by the relevant party, provided that any transactions carried out pursuant to the arrangements are carried out in accordance with (a), (b) or (c) above, and in the case of the Investment Manager any benefits do not contravene the FCA rules relating to the receipt of monetary and non-monetary benefits. Further, the Investment Manager evaluates the performance of its Approved Counterparties on a continuing basis as further described in the section "Monitoring Approved Counterparty Performance".

The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes. The Depositary has delegated custody services and asset verification services to The Northern Trust Company, London Branch. The Northern Trust Company has sub-delegated custody services and asset verification services to sub-custodians in certain eligible markets in which the Funds may invest.

It is therefore possible that the Depositary and/or its delegates and sub-delegates may, in the course of its or their business, be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company or a particular Fund and/or other funds managed by the Manager, the Investment Manager or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the UCITS Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

The Investment Manager endeavours to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to the Funds and its other accounts, but the Investment Management Agreement does not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to a Fund, or any restrictions on the nature or timing of investments for the account of a Fund, other funds or accounts or the Investment Manager's own account. The principals of the Investment Manager are not obligated to devote any specific amount of their business time to the affairs of the Investment Manager, and the Investment Manager is not required to accord exclusivity or priority to the Funds in the event of "limited availability" investment opportunities. The directors, officers, partners, stockholders and employees of organisations affiliated with the Investment Manager may buy and sell securities or futures (or other derivative instruments) for their own account and/or the accounts of others. Such trading may be similar to, or different from, the investment strategies pursued on behalf of a Fund.

When the Investment Manager determines that it would be appropriate for a Fund and one or more other investment accounts managed by it to participate in an investment opportunity, the Investment Manager seeks to execute orders for all of the participating investment accounts on an equitable basis. Specifically, to the extent feasible under the applicable rules and regulations, if the Investment Manager has determined to invest at the same time for more than one of the investment accounts, the Investment Manager may place combined orders for all such accounts simultaneously and if any order is not filled at the same price, the Investment Manager will average the prices paid. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, the Investment Manager may allocate the instruments traded among the different accounts on a basis which the Investment Manager considers equitable. Situations may occur where a Fund could be disadvantaged because of the investment activities conducted by the Investment Manager for other accounts. To reduce transaction costs, rebalance a Fund's portfolio or for other reasons, the Investment Manager may, to the extent permitted by law, cause a Fund to enter into cross transactions with other accounts or commingled funds for which the Investment Manager also acts as a discretionary manager. This normally occurs where inflows into one commingled fund or account coincide with outflows from another commingled fund or account for which the Investment Manager also acts as a discretionary manager. In the event that the Investment Manager causes a Fund to purchase securities from or sell securities to such other account or commingled fund, the Investment Manager will use its best efforts to mitigate potential conflicts of interest by causing such transaction ordinarily to occur at the then prevailing market price of the applicable security and by considering the interests of both the Fund and such other accounts or commingled funds.

The Investment Manager may be responsible for valuing certain securities held by a Fund. The Investment Manager is paid a fee which is a percentage of the Net Asset Value of a Fund. Consequently a conflict of interest could arise between its interest

and those of a Fund. In the event of such a conflict of interests, the Investment Manager shall have regard to its obligations to the Company and the Funds and will ensure that such a conflict is resolved fairly and in the best interests of the Shareholders.

### The Share Capital

The share capital of the Company shall at all times equal the Net Asset Value of the Company. The Company is empowered to issue up to 500 billion Shares of no par value in the Company at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the Company. As of the date of this Prospectus the Company has issued share capital in excess of EUR 300,000. The Company reserves the right to issue Subscriber Shares at any time in order to ensure the Company at all times has a minimum issued share capital to the value of EUR 300,000. Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company but do not entitle the holders to participate in the dividends or net assets of any Fund or of the Company.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends (if any) and net assets of a Fund attributable to the relevant Class in respect of which they are issued. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The proceeds from the issue of Shares shall be applied in the books of the Company to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

The Company, the Manager or its delegate reserve the right to redesignate any Class from time to time, provided that Shareholders in that Class shall first have been notified that the Shares will be redesignated and shall have been given the opportunity to have their Shares redeemed by the Company, except that this requirement shall not apply where the Shares in issue are redesignated in order to facilitate the creation of an additional Class.

Each of the Shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those Shares. No Class confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other Class or any voting rights in relation to matters relating solely to any other Class.

Any resolution to alter the Class rights of the Shares requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting duly convened in accordance with the Constitution.

The Constitution of the Company empower the Directors to issue fractional Shares in the Company. Fractional Shares may be issued and shall not carry any voting rights at general meetings of the Company or of any Fund or Class and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction. When issuing Shares, the number of Shares issued will be rounded to three decimal places and any surplus amounts will be retained for the benefit of the relevant Fund.

### The Funds and Segregation of Liability

The assets and liabilities of each Fund will be allocated in the following manner:

(a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Constitution;

(b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the

same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;

(c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and

(d) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and, neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

There shall be implied in every contract, agreement, arrangement, or transaction entered into by the Company or the Manager the following terms, that:

(i) the party or parties contracting with the Company or the Manager shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;

(ii) if any party contracting with the Company or the Manager shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the Company or the Manager to pay a sum equal to the value of the benefit thereby obtained by it; and

(iii) if any party contracting with the Company or the Manager shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

Any asset or sum recovered by the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the relevant Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Company, the Manager or its delegate, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from the Company but the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the court as it would have been if the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

### Termination

All of the Shares in the Company or all of the Shares in a Fund or Class may be redeemed by the Company, the Manager or its delegate in the following circumstances:

(i) a majority of votes cast at a general meeting of the Company or the relevant Fund or Class, as appropriate, approve the redemption of the Shares;

(ii) if so determined by the Company, the Manager or its delegate , provided that not less than 21 days' written notice has been given to the holders of the Shares of the Company or the Fund or the Class, as appropriate, that all of the Shares of the Company, the Fund or the Class, as the case may be, shall be redeemed by the Company; or

(iii) if no replacement depositary shall have been appointed during the period of 90 days commencing on the date the Depositary or any replacement thereof shall have notified the Company of its desire to retire as depositary or shall have ceased to be approved by the Central Bank.

Where a redemption of Shares would result in the number of Shareholders falling below 2 or such other minimum number stipulated by statute or where a redemption of Shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company, the Manager or its delegate may defer the redemption of the minimum number of Shares sufficient to ensure compliance with applicable law. The redemption of such Shares will be deferred until the Company is wound up or until the Company procures the issue of sufficient Shares to ensure that the redemption can be effected. The Company, the Manager or its delegate shall be entitled to select the Shares for deferred redemption in such manner as it may deem to be fair and reasonable and as may be approved by the Depositary.

On a winding up or if all of the Shares in any Fund are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Shares in proportion to the number of the Shares held in that Fund. The balance of any assets of the Company then remaining that are not attributable to any particular Fund shall be apportioned among the Funds pro rata to the Net Asset Value of each Fund immediately prior to any distribution to Shareholders and shall be distributed among the Shareholders of each Fund pro rata to the number of Shares in that Fund held by them. With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the Company may make distributions in specie to Shareholders or to any individual Shareholder who so consents. At the request of any Shareholder the Company shall arrange the sale of such assets at the expense of such Shareholder and without any liability on the part of the Company, the Manager, the Administrator or the Investment Manager if the proceeds of sale of any asset are less than the value of the assets at the time at which it was distributed in specie. The transaction costs incurred in the disposal of such investments shall be borne by the Shareholder. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of any Fund.

### Meetings

All general meetings of the Company or of a Fund shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting. The quorum for general meetings shall be two persons present in person or by proxy 21 clear days' notice shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Articles of Association provide that matters may be determined by a meeting of Shareholders on a show of hands with each Shareholder having one vote unless a poll is requested by five Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share

(including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

### Reports

The Company shall arrange to be prepared an annual report and audited annual accounts for the Company. These will be forwarded to Shareholders within 4 months of the end of the financial year and at least 21 days before the annual general meeting. In addition, the Company shall have prepared and provide to Shareholders within 2 months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for the Company.

Annual accounts shall be made up to 31 December in each year and unaudited half-yearly accounts shall be made up to 30 June in each year.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be forwarded to each Shareholder at its registered address free of charge and will be sent, on request, to Shareholders and any potential investors, and will be made available for inspection at the registered office of the Company.

To the extent that the Manager or the Investment Manager communicates with the Shareholders it will do so in English and by e-mail or telephone.

### Complaints

Information regarding the Company's complaints procedures is available to Shareholders upon request to the Manager. Shareholders may file any complaints about the Company or a Fund. Information regarding the Investment Manager's errors policy is available upon request from the Investment Manager.

### Miscellaneous

(i) The Company is not, and has not been since its incorporation, engaged in any legal or arbitration proceedings related to the Company and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.

(ii) Except as disclosed in paragraph (iii) below, there are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.

(iii) Mr. Michael Boyce, Mr. Keith Lloyd and Mr. Cian O'Brien are directors of both the Company and the Manager. Mr. Keith Lloyd and Ms. Connell are both directors of the Company and the Investment Manager. Mr. Cian O'Brien is the Head of Investment and Chief Executive Officer of the Manager. Each Director has entered into a letter of engagement in respect of his or her appointment as a director of the Company. Save as disclosed above, none of the Directors are interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company.

(iv) The Directors or any connected person may have a direct or indirect interest in the share capital of the Company or any options in respect of such capital.

(v) No Share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.

(vi) Save as disclosed in the section of this Prospectus entitled "Fees and Expenses" above, no commissions, discounts, brokerage, or other special terms have been granted by the Company in relation to Shares issued by the Company.

(vii) The Company does not have, nor has it had since its incorporation, any employees or subsidiary companies.

## Material Contracts

The following contracts, details of which are set out in the section of this Prospectus entitled "Management and Administration", have been entered into and are, or may be, material:

(a) The Management Agreement dated 8 June 2022, as amended from time to time, between the Company and the Manager pursuant to which the latter was appointed as manager in relation to the Company.

(b) The Investment Management Agreement dated 8 June 2022, as amended from time to time, between the Manager, the Company and the Investment Manager, as amended from time to time, pursuant to which the latter was appointed as investment manager in relation to the Company.

(c) The Depositary Agreement dated 1 June 2016, as amended from time to time, between the Company, and the Depositary, as amended from time to time, pursuant to which the Depositary acts as depositary in relation to the Company.

(d) The Administration Agreement dated 8 June 2022, as amended from time to time, between the Company, the Manager and the Administrator and the terms and conditions agreed between the Company and the Administrator pursuant thereto, as amended from time to time, pursuant to which the Administrator acts as administrator, registrar and transfer agent of the Company.

(e) The Distribution Agreement dated 8 June 2022 between the Manager, the Company and the Investment Manager as amended from time to time, pursuant to which the latter was appointed as distributor in relation to the Company;

(f) The Distribution Agreement dated 8 June 2022 between the Manager, the Company and Colchester Global Investors (Singapore) Pte. Ltd, as amended from time to time, pursuant to which the latter was appointed as distributor in relation to the Company;

(g) The Distribution Agreement dated 8 June 2022 between the Manager, the Company and the Investment Manager and Colchester Global Investors Middle East Limited, as amended from time to time, pursuant to which the latter was appointed as distributor in relation to the Company.

## Supply and Inspection of Documents

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the Company:

(a) the certificate of incorporation and current Constitution;

(b) the material contracts referred to above; and

(c) the UCITS Regulations and the Central Bank Regulations.

Copies of the current Constitution of the Company (each as amended from time to time in accordance with the requirements of the Central Bank) and the latest financial reports of the Company, as appropriate, may be obtained, free of charge, upon request at the registered office of the Company.

**Schedule I**

## THE REGULATED MARKETS

The following is a list of regulated stock exchanges and markets in which the assets of a Fund may be listed and/or traded from time to time and is set out in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities, the Funds will only invest in securities traded or listed on a stock exchange or market which meets the regulatory criteria (regulated, operating regularly, be recognised and open to the public) and which is listed in this Prospectus. The Central Bank does not issue a list of approved stock exchanges or markets. A Regulated Market shall comprise any stock exchange or market which is located in any Member State; or located in any of the following countries: Australia, Canada, Japan, Hong Kong, New Zealand, Norway, Switzerland, United States of America or the U.K.; or any stock exchange or market included in the following list:

Argentina-the stock exchanges in Buenos Aires, Cordoba, Mendoza, Rosario and La Plata; Bahrain-the stock exchange in Manama; Bangladesh – the stock exchange in Dhaka; Botswana – the stock exchange in Serowe; Brazil – the stock exchanges in Sao Paulo, Brasilia, Bahia-Sergipe-Alagoas, Extremo Sul Porto Alegre, Parana Curitiba, Regional Fortaleza, Santos, Pernambuco e Bahia Recife and Rio de Janeiro; Chile – the stock exchange in Santiago; China – the stock exchanges in Shanghai and Shenzhen; China's Interbank Bond Market (CIBM) via China Bond Connect; Colombia – the stock exchange in Bogota; Croatia – The Zagreb Stock Exchange; Dominican Republic – the stock exchange in Santo Domingo; Egypt – the stock exchanges in Cairo and Alexandria; Ghana – the stock exchange in Accra; Hong Kong – the stock exchange in Hong Kong; Iceland – the stock exchange in Reykjavik; India – the stock exchanges in Bombay, Madras, Delhi, Ahmedabab, Bangalore, Cochin, Gauhati, Magadh, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta; Indonesia – the stock exchanges in Jakarta and Surabaya; Israel – the stock exchange in Tel Aviv; Jordan – the stock exchange in Amman; Kazakhstan – Kazakhstan stock exchange; Kenya – the stock exchange in Nairobi; Korea – the stock exchange in Seoul; Lebanon - the Beirut stock exchange; Mauritius – the stock exchange in Mauritius; Malaysia – the stock exchange in Kuala Lumpur; Mexico – the stock exchange in Mexico City; Morocco – the stock exchange in Casablanca; Nigeria – the stock exchange in Lagos; Pakistan – the stock exchange in Karachi; Peru – the stock exchange in Lima; Philippines – the Philippine Stock Exchange; Puerto Rico – the stock exchange in San Juan; Romania – Bucharest Stock Exchange; Saudi Arabia – the stock exchange in Riyadh; Singapore – the stock exchange in Singapore, the Catalist; Serbia – the Serbian stock exchange; South Africa – the stock exchange in Johannesburg; Sri Lanka – the stock exchange in Colombo; Taiwan – the stock exchange in Taipei; Thailand – the stock exchange in Bangkok; Tunisia – the stock exchange in Tunis; Turkey – the stock exchange in Istanbul; Ukraine – the Ukraine stock exchange in Kiev; United Arab Emirates – Dubai Financial Market; Uruguay – the stock exchange in Montevideo; Venezuela – the stock exchanges in Caracas and Maracaibo; Viet Nam – the Stock Trading Center of Viet Nam in Ho Chi Minh City; Zambia – the Zambian stock exchange; Zimbabwe – the stock exchange in Harare; or any of the following: equity securities listed in Russian Trading System 1 (RTS1) and Russian Trading System 2 (RTS2) and Moscow Interbank Currency Exchange (MICEX); the market organised by the International Capital Markets Association; the "listed money market institutions", as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Currency and Bullion" dated April, 1988 (as amended from time to time); the market comprising dealers which are regulated by the Federal Reserve Bank of New York; the over the counter market conducted by primary and secondary dealers comprising dealers which are regulated by the United States Financial Industry Regulatory Authority and the United States Securities and Exchange Commission; NASDAQ; MarketAxess Europe Limited; and the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan.

The following is a list of regulated futures and options exchanges and markets in which the assets of a Fund may be invested from time to time and is set out in accordance with the Central Bank's requirements. The Central Bank does not issue a list of approved futures and options exchanges or markets.

(i) all futures and options exchanges:

- in a Member State;
- in the U.K.;
- in a Member State of the European Economic Area (EEA) (excluding Iceland and Liechtenstein i.e. Norway).

(ii) any derivatives and options exchanges included in the following list:

- Australian Stock Exchange;
- American Stock Exchange;
- Bolsa Mexicana de Valores;
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange; the Commodity Exchange Inc;
- China Foreign Exchange Trade Systems;
- Coffee, Sugar and Cocoa Exchange;
- Copenhagen Stock Exchange (including FUTOP);
- Eurex Deutschland;
- Euronext Amsterdam;
- Euronext.liffe;
- Euronext Paris;
- European Options Exchange;
- Financial Futures and Options Exchange;
- Financiele Termijnmarkt Amsterdam;
- Finnish Options Market;
- Hong Kong Futures Exchange;
- ICE Exchange;
- International Monetary Market;
- International Capital Market Association;
- Irish Futures and Option Exchange (IFOX);
- New Zealand Futures and Options Exchange;
- Kansas City Board of Trade;
- Korean Futures Exchange;
- Korean Stock Exchange;
- Marche des options Negocioables de Paris (MONEP);
- Marche a Terme International de France;
- MEFF Renta Fiji;
- MEFF Renta Variable;
- Midwest Stock Exchange;
- Montreal Exchange;

- National Association of Securities Dealers Automated Quotations System (NASDAQ);
- New York Futures Exchange;
- New York Mercantile Exchange;
- New York Stock Exchange;
- Osaka Securities Exchange;
- OMX Exchange Helsinki;
- OMX The London Securities and Derivatives Exchange Ltd.;
- OM Stockholm AB;
- Pacific Stock Exchange;
- Philadelphia Board of Trade;
- Philadelphia Stock Exchange;
- Singapore International Monetary Exchange;
- Singapore Stock Exchange;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;
- Singapore International Monetary Exchange;
- South Africa Futures Exchange (SAFEX);
- Sydney Futures Exchange;
- Tokyo Stock Exchange;
- Toronto Futures Exchange; and
- TSX Group Exchange.

**Schedule II**

# INVESTMENT RESTRICTIONS APPLICABLE TO THE FUNDS

## 1 Permitted Investments

Investments of a UCITS are confined to:

1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is a Regulated Market, operates regularly, is recognised and open to the public in a Member State or non-Member State.

1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.

1.3 Money market instruments other than those dealt on a Regulated Market.

1.4 Units of UCITS.

1.5 Units of AIFs.

1.6 Deposits with credit institutions.

1.7 Financial derivative instruments.

## 2 Investment Restrictions

2.1 A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.

2.2 Recently Issued Transferable Securities

1. Subject to paragraph 2 below, a responsible person shall not invest any more than 10% of its assets in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.

2. Paragraph 1 above does not apply to an investment by a responsible person in U.S. securities known as "Rule 144A securities" provided that:

(a) - the relevant securities have been issued with an undertaking to register the securities with the SEC within one year of issue; and

- the securities are not illiquid securities i.e., they may be realised by the UCITS within seven days at the price, or approximately at the price, which they are valued by the UCITS.

2.3 A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body, provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

2.4 The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS. The UCITS will not avail of this without the prior approval of the Central Bank.

2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

2.6 The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.7 Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the NAV of the UCITS.

2.8 The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution in a third country deemed equivalent pursuant to Article 107(4) of the Capital Requirements Regulation.

2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- investments in transferable securities or money market instruments;
- deposits, and/or
- counterparty risk exposures arising from OTC derivatives transactions.

2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

2.12 A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list:

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

The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

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

3.1 A UCITS may not invest more than 20% of net assets in any one CIS.

3.2 Investment in AIFs may not, in aggregate, exceed 30% of net assets.

3.3 The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.

3.4 When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.

3.5 Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment adviser receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.

## 4 Index Tracking UCITS

4.1 A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank Regulations and is recognised by the Central Bank.

4.2 The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

## 5 General Provisions

5.1 An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

5.2 A UCITS may acquire no more than:

(i) 10% of the non-voting shares of any single issuing body;

(ii) 10% of the debt securities of any single issuing body;

(iii) 25% of the units of any single CIS;

(iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

5.3 5.1 and 5.2 shall not be applicable to:

(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;

(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;

(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.12, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.

(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

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

5.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6 If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.

5.7 Neither an investment company, ICAV, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:

- transferable securities;
- money market instruments;
- units of investment funds; or
- financial derivative instruments.

5.8 A UCITS may hold ancillary liquid assets.

## 6 Financial Derivative Instruments ('FDIs')

6.1 For a Fund using the commitment approach to calculate its global exposure, UCITS global exposure relating to FDI must not exceed its total net asset value.

6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Regulations.)

6.3 UCITS may invest in FDIs dealt in over-the-counter (OTC), provided that

- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

* Any short selling of money market instruments by UCITS is prohibited

**Schedule III**

# INVESTMENT TECHNIQUES AND INSTRUMENTS

Investment Techniques and Instruments

Permitted Financial Derivative Instruments ("FDI")

1. A Fund may invest in FDI provided that:

1.1 the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations, including financial instruments having one or several characteristics of those assets; financial indices; interest rates; foreign exchange rates or currencies;

1.2 the FDI do not expose the Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which the Fund cannot have a direct exposure);

1.3 the FDI do not cause the Fund to diverge from its investment objectives; and

1.4 the reference in 1.1 above to financial indices shall be understood as a reference to indices which fulfil the following criteria and the provisions of the Central Bank Regulations:

(a) they are sufficiently diversified, in that the following criteria are fulfilled:

(i) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

(ii) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;

(iii) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;

(b) they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:

(i) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;

(ii) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;

(iii) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;

(c) they are published in an appropriate manner, in that the following criteria are fulfilled:

(i) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;

(ii) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in (a), (b) or (c) above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices; and

1.5 where a Fund enters into a total return swap or invests in other financial derivative instruments with similar characteristics, the assets held by the Fund must comply with Regulations 70, 71, 72, 73 and 74 of the UCITS Regulations.

2. Credit derivatives

Credit derivatives are permitted where:

2.1 they allow the transfer of the credit risk of an asset as referred to in paragraph 1.1 above, independently from the other risks associated with that asset;

2.2 they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in Regulations 68(1) and (2) of the UCITS Regulations;

2.3 they comply with the criteria for OTC derivatives set out in paragraph 4 below; and

2.4 their risks are adequately captured by the risk management process of the Fund, and by its internal control mechanisms in the case of risks of asymmetry of information between the Fund and the counterparty to the credit derivative resulting from potential access of the counterparty to non-public information on firms the assets of which are used as underlyings by credit derivatives. The Fund must undertake the risk assessment with the highest care when the counterparty to the FDI is a related party of the Fund or the credit risk issuer.

3. FDI must be dealt in on a market which is regulated, operates regularly, is recognised and is open to the public in a Member State or non-Member State. Restrictions in respect of individual stock exchanges and markets may be imposed by the Central Bank on a case by case basis.

4. Notwithstanding paragraph 3, a Fund may invest in FDI dealt in over-the-counter ("OTC derivatives") provided that:

4.1 the counterparty is: (a) a credit institution listed in Regulation 7(a) to (c) of the Central Bank Regulations; (b) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive; (c) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by the Federal Reserve; and (d) such other categories of counterparties as are permitted by the Central Bank;

4.2 where a counterparty within sub-paragraphs (b) or (c) of paragraph 4.1: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the responsible person in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) of this paragraph 4.2 this shall result in a new credit assessment being conducted of the counterparty by the responsible person without delay;

(a) in the case of subsequent novation of the OTC derivative contract, the counterparty is one of the entities set out in paragraph 4.1; or

(b) a CCP authorised or recognised by ESMA under EMIR or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the U.S. Securities and Exchange Commission (both CCP);

4.3 risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations. In this regard the Fund shall calculate the counterparty exposure using the positive mark-to-market value of the OTC derivative contract with that counterparty. The Fund may net its FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC derivative instruments with the same counterparty and not in relation to any other exposures the Fund may have with the same counterparty. The Fund may take account of collateral received by the Fund in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations; and

4.4 the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

5. Risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide the Fund with collateral. The Fund may disregard the counterparty risk on condition that the value of the collateral, valued at market

price and taking into account appropriate discounts, exceeds the value of the amount exposed to risk at any given time.

6. Collateral received must at all times meet with the requirements set out in paragraphs 26 to 33 below.

7. Collateral passed to an OTC derivative counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.

Calculation of issuer concentration risk and counterparty exposure risk

8. A Fund using the commitment approach must ensure that its global exposure does not exceed its total Net Asset Value. The Fund may not therefore be leveraged in excess of 100% of its Net Asset Value. A Fund using the VaR approach must employ back testing and stress testing and comply with other regulatory requirements regarding the use of VaR. The VaR method is detailed in the relevant Fund's risk management procedures for FDI, which are described below under "Risk Management Process and Reporting".

   Each Fund must calculate issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.

9. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.

10. A Fund must calculate exposure arising from initial margin posted to, and variation margin receivable from, a broker relating to exchange-traded or OTC derivative, which is not protected by client money rules or other similar arrangements to protect the Fund against the insolvency of the broker, within the OTC derivative counterparty limit referred to in Regulation 70(1)(c) of the UCITS Regulations.

11. The calculation of issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations must take account of any net exposure to a counterparty generated through a securities lending or repurchase agreement. Net exposure refers to the amount receivable by a Fund less any collateral provided by the Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations.

12. When calculating exposures for the purposes of Regulation 70 of the UCITS Regulations, a Fund must establish whether its exposure is to an OTC counterparty, a broker or a clearing house.

13. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities, money market instruments or collective investment schemes, when combined, where relevant, with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations. When calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. Issuer concentration must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by all Funds, regardless of whether they use VaR for global exposure purposes.

    This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the UCITS Regulations.

14. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:

(a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone derivative;

(b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

(c) it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.

15. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

Cover requirements

16. A Fund must, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving FDI.

17. Monitoring of FDI transactions to ensure they are adequately covered must form part of the risk management process of the Fund.

18. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:

(i) in the case of FDI which automatically, or at the discretion of the Fund, are cash settled, a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure; and

(ii) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:

(a) the underlying assets consists of highly liquid fixed income securities; and/or

(b) the Fund considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process, which is described below, and details are provided in this Prospectus.

Risk management process and reporting

19. A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity. The initial filing is required to include information in relation to:

(a) permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;

(b) details of the underlying risks;

(c) relevant quantitative limits and how these will be monitored and enforced; and

(d) methods for estimating risks.

Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.

20. The Company must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information which reflects a true and fair view of the types of FDI used by the Funds, the underlying risks, the quantitative units and the methods used to estimate those risks, must be submitted with the annual report of the Company. The Company must, at the request of the Central Bank, provide this report at any time.

Techniques and instruments, including repurchase agreements, reverse repurchase agreements and securities lending, for the purposes of efficient portfolio management

21. A Fund may employ techniques and instruments relating to transferable securities and money market instruments subject to the UCITS Regulations and to conditions imposed by the Central Bank. The use of these techniques and instruments should be in line with the best interests of the Fund.

22. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

22.1 they are economically appropriate in that they are realised in a cost-effective way;

22.2 they are entered into for one or more of the following specific aims:

(a) reduction of risk;

(b) reduction of cost;

(c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulation 71 of the UCITS Regulations;

22.3 their risks are adequately captured by the risk management process of the Fund, and

22.4 they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

23. FDI used for efficient portfolio management, in accordance with paragraph 21, must also comply with the provisions of the Central Bank Regulations.

Repurchase agreements, reverse repurchase agreements and securities lending

24. Repurchase/reverse repurchase agreements and securities lending ("efficient portfolio management techniques") may only be effected in accordance with normal market practice.

25. All assets received by a Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set down in paragraph 26 below.

26. Collateral must at all times meet with the following criteria:

(a) liquidity: collateral received, other than cash, should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations;

(b) valuation: collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;

(c) issuer credit quality: collateral received should be of high quality. The Fund shall ensure that: (i) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the responsible person in the credit assessment process; and (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (i) above this shall result in a new credit assessment being conducted of the issuer by the Fund without delay;

(d) correlation: collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Fund to expect that it would not display a high correlation with the performance of the counterparty;

(e) diversification (asset concentration): (i) subject to (ii) below, collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When a 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; and (ii) it is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value. If the Fund intends to be fully collateralised in securities issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong, the Company shall disclose this fact in the Prospectus. The Member States, local authorities, third countries, or public international bodies or issuing or guaranteeing securities which the Fund is able to accept as collateral for more than 20% of its Net Asset Value shall be drawn from the following list:

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

(f) immediately available: collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

27. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process of the Fund.

28. Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

29. Non-cash collateral cannot be sold, pledged or reinvested.

30. Cash collateral may not be invested other than in the following:

(a) deposits with a credit institution referred to in Regulation 7 of the Central Bank Regulations (which are set out in paragraph 4.1 above);

(b) high-quality government bonds;

(c) reverse repurchase agreements provided the transactions are with is a credit institution referred to in Regulation 7 of the Central Bank Regulations (which are set out in paragraph 4.1 above) and the Fund is able to recall at any time the full amount of cash on an accrued basis; or

(d) short-term money market funds as defined in the Article 2(14) of the Money Markets Funds Regulation.

31. Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.

32. A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

(a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;

(b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;

(c) reporting frequency and limit/loss tolerance threshold/s; and

(d) mitigation actions to reduce loss including haircut policy and gap risk protection.

33. A Fund should have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with paragraph 32. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

34. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by a Fund: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the responsible person in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Fund without delay.

35. A Fund should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

36. A Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the Fund.

37. A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

38. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations respectively.

39. A Fund should disclose in the prospectus the policy regarding direct and indirect operational costs/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the Fund. The Fund should disclose the identity of the entity(ies) to which the direct and indirect costs and fees are paid and indicate if these are related parties to the Company, the Manager or the Depositary.

40. All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, should be returned to the Fund.

**Schedule IV**

## CALCULATION STANDARDS APPLICABLE TO FUNDS WHICH USE ABSOLUTE VAR

For the purposes of compliance with the UCITS Requirements, the market risk of The Colchester Alpha Fund is measured using the value-at-risk ("VaR") methodology.

"Absolute VaR" is the VaR of a Fund capped as a percentage of the Fund's Net Asset Value. In accordance with the requirements of the Central Bank, the Fund is subject to an absolute VaR limit of 20% of the Fund's Net Asset Value as set out in more detail below.

In summary, the following calculation standards currently apply to the VaR model employed in respect of a Fund which uses absolute VaR. However, these calculation standards are dealt with in more detail in the risk management process of the Fund and may change from time to time at the discretion of the Investment Manager and in accordance with the requirements of the Central Bank:-

(i) one-tailed confidence interval of 99%;

(ii) holding period equivalent to one month (20 Business Days);

(iii) effective observation period (history) of risk factors is at least one year (250 Business Days) unless a shorter observation period is justified by a significant increase in price volatility (for instance, extreme market conditions);

(iv) quarterly data set updates, or more frequent when market prices are subject to material changes; and

(v) at least daily calculation.

**Schedule V**

## LIST OF SUB-CUSTODIAL AGENTS APPOINTED BY THE NORTHERN TRUST COMPANY

The Depositary's global sub custodian has appointed the following entities as sub-delegates in each of the markets set forth below. This list may be updated from time to time and is available upon request in writing from the Administrator or the Depositary. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to The Northern Trust Company or any of the sub-delegates listed below. The Depositary will notify the Board of Directors of the Company of any such conflict should it so arise.

| Jurisdiction | Sub Custodian | Sub Custodian Delegates |
|---|---|---|
| Argentina | Citibank N.A., Buenos Aires Branch | |
| Australia | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Australia Limited |
| Austria | UniCredit Bank Austria AG | |
| Bahrain | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| Bangladesh | Standard Chartered Bank | |
| Belgium | The Northern Trust Company | |
| Bosnia and Herzegovina (Republic of Srpska) | Raiffeisen Bank International AG | Raiffeisen Bank Bosnia DD BiH |
| Botswana | Standard Chartered Bank Botswana Limited | |
| Brazil | Citibank N.A., Brazilian Branch | Citibank Distribuidora de Titulos e Valores Mobiliaros S.A ("DTVM") |
| Bulgaria | Citibank Europe plc, Bulgaria Branch | |
| CD's - USD | Deutsche Bank AG, London Branch | |
| CD's - USD | The Northern Trust Company, Canada | |
| Canada | Royal Bank of Canada | |
| Chile | Citibank N.A. | Banco de Chile |
| China A Share | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited |
| China A Share | Bank of Communications Co., Ltd | |
| China A Share | China Construction Bank Corporation | |
| China A Share | Deutsche Bank (China) Co., Ltd., Shanghai Branch | |
| China A Share | Industrial and Commercial Bank of China Limited | |
| China A Share | Standard Chartered Bank (China) Limited | |
| China B Share | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited |
| China B Share | Citibank N.A., Hong Kong Branch | |
| Clearstream | Clearstream Banking S.A., | |

| | | |
|---|---|---|
| Colombia | Cititrust Columbia S.A. Sociedad Fiduciaria | |
| Costa Rica | Banco Nacional de Costa Rica | |
| Croatia | UniCredit Bank Austria AG | Zagrebacka Banka d.d. |
| Cyprus | Citibank Europe PLC | |
| Czech Republic | UniCredit Bank Czech Republic and Slovenia, a.s. | |
| Denmark | Skandinaviska Enskilda Banken AB (publ) | |
| Egypt | Citibank N.A., Cairo Branch | |
| Egypt | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Egypt SAE |
| Estonia | Swedbank AS | |
| Finland | Skandinaviska Enskilda Banken AB (publ) | |
| France | The Northern Trust Company | |
| Germany | The Northern Trust Company | |
| Ghana | Standard Chartered Bank Ghana Limited | |
| Greece | Citibank Europe PLC | |
| Hong Kong | The Hongkong and Shanghai Banking Corporation Limited | |
| Hong Kong (Stock and Bond Connect) | The Hongkong and Shanghai Banking Corporation Limited | |
| Hungary | Citibank Europe plc | |
| Iceland | Landsbankinn hf | |
| India | Citibank N.A. | |
| India | The Hongkong and Shanghai Banking Corporation Limited | |
| Indonesia | Standard Chartered Bank | |
| Ireland | The Northern Trust Company, London | |
| Israel | Citibank, N.A., Israel Branch | |
| Italy | Citibank Europe plc | |
| Japan | The Hongkong and Shanghai Banking Corporation Limited | |
| Jordan | Standard Chartered Bank | |
| Kazakhstan | Citibank Kazakhstan JSC | |
| Kenya | Standard Chartered Bank Kenya Limited | |
| Kuwait | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| Latvia | Swedbank AS | |
| Lithuania | AB SEB bankas | |
| Luxembourg | Euroclear Bank S.A./N.V. | |
| Malaysia | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Malaysia Berhad |

| | | |
|---|---|---|
| Mauritius | The Hongkong and Shanghai Banking Corporation Limited | |
| Mexico | Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex | |
| Morocco | Société Générale Marocaine de Banques | |
| Namibia | Standard Bank Namibia Ltd | |
| Netherlands | The Northern Trust Company | |
| New Zealand | The Hongkong and Shanghai Banking Corporation Limited | |
| Nigeria | Stanbic IBTC Bank Plc | |
| Norway | Skandinaviska Enskilda Banken AB (publ) | |
| Oman | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Oman S.A.O.G |
| Pakistan | Citibank N.A., Karachi Branch | |
| Panama | Citibank N.A., Panama Branch | |
| Peru | Citibank del Peru S.A. | |
| Philippines | The Hongkong and Shanghai Banking Corporation Limited | |
| Poland | Bank Handlowy w Warszawie S.A | |
| Portugal | BNP Paribas SA | |
| Qatar | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| Romania | Citibank Europe PLC | |
| Russia | AO Citibank | |
| Saudi Arabia | The Northern Trust Company of Saudi Arabia | |
| Saudi Arabia | The Hongkong and Shanghai Banking Corporation Limited | HSBC Saudi Arabia |
| Senegal | Standard Chartered Bank (Mauritius) Limited | Standard Chartered Bank Cote d'Ivoire SA |
| Serbia | UniCredit Bank Austria A.G. | UniCredit Bank Serbia JSC |
| Singapore | The Hongkong and Shanghai Banking Corporation Limited | |
| Slovakia | Citibank Europe PLC | |
| Slovenia | UniCredit Banka Slovenija d.d. | |
| South Africa | The Standard Bank of South Africa Limited | |
| South Korea | The Hongkong and Shanghai Banking Corporation Limited | |
| Spain | Citibank Europe plc | |
| Sri Lanka | Standard Chartered Bank | |
| Sweden | Skandinaviska Enskilda Banken AB (publ) | |
| Switzerland | Credit Suisse (Switzerland) Ltd | |

| | | |
|---|---|---|
| Taiwan | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (Taiwan) Limited |
| Taiwan | Citibank Taiwan Limited | |
| Taiwan | JPMorgan Chase Bank N.A. | |
| Tanzania | Standard Chartered Bank (Mauritius) Limited | Standard Chartered Bank Tanzania Limited |
| Thailand | Citibank N.A., Bangkok Branch | |
| Tunisia | Union Internationale de Banques | |
| Turkey | Citibank A.S. | |
| United Arab Emirates (ADX) | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited (DIFC) Branch |
| United Arab Emirates (DFM) | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited (DIFC) Branch |
| United Arab Emirates (NASDAQ) | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited (DIFC) Branch |
| United Arab Emirates | First Abu Dhabi Bank PJSC | |
| Uganda | Standard Chartered Bank Uganda Limited | |
| Ukraine (Market suspended) | JSC "Citibank" | |
| United Kingdom | Euroclear UK & International Limited (Northern Trust self-custody) | |
| United States | The Northern Trust Company | |
| Uruguay | Banco Itau Uruguay S.A. | |
| Vietnam | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (Vietnam) Ltd |
| Vietnam | Citibank N.A., - Hanoi Branch | |
| West Africa (UEMOA) | Standard Chartered Bank (Mauritius) Limited | Standard Chartered Bank Cote d'Ivoire SA |
| Zambia | Standard Chartered Bank Zambia PLC | |
| Zimbabwe | Standard Chartered Bank (Mauritius) Limited | Standard Chartered Bank Zimbabwe Limited |

**ANNEX**

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Product name:**
The Colchester Global Bond Fund

**Legal entity identifier:** 5493000TIC49VK5V1493

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

**1. What environmental and/or social characteristics are promoted by this financial product?**

The Fund promotes a broad range of environmental and social characteristics including raising awareness amongst, and recognising improvements by, national governments and other policymakers in adapting and responding to the decarbonisation of the global economy, and mitigating vulnerabilities to climate change, addressing issues such as social cohesion and prudent economic governance, and building human capital via standards of education and labour market inclusivity.

Such characteristics are promoted through the following strands of the Fund's investment approach, each of which are described more fully further on in this document:

- Integrating environmental, social and governance ("ESG") factors into the investment decision making process through the Investment Manager's Sovereign ESG Scoring Framework;
- Excluding sovereign issuers that do not comply with international norms and standards, such as countries subject to a United Nations ('UN') Security Council arms embargo; and
- Engagement with national governments and other sovereign issuers to inform, promote and potentially drive best practice in delivering social and environmental outcomes.

**a) *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Sovereign ESG Scoring Framework – the Investment Manager employs a systematic and structured framework to rank each country within its investment universe as regards exposure to ESG risks. The Investment Manager applies this ESG Scoring Framework to all investments in the Fund. The Investment Manager employs a value-based investment approach and integrates ESG factors into its valuation framework for sovereign debt. Whilst the Investment Manager will not make investment decisions based purely on ESG matters, the valuation of all countries within the investment universe will incorporate ESG factors, and these valuations inform the investment decisions of the Investment Manager. The ESG Scoring Framework is more fully set out below, and further in the Investment Manager's ESG Policy, which is available at www.colchesterglobal.com.

- Exclusion – the Investment Manager maintains an exclusion list of countries that do not comply with international norms and standards, and is currently comprised of countries subject to a UN arms embargo. The Fund will not invest in debt issued by governments or government agencies of the countries on the exclusion list. Sovereign issuers on the exclusion list are fully excluded from the investment universe of the Fund.

- Engagement - the Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**b) *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

**c) *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*
Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**2. Does this financial product consider principal adverse impacts on sustainability factors?**

| | |
|---|---|
| X | Yes, through its investment process and ESG Scoring Framework, the Investment Manager takes into consideration principal adverse impacts on sustainability factors. The Investment Manager considers each of the indicators applicable to investments in sovereigns and supranationals listed in Annex 1 Table 1 of the Level II SFDR Regulatory Technical Standards ("SFDR RTS"). The Investment Manager considers the following indicators applicable to investments in sovereigns and supranationals in Annex 1 Table 3 of the SFDR RTS: income inequality, freedom of expression, corruption, political stability, and the rule of law. Each of these indicators are fed into the ESG Scoring Framework. In addition, the Investment Manager fully excludes from the investment universe sovereign issuers that are on the exclusion list, which is currently comprised of countries subject to a UN arms embargo.<br><br>Due to the investment strategy employed by the Fund, only the indicators applicable to investment in sovereigns and supranationals are relevant to the Investment Manager's consideration of principal adverse impacts.<br><br>The Fund's annual report shall disclose how principal adverse impacts on sustainability factors have been considered during the relevant reporting period. |
| | No. |

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**3. What investment strategy does this financial product follow?**

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

The Investment Manager's investment strategy seeks to invest primarily in sovereign bond markets that offer attractive real yields adjusted for financial stability and sustainability risks. The Investment Manager integrates ESG factors into the investment decision making process on a continuous basis as more fully described below.

***a) What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the Fund's investment strategy in respect of the promotion of environmental or social characteristics are: (1) the systematic and holistic integration of ESG factors into the Investment Manager's investment process through its ESG Scoring Framework, (2) fully excluding sovereign issuers in countries which are on the Fund's exclusion list, and (3) sovereign engagement.

ESG Integration: The Investment Manager employs a value-based investment approach and integrates ESG risks into its valuation framework for sovereign debt. Countries are assigned a proprietary Financial Stability Score (FSS) which combines an assessment of balance sheet and economic strength, with an assessment of ESG risks, and potential opportunities. Each bond and currency market within the Fund's investment universe, is assigned a FSS and this translates into a premium or discount being applied to the market's valuation. Whilst there are strong interlinkages between ESG factors and traditional balance sheet or "credit" metrics, the Investment Manager has developed a sovereign ESG Scoring Framework to measure and compare countries exposure specifically to ESG risks, in a systematic and consistent fashion. A series of publicly available metrics are used to assess ESG risks under a variety of categories. For example, environmental metrics consider a country's vulnerability to climate through two lenses, namely physical risk and transition risk. Physical risk relates to a country's sensitivity to the implications of climate change such as extreme weather events, whilst transition risk is concerned with the implications of adjusting to a low-carbon economy. The percentage of electricity generated from renewable sources is one metric the Investment Manager considers to assess transition risk. Social characteristics of a country are assessed via Human Capital i.e. the knowledge, skills and experience of the population, and Social Cohesion i.e. the levels of trust, accountability and equality prevailing in society. Governance standards such as the rule of law, property rights and financial freedom are also measured.

These metrics are distilled into a score for each country, which feeds into the Financial Stability Score and hence the valuation of each bond and currency market. A country with stronger ESG metrics and a more robust balance sheet than its peers will therefore be a more attractive investment *ceteris paribus*.

As a sovereign debt investor, the Investment Manager recognises the inherent dilemma in considering whether or not to exclude countries from its investment universe based on an assessment of sustainability metrics. In many instances such metrics are positively correlated to income per capita, and hence such exclusions run the risk of cutting off access to international capital for lower income countries. Such countries are often highly dependent on foreign capital to develop infrastructure, build human capital and underpin social stability. Hence, the Investment Manager will give careful consideration of the implications on a particular sovereign issuer when assessing whether to include it in the Fund's investment universe. It should be noted that, while ESG integration is a binding element of the investment process for the Fund, the Investment Manager's investment decisions are not based solely on ESG matters.

Engagement: The Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. Findings during the engagement work feed holistically into the FSS referred to above. The Investment Manager believes that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better financial and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Exclusion: The Investment Manager maintains an exclusion list of countries in which the Fund will not invest. The country exclusion list is currently comprised of any countries subject to an arms embargo by the UN Security Council. In determining the exclusion list, the Investment Manager also undertakes ongoing ESG analysis, and has regard to financial sanctions imposed by the UN, the EU, the US, and the UK. The Fund will not invest in debt issued by the government of the countries on the exclusion list, nor in debt issued by government-related entities based in the relevant country. The exclusion list is available to clients on request and is reviewed at least quarterly by the Investment Manager. In the event that the Fund holds exposure to debt issued by the government or government agency of a country which is subsequently added to the exclusion list, the Investment Manager will look to dispose of such debt, if possible, in an orderly fashion, within a period of 180 days.

***b) What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

None.

**Asset allocation** describes the share of investments in specific assets.

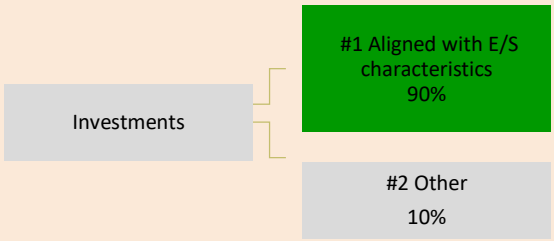
***c) What is the policy to assess good governance practices of the investee companies?***

Not applicable – the Fund only invests in sovereign debt.

**4. What is the asset allocation planned for this financial product?**

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The Fund will typically be fully or substantially invested in sovereign debt. It is expected that no less than 90% of the assets in the Fund will be aligned with environmental and/or social characteristics promoted by the Fund. A minor portion of the Fund may be invested in ancillary assets that are not aligned with the with environmental and/or social characteristics promoted by the Fund – see question 8 for more information.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***a) How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy. It is acknowledged in the SFDR RTS that there is currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable activities.

**a) Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

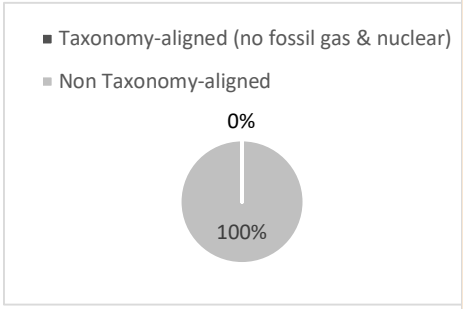
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

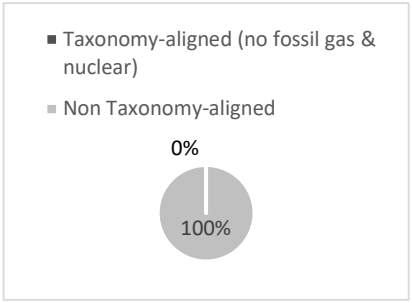
☒ No

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***b) What* is the *minimum share of investments in transitional and enabling activities?***

As above, the Fund's investments are not aligned with the EU Taxonomy, and it is acknowledged within the SFDR RTS that there is currently no appropriate methodology to calculate the alignment for sovereign exposures with the Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**7. What is the minimum share of socially sustainable investments?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**8. What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund's ESG Scoring Framework and exclusion screening process outlined above applies to no less than 90% of the investments in the Fund. A portion of the Fund (typically less than 5%) may be held in cash for liquidity purposes and to manage collateral in relation to currency forward contracts.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**9. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The Fund does not use a reference benchmark to determine alignment with the environmental and/or social characteristics promoted by the Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not Applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*** Not Applicable.

- ***How does the designated index differ from a relevant broad market index?*** Not Applicable.

- ***Where can the methodology used for the calculation of the designated index be found?*** Not Applicable.

**10. Where can I find more product specific information online?**

More product-specific information can be found on the website: www.colchesterglobal.com

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**
The Colchester Global Bond Enhanced Currency Fund

**Legal entity identifier:**
549300T2Y40JX5OCQV85

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| | |
|---|---|
| ●● ☐ **Yes** | ●○ ☒ **No** |
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | X It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## 1. What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes a broad range of environmental and social characteristics including raising awareness amongst, and recognising improvements by, national governments and other policymakers in adapting and responding to the decarbonisation of the global economy, and mitigating vulnerabilities to climate change, addressing issues such as social cohesion and prudent economic governance, and building human capital via standards of education and labour market inclusivity.

Such characteristics are promoted through the following strands of the Fund's investment approach, each of which are described more fully further on in this document:

- Integrating environmental, social and governance ("ESG") factors into the investment decision making process through the Investment Manager's Sovereign ESG Scoring Framework;
- Excluding sovereign issuers that do not comply with international norms and standards, such as countries subject to a United Nations ('UN') Security Council arms embargo; and
- Engagement with national governments and other sovereign issuers to inform, promote and potentially drive best practice in delivering social and environmental outcomes.

**a) *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Sovereign ESG Scoring Framework – the Investment Manager employs a systematic and structured framework to rank each country within its investment universe as regards exposure to ESG risks. The Investment Manager applies this ESG Scoring Framework to all investments in the Fund. The Investment Manager employs a value-based investment approach and integrates ESG factors into its valuation framework for sovereign debt. Whilst the Investment Manager will not make investment decisions based purely on ESG matters, the valuation of all countries within the investment universe will incorporate ESG factors, and these valuations inform the investment decisions of the Investment Manager. The ESG Scoring Framework is more fully set out below, and further in the Investment Manager's ESG Policy, which is available at www.colchesterglobal.com.

- Exclusion – the Investment Manager maintains an exclusion list of countries that do not comply with international norms and standards, and is currently comprised of countries subject to a UN arms embargo. The Fund will not invest in debt issued by governments or government agencies of the countries on the exclusion list. Sovereign issuers on the exclusion list are fully excluded from the investment universe of the Fund.

- Engagement - the Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**b) *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

**c) *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*
Not applicable.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**2. Does this financial product consider principal adverse impacts on sustainability factors?**

**X** Yes, through its investment process and ESG Scoring Framework, the Investment Manager takes into consideration principal adverse impacts on sustainability factors. The Investment Manager considers each of the indicators applicable to investments in sovereigns and supranationals listed in Annex 1 Table 1 of the Level II SFDR Regulatory Technical Standards ("SFDR RTS"). The Investment Manager considers the following indicators applicable to investments in sovereigns and supranationals in Annex 1 Table 3 of the SFDR RTS: income inequality, freedom of expression, corruption, political stability, and the rule of law. Each of these indicators are fed into the ESG Scoring Framework. In addition, the Investment Manager fully excludes from the investment universe sovereign issuers that are on the exclusion list, which is currently comprised of countries subject to a UN arms embargo.

Due to the investment strategy employed by the Fund, only the indicators applicable to investment in sovereigns and supranationals are relevant to the Investment Manager's consideration of principal adverse impacts.

The Fund's annual report shall disclose how principal adverse impacts on sustainability factors have been considered during the relevant reporting period.

☐ No.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**3. What investment strategy does this financial product follow?**

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

The Investment Manager's investment strategy seeks to invest primarily in sovereign bond markets that offer attractive real yields adjusted for financial stability and sustainability risks. The Investment Manager integrates ESG factors into the investment decision making process on a continuous basis as more fully described below.

***a) What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the Fund's investment strategy in respect of the promotion of environmental or social characteristics are: (1) the systematic and holistic integration of ESG factors into the Investment Manager's investment process through its ESG Scoring Framework, (2) fully excluding sovereign issuers in countries which are on the Fund's exclusion list, and (3) sovereign engagement.

ESG Integration: The Investment Manager employs a value-based investment approach and integrates ESG risks into its valuation framework for sovereign debt. Countries are assigned a proprietary Financial Stability Score (FSS) which combines an assessment of balance sheet and economic strength, with an assessment of ESG risks, and potential opportunities. Each bond and currency market within the Fund's investment universe, is assigned a FSS and this translates into a premium or discount being applied to the market's valuation. Whilst there are strong interlinkages between ESG factors and traditional balance sheet or "credit" metrics, the Investment Manager has developed a sovereign ESG Scoring Framework to measure and compare countries exposure specifically to ESG risks, in a systematic and consistent fashion. A series of publicly available metrics are used to assess ESG risks under a variety of categories. For example, environmental metrics consider a country's vulnerability to climate through two lenses, namely physical risk and transition risk. Physical risk relates to a country's sensitivity to the implications of climate change such as extreme weather events, whilst transition risk is concerned with the implications of adjusting to a low-carbon economy. The percentage of electricity generated from renewable sources is one metric the Investment Manager considers to assess transition risk. Social characteristics of a country are assessed via Human Capital i.e. the knowledge, skills and experience of the population, and Social Cohesion i.e. the levels of trust, accountability and equality prevailing in society. Governance standards such as the rule of law, property rights and financial freedom are also measured.

These metrics are distilled into a score for each country, which feeds into the Financial Stability Score and hence the valuation of each bond and currency market. A country with stronger ESG metrics and a more robust balance sheet than its peers will therefore be a more attractive investment *ceteris paribus*.

As a sovereign debt investor, the Investment Manager recognises the inherent dilemma in considering whether or not to exclude countries from its investment universe based on an assessment of sustainability metrics. In many instances such metrics are positively correlated to income per capita, and hence such exclusions run the risk of cutting off access to international capital for lower income countries. Such countries are often highly dependent on foreign capital to develop infrastructure, build human capital and underpin social stability. Hence, the Investment Manager will give careful consideration of the implications on a particular sovereign issuer when assessing whether to include it in the Fund's investment universe. It should be noted that, while ESG integration is a binding element of the investment process for the Fund, the Investment Manager's investment decisions are not based solely on ESG matters.

Engagement: The Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. Findings during the engagement work feed holistically into the FSS referred to above. The Investment Manager believes that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better financial and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Exclusion: The Investment Manager maintains an exclusion list of countries in which the Fund will not invest. The country exclusion list is currently comprised of any countries subject to an arms embargo by the UN Security Council. In determining the exclusion list, the Investment Manager also undertakes ongoing ESG analysis, and has regard to financial sanctions imposed by the UN, the EU, the US, and the UK. The Fund will not invest in debt issued by the government of the countries on the exclusion list, nor in debt issued by government-related entities based in the relevant country. The exclusion list is available to clients on request and is reviewed at least quarterly by the Investment Manager. In the event that the Fund holds exposure to debt issued by the government or government agency of a country which is subsequently added to the exclusion list, the Investment Manager will look to dispose of such debt, if possible, in an orderly fashion, within a period of 180 days.

***b) What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

None.

c) ***What is the policy to assess good governance practices of the investee companies?***

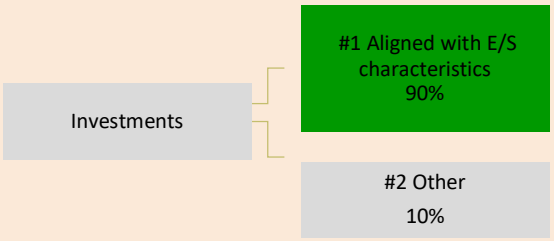
Not applicable – the Fund only invests in sovereign debt.

**Asset allocation** describes the share of investments in specific assets.

**4. What is the asset allocation planned for this financial product?**

The Fund will typically be fully or substantially invested in sovereign debt. It is expected that no less than 90% of the assets in the Fund will be aligned with environmental and/or social characteristics promoted by the Fund. A minor portion of the Fund may be invested in ancillary assets that are not aligned with the with environmental and/or social characteristics promoted by the Fund – see question 8 for more information.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***a) How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy. It is acknowledged in the SFDR RTS that there is currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable activities.

**a) Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?**

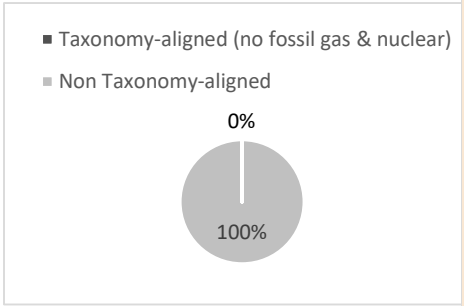
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

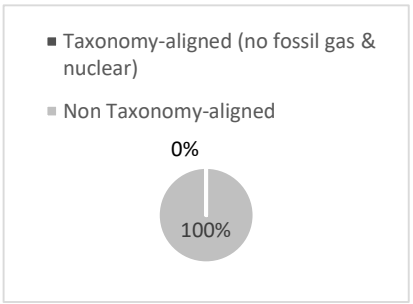
☒ No

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***b) What is* the minimum *share of investments in transitional and enabling* activities*?***

As above, the Fund's investments are not aligned with the EU Taxonomy, and it is acknowledged within the SFDR RTS that there is currently no appropriate methodology to calculate the alignment for sovereign exposures with the Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**7. What is the minimum share of socially sustainable investments?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**8. What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund's ESG Scoring Framework and exclusion screening process outlined above applies to no less than 90% of the investments in the Fund. A portion of the Fund (typically less than 5%) may be held in cash for liquidity purposes and to manage collateral in relation to currency forward contracts.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**9. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The Fund does not use a reference benchmark to determine alignment with the environmental and/or social characteristics promoted by the Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not Applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*** Not Applicable.
- ***How does the designated index differ from a relevant broad market index?*** Not Applicable.
- ***Where can the methodology used for the calculation of the designated index be found?*** Not Applicable.

**10. Where can I find more product specific information online?**

More product-specific information can be found on the website: www.colchesterglobal.com

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Product name:**
The Colchester Global Aggregate Bond Fund

**Legal entity identifier:**
549300RB5PTTPURWNP20

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | X It promotes E/S characteristics, but **will not make any sustainable investments** |

1. **What environmental and/or social characteristics are promoted by this financial product?**

The Fund promotes a broad range of environmental and social characteristics including raising awareness amongst, and recognising improvements by, national governments and other policymakers in adapting and responding to the decarbonisation of the global economy, and mitigating vulnerabilities to climate change, addressing issues such as social cohesion and prudent economic governance, and building human capital via standards of education and labour market inclusivity.

Such characteristics are promoted through the following strands of the Fund's investment approach, each of which are described more fully further on in this document:

- Integrating environmental, social and governance ("ESG") factors into the investment decision making process through the Investment Manager's Sovereign ESG Scoring Framework;
- Excluding sovereign issuers that do not comply with international norms and standards, such as countries subject to a United Nations ('UN') Security Council arms embargo; and
- Engagement with national governments and other sovereign issuers to inform, promote and potentially drive best practice in delivering social and environmental outcomes.

**a) *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Sovereign ESG Scoring Framework – the Investment Manager employs a systematic and structured framework to rank each country within its investment universe as regards exposure to ESG risks. The Investment Manager applies this ESG Scoring Framework to all investments in the Fund. The Investment Manager employs a value-based investment approach and integrates ESG factors into its valuation framework for sovereign debt. Whilst the Investment Manager will not make investment decisions based purely on ESG matters, the valuation of all countries within the investment universe will incorporate ESG factors, and these valuations inform the investment decisions of the Investment Manager. The ESG Scoring Framework is more fully set out below, and further in the Investment Manager's ESG Policy, which is available at www.colchesterglobal.com.

- Exclusion – the Investment Manager maintains an exclusion list of countries that do not comply with international norms and standards, and is currently comprised of countries subject to a UN arms embargo. The Fund will not invest in debt issued by governments or government agencies of the countries on the exclusion list. Sovereign issuers on the exclusion list are fully excluded from the investment universe of the Fund.

- Engagement - the Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**b) *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

**c) *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:* Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

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*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

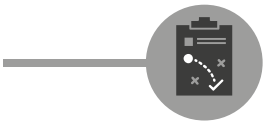
**2. Does this financial product consider principal adverse impacts on sustainability factors?**

[X] Yes, through its investment process and ESG Scoring Framework, the Investment Manager takes into consideration principal adverse impacts on sustainability factors. The Investment Manager considers each of the indicators applicable to investments in sovereigns and supranationals listed in Annex 1 Table 1 of the Level II SFDR Regulatory Technical Standards ("SFDR RTS"). The Investment Manager considers the following indicators applicable to investments in sovereigns and supranationals in Annex 1 Table 3 of the SFDR RTS: income inequality, freedom of expression, corruption, political stability, and the rule of law. Each of these indicators are fed into the ESG Scoring Framework. In addition, the Investment Manager fully excludes from the investment universe sovereign issuers that are on the exclusion list, which is currently comprised of countries subject to a UN arms embargo.

Due to the investment strategy employed by the Fund, only the indicators applicable to investment in sovereigns and supranationals are relevant to the Investment Manager's consideration of principal adverse impacts.

The Fund's annual report shall disclose how principal adverse impacts on sustainability factors have been considered during the relevant reporting period.

[ ] No.



**3. What investment strategy does this financial product follow?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

The Investment Manager's investment strategy seeks to invest primarily in sovereign bond markets that offer attractive real yields adjusted for financial stability and sustainability risks. The Investment Manager integrates ESG factors into the investment decision making process on a continuous basis as more fully described below.

***a) What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the Fund's investment strategy in respect of the promotion of environmental or social characteristics are: (1) the systematic and holistic integration of ESG factors into the Investment Manager's investment process through its ESG Scoring Framework, (2) fully excluding sovereign issuers in countries which are on the Fund's exclusion list, and (3) sovereign engagement.

ESG Integration: The Investment Manager employs a value-based investment approach and integrates ESG risks into its valuation framework for sovereign debt. Countries are assigned a proprietary Financial Stability Score (FSS) which combines an assessment of balance sheet and economic strength, with an assessment of ESG risks, and potential opportunities. Each bond and currency market within the Fund's investment universe, is assigned a FSS and this translates into a premium or discount being applied to the market's valuation. Whilst there are strong interlinkages between ESG factors and traditional balance sheet or "credit" metrics, the Investment Manager has developed a sovereign ESG Scoring Framework to measure and compare countries exposure specifically to ESG risks, in a systematic and consistent fashion. A series of publicly available metrics are used to assess ESG risks under a variety of categories. For example, environmental metrics consider a country's vulnerability to climate through two lenses, namely physical risk and transition risk. Physical risk relates to a country's sensitivity to the implications of climate change such as extreme weather events, whilst transition risk is concerned with the implications of adjusting to a low-carbon economy. The percentage of electricity generated from renewable sources is one metric the Investment Manager considers to assess transition risk. Social characteristics of a country are assessed via Human Capital i.e. the knowledge, skills and experience of the population, and Social Cohesion i.e. the levels of trust, accountability and equality prevailing in society. Governance standards such as the rule of law, property rights and financial freedom are also measured.

These metrics are distilled into a score for each country, which feeds into the Financial Stability Score and hence the valuation of each bond and currency market. A country with stronger ESG metrics and a more robust balance sheet than its peers will therefore be a more attractive investment *ceteris paribus*.

As a sovereign debt investor, the Investment Manager recognises the inherent dilemma in considering whether or not to exclude countries from its investment universe based on an assessment of sustainability metrics. In many instances such metrics are positively correlated to income per capita, and hence such exclusions run the risk of cutting off access to international capital for lower income countries. Such countries are often highly dependent on foreign capital to develop infrastructure, build human capital and underpin social stability. Hence, the Investment Manager will give careful consideration of the implications on a particular sovereign issuer when assessing whether to include it in the Fund's investment universe. It should be noted that, while ESG integration is a binding element of the investment process for the Fund, the Investment Manager's investment decisions are not based solely on ESG matters.

Engagement: The Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. Findings during the engagement work feed holistically into the FSS referred to above. The Investment Manager believes that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better financial and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

Exclusion: The Investment Manager maintains an exclusion list of countries in which the Fund will not invest. The country exclusion list is currently comprised of any countries subject to an

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

arms embargo by the UN Security Council. In determining the exclusion list, the Investment Manager also undertakes ongoing ESG analysis, and has regard to financial sanctions imposed by the UN, the EU, the US, and the UK. The Fund will not invest in debt issued by the government of the countries on the exclusion list, nor in debt issued by government-related entities based in the relevant country. The exclusion list is available to clients on request and is reviewed at least quarterly by the Investment Manager. In the event that the Fund holds exposure to debt issued by the government or government agency of a country which is subsequently added to the exclusion list, the Investment Manager will look to dispose of such debt, if possible, in an orderly fashion, within a period of 180 days.

***b) What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

None.

***c) What is the policy to assess good governance practices of the investee companies?***

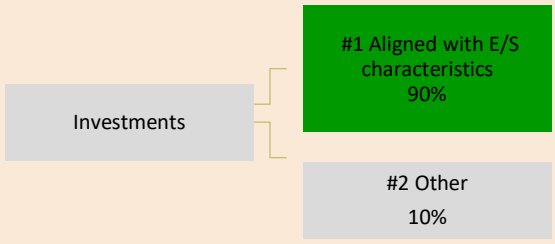
Not applicable – the Fund only invests in sovereign debt.

**4. What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.

The Fund will typically be fully or substantially invested in sovereign debt. It is expected that no less than 90% of the assets in the Fund will be aligned with environmental and/or social characteristics promoted by the Fund. A minor portion of the Fund may be invested in ancillary assets that are not aligned with the with environmental and/or social characteristics promoted by the Fund – see question 8 for more information.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***a) How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

**5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy. It is acknowledged in the SFDR RTS that there is

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to

currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable activities.

**a) Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[3]?**

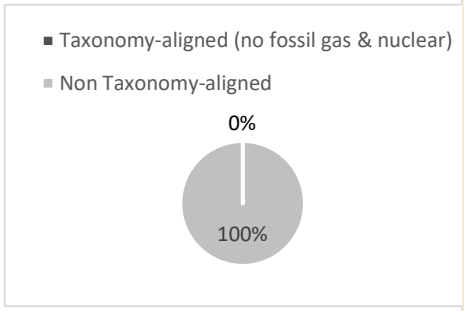
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

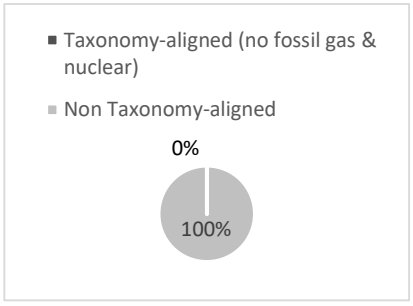
☒ No

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

[3] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

*b) What is* **the minimum** *share of investments in transitional and enabling activities?*

As above, the Fund's investments are not aligned with the EU Taxonomy, and it is acknowledged within the SFDR RTS that there is currently no appropriate methodology to calculate the alignment for sovereign exposures with the Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**7. What is the minimum share of socially sustainable investments?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**8. What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund's ESG Scoring Framework and exclusion screening process outlined above applies to no less than 90% of the investments in the Fund. A portion of the Fund (typically less than 5%) may be held in cash for liquidity purposes and to manage collateral in relation to currency forward contracts.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**9. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The Fund does not use a reference benchmark to determine alignment with the environmental and/or social characteristics promoted by the Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*** Not Applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*** Not Applicable.
- ***How does the designated index differ from a relevant broad market index?*** Not Applicable.
- ***Where can the methodology used for the calculation of the designated index be found?*** Not Applicable.

**10. Where can I find more product specific information online?**

More product-specific information can be found on the website: www.colchesterglobal.com

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**
The Colchester Global Aggregate Bond Enhanced Currency Fund

**Legal entity identifier:**
549300C2RVM268OSMJ25

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | X It promotes E/S characteristics, but **will not make any sustainable investments** |

## 1. What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes a broad range of environmental and social characteristics including raising awareness amongst, and recognising improvements by, national governments and other policymakers in adapting and responding to the decarbonisation of the global economy, and mitigating vulnerabilities to climate change, addressing issues such as social cohesion and prudent economic governance, and building human capital via standards of education and labour market inclusivity.

Such characteristics are promoted through the following strands of the Fund's investment approach, each of which are described more fully further on in this document:

- Integrating environmental, social and governance ("ESG") factors into the investment decision making process through the Investment Manager's Sovereign ESG Scoring Framework;
- Excluding sovereign issuers that do not comply with international norms and standards, such as countries subject to a United Nations ('UN') Security Council arms embargo; and
- Engagement with national governments and other sovereign issuers to inform, promote and potentially drive best practice in delivering social and environmental outcomes.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**a) *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Sovereign ESG Scoring Framework – the Investment Manager employs a systematic and structured framework to rank each country within its investment universe as regards exposure to ESG risks. The Investment Manager applies this ESG Scoring Framework to all investments in the Fund. The Investment Manager employs a value-based investment approach and integrates ESG factors into its valuation framework for sovereign debt. Whilst the Investment Manager will not make investment decisions based purely on ESG matters, the valuation of all countries within the investment universe will incorporate ESG factors, and these valuations inform the investment decisions of the Investment Manager. The ESG Scoring Framework is more fully set out below, and further in the Investment Manager's ESG Policy, which is available at www.colchesterglobal.com.

- Exclusion – the Investment Manager maintains an exclusion list of countries that do not comply with international norms and standards, and is currently comprised of countries subject to a UN arms embargo. The Fund will not invest in debt issued by governments or government agencies of the countries on the exclusion list. Sovereign issuers on the exclusion list are fully excluded from the investment universe of the Fund.

- Engagement - the Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**b) *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**c) *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

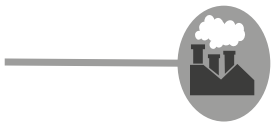
Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:* Not applicable.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**2. Does this financial product consider principal adverse impacts on sustainability factors?**

**X** Yes, through its investment process and ESG Scoring Framework, the Investment Manager takes into consideration principal adverse impacts on sustainability factors. The Investment Manager considers each of the indicators applicable to investments in sovereigns and supranationals listed in Annex 1 Table 1 of the Level II SFDR Regulatory Technical Standards ("SFDR RTS"). The Investment Manager considers the following indicators applicable to investments in sovereigns and supranationals in Annex 1 Table 3 of the SFDR RTS: income inequality, freedom of expression, corruption, political stability, and the rule of law. Each of these indicators are fed into the ESG Scoring Framework. In addition, the Investment Manager fully excludes from the investment universe sovereign issuers that are on the exclusion list, which is currently comprised of countries subject to a UN arms embargo.

Due to the investment strategy employed by the Fund, only the indicators applicable to investment in sovereigns and supranationals are relevant to the Investment Manager's consideration of principal adverse impacts.

The Fund's annual report shall disclose how principal adverse impacts on sustainability factors have been considered during the relevant reporting period.

☐ No.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**3. What investment strategy does this financial product follow?**

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

The Investment Manager's investment strategy seeks to invest primarily in sovereign bond markets that offer attractive real yields adjusted for financial stability and sustainability risks. The Investment Manager integrates ESG factors into the investment decision making process on a continuous basis as more fully described below.

***a) What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the Fund's investment strategy in respect of the promotion of environmental or social characteristics are: (1) the systematic and holistic integration of ESG factors into the Investment Manager's investment process through its ESG Scoring Framework, (2) fully excluding sovereign issuers in countries which are on the Fund's exclusion list, and (3) sovereign engagement.

ESG Integration: The Investment Manager employs a value-based investment approach and integrates ESG risks into its valuation framework for sovereign debt. Countries are assigned a proprietary Financial Stability Score (FSS) which combines an assessment of balance sheet and economic strength, with an assessment of ESG risks, and potential opportunities. Each bond and currency market within the Fund's investment universe, is assigned a FSS and this translates into a premium or discount being applied to the market's valuation. Whilst there are strong interlinkages between ESG factors and traditional balance sheet or "credit" metrics, the Investment Manager has developed a sovereign ESG Scoring Framework to measure and compare countries exposure specifically to ESG risks, in a systematic and consistent fashion. A series of publicly available metrics are used to assess ESG risks under a variety of categories. For example, environmental metrics consider a country's vulnerability to climate through two lenses, namely physical risk and transition risk. Physical risk relates to a country's sensitivity to the implications of climate change such as extreme weather events, whilst transition risk is concerned with the implications of adjusting to a low-carbon economy. The percentage of electricity generated from renewable sources is one metric the Investment Manager considers to assess transition risk. Social characteristics of a country are assessed via Human Capital i.e. the knowledge, skills and experience of the population, and Social Cohesion i.e. the levels of trust, accountability and equality prevailing in society. Governance standards such as the rule of law, property rights and financial freedom are also measured.

These metrics are distilled into a score for each country, which feeds into the Financial Stability Score and hence the valuation of each bond and currency market. A country with stronger ESG metrics and a more robust balance sheet than its peers will therefore be a more attractive investment ceteris paribus.

As a sovereign debt investor, the Investment Manager recognises the inherent dilemma in considering whether or not to exclude countries from its investment universe based on an assessment of sustainability metrics. In many instances such metrics are positively correlated to income per capita, and hence such exclusions run the risk of cutting off access to international capital for lower income countries. Such countries are often highly dependent on foreign capital to develop infrastructure, build human capital and underpin social stability. Hence, the Investment Manager will give careful consideration of the implications on a particular sovereign issuer when assessing whether to include it in the Fund's investment universe. It should be noted that, while ESG integration is a binding element of the investment process for the Fund, the Investment Manager's investment decisions are not based solely on ESG matters.

Engagement: The Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. Findings during the engagement work feed holistically into the FSS referred to above. The Investment Manager believes that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better financial and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

Exclusion: The Investment Manager maintains an exclusion list of countries in which the Fund will not invest. The country exclusion list is currently comprised of any countries subject to an

arms embargo by the UN Security Council. In determining the exclusion list, the Investment Manager also undertakes ongoing ESG analysis, and has regard to financial sanctions imposed by the UN, the EU, the US, and the UK. The Fund will not invest in debt issued by the government of the countries on the exclusion list, nor in debt issued by government-related entities based in the relevant country. The exclusion list is available to clients on request and is reviewed at least quarterly by the Investment Manager. In the event that the Fund holds exposure to debt issued by the government or government agency of a country which is subsequently added to the exclusion list, the Investment Manager will look to dispose of such debt, if possible, in an orderly fashion, within a period of 180 days.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***b) What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

None.

c) ***What is the policy to assess good governance practices of the investee companies?***

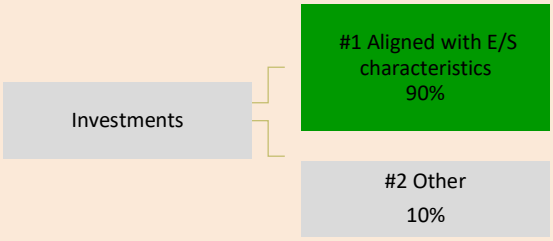
Not applicable – the Fund only invests in sovereign debt.

**Asset allocation** describes the share of investments in specific assets.

**4. What is the asset allocation planned for this financial product?**

The Fund will typically be fully or substantially invested in sovereign debt. It is expected that no less than 90% of the assets in the Fund will be aligned with environmental and/or social characteristics promoted by the Fund. A minor portion of the Fund may be invested in ancillary assets that are not aligned with the with environmental and/or social characteristics promoted by the Fund – see question 8 for more information.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***a) How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

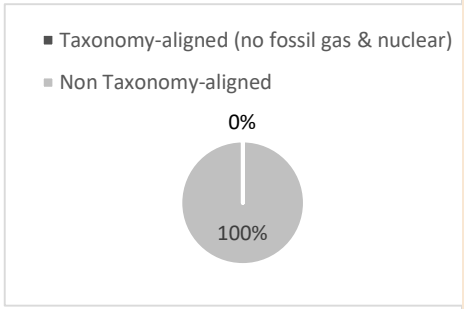
0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy. It is acknowledged in the SFDR RTS that there is currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable activities.

**a) Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[4]?**

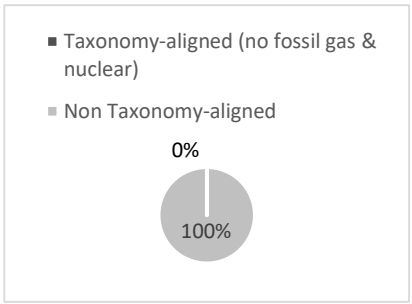
| | |
|---|---|
| | Yes: |
| | In fossil gas ☐ In nuclear energy ☐ |
| X | No |

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

[4] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***b) What is* the minimum *share of investments in transitional and enabling activities?***

As above, the Fund's investments are not aligned with the EU Taxonomy, and it is acknowledged within the SFDR RTS that there is currently no appropriate methodology to calculate the alignment for sovereign exposures with the Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**7. What is the minimum share of socially sustainable investments?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**8. What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund's ESG Scoring Framework and exclusion screening process outlined above applies to no less than 90% of the investments in the Fund. A portion of the Fund (typically less than 5%) may be held in cash for liquidity purposes and to manage collateral in relation to currency forward contracts.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**9. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The Fund does not use a reference benchmark to determine alignment with the environmental and/or social characteristics promoted by the Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*** Not Applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*** Not Applicable.
- ***How does the designated index differ from a relevant broad market index?*** Not Applicable.
- ***Where can the methodology used for the calculation of the designated index be found?*** Not Applicable.

**10. Where can I find more product specific information online?**

More product-specific information can be found on the website: www.colchesterglobal.com

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**
The Colchester Global Green Bond Fund

**Legal entity identifier:**
54930059XSBOZQ8CKJ38

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| | |
|---|---|
| ☐ **Yes** | ☒ **No** |
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | X It promotes E/S characteristics, but **will not make any sustainable investments** |

**1. What environmental and/or social characteristics are promoted by this financial product?**

The Fund promotes environmental characteristics through investing primarily in Green Bonds. Green Bonds are bonds issued by governments, supra-nationals, agencies and other types of issuers to fund projects that benefit the environment.

It is expected that, in pursuing its environmental characteristics, a portion of the Fund's Investments will contribute to the following environmental objective as set out in the Taxonomy Regulation: climate change mitigation and climate change adaptation.

**a)** ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

1. At least 70% of the Net Asset Value of the Fund will be in Green Bonds.
2. For the Fund's investments in Green Bonds:
   i. the Green Bonds are aligned with the International Capital Market Association (ICMA)'s Green Bond Principles[5] or any other national standards acceptable under the Investment Manager's Global Green Bond Framework and the issuer has arranged for

[5] https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf

an independent second party opinion on labelling the issue as "green" or, in the absence of an independent second party opinion that the Investment Manager has made its own determination that the issuer's green bond framework is aligned with accepted practices; and

ii. the Investment Manager was satisfied with the issuer's allocation report or information obtained following engagement or its other determinations in relation to use of proceeds for each Green Bond, based on the Investment Manager's investment criteria.

**b)** ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-

**c)** ***How do the sustainable* investments *that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**2. Does this financial product consider principal adverse impacts on sustainability factors?**

☐ Yes.

☒ No.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**3. What investment strategy does this financial product follow?**

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily Green Bonds and of currencies. An associated objective is the preservation and enhancement of principal.

In determining the eligibility of a Green Bond into the investment universe, the Investment Manager takes into account its Green Bond Framework as set out in section 1(a) above and section 3(a) below.

***a) What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Environmental, Social and Governance (ESG) factors are integrated holistically into the Investment Manager's valuation framework. Countries are assigned a proprietary Financial Stability Score (FSS) that combines an assessment of their overall balance sheet strength and ESG factors. Bond and currency scores are determined through an extensive assessment of the macro-economic environment, policy framework, ESG standards and other country specific factors. ESG factors have been an integral part of the Investment Manager's investment process for developed and emerging economies. The Investment Manager has sought to engage with sovereigns helping to inform, promote and potentially drive best practices delivering better social and economic outcomes. Findings during the engagement work feed holistically into the FSS. The Investment Manager believes that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better economic outcomes. Typically, this leads to more stable debt and currency paths, and ultimately better risk-adjusted returns.

The Fund will invest primarily in Green Bonds, which are bonds issued by governments, supra-nationals, agencies and other types of issuers to fund projects that benefit the environment. The Investment Manager's Green Bond Framework uses the same valuation framework, portfolio construction and risk management techniques as its other investment programmes. The Investment Manager then applies the following two additional steps that impact on which bonds are considered within the opportunity set, and its ongoing willingness to continue to hold them:

Firstly, the Investment Manager makes an assessment to determine whether an issuer's green bond framework is aligned with ICMA's Green Bond Principles or any other national standards (including the future EU Green Bond Standard). The Investment Manager then assesses that the issuer has arranged for an independent second party opinion on the labelling of the issue as "green" or, in the absence of an independent second party opinion that the Investment Manager has made its own determination that the issuer's green bond framework is aligned with accepted practices.

Secondly, the Investment Manager will monitor on an annual basis issuers' use of proceeds reporting by looking at their allocation report. In the absence of an allocation report the Investment Manager will either engage with the issuer or make an appropriate determination based on the information available.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***b) What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

None.

***c) What is the policy to assess good governance practices of the investee companies?***

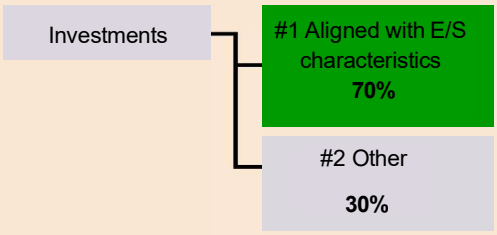
Not applicable - the good governance practices under Article 8 SFDR do not apply to sovereign bonds and the Fund only invests in ***sovereign*** debt.

**4. What is the asset allocation planned for this financial product?**

The Fund aims to maintain a minimum investment of 70% in Green Bonds, which promote environmental characteristics. The remaining portion of the investments is for liquidity management, hedging purposes, performance enhancements, amongst others. No minimum safeguards are applied to the investments.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments

***a) How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy. It is acknowledged in the SFDR Regulatory Technical Standards ('RTS') that there is currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable activities. The Fund only makes investments in sovereign exposures.

**a) Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[6]?**

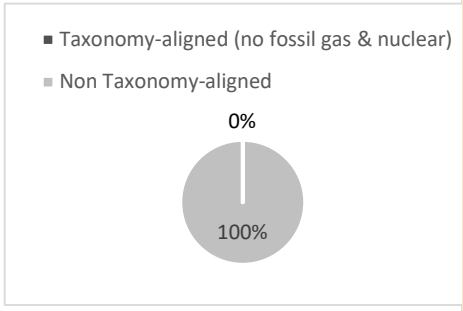
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

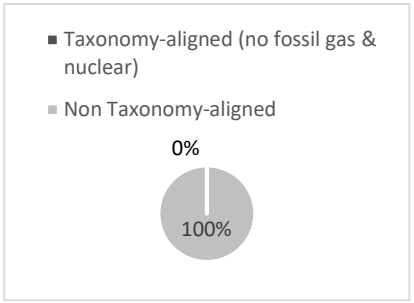
☒ No

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

[6] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**b) *What is* the minimum *share of investments in transitional and enabling activities?***

As above, the Fund's investments are not aligned with the EU Taxonomy, and it is acknowledged within the SFDR RTS that there is currently no appropriate methodology to calculate the alignment for sovereign exposures with the Taxonomy.

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

**7. What is the minimum share of socially sustainable investments?**

The Fund does not intend to make socially sustainable investments.

**8. What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund will maintain a maximum of 30% in non-Green Bonds, for the purposes of liquidity management, hedging purposes, performance enhancements, amongst others.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

**9. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The Fund does not use a reference benchmark to determine alignment with E/S characteristics.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*** Not Applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*** Not Applicable.
- ***How does the designated index differ from a relevant broad market index?*** Not Applicable.
- ***Where can the methodology used for the calculation of the designated index be found?*** Not Applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**10. Where can I find more product specific information online?**

More product-specific information can be found on the website: www.colchesterglobal.com

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**
The Colchester Global Low Duration Bond Fund

**Legal entity identifier:**
549300ZU1DFUZN3CSW73

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| | |
|---|---|
| ●● ☐ **Yes** | ●○ ☒ **No** |
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | X It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## 1. What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes a broad range of environmental and social characteristics including raising awareness amongst, and recognising improvements by, national governments and other policymakers in adapting and responding to the decarbonisation of the global economy, and mitigating vulnerabilities to climate change, addressing issues such as social cohesion and prudent economic governance, and building human capital via standards of education and labour market inclusivity.

Such characteristics are promoted through the following strands of the Fund's investment approach, each of which are described more fully further on in this document:

- Integrating environmental, social and governance ("ESG") factors into the investment decision making process through the Investment Manager's Sovereign ESG Scoring Framework;
- Excluding sovereign issuers that do not comply with international norms and standards, such as countries subject to a United Nations ('UN') Security Council arms embargo; and
- Engagement with national governments and other sovereign issuers to inform, promote and potentially drive best practice in delivering social and environmental outcomes.

**a) *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Sovereign ESG Scoring Framework – the Investment Manager employs a systematic and structured framework to rank each country within its investment universe as regards exposure to ESG risks. The Investment Manager applies this ESG Scoring Framework to all investments in the Fund. The Investment Manager employs a value-based investment approach and integrates ESG factors into its valuation framework for sovereign debt. Whilst the Investment Manager will not make investment decisions based purely on ESG matters, the valuation of all countries within the investment universe will incorporate ESG factors, and these valuations inform the investment decisions of the Investment Manager. The ESG Scoring Framework is more fully set out below, and further in the Investment Manager's ESG Policy, which is available at www.colchesterglobal.com.

- Exclusion – the Investment Manager maintains an exclusion list of countries that do not comply with international norms and standards, and is currently comprised of countries subject to a UN arms embargo. The Fund will not invest in debt issued by governments or government agencies of the countries on the exclusion list. Sovereign issuers on the exclusion list are fully excluded from the investment universe of the Fund.

- Engagement - the Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**b) *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

**c) *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:* Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**2. Does this financial product consider principal adverse impacts on sustainability factors?**

| | |
|---|---|
| X | Yes, through its investment process and ESG Scoring Framework, the Investment Manager takes into consideration principal adverse impacts on sustainability factors. The Investment Manager considers each of the indicators applicable to investments in sovereigns and supranationals listed in Annex 1 Table 1 of the Level II SFDR Regulatory Technical Standards ("SFDR RTS"). The Investment Manager considers the following indicators applicable to investments in sovereigns and supranationals in Annex 1 Table 3 of the SFDR RTS: income inequality, freedom of expression, corruption, political stability, and the rule of law. Each of these indicators are fed into the ESG Scoring Framework. In addition, the Investment Manager fully excludes from the investment universe sovereign issuers that are on the exclusion list, which is currently comprised of countries subject to a UN arms embargo.<br><br>Due to the investment strategy employed by the Fund, only the indicators applicable to investment in sovereigns and supranationals are relevant to the Investment Manager's consideration of principal adverse impacts.<br><br>The Fund's annual report shall disclose how principal adverse impacts on sustainability factors have been considered during the relevant reporting period. |
| | No. |

**3. What investment strategy does this financial product follow?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign debt or debt-like securities with shorter-dated maturities and currencies. An associated objective is the preservation and enhancement of principal.

The Investment Manager's investment strategy seeks to invest primarily in sovereign bond markets that offer attractive real yields adjusted for financial stability and sustainability risks. The Investment Manager integrates ESG factors into the investment decision making process on a continuous basis as more fully described below.

***a) What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the Fund's investment strategy in respect of the promotion of environmental or social characteristics are: (1) the systematic and holistic integration of ESG factors into the Investment Manager's investment process through its ESG Scoring Framework, (2) fully excluding sovereign issuers in countries which are on the Fund's exclusion list, and (3) sovereign engagement.

ESG Integration: The Investment Manager employs a value-based investment approach and integrates ESG risks into its valuation framework for sovereign debt. Countries are assigned a proprietary Financial Stability Score (FSS) which combines an assessment of balance sheet and economic strength, with an assessment of ESG risks, and potential opportunities. Each bond and currency market within the Fund's investment universe, is assigned a FSS and this translates into a premium or discount being applied to the market's valuation. Whilst there are strong interlinkages between ESG factors and traditional balance sheet or "credit" metrics, the Investment Manager has developed a sovereign ESG Scoring Framework to measure and compare countries exposure specifically to ESG risks, in a systematic and consistent fashion. A series of publicly available metrics are used to assess ESG risks under a variety of categories. For example, environmental metrics consider a country's vulnerability to climate through two lenses, namely physical risk and transition risk. Physical risk relates to a country's sensitivity to the implications of climate change such as extreme weather events, whilst transition risk is concerned with the implications of adjusting to a low-carbon economy. The percentage of electricity generated from renewable sources is one metric the Investment Manager considers to assess transition risk. Social characteristics of a country are assessed via Human Capital i.e. the knowledge, skills and experience of the population, and Social Cohesion i.e. the levels of trust, accountability and equality prevailing in society. Governance standards such as the rule of law, property rights and financial freedom are also measured.

These metrics are distilled into a score for each country, which feeds into the Financial Stability Score and hence the valuation of each bond and currency market. A country with stronger ESG metrics and a more robust balance sheet than its peers will therefore be a more attractive investment *ceteris paribus*.

As a sovereign debt investor, the Investment Manager recognises the inherent dilemma in considering whether or not to exclude countries from its investment universe based on an assessment of sustainability metrics. In many instances such metrics are positively correlated to income per capita, and hence such exclusions run the risk of cutting off access to international capital for lower income countries. Such countries are often highly dependent on foreign capital to develop infrastructure, build human capital and underpin social stability. Hence, the Investment Manager will give careful consideration of the implications on a particular sovereign issuer when assessing whether to include it in the Fund's investment universe. It should be noted that, while ESG integration is a binding element of the investment process for the Fund, the Investment Manager's investment decisions are not based solely on ESG matters.

Engagement: The Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. Findings during the engagement work feed holistically into the FSS referred to above. The Investment Manager believes that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better financial and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Exclusion: The Investment Manager maintains an exclusion list of countries in which the Fund will not invest. The country exclusion list is currently comprised of any countries subject to an arms embargo by the UN Security Council. In determining the exclusion list, the Investment Manager also undertakes ongoing ESG analysis, and has regard to financial sanctions imposed by the UN, the EU, the US, and the UK. The Fund will not invest in debt issued by the government of the countries on the exclusion list, nor in debt issued by government-related entities based in the relevant country. The exclusion list is available to clients on request and is reviewed at least quarterly by the Investment Manager. In the event that the Fund holds exposure to debt issued by the government or government agency of a country which is subsequently added to the exclusion list, the Investment Manager will look to dispose of such debt, if possible, in an orderly fashion, within a period of 180 days.

***b) What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

None.

**Asset allocation** describes the share of investments in specific assets.

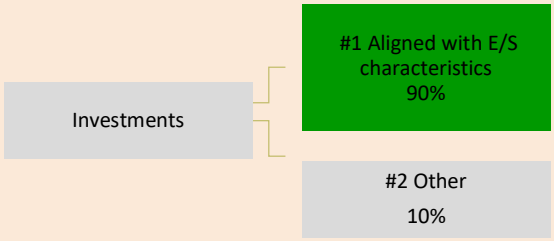
***c) What is the policy to assess good governance practices of the investee companies?***

Not applicable – the Fund only invests in sovereign debt.

## 4. What is the asset allocation planned for this financial product?

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The Fund will typically be fully or substantially invested in sovereign debt. It is expected that no less than 90% of the assets in the Fund will be aligned with environmental and/or social characteristics promoted by the Fund. A minor portion of the Fund may be invested in ancillary assets that are not aligned with the with environmental and/or social characteristics promoted by the Fund – see question 8 for more information.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***a) How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

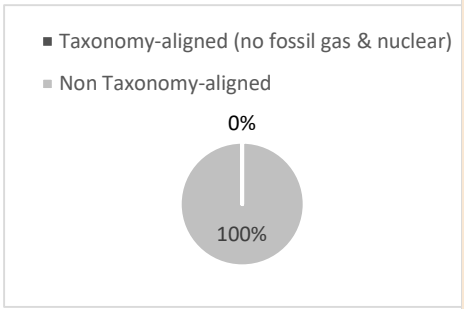
0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy. It is acknowledged in the SFDR RTS that there is currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable activities.

**a) Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[7]?**

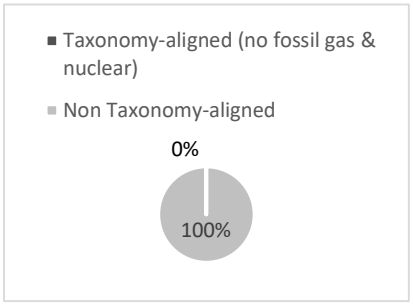
| | |
|---|---|
| | Yes: |
| | In fossil gas ☐ In nuclear energy ☐ |
| X | No |

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

[7] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***b) What is the minimum share of investments in transitional and enabling activities?***

As above, the Fund's investments are not aligned with the EU Taxonomy, and it is acknowledged within the SFDR RTS that there is currently no appropriate methodology to calculate the alignment for sovereign exposures with the Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**7. What is the minimum share of socially sustainable investments?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**8. What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund's ESG Scoring Framework and exclusion screening process outlined above applies to no less than 90% of the investments in the Fund. A portion of the Fund (typically less than 5%) may be held in cash for liquidity purposes and to manage collateral in relation to currency forward contracts.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**9. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The Fund does not use a reference benchmark to determine alignment with the environmental and/or social characteristics promoted by the Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*** Not Applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*** Not Applicable.
- ***How does the designated index differ from a relevant broad market index?*** Not Applicable.
- ***Where can the methodology used for the calculation of the designated index be found?*** Not Applicable.

**10. Where can I find more product specific information online?**

More product-specific information can be found on the website: www.colchesterglobal.com

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**
The Colchester Global Real Return Bond Fund

**Legal entity identifier:**
5493000CUH7FWHZCGD08

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| | |
|---|---|
| ☐ **Yes** | ☒ **No** |
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## 1. What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes a broad range of environmental and social characteristics including raising awareness amongst, and recognising improvements by, national governments and other policymakers in adapting and responding to the decarbonisation of the global economy, and mitigating vulnerabilities to climate change, addressing issues such as social cohesion and prudent economic governance, and building human capital via standards of education and labour market inclusivity.

Such characteristics are promoted through the following strands of the Fund's investment approach, each of which are described more fully further on in this document:

- Integrating environmental, social and governance ("ESG") factors into the investment decision making process through the Investment Manager's Sovereign ESG Scoring Framework;
- Excluding sovereign issuers that do not comply with international norms and standards, such as countries subject to a United Nations ('UN') Security Council arms embargo; and
- Engagement with national governments and other sovereign issuers to inform, promote and potentially drive best practice in delivering social and environmental outcomes.

**a) *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Sovereign ESG Scoring Framework – the Investment Manager employs a systematic and structured framework to rank each country within its investment universe as regards exposure to ESG risks. The Investment Manager applies this ESG Scoring Framework to all investments in the Fund. The Investment Manager employs a value-based investment approach and integrates ESG factors into its valuation framework for sovereign debt. Whilst the Investment Manager will not make investment decisions based purely on ESG matters, the valuation of all countries within the investment universe will incorporate ESG factors, and these valuations inform the investment decisions of the Investment Manager. The ESG Scoring Framework is more fully set out below, and further in the Investment Manager's ESG Policy, which is available at www.colchesterglobal.com.

- Exclusion – the Investment Manager maintains an exclusion list of countries that do not comply with international norms and standards, and is currently comprised of countries subject to a UN arms embargo. The Fund will not invest in debt issued by governments or government agencies of the countries on the exclusion list. Sovereign issuers on the exclusion list are fully excluded from the investment universe of the Fund.

- Engagement - the Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**b) *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

**c) *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:* Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**2. Does this financial product consider principal adverse impacts on sustainability factors?**

| | |
|---|---|
| X | Yes, through its investment process and ESG Scoring Framework, the Investment Manager takes into consideration principal adverse impacts on sustainability factors. The Investment Manager considers each of the indicators applicable to investments in sovereigns and supranationals listed in Annex 1 Table 1 of the Level II SFDR Regulatory Technical Standards ("SFDR RTS"). The Investment Manager considers the following indicators applicable to investments in sovereigns and supranationals in Annex 1 Table 3 of the SFDR RTS: income inequality, freedom of expression, corruption, political stability, and the rule of law. Each of these indicators are fed into the ESG Scoring Framework. In addition, the Investment Manager fully excludes from the investment universe sovereign issuers that are on the exclusion list, which is currently comprised of countries subject to a UN arms embargo.<br><br>Due to the investment strategy employed by the Fund, only the indicators applicable to investment in sovereigns and supranationals are relevant to the Investment Manager's consideration of principal adverse impacts.<br><br>The Fund's annual report shall disclose how principal adverse impacts on sustainability factors have been considered during the relevant reporting period. |
| | No. |

**3. What investment strategy does this financial product follow?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign inflation-indexed debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

The Investment Manager's investment strategy seeks to invest primarily in sovereign bond markets that offer attractive real yields adjusted for financial stability and sustainability risks. The Investment Manager integrates ESG factors into the investment decision making process on a continuous basis as more fully described below.

***a) What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the Fund's investment strategy in respect of the promotion of environmental or social characteristics are: (1) the systematic and holistic integration of ESG factors into the Investment Manager's investment process through its ESG Scoring Framework, (2) fully excluding sovereign issuers in countries which are on the Fund's exclusion list, and (3) sovereign engagement.

ESG Integration: The Investment Manager employs a value-based investment approach and integrates ESG risks into its valuation framework for sovereign debt. Countries are assigned a proprietary Financial Stability Score (FSS) which combines an assessment of balance sheet and economic strength, with an assessment of ESG risks, and potential opportunities. Each bond and currency market within the Fund's investment universe, is assigned a FSS and this translates into a premium or discount being applied to the market's valuation. Whilst there are strong interlinkages between ESG factors and traditional balance sheet or "credit" metrics, the Investment Manager has developed a sovereign ESG Scoring Framework to measure and compare countries exposure specifically to ESG risks, in a systematic and consistent fashion. A series of publicly available metrics are used to assess ESG risks under a variety of categories. For example, environmental metrics consider a country's vulnerability to climate through two lenses, namely physical risk and transition risk. Physical risk relates to a country's sensitivity to the implications of climate change such as extreme weather events, whilst transition risk is concerned with the implications of adjusting to a low-carbon economy. The percentage of electricity generated from renewable sources is one metric the Investment Manager considers to assess transition risk. Social characteristics of a country are assessed via Human Capital i.e. the knowledge, skills and experience of the population, and Social Cohesion i.e. the levels of trust, accountability and equality prevailing in society. Governance standards such as the rule of law, property rights and financial freedom are also measured.

These metrics are distilled into a score for each country, which feeds into the Financial Stability Score and hence the valuation of each bond and currency market. A country with stronger ESG metrics and a more robust balance sheet than its peers will therefore be a more attractive investment *ceteris paribus*.

As a sovereign debt investor, the Investment Manager recognises the inherent dilemma in considering whether or not to exclude countries from its investment universe based on an assessment of sustainability metrics. In many instances such metrics are positively correlated to income per capita, and hence such exclusions run the risk of cutting off access to international capital for lower income countries. Such countries are often highly dependent on foreign capital to develop infrastructure, build human capital and underpin social stability. Hence, the Investment Manager will give careful consideration of the implications on a particular sovereign issuer when assessing whether to include it in the Fund's investment universe. It should be noted that, while ESG integration is a binding element of the investment process for the Fund, the Investment Manager's investment decisions are not based solely on ESG matters.

Engagement: The Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. Findings during the engagement work feed holistically into the FSS referred to above. The Investment Manager believes that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better financial and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

Exclusion: The Investment Manager maintains an exclusion list of countries in which the Fund will not invest. The country exclusion list is currently comprised of any countries subject to an arms embargo by the UN Security Council. In determining the exclusion list, the Investment Manager also undertakes ongoing ESG analysis, and has regard to financial sanctions imposed by the UN, the EU, the US, and the UK. The Fund will not invest in debt issued by the government of the countries on the exclusion list, nor in debt issued by government-related entities based in the relevant country. The exclusion list is available to clients on request and is reviewed at least quarterly by the Investment Manager. In the event that the Fund holds exposure to debt issued by the government or government agency of a country which is subsequently added to the exclusion list, the Investment Manager will look to dispose of such debt, if possible, in an orderly fashion, within a period of 180 days.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***b) What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

None.

***c) What is the policy to assess good governance practices of the investee companies?***

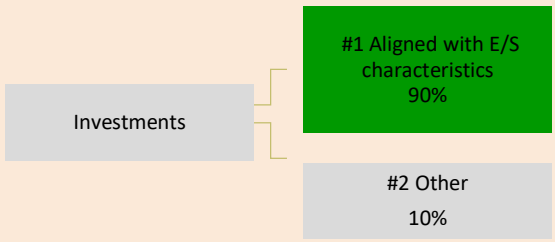
Not applicable – the Fund only invests in sovereign debt.

**Asset allocation** describes the share of investments in specific assets.

**4. What is the asset allocation planned for this financial product?**

The Fund will typically be fully or substantially invested in sovereign debt. It is expected that no less than 90% of the assets in the Fund will be aligned with environmental and/or social characteristics promoted by the Fund. A minor portion of the Fund may be invested in ancillary assets that are not aligned with the with environmental and/or social characteristics promoted by the Fund – see question 8 for more information.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***a) How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

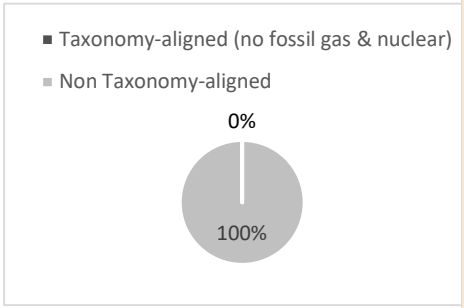
0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy. It is acknowledged in the SFDR RTS that there is currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable activities.

**a) Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[8]?**

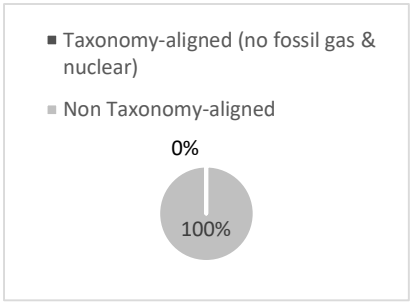
| | |
|---|---|
| | Yes: |
| | In fossil gas ☐ In nuclear energy |
| X | No |

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

[8] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***b) What is the minimum share of investments in transitional and enabling activities?***

As above, the Fund's investments are not aligned with the EU Taxonomy, and it is acknowledged within the SFDR RTS that there is currently no appropriate methodology to calculate the alignment for sovereign exposures with the Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**7. What is the minimum share of socially sustainable investments?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**8. What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund's ESG Scoring Framework and exclusion screening process outlined above applies to no less than 90% of the investments in the Fund. A portion of the Fund (typically less than 5%) may be held in cash for liquidity purposes and to manage collateral in relation to currency forward contracts.

**9. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Fund does not use a reference benchmark to determine alignment with the environmental and/or social characteristics promoted by the Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*** Not Applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*** Not Applicable.
- ***How does the designated index differ from a relevant broad market index?*** Not Applicable.
- ***Where can the methodology used for the calculation of the designated index be found?*** Not Applicable.

**10. Where can I find more product specific information online?**

More product-specific information can be found on the website: www.colchesterglobal.com

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**
The Colchester Local Markets Bond Fund

**Legal entity identifier:**
549300W4Z5T7ZILF6S31

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| | |
|---|---|
| ☐ **Yes** | ☒ **No** |
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | X It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## 1. What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes a broad range of environmental and social characteristics including raising awareness amongst, and recognising improvements by, national governments and other policymakers in adapting and responding to the decarbonisation of the global economy, and mitigating vulnerabilities to climate change, addressing issues such as social cohesion and prudent economic governance, and building human capital via standards of education and labour market inclusivity.

Such characteristics are promoted through the following strands of the Fund's investment approach, each of which are described more fully further on in this document:

- Integrating environmental, social and governance ("ESG") factors into the investment decision making process through the Investment Manager's Sovereign ESG Scoring Framework;

- Excluding sovereign issuers that do not comply with international norms and standards, such as countries subject to a United Nations ('UN') Security Council arms embargo; and

- Engagement with national governments and other sovereign issuers to inform, promote and potentially drive best practice in delivering social and environmental outcomes.

**a)** ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Sovereign ESG Scoring Framework – the Investment Manager employs a systematic and structured framework to rank each country within its investment universe as regards exposure to ESG risks. The Investment Manager applies this ESG Scoring Framework to all investments in the Fund. The Investment Manager employs a value-based investment approach and integrates ESG factors into its valuation framework for sovereign debt. Whilst the Investment Manager will not make investment decisions based purely on ESG matters, the valuation of all countries within the investment universe will incorporate ESG factors, and these valuations inform the investment decisions of the Investment Manager. The ESG Scoring Framework is more fully set out below, and further in the Investment Manager's ESG Policy, which is available at www.colchesterglobal.com.

- Exclusion – the Investment Manager maintains an exclusion list of countries that do not comply with international norms and standards, and is currently comprised of countries subject to a UN arms embargo. The Fund will not invest in debt issued by governments or government agencies of the countries on the exclusion list. Sovereign issuers on the exclusion list are fully excluded from the investment universe of the Fund.

- Engagement - the Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**b)** ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

**c)** ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:* Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**2. Does this financial product consider principal adverse impacts on sustainability factors?**

| | |
|---|---|
| X | Yes, through its investment process and ESG Scoring Framework, the Investment Manager takes into consideration principal adverse impacts on sustainability factors. The Investment Manager considers each of the indicators applicable to investments in sovereigns and supranationals listed in Annex 1 Table 1 of the Level II SFDR Regulatory Technical Standards ("SFDR RTS"). The Investment Manager considers the following indicators applicable to investments in sovereigns and supranationals in Annex 1 Table 3 of the SFDR RTS: income inequality, freedom of expression, corruption, political stability, and the rule of law. Each of these indicators are fed into the ESG Scoring Framework. In addition, the Investment Manager fully excludes from the investment universe sovereign issuers that are on the exclusion list, which is currently comprised of countries subject to a UN arms embargo.<br><br>Due to the investment strategy employed by the Fund, only the indicators applicable to investment in sovereigns and supranationals are relevant to the Investment Manager's consideration of principal adverse impacts.<br><br>The Fund's annual report shall disclose how principal adverse impacts on sustainability factors have been considered during the relevant reporting period. |
| | No. |

**3. What investment strategy does this financial product follow?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign emerging market debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

The Investment Manager's investment strategy seeks to invest primarily in sovereign bond markets that offer attractive real yields adjusted for financial stability and sustainability risks. The Investment Manager integrates ESG factors into the investment decision making process on a continuous basis as more fully described below.

***a) What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the Fund's investment strategy in respect of the promotion of environmental or social characteristics are: (1) the systematic and holistic integration of ESG factors into the Investment Manager's investment process through its ESG Scoring Framework, (2) fully excluding sovereign issuers in countries which are on the Fund's exclusion list, and (3) sovereign engagement.

ESG Integration: The Investment Manager employs a value-based investment approach and integrates ESG risks into its valuation framework for sovereign debt. Countries are assigned a proprietary Financial Stability Score (FSS) which combines an assessment of balance sheet and economic strength, with an assessment of ESG risks, and potential opportunities. Each bond and currency market within the Fund's investment universe, is assigned a FSS and this translates into a premium or discount being applied to the market's valuation. Whilst there are strong interlinkages between ESG factors and traditional balance sheet or "credit" metrics, the Investment Manager has developed a sovereign ESG Scoring Framework to measure and compare countries exposure specifically to ESG risks, in a systematic and consistent fashion. A series of publicly available metrics are used to assess ESG risks under a variety of categories. For example, environmental metrics consider a country's vulnerability to climate through two lenses, namely physical risk and transition risk. Physical risk relates to a country's sensitivity to the implications of climate change such as extreme weather events, whilst transition risk is concerned with the implications of adjusting to a low-carbon economy. The percentage of electricity generated from renewable sources is one metric the Investment Manager considers to assess transition risk. Social characteristics of a country are assessed via Human Capital i.e. the knowledge, skills and experience of the population, and Social Cohesion i.e. the levels of trust, accountability and equality prevailing in society. Governance standards such as the rule of law, property rights and financial freedom are also measured.

These metrics are distilled into a score for each country, which feeds into the Financial Stability Score and hence the valuation of each bond and currency market. A country with stronger ESG metrics and a more robust balance sheet than its peers will therefore be a more attractive investment *ceteris paribus*.

As a sovereign debt investor, the Investment Manager recognises the inherent dilemma in considering whether or not to exclude countries from its investment universe based on an assessment of sustainability metrics. In many instances such metrics are positively correlated to income per capita, and hence such exclusions run the risk of cutting off access to international capital for lower income countries. Such countries are often highly dependent on foreign capital to develop infrastructure, build human capital and underpin social stability. Hence, the Investment Manager will give careful consideration of the implications on a particular sovereign issuer when assessing whether to include it in the Fund's investment universe. It should be noted that, while ESG integration is a binding element of the investment process for the Fund, the Investment Manager's investment decisions are not based solely on ESG matters.

Engagement: The Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. Findings during the engagement work feed holistically into the FSS referred to above. The Investment Manager believes that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better financial and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

Exclusion: The Investment Manager maintains an exclusion list of countries in which the Fund will not invest. The country exclusion list is currently comprised of any countries subject to an arms embargo by the UN Security Council. In determining the exclusion list, the Investment Manager also undertakes ongoing ESG analysis, and has regard to financial sanctions imposed by the UN, the EU, the US, and the UK. The Fund will not invest in debt issued by the government of the countries on the exclusion list, nor in debt issued by government-related entities based in the relevant country. The exclusion list is available to clients on request and is reviewed at least quarterly by the Investment Manager. In the event that the Fund holds exposure to debt issued by the government or government agency of a country which is subsequently added to the exclusion list, the Investment Manager will look to dispose of such debt, if possible, in an orderly fashion, within a period of 180 days.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***b) What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

None.

***c) What is the policy to assess good governance practices of the investee companies?***

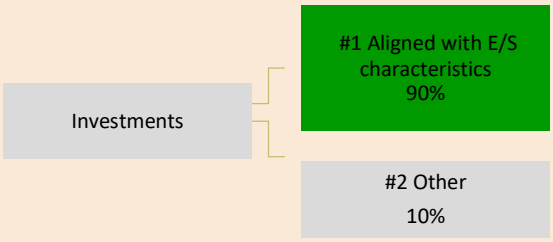
Not applicable – the Fund only invests in sovereign debt.

**Asset allocation** describes the share of investments in specific assets.

**4. What is the asset allocation planned for this financial product?**

The Fund will typically be fully or substantially invested in sovereign debt. It is expected that no less than 90% of the assets in the Fund will be aligned with environmental and/or social characteristics promoted by the Fund. A minor portion of the Fund may be invested in ancillary assets that are not aligned with the with environmental and/or social characteristics promoted by the Fund – see question 8 for more information.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***a) How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

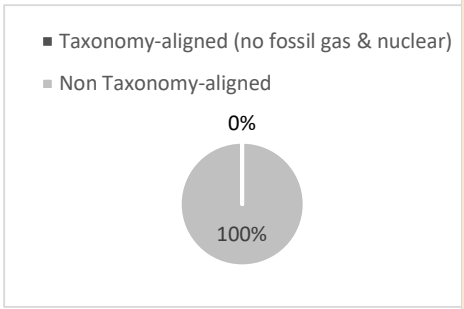
0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy. It is acknowledged in the SFDR RTS that there is currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable activities.

**a) Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[9]?**

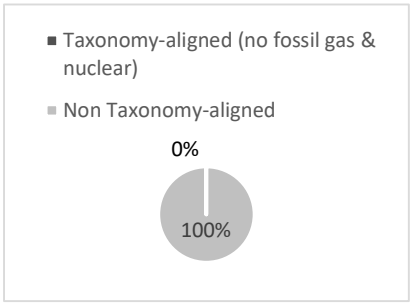
| | |
|---|---|
| | Yes: |
| | In fossil gas ☐ In nuclear energy ☐ |
| X | No |

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

[9] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***b) What is the minimum share of investments in transitional and enabling activities?***

As above, the Fund's investments are not aligned with the EU Taxonomy, and it is acknowledged within the SFDR RTS that there is currently no appropriate methodology to calculate the alignment for sovereign exposures with the Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**7. What is the minimum share of socially sustainable investments?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**8. What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund's ESG Scoring Framework and exclusion screening process outlined above applies to no less than 90% of the investments in the Fund. A portion of the Fund (typically less than 5%) may be held in cash for liquidity purposes and to manage collateral in relation to currency forward contracts.

**9. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Fund does not use a reference benchmark to determine alignment with the environmental and/or social characteristics promoted by the Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*** Not Applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*** Not Applicable.
- ***How does the designated index differ from a relevant broad market index?*** Not Applicable.
- ***Where can the methodology used for the calculation of the designated index be found?*** Not Applicable.

**10. Where can I find more product specific information online?**

More product-specific information can be found on the website: www.colchesterglobal.com

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**
The Colchester Local Markets Real Return Bond Fund

**Legal entity identifier:**
549300UYPUJ6UN76B790

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| | |
|---|---|
| ☐ **Yes** | ☒ **No** |
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | X It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## 1. What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes a broad range of environmental and social characteristics including raising awareness amongst, and recognising improvements by, national governments and other policymakers in adapting and responding to the decarbonisation of the global economy, and mitigating vulnerabilities to climate change, addressing issues such as social cohesion and prudent economic governance, and building human capital via standards of education and labour market inclusivity.

Such characteristics are promoted through the following strands of the Fund's investment approach, each of which are described more fully further on in this document:

- Integrating environmental, social and governance ("ESG") factors into the investment decision making process through the Investment Manager's Sovereign ESG Scoring Framework

- Excluding sovereign issuers that do not comply with international norms and standards, such as countries subject to a United Nations ('UN') Security Council arms embargo; and

- Engagement with national governments and other sovereign issuers to inform, promote and potentially drive best practice in delivering social and environmental outcomes.

**a)** ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Sovereign ESG Scoring Framework – the Investment Manager employs a systematic and structured framework to rank each country within its investment universe as regards exposure to ESG risks. The Investment Manager applies this ESG Scoring Framework to all investments in the Fund. The Investment Manager employs a value-based investment approach and integrates ESG factors into its valuation framework for sovereign debt. Whilst the Investment Manager will not make investment decisions based purely on ESG matters, the valuation of all countries within the investment universe will incorporate ESG factors, and these valuations inform the investment decisions of the Investment Manager. The ESG Scoring Framework is more fully set out below, and further in the Investment Manager's ESG Policy, which is available at www.colchesterglobal.com.

- Exclusion – the Investment Manager maintains an exclusion list of countries that do not comply with international norms and standards, and is currently comprised of countries subject to a UN arms embargo. The Fund will not invest in debt issued by governments or government agencies of the countries on the exclusion list. Sovereign issuers on the exclusion list are fully excluded from the investment universe of the Fund.

- Engagement - the Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**b)** ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

**c)** ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:* Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**2. Does this financial product consider principal adverse impacts on sustainability factors?**

| | |
|---|---|
| X | Yes, through its investment process and ESG Scoring Framework, the Investment Manager takes into consideration principal adverse impacts on sustainability factors. The Investment Manager considers each of the indicators applicable to investments in sovereigns and supranationals listed in Annex 1 Table 1 of the Level II SFDR Regulatory Technical Standards ("SFDR RTS"). The Investment Manager considers the following indicators applicable to investments in sovereigns and supranationals in Annex 1 Table 3 of the SFDR RTS: income inequality, freedom of expression, corruption, political stability, and the rule of law. Each of these indicators are fed into the ESG Scoring Framework. In addition, the Investment Manager fully excludes from the investment universe sovereign issuers that are on the exclusion list, which is currently comprised of countries subject to a UN arms embargo.<br><br>Due to the investment strategy employed by the Fund, only the indicators applicable to investment in sovereigns and supranationals are relevant to the Investment Manager's consideration of principal adverse impacts<br><br>The Fund's annual report shall disclose how principal adverse impacts on sustainability factors have been considered during the relevant reporting period. |
| | No. |

**3. What investment strategy does this financial product follow?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign emerging market inflation-indexed debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

The Investment Manager's investment strategy seeks to invest primarily in sovereign bond markets that offer attractive real yields adjusted for financial stability and sustainability risks. The Investment Manager integrates ESG factors into the investment decision making process on a continuous basis as more fully described below.

***a) What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the Fund's investment strategy in respect of the promotion of environmental or social characteristics are: (1) the systematic and holistic integration of ESG factors into the Investment Manager's investment process through its ESG Scoring Framework, (2) fully excluding sovereign issuers in countries which are on the Fund's exclusion list, and (3) sovereign engagement.

ESG Integration: The Investment Manager employs a value-based investment approach and integrates ESG risks into its valuation framework for sovereign debt. Countries are assigned a proprietary Financial Stability Score (FSS) which combines an assessment of balance sheet and economic strength, with an assessment of ESG risks, and potential opportunities. Each bond and currency market within the Fund's investment universe, is assigned a FSS and this translates into a premium or discount being applied to the market's valuation. Whilst there are strong interlinkages between ESG factors and traditional balance sheet or "credit" metrics, the Investment Manager has developed a sovereign ESG Scoring Framework to measure and compare countries exposure specifically to ESG risks, in a systematic and consistent fashion. A series of publicly available metrics are used to assess ESG risks under a variety of categories. For example, environmental metrics consider a country's vulnerability to climate through two lenses, namely physical risk and transition risk. Physical risk relates to a country's sensitivity to the implications of climate change such as extreme weather events, whilst transition risk is concerned with the implications of adjusting to a low-carbon economy. The percentage of electricity generated from renewable sources is one metric the Investment Manager considers to assess transition risk. Social characteristics of a country are assessed via Human Capital i.e. the knowledge, skills and experience of the population, and Social Cohesion i.e. the levels of trust, accountability and equality prevailing in society. Governance standards such as the rule of law, property rights and financial freedom are also measured.

These metrics are distilled into a score for each country, which feeds into the Financial Stability Score and hence the valuation of each bond and currency market. A country with stronger ESG metrics and a more robust balance sheet than its peers will therefore be a more attractive investment ceteris paribus.

As a sovereign debt investor, the Investment Manager recognises the inherent dilemma in considering whether or not to exclude countries from its investment universe based on an assessment of sustainability metrics. In many instances such metrics are positively correlated to income per capita, and hence such exclusions run the risk of cutting off access to international capital for lower income countries. Such countries are often highly dependent on foreign capital to develop infrastructure, build human capital and underpin social stability. Hence, the Investment Manager will give careful consideration of the implications on a particular sovereign issuer when assessing whether to include it in the Fund's investment universe. It should be noted that, while ESG integration is a binding element of the investment process for the Fund, the Investment Manager's investment decisions are not based solely on ESG matters.

Engagement: The Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. Findings during the engagement work feed holistically into the FSS referred to above. The Investment Manager believes that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better financial and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

Exclusion: The Investment Manager maintains an exclusion list of countries in which the Fund will not invest. The country exclusion list is currently comprised of any countries subject to an arms embargo by the UN Security Council. In determining the exclusion list, the Investment Manager also undertakes ongoing ESG analysis, and has regard to financial sanctions imposed by the UN, the EU, the US, and the UK. The Fund will not invest in debt issued by the government of the countries on the exclusion list, nor in debt issued by government-related entities based in the relevant country. The exclusion list is available to clients on request and is reviewed at least quarterly by the Investment Manager. In the event that the Fund holds exposure to debt issued by the government or government agency of a country which is subsequently added to the exclusion list, the Investment Manager will look to dispose of such debt, if possible, in an orderly fashion, within a period of 180 days.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***b) What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

None.

***c) What is the policy to assess good governance practices of the investee companies?***

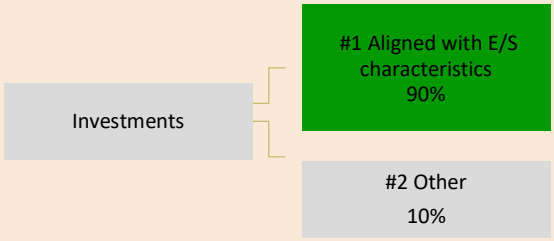
Not applicable – the Fund only invests in sovereign debt.

**Asset allocation** describes the share of investments in specific assets.

**4. What is the asset allocation planned for this financial product?**

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The Fund will typically be fully or substantially invested in sovereign debt. It is expected that no less than 90% of the assets in the Fund will be aligned with environmental and/or social characteristics promoted by the Fund. A minor portion of the Fund may be invested in ancillary assets that are not aligned with the with environmental and/or social characteristics promoted by the Fund – see question 8 for more information.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***a) How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

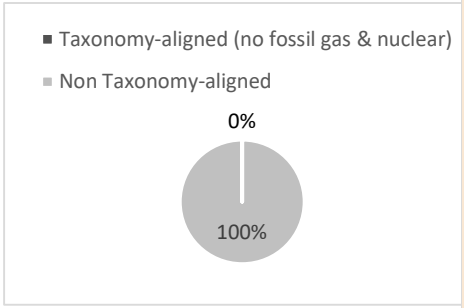
0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy. It is acknowledged in the SFDR RTS that there is currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable activities.

**a) Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[10]?**

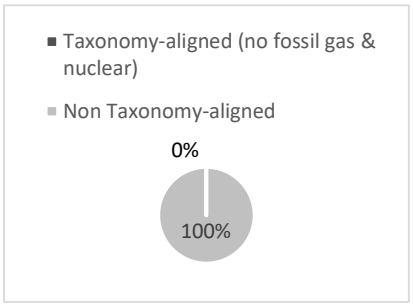
| | |
|---|---|
| | Yes: |
| | In fossil gas ☐ In nuclear energy ☐ |
| X | No |

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

[10] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***b) What is the minimum share of investments in transitional and enabling activities?***

As above, the Fund's investments are not aligned with the EU Taxonomy, and it is acknowledged within the SFDR RTS that there is currently no appropriate methodology to calculate the alignment for sovereign exposures with the Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**7. What is the minimum share of socially sustainable investments?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**8. What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund's ESG Scoring Framework and exclusion screening process outlined above applies to no less than 90% of the investments in the Fund. A portion of the Fund (typically less than 5%) may be held in cash for liquidity purposes and to manage collateral in relation to currency forward contracts.

**9. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Fund does not use a reference benchmark to determine alignment with the environmental and/or social characteristics promoted by the Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*** Not Applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*** Not Applicable.
- ***How does the designated index differ from a relevant broad market index?*** Not Applicable.
- ***Where can the methodology used for the calculation of the designated index be found?*** Not Applicable.

**10. Where can I find more product specific information online?**

More product-specific information can be found on the website: www.colchesterglobal.com

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** The Colchester Blend Local & Hard Currency Emerging Markets Bond Fund

**Legal entity identifier:** 549300DGBH3Y2BZTBU66

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| | |
|---|---|
| ☐ **Yes** | ☒ **No** |
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | X It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## 1. What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes a broad range of environmental and social characteristics including raising awareness amongst, and recognising improvements by, national governments and other policymakers in adapting and responding to the decarbonisation of the global economy, and mitigating vulnerabilities to climate change, addressing issues such as social cohesion and prudent economic governance, and building human capital via standards of education and labour market inclusivity.

Such characteristics are promoted through the following strands of the Fund's investment approach, each of which are described more fully further on in this document:

- Integrating environmental, social and governance ("ESG") factors into the investment decision making process through the Investment Manager's Sovereign ESG Scoring Framework;
- Excluding sovereign issuers that do not comply with international norms and standards, such as countries subject to a United Nations ('UN') Security Council arms embargo; and

- Engagement with national governments and other sovereign issuers to inform, promote and potentially drive best practice in delivering social and environmental outcomes.

**a)** ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Sovereign ESG Scoring Framework – the Investment Manager employs a systematic and structured framework to rank each country within its investment universe as regards exposure to ESG risks. The Investment Manager applies this ESG Scoring Framework to all investments in the Fund. The Investment Manager employs a value-based investment approach and integrates ESG factors into its valuation framework for sovereign debt. Whilst the Investment Manager will not make investment decisions based purely on ESG matters, the valuation of all countries within the investment universe will incorporate ESG factors, and these valuations inform the investment decisions of the Investment Manager. The ESG Scoring Framework is more fully set out below, and further in the Investment Manager's ESG Policy, which is available awww.colchesterglobal.com.

- Exclusion – the Investment Manager maintains an exclusion list of countries that do not comply with international norms and standards, and is currently comprised of countries subject to a UN arms embargo. The Fund will not invest in debt issued by governments or government agencies of the countries on the exclusion list. Sovereign issuers on the exclusion list are fully excluded from the investment universe of the Fund.

- Engagement - the Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**b)** ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

**c)** ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:* Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**2. Does this financial product consider principal adverse impacts on sustainability factors?**

[X] Yes, through its investment process and ESG Scoring Framework, the Investment Manager takes into consideration principal adverse impacts on sustainability factors. The Investment Manager considers each of the indicators applicable to investments in sovereigns and supranationals listed in Annex 1 Table 1 of the Level II SFDR Regulatory Technical Standards ("SFDR RTS"). The Investment Manager considers the following indicators applicable to investments in sovereigns and supranationals in Annex 1 Table 3 of the SFDR RTS: income inequality, freedom of expression, corruption, political stability, and the rule of law. Each of these indicators are fed into the ESG Scoring Framework. In addition, the Investment Manager fully excludes from the investment universe sovereign issuers that are on the exclusion list, which is currently comprised of countries subject to a UN arms embargo.

Due to the investment strategy employed by the Fund, only the indicators applicable to investment in sovereigns and supranationals are relevant to the Investment Manager's consideration of principal adverse impacts.

The Fund's annual report shall disclose how principal adverse impacts on sustainability factors have been considered during the relevant reporting period.

[ ] No.

**3. What investment strategy does this financial product follow?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of primarily sovereign emerging market debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

The Investment Manager's investment strategy seeks to invest primarily in sovereign bond markets that offer attractive real yields adjusted for financial stability and sustainability risks. The Investment Manager integrates ESG factors into the investment decision making process on a continuous basis as more fully described below.

***a) What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the Fund's investment strategy in respect of the promotion of environmental or social characteristics are: (1) the systematic and holistic integration of ESG factors into the Investment Manager's investment process through its ESG Scoring Framework, (2) fully excluding sovereign issuers in countries which are on the Fund's exclusion list, and (3) sovereign engagement.

ESG Integration: The Investment Manager employs a value-based investment approach and integrates ESG risks into its valuation framework for sovereign debt. Countries are assigned a proprietary Financial Stability Score (FSS) which combines an assessment of balance sheet and economic strength, with an assessment of ESG risks, and potential opportunities. Each bond and currency market within the Fund's investment universe, is assigned a FSS and this translates into a premium or discount being applied to the market's valuation. Whilst there are strong interlinkages between ESG factors and traditional balance sheet or "credit" metrics, the Investment Manager has developed a sovereign ESG Scoring Framework to measure and compare countries exposure specifically to ESG risks, in a systematic and consistent fashion. A series of publicly available metrics are used to assess ESG risks under a variety of categories. For example, environmental metrics consider a country's vulnerability to climate through two lenses, namely physical risk and transition risk. Physical risk relates to a country's sensitivity to the implications of climate change such as extreme weather events, whilst transition risk is concerned with the implications of adjusting to a low-carbon economy. The percentage of electricity generated from renewable sources is one metric the Investment Manager considers to assess transition risk. Social characteristics of a country are assessed via Human Capital i.e. the knowledge, skills and experience of the population, and Social Cohesion i.e. the levels of trust, accountability and equality prevailing in society. Governance standards such as the rule of law, property rights and financial freedom are also measured.

These metrics are distilled into a score for each country, which feeds into the Financial Stability Score and hence the valuation of each bond and currency market. A country with stronger ESG metrics and a more robust balance sheet than its peers will therefore be a more attractive investment *ceteris paribus*.

As a sovereign debt investor, the Investment Manager recognises the inherent dilemma in considering whether or not to exclude countries from its investment universe based on an assessment of sustainability metrics. In many instances such metrics are positively correlated to income per capita, and hence such exclusions run the risk of cutting off access to international capital for lower income countries. Such countries are often highly dependent on foreign capital to develop infrastructure, build human capital and underpin social stability. Hence, the Investment Manager will give careful consideration of the implications on a particular sovereign issuer when assessing whether to include it in the Fund's investment universe. It should be noted that, while ESG integration is a binding element of the investment process for the Fund, the Investment Manager's investment decisions are not based solely on ESG matters.

Engagement: The Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. Findings during the engagement work feed holistically into the FSS referred to above. The Investment Manager believes that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better financial and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

Exclusion: The Investment Manager maintains an exclusion list of countries in which the Fund will not invest. The country exclusion list is currently comprised of any countries subject to an arms embargo by the UN Security Council. In determining the exclusion list, the Investment Manager also undertakes ongoing ESG analysis, and has regard to financial sanctions imposed by the UN, the EU, the US, and the UK. The Fund will not invest in debt issued by the government of the countries on the exclusion list, nor in debt issued by government-related entities based in the relevant country. The exclusion list is available to clients on request and is reviewed at least quarterly by the Investment Manager. In the event that the Fund holds exposure to debt issued by the government or government agency of a country which is subsequently added to the exclusion list, the Investment Manager will look to dispose of such debt, if possible, in an orderly fashion, within a period of 180 days.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***b) What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

None.

***c) What is the policy to assess good governance practices of the investee companies?***

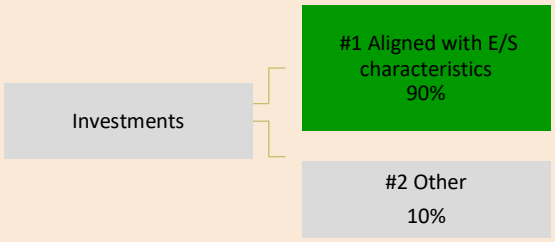
Not applicable – the Fund only invests in sovereign debt.

**Asset allocation** describes the share of investments in specific assets.

**4. What is the asset allocation planned for this financial product?**

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The Fund will typically be fully or substantially invested in sovereign debt. It is expected that no less than 90% of the assets in the Fund will be aligned with environmental and/or social characteristics promoted by the Fund. A minor portion of the Fund may be invested in ancillary assets that are not aligned with the with environmental and/or social characteristics promoted by the Fund – see question 8 for more information.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***b) How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

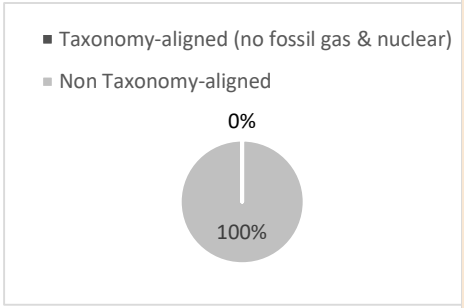
0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy. It is acknowledged in the SFDR RTS that there is currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable activities.

**a) Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[11]?**

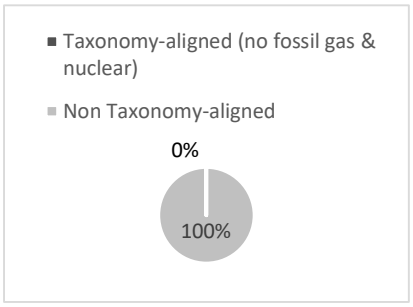
| | |
|---|---|
| | Yes: |
| | In fossil gas ☐ In nuclear energy ☐ |
| X | No |

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

[11] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***b) What is the minimum share of investments in transitional and enabling activities?***

As above, the Fund's investments are not aligned with the EU Taxonomy, and it is acknowledged within the SFDR RTS that there is currently no appropriate methodology to calculate the alignment for sovereign exposures with the Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**7. What is the minimum share of socially sustainable investments?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**8. What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund's ESG Scoring Framework and exclusion screening process outlined above applies to no less than 90% of the investments in the Fund. A portion of the Fund (typically less than 5%) may be held in cash for liquidity purposes and to manage collateral in relation to currency forward contracts.

**9. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Fund does not use a reference benchmark to determine alignment with the environmental and/or social characteristics promoted by the Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*** Not Applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*** Not Applicable.
- ***How does the designated index differ from a relevant broad market index?*** Not Applicable.
- ***Where can the methodology used for the calculation of the designated index be found?*** Not Applicable.

**10. Where can I find more product specific information online?**

More product-specific information can be found on the website: www.colchesterglobal.com

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**
The Colchester Alpha Fund

**Legal entity identifier:**
549300MLDJ5LPBL8ZM63

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| | |
|---|---|
| ☐ **Yes** | ☒ **No** |
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | X It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**1. What environmental and/or social characteristics are promoted by this financial product?**

The Fund promotes a broad range of environmental and social characteristics including raising awareness amongst, and recognising improvements by, national governments and other policymakers in adapting and responding to the decarbonisation of the global economy, and mitigating vulnerabilities to climate change, addressing issues such as social cohesion and prudent economic governance, and building human capital via standards of education and labour market inclusivity.

Such characteristics are promoted through the following strands of the Fund's investment approach, each of which are described more fully further on in this document:

- Integrating environmental, social and governance ("ESG") factors into the investment decision making process through the Investment Manager's Sovereign ESG Scoring Framework;
- Excluding sovereign issuers that do not comply with international norms and standards, such as countries subject to a United Nations ('UN') Security Council arms embargo; and

- Engagement with national governments and other sovereign issuers to inform, promote and potentially drive best practice in delivering social and environmental outcomes.

**a) *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Sovereign ESG Scoring Framework – the Investment Manager employs a systematic and structured framework to rank each country within its investment universe as regards exposure to ESG risks. The Investment Manager applies this ESG Scoring Framework to all investments in the Fund. The Investment Manager employs a value-based investment approach and integrates ESG factors into its valuation framework for sovereign debt. Whilst the Investment Manager will not make investment decisions based purely on ESG matters, the valuation of all countries within the investment universe will incorporate ESG factors, and these valuations inform the investment decisions of the Investment Manager. The ESG Scoring Framework is more fully set out below, and further in the Investment Manager's ESG Policy, which is available at www.colchesterglobal.com.

- Exclusion – the Investment Manager maintains an exclusion list of countries that do not comply with international norms and standards, and is currently comprised of countries subject to a UN arms embargo. The Fund will not invest in debt issued by governments or government agencies of the countries on the exclusion list. Sovereign issuers on the exclusion list are fully excluded from the investment universe of the Fund.

- Engagement - the Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

**b) *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

**c) *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:* Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**2. Does this financial product consider principal adverse impacts on sustainability factors?**

| | |
|---|---|
| X | Yes, through its investment process and ESG Scoring Framework, the Investment Manager takes into consideration principal adverse impacts on sustainability factors. The Investment Manager considers each of the indicators applicable to investments in sovereigns and supranationals listed in Annex 1 Table 1 of the Level II SFDR Regulatory Technical Standards ("SFDR RTS"). The Investment Manager considers the following indicators applicable to investments in sovereigns and supranationals in Annex 1 Table 3 of the SFDR RTS: income inequality, freedom of expression, corruption, political stability, and the rule of law. Each of these indicators are fed into the ESG Scoring Framework. In addition, the Investment Manager fully excludes from the investment universe sovereign issuers that are on the exclusion list, which is currently comprised of countries subject to a UN arms embargo.<br><br>Due to the investment strategy employed by the Fund, only the indicators applicable to investment in sovereigns and supranationals are relevant to the Investment Manager's consideration of principal adverse impacts.<br><br>The Fund's annual report shall disclose how principal adverse impacts on sustainability factors have been considered during the relevant reporting period. |
| | No. |

**3. What investment strategy does this financial product follow?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund's investment objective is to achieve favourable income and capital returns from a globally diversified portfolio of long and short positions in primarily sovereign debt or debt-like securities and currencies. An associated objective is the preservation and enhancement of principal.

The Investment Manager's investment strategy seeks to invest primarily in sovereign bond markets that offer attractive real yields adjusted for financial stability and sustainability risks. The Investment Manager integrates ESG factors into the investment decision making process on a continuous basis as more fully described below.

***a) What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the Fund's investment strategy in respect of the promotion of environmental or social characteristics are: (1) the systematic and holistic integration of ESG factors into the Investment Manager's investment process through its ESG Scoring Framework, (2) fully excluding sovereign issuers in countries which are on the Fund's exclusion list, and (3) sovereign engagement.

ESG Integration: The Investment Manager employs a value-based investment approach and integrates ESG risks into its valuation framework for sovereign debt. Countries are assigned a proprietary Financial Stability Score (FSS) which combines an assessment of balance sheet and economic strength, with an assessment of ESG risks, and potential opportunities. Each bond and currency market within the Fund's investment universe, is assigned a FSS and this translates into a premium or discount being applied to the market's valuation. Whilst there are strong interlinkages between ESG factors and traditional balance sheet or "credit" metrics, the Investment Manager has developed a sovereign ESG Scoring Framework to measure and compare countries exposure specifically to ESG risks, in a systematic and consistent fashion. A series of publicly available metrics are used to assess ESG risks under a variety of categories. For example, environmental metrics consider a country's vulnerability to climate through two lenses, namely physical risk and transition risk. Physical risk relates to a country's sensitivity to the implications of climate change such as extreme weather events, whilst transition risk is concerned with the implications of adjusting to a low-carbon economy. The percentage of electricity generated from renewable sources is one metric the Investment Manager considers to assess transition risk. Social characteristics of a country are assessed via Human Capital i.e. the knowledge, skills and experience of the population, and Social Cohesion i.e. the levels of trust, accountability and equality prevailing in society. Governance standards such as the rule of law, property rights and financial freedom are also measured.

These metrics are distilled into a score for each country, which feeds into the Financial Stability Score and hence the valuation of each bond and currency market. A country with stronger ESG metrics and a more robust balance sheet than its peers will therefore be a more attractive investment *ceteris paribus*.

As a sovereign debt investor, the Investment Manager recognises the inherent dilemma in considering whether or not to exclude countries from its investment universe based on an assessment of sustainability metrics. In many instances such metrics are positively correlated to income per capita, and hence such exclusions run the risk of cutting off access to international capital for lower income countries. Such countries are often highly dependent on foreign capital to develop infrastructure, build human capital and underpin social stability. Hence, the Investment Manager will give careful consideration of the implications on a particular sovereign issuer when assessing whether to include it in the Fund's investment universe. It should be noted that, while ESG integration is a binding element of the investment process for the Fund, the Investment Manager's investment decisions are not based solely on ESG matters.

Engagement: The Investment Manager seeks to engage with sovereigns, helping to inform, promote and potentially drive best practices delivering better social, environmental and economic outcomes. Findings during the engagement work feed holistically into the FSS referred to above. The Investment Manager believes that countries with stronger governance, healthier and more educated workforces, and higher environmental standards tend to produce better financial and economic outcomes. The Investment Manager produces an ESG Engagement Report bi-annually, sharing its country engagements in respect of ESG matters. The ESG Engagement Report is available on its website at www.colchesterglobal.com.

Exclusion: The Investment Manager maintains an exclusion list of countries in which the Fund will not invest. The country exclusion list is currently comprised of any countries subject to an arms embargo by the UN Security Council. In determining the exclusion list, the Investment Manager also undertakes ongoing ESG analysis, and has regard to financial sanctions imposed by the UN, the EU, the US, and the UK. The Fund will not invest in debt issued by the government of the countries on the exclusion list, nor in debt issued by government-related entities based in the relevant country. The exclusion list is available to clients on request and is reviewed at least quarterly by the Investment Manager. In the event that the Fund holds exposure to debt issued by the government or government agency of a country which is subsequently added to the exclusion list, the Investment Manager will look to dispose of such debt, if possible, in an orderly fashion, within a period of 180 days.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***b) What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

None.

***c) What is the policy to assess good governance practices of the investee companies?***

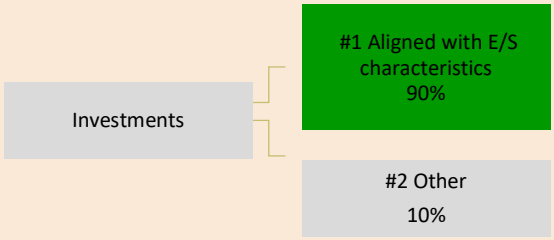
Not applicable – the Fund only invests in sovereign debt.

**Asset allocation** describes the share of investments in specific assets.

**4. What is the asset allocation planned for this financial product?**

The Fund will typically be fully or substantially invested in sovereign debt. It is expected that no less than 90% of the assets in the Fund will be aligned with environmental and/or social characteristics promoted by the Fund. A minor portion of the Fund may be invested in ancillary assets that are not aligned with the with environmental and/or social characteristics promoted by the Fund – see question 8 for more information.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***a) How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used for the purposes of attaining the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**5. To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

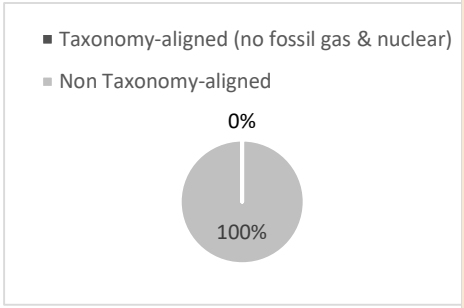
0% of the Fund's investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy. It is acknowledged in the SFDR RTS that there is currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable activities.

**a) Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[12]?**

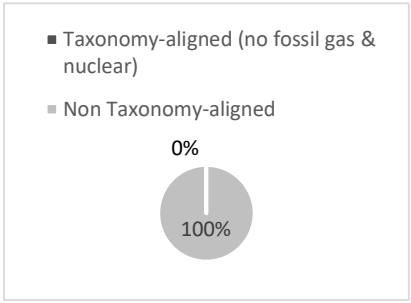
| | |
|---|---|
| | Yes: |
| | In fossil gas ☐ In nuclear energy ☐ |
| X | No |

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***




2. Taxonomy-alignment of investments **excluding sovereign bonds***




This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures*

[12] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***b) What is the minimum share of investments in transitional and enabling activities?***

As above, the Fund's investments are not aligned with the EU Taxonomy, and it is acknowledged within the SFDR RTS that there is currently no appropriate methodology to calculate the alignment for sovereign exposures with the Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**7. What is the minimum share of socially sustainable investments?**

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.

**8. What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The Fund's ESG Scoring Framework and exclusion screening process outlined above applies to no less than 90% of the investments in the Fund. A portion of the Fund (typically less than 5%) may be held in cash for liquidity purposes and to manage collateral in relation to currency forward contracts.

**9. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Fund does not use a reference benchmark to determine alignment with the environmental and/or social characteristics promoted by the Fund.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*** Not Applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*** Not Applicable.
- ***How does the designated index differ from a relevant broad market index?*** Not Applicable.
- ***Where can the methodology used for the calculation of the designated index be found?*** Not Applicable.

**10. Where can I find more product specific information online?**

More product-specific information can be found on the website: www.colchesterglobal.com

# INFORMATION MEMORANDUM

relating to the following sub-funds of The Colchester Multi-Strategy Global Bond Fund plc

**THE COLCHESTER GLOBAL BOND FUND**
**THE COLCHESTER LOCAL MARKETS BOND FUND**
**THE COLCHESTER GLOBAL REAL RETURN BOND FUND**
**THE COLCHESTER LOCAL MARKETS REAL RETURN BOND FUND**
**THE COLCHESTER GLOBAL LOW DURATION BOND FUND**
**THE COLCHESTER GLOBAL BOND ENHANCED CURRENCY FUND**
**THE COLCHESTER ALPHA FUND**
**THE COLCHESTER GLOBAL AGGREGATE BOND FUND**
**THE COLCHESTER GLOBAL GREEN BOND FUND**
**THE COLCHESTER GLOBAL AGGREGATE BOND ENHANCED CURRENCY FUND**
**THE COLCHESTER BLEND LOCAL & HARD CURRENCY EMERGING MARKETS BOND FUND**

**(collectively, the "Funds")**

**Important information for Singapore investors**

**This information memorandum dated 22 August 2023 (the "Information Memorandum") forms part of and should be read in conjunction with the prospectus for The Colchester Multi-Strategy Global Bond Fund plc (the "Company") dated 31 May 2023 (the "Prospectus") as amended and supplemented from time to time. All capitalised terms contained herein shall have the same meaning in this Information Memorandum as in the Prospectus unless otherwise indicated.**

The offer or invitation to subscribe for or purchase shares in the Funds (the "**Shares**"), which is the subject of this Information Memorandum, is an exempt offer made only: (i) to "institutional investors" pursuant to Section 304 of the Securities and Futures Act 2001 (the "**SFA**"), (ii) to "relevant persons" pursuant to Section 305(1) of the SFA, (iii) to persons who meet the requirements of an offer made pursuant to Section 305(2) of the SFA, and/or (iv) pursuant to, and in accordance with the conditions of, other applicable exemption provisions of the SFA.

No exempt offer or invitation to subscribe for or purchase the Shares may be made, and no document (including this Information Memorandum) relating to the exempt offer of the Shares may be circulated or distributed (whether directly or indirectly) to any person in Singapore except in accordance with the restrictions and conditions under the SFA. By subscribing for the Shares pursuant to the exempt offer under this Information Memorandum, you must comply with the restrictions and conditions under the SFA in relation to your offer, holding and subsequent sale or transfer of the Shares.

The Funds are not authorised or recognised by the Monetary Authority of Singapore ("**MAS**") and the Shares are not allowed to be offered to the retail public in Singapore. Each Fund is a restricted scheme under the Sixth Schedule to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations.

This Information Memorandum is not a prospectus as defined in the SFA and accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. The MAS assumes no responsibility for the contents of this Information Memorandum.

You should consider carefully whether the investment is suitable for you and whether you are permitted (under the SFA, and any laws or regulations that are applicable to you) to make an investment in the Shares. If in doubt, you should consult your legal or professional advisor.

The Funds are each a sub-fund of the Company, an umbrella fund with segregated liability between sub-funds.

The Company is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014 (as amended) and has been authorised and regulated as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), by the Central Bank of Ireland.

The Company's business address is at George's Court, 54-62 Townsend Street, Dublin 2, Ireland.

The manager of the Company is Colchester Global Investors (Dublin) Management Limited (the "**Manager**"), a private limited company incorporated in Ireland and regulated by the Central Bank of Ireland.

The depositary of the Funds is Northern Trust Fiduciary Services (Ireland) Limited, a private limited company incorporated in Ireland and regulated by the Central Bank of Ireland.

The contact details of the regulators, as described above, are as follows:

**Central Bank of Ireland**
PO Box 559
Dublin 1, Ireland
Telephone no.: +353 1 224 6000

You should refer to the attached Prospectus of the Company for particulars on:
(i) the investment objective, focus and approach in relation to each Fund;
(ii) the risks of subscribing for or purchasing the Shares in each Fund;
(iii) the conditions, limits and gating structures for the redemption of the Shares; and
(iv) the fees and charges that are payable by you and/or out of the Funds.

Please also note that this Information Memorandum also incorporates the attached Key Information Documents ("**KID**"), factsheets, marketing book and sample newsletter.

The Investment Manager has entered into side letter arrangements that qualify the relationship between the Funds and selected investors. Please refer to the Prospectus for particulars on the policy regarding side letters and the nature and scope of such side letters.

The accounts of the Company, and the information on the past performance of the Funds (where available) may be obtained from the website: www.fundinfo.com.

**Investors should note that only Shares in the Funds are being offered pursuant to this Information Memorandum. This Information Memorandum is not and should not be construed as making an offer in Singapore of shares in any other sub-fund of the Company.**