

**PROSPECTUS**

**If you are in doubt about the contents of this Prospectus, you should consult your stockbroker, accountant, solicitor or other independent financial adviser.**

**CORONATION UNIVERSAL FUND**

**(an open-ended umbrella unit trust authorised by the Central Bank of Ireland pursuant to the provisions of the Unit Trusts Act, 1990 and any regulations made thereunder)**

**AIFM**

**CORONATION GLOBAL FUND MANAGERS (IRELAND) LIMITED**

**Dated: 10 December, 2021**

*The Fund is an open-ended umbrella unit trust authorised by the Central Bank pursuant to the provisions of the Unit Trusts Act, 1990 and any regulations made thereunder. This however does not imply approval by any Irish authority of the contents of this Prospectus or the portfolio of securities held by any Portfolio. Any representation to the contrary is unauthorised and unlawful.*

*Authorisation of the Fund by the Central Bank is not an endorsement or guarantee of the Fund or any of its Portfolios by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The Central Bank shall not be liable by virtue of its authorisation of the Fund or by reason of its exercise of the functions conferred on it by legislation in relation to this Fund for any default of the Fund. Authorisation of the Fund does not constitute a warranty by the Central Bank as to the credit worthiness or financial standing of the various parties to the Fund.*

*The Fund is authorised by the Central Bank to be marketed solely to professional investors as the minimum subscription for each new investor in the Fund is US\$150,000 or its equivalent in other currencies provided that such amount is not less than the Central Bank's minimum subscription requirement of €100,000 in respect of a new investor in the Fund (except in the case of the Directors of the AIFM and in the case where the AIFM sets a higher minimum subscription amount in the fund supplement of any Portfolio and in the case of a restricted category of investors who qualify under an exemption described under "Minimum Subscription" in the "Issue of Units" section of the Prospectus). Accordingly, the requirements of the Central Bank which are deemed necessary for the protection of retail investors, in particular the conditions set forth by the Central Bank in relation to investment and leverage, do not apply to the Fund.*

*The Directors of the AIFM of the Fund, whose names appear under the heading "Management of the Fund", accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.*

*No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, subscription or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the AIFM. Neither the delivery of this Prospectus nor the placing, allotment or issue of any of the Units shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.*

*The Administrator is a service provider to the Fund and is not an investment or other advisor to the Fund and will not participate in the investment decision-making process. Save for the description of the Administrator and the services it provides as set out in the section of the Prospectus entitled "Administration of the Fund" herein, the Administrator is not responsible for the contents of this Prospectus.*

## RESTRICTIONS ON DISTRIBUTION

***UNITED STATES:*** *The Units have not been and will not be registered under the Securities Act of 1933 of the United States (as amended) (the “1933 Act”) or the securities laws of any of the states or territories of the United States. The Units may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any “US Person” except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. Any re-offer or resale of any of the Units in the United States or to US Persons may constitute a violation of US law. There is no public market for the Units and no such market is expected to develop in the future. The Units offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Trust Deed, the 1933 Act and applicable state securities law pursuant to registration or exemption therefrom. The Units are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(2) thereof.*

*The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the “1940 Act”) since Units will only be sold to US Persons who are “qualified purchasers”, as defined in the 1940 Act.*

*Each subscriber for Units that is a US Person will be required to certify that it is an “accredited investor” as defined in Regulation D promulgated under the 1933 Act and a “qualified purchaser”, as defined in the 1940 Act.*

*While the Fund may trade commodity futures and/or commodity options contracts, the AIFM and the Investment Manager are exempt from registration with the US Commodity Futures Trading Commission (“CFTC”) as commodity pool operators (“CPO”) pursuant to CFTC Rule 4.13(a)(3). Therefore, unlike a registered CPO, the AIFM and the Investment Manager are not required to deliver a CFTC disclosure document to prospective Unitholders, nor are they required to provide Unitholders with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.*

*The AIFM and the Investment Manager qualify for the exemption under CFTC Rule 4.13(a)(3) with respect to each Portfolio of the Fund on the basis that, among other things (i) each Unitholder is a non-United States person as defined under CFTC rules or is an “accredited investor” as defined under U.S. Securities and Exchange Commission (“SEC”) rules; (ii) Units in the Fund are exempt from registration under the 1933 Act and offered and sold without marketing to the public in the United States; (iii) the Fund and each Portfolio is not marketed as a vehicle for trading commodity interests; and (iv) each Portfolio of the Fund will (a) commit no more than five percent of the liquidation value of its portfolio to establish commodity interest trading positions or (b) maintain the aggregate net notional value of its commodity positions at 100 percent or less of the portfolio's liquidation value. The AIFM and the Investment Manager are also relying on an exemption from registration as commodity trading advisors.*

*The transferability of Units will be restricted for all Unitholders by the terms of the Trust Deed of the Fund. Unitholders should be aware that they will be required to bear the financial risks of an investment in Units for an extended period of time. There will be no public market for Units, and there is no obligation on the part of any person to register the Units under any securities laws. Prospective investors are not to construe the contents of this Prospectus as legal, business, tax, ERISA (as defined below), investment or other advice. Each prospective Unitholder should consult its own advisers as to legal, business, tax, ERISA, investment and any other advice concerning an investment in Units. Under no circumstances shall the delivery of this Prospectus or any sale of Units of the Fund create any implication that there has been no change in the facts or the affairs of the parties described in this Prospectus since the date*

*of this Prospectus, or that the information contained herein is correct as of any time subsequent to the date of this Prospectus.*

*The Units have not been filed with or approved or disapproved by any regulatory authority of the United States or any state or territory thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.*

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

*This Prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Fund, and should not be reproduced or used for any other purpose. Notwithstanding anything to the contrary herein, each investor (and each employee, representative, or other agent of such investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the Fund and (ii) any of its transactions described herein, and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure.*

*The Fund may accept investments from employee benefit plans subject to Part 4, Subtitle B of Title I of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans or accounts subject to Section 4975 of the US Internal Revenue Code of 1986, as amended (the "IRC") and entities whose underlying assets include "plan assets" as defined in 29 C.F.R Section 2510.3-101 and Section 3 (42) of ERISA ("Benefit Plan Investors"). However, except for the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund where such Portfolio's assets may be deemed to constitute "plan assets" subject to the fiduciary responsibility provisions of Title I of ERISA or Section 4975 of the IRC, it is not expected that any Portfolio's assets will be subject to the fiduciary responsibility provisions of Title I of ERISA or Section 4975 of the IRC, because the Fund intends to limit investments by Benefit Plan Investors in each Portfolio except for the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund where such Portfolio's assets may be deemed to constitute "plan assets" subject to the fiduciary responsibility provisions of Title I of ERISA or Section 4975 of the IRC,. Generally, assets of entities like the Fund will not be subject to the fiduciary responsibility provisions of Title I of ERISA or Section 4975 of the IRC, if Benefit Plan Investors own less than 25 per cent of the value of each class of equity interests of the Fund, excluding from this calculation any non-Benefit Plan Investor interests held by "controlling persons" ("Controlling Persons"). A Controlling Person is any person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Fund, any person who provides investment advice for a fee (direct or indirect) with respect to Fund assets, and any affiliate of such a person (including, for example, the Investment Manager). For this purpose, an "affiliate" of a person includes any person, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with that person, and control with respect to a person other than an individual means having the power to exercise a controlling influence over the management or policies of such person. No subscriptions for Units made by Benefit Plan Investors will be accepted and no transfers of Units or Side Pocket Units will be permitted to the extent that the investment or transfer would result in a Portfolio's assets (other than the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund where such Portfolio's assets may be deemed to constitute "plan assets" subject to the fiduciary responsibility provisions of Title I of ERISA or Section 4975 of the IRC) becoming subject to Title I of ERISA or Section 4975 of the IRC. In addition, because the 25 per cent limit is to be calculated upon every subscription to or redemption from a Portfolio, the Fund has the authority to require the compulsory redemption of Units of any Class to ensure that a Portfolio is not subject to Title I of ERISA or Section 4975 of the IRC.*

*JAPAN: None of the Units has been or will be registered under the Securities and Exchange Law of Japan or with the Japan Securities Dealers Association. Accordingly the Units may not*

*be offered or sold, directly or indirectly, in Japan or to residents of Japan except that the AIFM may arrange private placement with financial institutions as authorised by Japanese law for their investment purposes.*

#### **OFFERING OF SHARES WITHIN THE EEA -**

*Within the European Economic Area (the "EEA"), the Units are intended to be offered or sold to and should only be offered or sold to any investor in the EEA who constitutes a professional client. For these purposes, a professional client means an investor who meets the criteria laid down in Annex II of Directive 2014/65/EU, commonly known as "MiFID II". Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Units to retail investors in the EEA has been prepared. Therefore offering or selling the Units to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

*GENERAL: This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the placing of Units in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required to inform themselves about, and to observe, such restrictions. Prospective investors should inform themselves as to (a) the legal requirements within their own jurisdictions for the purchase or holding of Units, (b) any foreign exchange restrictions which may affect them, and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Units.*

*Distribution of this Prospectus is not authorised after the publication of the latest half-yearly report of the Fund unless it is accompanied by a copy of that report, and is not authorised after the publication of the latest annual report of the Fund unless it is accompanied by a copy of the latest annual report and any subsequent half-yearly report. Such reports will form part of this Prospectus.*

#### **RELIANCE ON THIS PROSPECTUS**

*Statements made in this Prospectus and any Supplement are based on the law and practice in force in the Republic of Ireland at the date of the Prospectus or Supplement as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Units in the Fund shall under any circumstances constitute a representation that the affairs of the Fund have not changed since the date hereof. This Prospectus will be updated by the AIFM to take into account any material changes from time to time and any such amendments will be notified in advance to the Central Bank. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied upon.*

*Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. You should consult your stockbroker, bank manager, accountant, solicitor, independent financial adviser or other professional adviser.*

#### **RISK FACTORS**

*Investors should note that because investments in securities can be volatile and that their value may decline as well as appreciate, there can be no assurance that a Portfolio will be able to attain its objective. The price of Units as well as the income therefrom may go down as well as up to reflect changes in the Net Asset Value of a Portfolio. An investment should only be made by those persons who could sustain a loss on their investment.*

*Attention is drawn to the section headed "Risk Factors".*

**DIRECTORY**

**AIFM**

*(Registered Address)*  
Coronation Global Fund  
Managers (Ireland) Limited  
33 Sir John Rogerson's Quay  
Dublin D02 XK09  
Ireland

**AIFM**

*(Business Address)*  
Coronation Global Fund  
Managers (Ireland) Limited  
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Dublin D02 A342  
Ireland

**DEPOSITARY**

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200 Capital Dock  
79 Sir John Rogerson's Quay  
Dublin D02 RK57  
Ireland

**ADMINISTRATOR,**

J.P. Morgan Administration  
Services (Ireland) Limited  
200 Capital Dock  
79 Sir John Rogerson's Quay  
Dublin D02 RK57  
Ireland

**AUDITORS**

Ernst & Young  
Chartered Accountants  
Harcourt Centre  
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**IRISH LEGAL ADVISERS**

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Ireland

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## DEFINITIONS

The following definitions apply throughout this Prospectus unless the context otherwise requires:-

- “Accounting Date”*** the date by reference to which the annual accounts of the Fund and each of its Portfolios shall be prepared and shall be the 30th day of September in each year or (in the case of the termination of the Fund or of a Portfolio) the date on which monies required for the final distribution shall have been paid to the Unitholders in the relevant Portfolio or Portfolios.
- “Accounting Period”*** in respect of each Portfolio, a period ending on an Accounting Date and commencing (in the case of the first such period) from and including the date of the first issue of Units of the relevant Portfolio or (in any other case) from the end of the last Accounting Period.
- “Act”*** the Unit Trusts Act, 1990 and any regulations made or notices issued by the Central Bank thereunder and any re-enactment thereof with or without modifications.
- “Administrator”*** means J.P. Morgan Administration Services (Ireland) Limited or any successor company appointed as administrator of the Fund and of each Portfolio carrying out the administrator, registrar and transfer agency function with the prior approval of the Central Bank.
- “Administration Agreement”*** means the amended and restated Administration Agreement made between the AIFM and the Administrator dated 29 July 2014 and as may be further amended from time to time.
- “Administration Expenses”*** the sums payable out of the assets of the Fund necessary to provide for all costs, charges and expenses including, but not limited to couriers’ fees, telecommunication costs and expenses, out-of-pocket expenses, legal and professional expenses which the AIFM incurs whether in litigation on behalf of the Fund or any of its Portfolios or in connection with the establishment of or ongoing administration of the Fund or any of its Portfolios or otherwise together with the costs, charges and expenses, including translation costs, of any notices including but not limited to reports, prospectuses, listing particulars and newspaper notices given to Unitholders in whatever manner plus value added tax (if any) on any such costs, charges and expenses and all properly vouched fees and reasonable out-of-pocket expenses of the Administrator, of any Investment Manager, sub-investment manager or adviser, distributor, placing agent and/or agent securities company incurred pursuant to a contract to which the AIFM, or the AIFM's delegate and such person are party plus value added tax (if any) thereon.

<b><i>"AIFM"</i></b>	means Coronation Global Fund Managers (Ireland) Limited or any successor company appointed as alternative investment fund manager of the Fund and of each Portfolio in accordance with the AIFM Directive and the AIFM Regulations.
<b><i>"AIFM Directive"</i></b>	means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 as may be amended, consolidated or substituted from time to time.
<b><i>"AIFM Legislation"</i></b>	means the AIFM Regulations, the AIFM Directive, the Level 2 Regulation, the Act and any applicable rules, or any of them, as the case may be.
<b><i>"AIFM Regulations"</i></b>	means the European Communities (Alternative Investment Fund Managers) Regulations, 2013 (S.I. No. 257 of 2013) as may be amended, consolidated or substituted from time to time.
<b><i>"Application Form"</i></b>	means any subscription agreement to be completed and signed by subscribers for Units as prescribed by the AIFM from time to time.
<b><i>"Associate"</i></b>	means in relation to a corporation a holding company or a subsidiary of such corporation or a subsidiary of the holding company of such corporation and in relation to an individual or firm or other unincorporated body, means any corporation directly or indirectly controlled by such person.
<b><i>"Base Currency"</i></b>	the base currency of a Portfolio as provided for in the applicable Supplement.
<b><i>"Beneficial Owner"</i></b>	<p>in relation to the Fund, means</p> <p>(a) a natural person who owns, or is ultimately entitled to control, more than 25 per cent of the Units in the Fund, or</p> <p>(b) any other natural person exercising ultimate control over the Fund by means of direct or indirect ownership or by other means,</p> <p>and shall be deemed to include any trustee under, or the settlor of, the arrangements that constitute the Fund (whether or not falling within either or both of the preceding subparagraphs).</p>
<b><i>"Beneficial Ownership Regulations"</i></b>	the European Union (Anti-Money Laundering: Beneficial Ownership of Trusts) Regulations 2019 and the European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2019 as amended by the European Union (Modifications of Statutory Instrument No. 110 of 2019) (Registration of Beneficial Ownership of Certain Financial Vehicles) Regulations 2020 as may be amended, consolidated or substituted from time to time;

<b><i>“Business Day”</i></b>	any week day (Monday to Friday) on which banks are open for ordinary business in Dublin, and/or such other day or days as the Directors may from time to time determine in accordance with the requirements of the Central Bank, or as otherwise specified in the applicable Supplement, will constitute a business day.
<b><i>“Central Bank”</i></b>	means the Central Bank of Ireland or any successor body thereto.
<b><i>“Central Bank Requirements”</i></b>	means any rules, conditions, notices, requirements or guidance of the Central Bank of Ireland applicable to the Fund, the AIFM in respect of the Fund and/or the Depositary in respect of the Fund pursuant to the AIFM Legislation as same may be amended, consolidated or replaced from time to time.
<b><i>“Class” or “Class of Units”</i></b>	a Class of Units of a Portfolio.
<b><i>“Data Protection Acts”</i></b>	the Data Protection Acts, 1988-2018 as may be amended or replaced from time to time, including any statutory instruments and regulations that may be made pursuant thereto from time to time, and including any amendments to any of the foregoing and the General Data Protection Regulation (EU 2016/679) as may be amended, consolidated or substituted from time to time;
<b><i>“Dealing Day”</i></b>	the “Dealing Day” in respect of a Portfolio as provided for in the applicable Supplement.
<b><i>“Depositary”</i></b>	J.P. Morgan Bank (Ireland) plc or any successor company as trustee of the Fund and of each Portfolio with the prior approval of the Central Bank.
<b><i>“Disbursements”</i></b>	includes in relation to the Depositary all disbursements properly made by the Depositary in connection with its trusteeship of the Fund under the Trust Deed including (but not limited to) couriers’ fees, telecommunication costs and expenses and the fees (where applicable) and out-of-pocket expenses of any sub-custodian appointed by it pursuant to the provisions of the Trust Deed and all costs, charges and expenses of every kind which it may suffer or incur in connection with such trusteeship and the administration of the Fund and of each of its Portfolios (including the establishment thereof) and all matters attendant thereon or relative thereto and all legal and other professional expenses incurred or suffered by it in relation to or in any way arising out of the Fund and of each of its Portfolios (including the establishment thereof) and any value added tax liability incurred by the Depositary arising out of the exercise of its powers or the performance of its duties pursuant to the provisions of the Trust Deed.

<b><i>"Distribution Date"</i></b>	the date or dates by reference to which a distribution may at the option of the AIFM be declared.
<b><i>"Distribution Payment Date"</i></b>	the date upon which the AIFM shall determine to make payment of a distribution which shall be within 14 days of the AIFM declaring a distribution.
<b><i>"Distribution Period"</i></b>	any period ending on an Accounting Date or a Distribution Date as the AIFM may select and beginning on the day following the last preceding Accounting Date, or the day following the last preceding Distribution Date, or the date of the initial issue of Units of a Portfolio or Class, as the case may be.
<b><i>"Duties and Charges"</i></b>	in relation to any particular transaction, dealing or valuation, all stamp and other duties, taxes, governmental charges, valuation fees, property management fees, agent fees, brokerage fees, bank charges, transfer fees, registration fees, and other charges whether in respect of the constitution or increase of the assets of a Portfolio or the creation, exchange, sale, purchase or transfer of Units or the purchase, proposed purchase, transfer, sale or exchange of investments or in respect of the certificates representing Units of a Portfolio or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation but does not mean commission payable to agents or brokers on the issue of Units.
<b><i>"EEA"</i></b>	being the European Economic Area (which at the date of the Prospectus comprises the EU Member States, Norway, Iceland and Liechtenstein).
<b><i>"EMIR"</i></b>	means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories as amended inter alia by Regulation (EU) No. 2019/834 of the European Parliament and of the Council and as may be amended, consolidated or substituted from time to time;
<b><i>"Exempt Irish Investor"</i></b>	<ul style="list-style-type: none"> <li>• a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;</li> <li>• a company carrying on life business within the meaning of Section 706 of the Taxes Act;</li> <li>• an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;</li> <li>• a special investment scheme within the meaning of Section 737 of the Taxes Act;</li> <li>• a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;</li> </ul>

- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Units held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Units are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- 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 is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- the National Asset Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Fund; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Units under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Fund or jeopardising tax exemptions associated with the Fund giving rise to a charge to tax in the Fund;

provided that they have correctly completed the Relevant Declaration.

***“FSCA”***

means the South African Financial Sector Conduct Authority.

***“Fund”***

Coronation Universal Fund.

***“GDPR”***

means Regulation (EU) 2016/679 of the European Parliament and of the Council.

***“Intermediary”***

means a person who:-

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- holds units in an investment undertaking on behalf of other persons.

***“Investment Managers” and any “Investment Manager”***

Any one or more persons or corporations appointed by the AIFM to manage the investment and reinvestment of the assets of any one or more of the Portfolios. Details of each Investment Manager are set out in each Supplement to this Prospectus relevant to each applicable Portfolio.

***“Ireland”***

means the Republic of Ireland.

***“Irish Resident”***

- in the case of an individual, means an individual who is resident in Ireland for tax purposes.
- the case of a trust, means a trust that is resident in Ireland for tax purposes.
- in the case of a company, means a company that is resident in Ireland for tax purposes.

An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day. This new test takes effect from 1 January 2009 (previously in determining days present in Ireland an individual was deemed to be present if he/she was in Ireland at the end of the day (midnight)).

A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:-

- the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a treaty country under a double taxation treaty between Ireland and that country. This exception does not apply where it would result in an Irish incorporated company that is

managed and controlled in a relevant territory (other than Ireland), but would not be resident in that relevant territory as it is not incorporated there, not being resident for tax purposes in any territory;

or

- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and potential investors are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

The Finance Act 2014 amended the above residency rules for companies incorporated on or after 1 January 2015. These new residency rules will ensure that companies incorporated in Ireland and also companies not so incorporated but that are managed and controlled in Ireland, will be tax resident in Ireland except to the extent that the company in question is, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a territory other than Ireland (and thus not resident in Ireland). For companies incorporated before this date these new rules will not come into effect until 1 January 2021 (except in limited circumstances).

***"Level 2 Regulation"***

means the Commission Delegated Regulation (EU) No. 231/2013 supplementing the AIFM Directive with regard to exemptions, general operating conditions, depositaries, leverage transparency and supervision, as may be amended, consolidated or substituted from time to time.

***"Member State"***

a member state of the European Union.

***"Net Asset Value of a Class"***

the net asset value of a Class calculated in accordance with the provisions of the Trust Deed, as described under the heading "Administration of the Fund - Calculation of Net Asset Value".

***"Net Asset Value of Portfolio"***

the net asset value of a Portfolio calculated in accordance with the provisions of the Trust Deed, as described under "Administration of the Fund - Calculation of Net Asset Value".

***"Net Asset Value per Unit"***

the net asset value per Unit calculated in accordance with the provisions of the Trust Deed, as described under "Administration of the Fund - Calculation of Net Asset Value".

***"Ordinarily Resident in Ireland"***

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes;



- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2015 to 31 December 2015 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2018 to 31 December 2018.

The concept of a trust's ordinary residence is somewhat obscure and linked to its tax residence.

***“Portfolio”***

means each of Coronation Global Equity Alternative Strategy Fund, Coronation Global Equity Fund of Funds, Coronation Global Bond Fund, Coronation Africa Frontiers Fund, Coronation Global Emerging Markets Equity Fund and Coronation Active Global Equity Fund.

***“Portfolio Cash Account”***

means a cash account designated in a particular currency opened in the name of the Depositary on behalf of each Portfolio into which (i) subscription monies received from investors who have subscribed for Units are deposited and held until Units are issued as of the relevant Dealing Day; or (ii) redemption monies due to investors who have redeemed Units are deposited and held until paid to the relevant investors and (iii) any dividend payments owing to Unitholders are deposited and held until paid to such Unitholders.

***“Performance Fee”***

the performance fee (if any) payable to the AIFM as provided for in the applicable Supplement.

***“Recognised Clearing System”***

means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system.

***“Recognised Exchange”***

means the stock exchanges or markets set out in Appendix II.

***“Relevant Declaration”***

means the declaration relevant to the Unitholder as set out in Schedule 2B of the Taxes Act.

***“Relevant Period”***

means a period of 8 years beginning with the acquisition of a Unit by a Unitholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

<b><i>“Redemption Day”</i></b>	the redemption day in respect of a Portfolio as provided for in the applicable Supplement.
<b><i>“Relevant Institution”</i></b>	means a credit institution authorised in an EEA Member State or 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 authorised in Australia, Guernsey, the Isle of Man, Jersey or New Zealand, or a credit institution permitted by the AIFM Legislation, Central Bank Requirements and/or the Central Bank from time to time;
<b><i>“Securities Act”</i></b>	the United States Securities Act of 1933, as amended, consolidated or substituted from time to time.
<b><i>“Series”</i></b>	means a series of Units issued in respect of a performance fee paying Class of one or more Portfolios of the Fund, as detailed in the relevant Supplement.
<b><i>“SFT”</i></b>	means a “securities financing transaction” within the meaning of the SFT Regulation, which in summary is (a) a repurchase transaction; (b) securities or commodities lending and securities or commodities borrowing; (c) a buy-sell back transaction or sell-buy back transaction; or (d) a margin lending transaction.
<b><i>“SFT Regulation”</i></b>	means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, consolidated or substituted from time to time.
<b><i>“Specified US Person”</i></b>	means (i) a U.S. citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States <b>excluding</b> : (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any State of the United States, , any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (vi) any bank as defined in section 581 of the U.S. Internal Revenue Code; (vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (viii) any

regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code.

***“Sub-Investment Manager”  
and “Sub-Investment  
Managers”***

any one or more persons or corporations appointed by an Investment Manager to manage the investment and reinvestment of the assets of any one or more of the Portfolios. Details of each Sub-Investment Manager are set out in each Supplement to this Prospectus relevant to each applicable Portfolio.

***“Supplement”***

means a Supplement to this Prospectus specifying certain information in respect of a Portfolio and/or one or more Classes.

***“Taxes Act”***

The Taxes Consolidation Act, 1997 (of Ireland) as amended, consolidated or substituted from time to time.

***“Trust Deed”***

the amended and restated trust deed dated 29 July 2014 and as may be further amended from time to time, entered into between the AIFM and the Depositary.

***“Unit”***

one undivided share in the assets of a Portfolio which may be differentiated into Classes of Units at the discretion of the AIFM.

***“United States”***

the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction.

***“Unitholder”***

a person who is registered as the holder of a Unit from time to time.

***“US Person”***

a person who meets the definition of “U.S. Person” under Regulation S of the Securities Act or who is not a “non-United States person” as defined under CFTC rules (each as defined in Appendix III).

***“Valuation Day”***

Valuation Day in respect of a Portfolio, being such day as provided for in applicable Supplement.

***“Valuation Point”***

Valuation Point in respect of a Portfolio, being such time as provided for in the applicable Supplement.

***“VAT”***

value added tax.

In this Prospectus, unless otherwise specified, all references to:-

1. “Billion” are to 1,000,000,000 (One Thousand million);
2. “Dollars or US\$ or cents” are to the lawful currency of the United States of America;
3. “Euro or €” are to the lawful currency of the eurozone;
4. “GBP or £” are to the lawful currency of the United Kingdom;
5. “Rand or R” are to the lawful currency of the Republic of South Africa;
6. The ratings referred to are Standard and Poor’s. An “**equivalent rating**” is one which has been provided by an internationally recognised rating agency and which is deemed by the AIFM and / or the Investment Manager equivalent to the rating stipulated.

## SUMMARY

The following is qualified in its entirety by the detailed information included elsewhere in this Prospectus and in the Trust Deed.

The Fund	The Fund is an authorised open-ended umbrella unit trust established pursuant to and complying with the provisions of the Act.
The Portfolios	The Fund has six portfolios; Coronation Global Equity Alternative Strategy Fund, Coronation Global Equity Fund of Funds, Coronation Global Bond Fund, Coronation Africa Frontiers Fund, Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund. The AIFM may, from time to time, create more than one Class of Units in a Portfolio to which different levels of subscription fees and expenses (including the management fee), minimum subscription, designated currency, distribution policy and such other features as the AIFM may determine may be applicable. The proceeds from the issue of Units in a Portfolio shall be applied in the records and accounts of the Fund for that Portfolio and the assets and liabilities and income and expenditure attributable thereto shall be applied to that Portfolio subject to the provisions of the Trust Deed. The AIFM may issue Units in Series (each a “Series”, and unless the context indicates otherwise, the term “Units” includes all Series thereof) in respect of performance fee-paying Classes in one or more Portfolios as detailed in the relevant Supplement. An initial Series of Units (the “Initial Series”) for each relevant performance fee-paying Class as set out in the relevant Supplement will be issued on the close of the initial offer period for such Class, or at such other time as may be specified in the relevant Supplement.
Investment Objective	The assets of a Portfolio will be invested separately in accordance with the investment objectives and policies of that Portfolio as set out in a Supplement to this Prospectus.
AIFM	Coronation Global Fund Managers (Ireland) Limited.
Administrator	J.P. Morgan Administration Services (Ireland) Limited.
Depositary	J.P. Morgan Bank (Ireland) plc.
Initial Issue of Units	During the initial offer period of a Class, Units of that Class shall be issued at a given initial issue price. The initial offer period and initial issue price of each Class shall be set out in the relevant Supplement to this Prospectus.
Redemption of Units	Units will be redeemed at the option of Unitholders at a price per Unit equal to the Net Asset Value per Unit. A redemption charge not exceeding 5 % of the Net Asset

Value per Unit may be further deducted from such redemption price at the AIFM's sole discretion, it being understood that the AIFM at its sole discretion may waive such charge or differentiate between Unitholders as to the amount of such charge within the permitted limit. Such redemption charge shall be paid to the AIFM for its absolute use and benefit and shall not form part of the assets of the relevant Portfolio.

Dividend Distribution

The AIFM may, at its sole discretion, distribute dividends to Unitholders out of the net income of a Portfolio.

Listing

Details of any listing or application for listing will be set out in the relevant Supplement relating to the Portfolio.

Taxation

On the basis of current Irish law and practice, the Fund is not subject to Irish tax on its gains or income. However, tax can arise on the happening of a chargeable event in the Fund. No tax will arise in the Fund in respect of a chargeable event in respect of a Unitholder who is not an Irish Resident or Ordinarily Resident in Ireland at the time of the chargeable event provided that either (i) the Fund has satisfied and availed of the equivalent measures or (ii) such Unitholders have made Relevant Declarations in respect of which the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. Please see the section headed "TAXATION".

Unitholders should consult their own professional advisers as to their own particular tax consequences of an investment in the Fund.

## THE FUND

### Introduction

The Fund, constituted on the 8th day of October, 1997, is an authorised umbrella unit trust organised pursuant to and complying with the provisions of the Act. Its rules are set out in the Trust Deed which is binding upon the Depositary, the AIFM and all Unitholders.

The Trust Deed constitutes the Fund which is currently made up of six portfolios. The AIFM may, from time to time, create more than one Class of Units in a Portfolio to which different levels of subscription fees and expenses (including the management fee), minimum subscription, designated currency, distribution policy and such other features as the AIFM may determine may be applicable. Units shall be issued to investors as Units in a Class. In respect of certain performance fee paying Classes of one or more Portfolios as detailed in the relevant Supplement, Units shall be issued in Series to facilitate the performance fee which may be charged to the relevant Class of that Portfolio. Further details are contained in the section of the Prospectus entitled “Issue of Units” and in the relevant Supplements. The proceeds from the issue of Units in a Portfolio (excluding the preliminary charge) shall be applied in the records and accounts of the Fund for that Portfolio and the assets and liabilities and income and expenditure attributable thereto shall be applied to that Portfolio subject to the provisions of the Trust Deed. The assets of a Portfolio will be invested separately in accordance with the investment objectives and policies of that Portfolio as set out in a Supplement to this Prospectus. Supplements may be added to or removed from this Prospectus as Portfolios are added to the Fund or closed, as the case may be.

The current Portfolios and the Base Currency of each Portfolio are listed below:

#### Portfolios

Name	Base Currency
Coronation Global Equity Alternative Strategy Fund	US Dollars
Coronation Global Equity Fund of Funds	US Dollars
Coronation Global Bond Fund	US Dollars
Coronation Africa Frontiers Fund	US Dollars
Coronation Global Emerging Markets Equity Fund	US Dollars
Coronation Active Global Equity Fund	US Dollars

*(The Coronation Global Equity Alternative Strategy Fund is in the process of being terminated and is no longer available for subscription. An application for revocation of authorization of this Portfolio will be made to the Central Bank).*

The designated currency of any Class within any Portfolio will be set out in the relevant Supplement.

The creation of further Classes will be notified in advance to the Central Bank. The AIFM shall have the power, upon notice to the Central Bank and to the Depositary, to close any Portfolio or Class in existence by serving not less than thirty days' notice on the Unitholders in that Portfolio or Class.

To invest in the Fund is to purchase Units of a certain Class or Series of a Class in a Portfolio. It is the Portfolio which accumulates the assets on behalf of the Unitholders. A Unit of a certain Class or Series of a Class in a Portfolio represents the beneficial ownership of one undivided share in the assets of the relevant Portfolio referable to that type of Unit.

Each Portfolio will be treated as bearing its own liabilities as may be determined at the discretion of the Depositary with the approval of the AIFM, provided however, that if the Depositary is of the opinion that a particular liability does not relate to any particular Portfolio or Portfolios, that liability shall be borne jointly by all Portfolios pro rata to their respective Net Asset Values at the time when the allocation is made.

The assets of each Portfolio shall belong exclusively to that Portfolio, shall be segregated from the other Portfolios, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Portfolio and shall not be available for such purpose.

### ***Investment Objective and Policies***

The assets of a Portfolio will be invested separately in accordance with the investment objectives and policies of that Portfolio which are set out in a Supplement to this Prospectus. Supplements may be added to or removed from this Prospectus from time to time as Portfolios are added to the Fund or closed, as the case may be.

Pending investment of the proceeds of a placing or offer of Units or where market or other factors so warrant, a Portfolio's assets may, subject to the investment restrictions set out under the heading "Investment Restrictions" below, be invested in liquid assets including but not limited to money market instruments and cash deposits denominated in Dollars or such other currency as the AIFM may determine having consulted with the relevant Investment Manager.

The AIFM, in consultation with the relevant Investment Manager, is responsible for the formulation of each Portfolio's present investment policy and any subsequent changes to that policy in the light of political and/or economic conditions. The investment objective of a Portfolio may not be altered without approval on the basis of a majority of votes cast at a meeting of the Unitholders of that Portfolio duly convened and held. In the event of a change of the investment objective and/or policy of that Portfolio, Unitholders in that Portfolio will be given reasonable notice of such change to enable them redeem their Units prior to implementation of such a change.

If and when permitted by applicable laws, a Portfolio may employ techniques and instruments such as futures, options, warrants and stocklending (or any additional technique or instrument specified in the relevant Supplement to this Prospectus) relating to transferable securities under the conditions and within the limits laid down by the Central Bank provided that such techniques and instruments are used for efficient portfolio management such as hedging or performance enhancement, or both.

Units of a Portfolio may be designated in a currency other than the Base Currency of the relevant Portfolio as detailed in the relevant Supplement. Changes in the exchange rate between the Base Currency of the Portfolio and such designated currency may lead to a depreciation of the value of such Units as expressed in the designated currency. The Investment Manager may try to mitigate this risk by using financial instruments, such as foreign exchange forward contracts, as a hedge. If the Investment Manager enters into such transactions then such transactions will each be solely attributable to the relevant Classes and may not be combined or offset against the exposures of other Classes or specific assets. In such circumstances, Unitholders of that Class may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains/losses on and the costs of the relevant financial instruments and this strategy may substantially limit holders of the Class from benefiting if the designated currency of the Class falls against the Base Currency of the Portfolio and/or the currency in which the assets of the scheme are denominated. Where the Investment Manager intends to enter into such hedging transactions, the relevant details of such hedging transactions, together with the applicable conditions imposed by the Central Bank will be disclosed in the Supplement to the relevant Portfolio.



***Investment and Borrowing Restrictions***

Within each Portfolio's investment policy, the following restrictions shall apply unless disapplied in the relevant Supplement to this Prospectus:-

- (a) the Portfolio may not invest more than 20% of its net assets in securities which are not traded in or dealt on a Recognised Exchange;
- (b) the Portfolio may not invest more than 20% of its net assets in securities issued by a single issuer. Related companies/institutions are regarded as a single issuer for that purpose;
- (c) the Portfolio may acquire the units of other open-ended collective investment schemes (including for the avoidance of doubt other portfolios of the Fund) subject to the following restrictions unless disapplied in the relevant Supplement to this Prospectus:-
  - (i) the Portfolio may not invest more than 40% of its net assets in such schemes;
  - (ii) the Portfolio may not invest more than 20% of its net assets in unregulated schemes;
  - (iii) where the Portfolio invests in units of a collective investment scheme managed by the same management company or by an associated or related company, the manager of the scheme in which the investment is being made must waive the preliminary/initial/redemption charge which it is entitled to charge for its own account;
  - (iv) where a commission is received by the AIFM of the Portfolio by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the Portfolio.
- (d) no more than 20% of the Portfolio's net assets may be kept on deposit with any one institution. This limit is increased to 30% for deposits with or securities evidencing deposits issued by or securities guaranteed by a Relevant Institution or the Depository.

Related companies/institutions, within the meaning of Section 2(10) of the Irish Companies Act 2014, are regarded as a single issuer for the purpose of this paragraph;

- (e) the Portfolio may not hold more than 20% of any class of security issued by any single issuer. However this requirement will not apply to investment in other collective investment schemes of the open-ended type or transferable securities issued in accordance with section (g) below;
- (f) the Portfolio may not take or seek to take legal or management control of the issuers of the securities in which it invests;
- (g) the Portfolio may invest up to 100% of its assets in transferable securities issued or guaranteed by the EU, by the government, constituent states or local authorities of any EU member state, by the governments of the United Kingdom, Australia, Canada, Iceland, Japan, Mexico, New Zealand, Norway, South Korea, Switzerland and Turkey, by the European Investment Bank, by Euratom, by the World Bank, by the Asian Development Bank, by the Inter-American Development Bank and issues backed by the full faith and credit of the government of the United States of America.

Specific additional investment restrictions applicable to particular Portfolios are set out in the Supplements to this Prospectus.

The above limits on investments, in addition to any additional investment restrictions disclosed in any Supplements hereto are deemed to apply at the time of purchase of the investments. If those limits are subsequently exceeded for reasons beyond the control of a Portfolio or as a result of the exercise of subscription rights, the Portfolio must adopt as a priority objective the remedying of that situation taking due account of the interests of its Unitholders.

Where any restriction is breached, the relevant Investment Manager must ensure that immediate corrective action is taken except where the breach is due to appreciations or depreciations, changes in the exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment. However, the relevant Investment Manager must have regard to the investment restrictions when considering changes in the investment portfolio of each Portfolio. The Administrator is not responsible for monitoring or reporting on the relevant Portfolio's compliance with the investment restrictions.

The Depositary in accordance with the instructions of the AIFM or the relevant Investment Manager shall have the power from time to time to borrow for the account of a Portfolio from bankers and others provided that such borrowings and any related accrued interest when aggregated with all other liabilities of the Portfolio (including margin deposited or premium paid and liabilities in respect of all derivative or other transactions) do not exceed 100 % of the Net Asset Value of the Portfolio and with the prior written consent of the Depositary, to secure such borrowings by pledging, mortgaging or charging up to 100% of the assets of the Portfolio, provided that the proportion of the assets of the Portfolio pledged, mortgaged or charged to secure such borrowings shall be the minimum amount required to secure such borrowings.

### ***Borrowing and Leverage***

Where specified in the relevant Supplement, a Portfolio may borrow from brokers, banks and others on a secured or unsecured basis, and may employ leverage to the extent deemed appropriate by the AIFM. Leverage may take the form of loans (including trading on margin), and investments in derivative instruments that are inherently leveraged, in addition to other forms of direct or indirect borrowings. A Portfolio also may borrow for cash management purposes, including in anticipation of additional subscriptions and to fund redemptions, and may do so when deemed appropriate by the AIFM. A Portfolio will bear all of the costs and expenses incurred in connection therewith, including any interest expense charged on funds borrowed or otherwise accessed. The borrowing and leverage limit for each Portfolio will be set out in the relevant Supplement for each Portfolio. The maximum leverage to be employed by the Portfolio will be set out in the relevant Supplement, calculated in accordance with

- (i) the gross method; and
- (ii) the commitment method.

Each method will be calculated in accordance with the Level 2 Regulation.

For the purpose of providing margin or collateral in respect of a Portfolio's investment activities, the Portfolio may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Portfolio. The AIFM may also charge, pledge, mortgage or otherwise encumber its assets or any part thereof as security for its borrowings.

Further details in relation to any restrictions on the use of leverage and the provision of collateral and / or asset re-use arrangements applicable to each Portfolio are described below in the section headed "Repurchase/Reverse Repurchase and Stock lending Agreements" and "Securities Financing Transactions" and will be set out in the relevant Supplement.

***Distribution Policy***

Any distribution in respect of a Portfolio shall be made on a Distribution Payment Date or as soon as practicable thereafter. The distribution policy of each Portfolio is set out in the relevant Supplement to this Prospectus.

The amount available for distribution from a Portfolio in respect of any Distribution Period shall be a sum equal to the aggregate of the net income received by the Depositary (whether in the form of dividends, interest or otherwise) during the Distribution Period in relation to the Portfolio subject to the following adjustments:

- (a) addition or deduction of a sum by way of adjustment to allow for the effect of sales or purchases cum or ex dividend;
- (b) addition of a sum representing any interest or dividends or other income accrued but not received by the Depositary at the end of the Distribution Period and deduction of a sum representing (to the extent that an adjustment by way of addition has been made in respect of any previous Distribution Period) interest or dividends or other income accrued at the end of the previous Distribution Period;
- (c) addition of the amount (if any) available for distribution in respect of the last preceding Distribution Period but not distributed in respect thereof;
- (d) addition of a sum representing the estimated or actual repayment of tax resulting from any claims in respect of income tax relief or double taxation relief or otherwise;
- (e) deduction of the amount of any tax or other estimated or actual liability properly payable out of the income of the relevant Portfolio;
- (f) deduction of a sum representing participation in income paid upon the cancellation of Units during the Distribution Period; and
- (g) deduction of such amount as may be necessary in respect of any expenses, remunerations or other payments (including, without limitation, Administration Expenses, Disbursements, the service charge payable to the AIFM and Duties and Charges) accrued during the Distribution Period and properly payable out of the income or capital of the relevant Portfolio.

The amount, if any, to be distributed from a Portfolio in respect of each Distribution Period shall be determined by the AIFM in consultation with the relevant Investment Manager within the amount available for distribution provided that any amount which is not distributed in respect of such Distribution Period may be carried forward to the next Distribution Period.

Distributions not claimed within six years from their due date will lapse and revert to the assets of the relevant Portfolio.

Unless otherwise requested by the payee, any distribution payable to a Unitholder will be paid in the designated currency of the relevant Class by telegraphic transfer at the expense of the Unitholder. Every such telegraphic transfer shall be made payable to the order of such Unitholder, or in the case of joint Unitholders made payable to the order of the first named joint Unitholder on the relevant register at the risk of such Unitholder or joint Unitholders or in the event of a Unitholder having or in the case of joint Unitholders all of them having given a mandate in writing to the AIFM in such form as the AIFM shall approve for payment to the bankers or other agent or nominee of the Unitholder or Unitholders then the same shall be dealt with in accordance with the instructions in such mandate contained.

## **Liquidity Management Policy and Redemption Rights**

The AIFM has employed and maintains an appropriate liquidity management system and has adopted procedures which enable it to identify, monitor and manage the liquidity risks of the Portfolios and to ensure the liquidity profile of the investments of the Portfolios will facilitate compliance with its underlying obligations.

The AIFM's liquidity policy takes into account the investment strategy, the liquidity profile and redemption policy of the Portfolios. The liquidity management systems and procedures include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the AIFM.

The AIFM seeks to ensure that the investment strategy, the liquidity profile and the redemption policy of the Portfolios are consistent. The investment strategy, liquidity profile and redemption policy of the Portfolios will be considered to be aligned when investors have the ability to redeem their investments in a manner consistent with the fair treatment of all investors and in accordance with the AIFM's redemption policy and its obligations. In assessing the alignment of the investment strategy, liquidity profile and redemption policy, the AIFM will have regard to the impact that redemptions may have on the underlying prices or spreads of the individual assets of the Portfolios.

The AIFM conducts regular stress tests under both normal and exceptional liquidity conditions which enables it to assess the liquidity risk of the Portfolios and monitor the liquidity risks of the Portfolios in exceptional and extraordinary circumstances.

The AIFM seeks to ensure that the redemption policies of the Portfolios are disclosed to investors in the Prospectus, in sufficient detail, before they invest in the Portfolio and in the event of material changes. Details of the redemption rights of shareholders, including redemption rights of shareholders in normal and exceptional circumstances and existing redemption arrangements are set out in the relevant Supplement and /or the section of this Prospectus entitled "Redemption of Units".

## **Repurchase/Reverse Repurchase and Stock lending Agreements**

Subject to the conditions and limits laid down in the relevant Supplement, a Portfolio may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements for the purposes of efficient portfolio management including reduction of risk or cost or the generation of additional capital or income for a Portfolio.

### **Collateral Policy**

1. Repurchase / reverse repurchase agreements, ("Repo Contracts"), stock lending and other SFTs may only be effected in accordance with normal market practice;
2. Collateral obtained under a Repo Contract or stock lending arrangement or other SFT must be in the form of one of the following:
  - (i) cash;
  - (ii) government or other public securities;
  - (iii) certificates of deposit issued by Relevant Institutions;
  - (iv) bonds/commercial paper issued by Relevant Institutions or by non-bank issuers where the issue and the issuer are rated A-1 or equivalent;

- (v) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions;
  - (vi) equity securities listed or traded on a stock exchange in the EEA, the United Kingdom, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
3. Until the expiry of the SFT, Repo Contract or stock lending arrangement, collateral obtained under such contracts or arrangements, including for the avoidance of doubt, SFTs:
- (i) must be marked to market daily;
  - (ii) must equal or exceed, in value, at all times the value of the amount invested or securities loaned;
  - (iii) must be transferred to the trustee, or its agent; and
  - (iv) must be immediately available to the scheme, without recourse to the counterparty, in the event of a default by that entity.

Paragraph (iii) is not applicable in the event that a scheme uses tri-party collateral management services of International Central Securities Depositories or Relevant Institutions which are generally recognised as specialists in this type of transaction. The trustee must be a named participant to the collateral arrangements.

**Non-cash collateral:**

- (i) cannot be sold or pledged;
- (ii) must be held at the risk of the counterparty; and
- (iii) must be issued by an entity independent of the counterparty.

**Cash collateral:**

Cash may not be invested other than in the following:

- (i) deposits with Relevant Institutions;
- (ii) government or other public securities;
- (iii) certificates of deposit as set out in paragraph 2 (iii) above;
- (iv) letters of credit as set out in paragraph 2 (v) above;
- (v) repurchase agreements, subject to the provisions herein;
- (vi) daily dealing money market funds which have and maintain a rating of AAA or equivalent. If investment is made in a linked fund, (i.e. a scheme which invests in units of a collective investment scheme managed by the same management company or by an associated or related company), no subscription, switching or redemption charge can be made by the underlying money market fund. Invested cash collateral held at the risk of the scheme, other than cash collateral invested in government or other public securities or money market funds, must be invested in a diversified manner. A scheme

must be satisfied, at all times, that any investment of cash collateral will enable it to meet its repayment obligations.

Invested cash collateral may not be placed on deposit with, or invested in securities issued by the counterparty or a related entity.

4. Notwithstanding the provisions of paragraph 3, a scheme may enter into stock lending programmes organised by generally recognised International Central Securities Depositories Systems provided that the programme is subject to a guarantee from the system operator;
5. The Fund must have the right to terminate the stock lending agreement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within 5 business days or other period as normal market practice dictates.

### **Securities Financing Transactions**

The Portfolios may engage in SFTs. Such activity shall be in accordance with normal market practice and subject to the requirements of the STF Regulation. All types of assets which may be held by the Portfolio in accordance with its investment objectives and policies may be subject to a securities financing transaction and such SFTs may be entered into for any purpose that is consistent with the investment objective of the relevant Portfolio, including generating income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks.

A general description of the types of SFT, a Portfolio may engage in is set out below.

- Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities.
- Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby one party purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

All the revenues arising from Securities Financing Transactions, such as securities lending shall be returned to the relevant Portfolio following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to securities lending agents engaged on behalf of a Portfolio from time to time. Such fees and expenses of any securities lending agents engaged on behalf of a Portfolio, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the relevant Portfolio. Details of Portfolio revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific securities lending agents engaged on behalf of a Portfolio from time to time shall be included in the Portfolio's annual reports.

In the context of SFTs and/or the use of derivatives for hedging or investment purposes,

collateral may be received from a counterparty for the benefit of a Portfolio or posted to a counterparty by or on behalf of a Portfolio. Any receipt or posting of collateral by a Portfolio will be conducted in accordance with the requirements of the Central Bank and the terms of the AIFM's collateral policy outlined below. The level of collateral required to be posted by a counterparty may vary by counterparty. Each Portfolio will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached and where the exchange of collateral relates to initial or variation margin in respect of non-centrally cleared over-the-counter ("OTC") derivatives, the level of collateral will be determined taking into account EMIR requirements.

*Collateral - received by the Fund*

Collateral posted by a counterparty for the benefit of a Portfolio may be taken into account as reducing the exposure to such counterparty. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time. The Portfolio may receive such collateral as is agreed with a counterparty from time to time as described further under "Collateral Policy" above which may be investing in by the Portfolio in accordance with its investment objective and policy and which satisfy the requirements of EMIR (where applicable) and the Central Bank. There are no restrictions on maturity or issuer provided the collateral is sufficiently liquid, as determined at the discretion of the AIFM.

*Collateral - posted for the Fund*

Collateral posted to a counterparty by or on behalf of the Portfolio must be taken into account when calculating counterparty risk exposure. Collateral posted to a counterparty and collateral received from such counterparty may be taken into account on a net basis provided the Portfolio is able to legally enforce netting arrangements with the counterparty. Collateral provided to a counterparty by the Portfolio will consist of such collateral as is agreed with the counterparty from time to time and may include cash in any currency or any or all types of assets held by the Portfolio.

*Safekeeping of Collateral*

Any non-cash collateral received by the Portfolio from a counterparty on a title transfer basis should be held by the Depositary or its agent on behalf of the Portfolio. The AIFM shall be free to use and re-use collateral received on a title-transfer basis on behalf of the Portfolio.

Assets provided by a Portfolio to a counterparty other than on a title transfer basis shall be held by the Depositary or a duly appointed sub-depositary. Such assets may be subject to a right of re-use by the counterparty. Assets provided by the Portfolio on a title transfer basis shall pass outside the Depositary's custodial network. The counterparty may use those assets at its absolute discretion.

Additional detail on SFTs, namely, acceptable collateral, the policy on sharing of returns and the associated risks, is given under the headings "Collateral Policy", "Repurchase / Reverse Repurchase and Stock-Lending Arrangements" and "Risk Factors", to include counterparty risks that may apply to a Portfolio.

Unless otherwise stated in the Portfolio Supplement, up to 25% of the net assets of the relevant Portfolio may be utilised for SFTs as relevant. However, the Investment Managers do not anticipate that a Portfolio's exposure to each of SFTs will exceed 5% of the Net Asset Value of the relevant Portfolio, respectively. The proportion of the Portfolio's assets which are subject to securities financing transactions at any given time will depend on prevailing market conditions and the value of the relevant investments. The amount of assets engaged in each type of securities financing transactions, expressed as an absolute amount and as a proportion

of the Portfolio's assets, as well as other relevant information relating to the use of SFTs shall be disclosed in the annual report and half-yearly report of the Fund.

#### *Counterparty Selection*

When selecting and appointing counterparties with respect to the Fund or its Portfolios, the AIFM is required to exercise due skill, care and diligence before entering into an agreement and on an ongoing basis thereafter taking into account the full range and quality of their services.

When selecting counterparties in an OTC derivatives transaction, in a securities lending or in a repurchase agreement, the AIFM is required ensure that those counterparties fulfil all of the following conditions:

- (a) they are subject to ongoing supervision by a public authority;
- (b) they are financially sound; and
- (c) they have the necessary organisational structure and resources for performing the services which are to be provided by them to the AIFM or the Fund.

Counterparties with which the Fund will trade will typically be established in an Organisation for Economic Co-operation and Development (OECD) Member Country.

When adding to the eligible counterparty list, the AIFM will normally assess if a counterparty has an appropriate credit rating based on the AIFM's internal rating process.



## RISK FACTORS

Investment in certain securities involves a greater degree of risk than usually associated with investment in the securities of other major securities markets. Potential investors should consider the following risks before investing in any of the Portfolios.

In addition to the risks set out below, particular risks specific to a particular Portfolio are set out in detail in the relevant Supplement to this Prospectus.

### *General*

**Investors should be aware that the difference at any one time between the issue and redemption price of Units in each of the Portfolios means that an investment in the relevant Portfolio should be viewed as medium to long term.** An investment in a Portfolio should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

### *Political and/or Regulatory Risks*

The value of a Portfolio's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

### *Foreign Exchange/Currency Risk*

Although Units in a Portfolio or a Class may be denominated in a particular currency the Portfolio may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the Portfolio as expressed in its Base Currency will fluctuate in accordance with the changes in the foreign exchange rate between that currency and the currencies in which the Portfolio's investments are denominated. The Portfolio may therefore be exposed to a foreign exchange/currency risk.

It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure. The AIFM and the relevant Investment Manager may enter into hedging transactions at their sole discretion and solely for the purposes of efficient portfolio management.

Where a Class of Units designated in a currency other than the Base Currency is not hedged against the Base Currency, the value of the Unit expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency and a currency switching will take place on the subscription, redemption, switching and distributions at prevailing exchange rates.

### *Credit Risk*

**There can be no assurance that issuers of the securities or other instruments in which a Portfolio invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments.**

### ***Cyber Security Risk***

The AIFM and the Fund's service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting the AIFM, Investment Managers, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the Administrator's ability to calculate the Fund's net asset value; impediments to trading for a Portfolio of the Fund; the inability of Unitholders to transact business relating to the Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Fund invests, counterparties with which the AIFM or Investment Managers on behalf of the Fund engage in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

### **Operation of Portfolio Cash Accounts**

The Depositary on behalf of each Portfolio has established, pursuant to an instruction from the AIFM, Portfolio Cash Accounts in the name of the Depositary through which all subscriptions, redemptions and dividends payable to or from each Portfolio will be channelled and managed. All subscriptions, redemptions and / or dividends payable to or from a Portfolio are channelled and managed through the relevant Portfolio Cash Account in respect of that Portfolio.

In circumstances where subscription monies are received from an investor in advance of a Dealing Day in respect of which an application for Units has been, or expected to be, received and are held in a Portfolio Cash Account, any such investor shall rank as an unsecured creditor of the Fund until such time as Units are issued as of the relevant Dealing Day. Therefore in the event that such monies are lost prior to the issue of Units as of the relevant Dealing Day to the relevant investor, the Portfolio may be obliged to make good any losses which the Portfolio incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the relevant Portfolio), in which case such loss will need to be discharged out of the assets of the Portfolio and therefore will represent a diminution in the Net Asset Value per Unit for existing Unitholders of the relevant Portfolio.

Similarly in circumstances where redemption monies are payable to an investor subsequent to a Dealing Day of a Portfolio as of which Units of that investor were redeemed or dividend monies are payable to an investor and such redemption / dividend monies are held in a Portfolio Cash Account, any such investor / Unitholder shall rank as an unsecured creditor of the Portfolio until such time as such redemption/ dividend monies are paid to the investor/ Unitholder. Therefore in the event that such monies are lost prior to payment to the relevant investor / Unitholder, the Portfolio may be obliged to make good any losses which the Portfolio incurs in connection with the loss of such monies to the investor / Unitholder (in its capacity as an unsecured creditor of the relevant Portfolio), in which case such loss will need to be

discharged out of the assets of the relevant Portfolio and therefore will represent a diminution in the Net Asset Value per Unit for existing Unitholders of the relevant Portfolio.

***Fraud Risk***

None of the Fund, the AIFM, the Investment Managers, the Administrator or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of or acting upon instructions from Unitholders, including but not limited to requests for redemptions of Units, reasonably believed to be genuine, and shall not in any event be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions. Although, the Administrator shall employ reasonable procedures to seek to establish that instructions are genuine and that the subscription, redemption and switching procedures of the Fund are adhered to, as appropriate. In the event that a Portfolio suffers a loss due to the payment of redemption monies to, for example, a fraudster who has successfully redeemed a Unitholder's holding or part thereof, the Net Asset Value of that Portfolio shall be reduced accordingly and in the absence of any negligence, fraud, bad faith, recklessness or wilful default on the part of the AIFM, the Investment Manager, the Administrator or in the case of the Depositary its unjustifiable failure to perform its obligations or its improper performance of them, the Fund or a Portfolio will not be compensated for any such loss which will therefore be absorbed by the relevant Unitholders equally.

***Ad Hoc Payments, Windfalls or Nominal Amounts***

In the event that the Fund or a Portfolio receives a settlement, tax reclaim, class action award, other ad hoc payment, windfall or similar payment (each a "payment"), the payment shall be deemed to be for to the benefit of the Fund or relevant Portfolio as a whole, rather than to any particular class of investor, as at the date of receipt of such payment. It is possible, therefore, that those investors who were invested in the relevant Portfolio at the time of the underlying event from which the payment arose, or when the Fund or relevant Portfolio incurred costs relating to the event from which the payment arose, may not benefit from the payment; for example, if they have redeemed prior to the date of receipt of the payment.

In the event that a payment is received following the termination of a Portfolio, and after reasonable efforts by the Directors or their delegate it is neither practical nor feasible to make such payments to the Unitholder(s) on the register for the relevant Portfolio at the time of termination of such Portfolio, such payments will be paid into and for the benefit of the Fund as a whole, as at the date of receipt of such payment.

***Derivatives and Techniques and Instruments Risk***

***General***

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts 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, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging

instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Portfolio's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption.

### ***Correlation Risk***

The prices of financial derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded financial derivative instruments may also be subject to changes in price due to supply and demand factors.

### ***Legal Risk***

The use of OTC derivatives, such as forward contracts, swap agreements and contracts for difference, will expose the Portfolios to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

### ***Liquidity of Futures Contracts***

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Portfolio from liquidating unfavourable positions.

### ***Forward Trading***

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Portfolio.

### ***Foreign Exchange Transactions***

Where a Portfolio utilises derivatives which alter the currency exposure characteristics of transferable securities held by the Portfolio the performance of the Portfolio may be strongly influenced by movements in foreign exchange rates because currency positions held by the Portfolio may not correspond with the securities positions held.

### ***Risks Associated with Securities Financing Transactions***

#### ***General***

Transactions relating to repurchase agreements, reverse repurchase agreements and stocklending agreements create several risks for the Fund and its investors, including counterparty risk if the counterparty to a securities financing transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Portfolio. The relevant Portfolio is also subject to liquidity risk if it is unable to liquidate collateral provided to

it to cover a counterparty default. Such transactions may also carry legal risk in that the use of standard contracts to effect securities financing transactions may expose a Portfolio to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation. Such transactions may also involve operational risks in that the use of securities financing transactions and management of collateral are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Risks may also arise with respect to any counterparty's right of re-use of any collateral as outlined below under '*Re-Investment of Cash Collateral*'.

### ***Risks Associated with Collateral Management***

Where a Portfolio enters into an OTC derivative contract or a SFT, it may be required to pass collateral to the relevant counterparty or broker. Collateral that a Portfolio posts to a counterparty or a broker that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such assets. Therefore in the event of the insolvency of a counterparty or broker, the Portfolio may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty or broker. In addition the Portfolio is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. The Portfolio is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Where cash collateral received by a Portfolio is re-invested, a Portfolio will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

Where collateral is posted to a counterparty or broker by way of a title transfer collateral arrangement or where the Fund on behalf of a Portfolio grants a right of re-use under a security collateral arrangement which is subsequently exercised by the counterparty, the Fund on behalf of a Portfolio will only have an unsecured contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the Portfolio shall rank as an unsecured creditor and may not receive equivalent assets or recover the full value of the assets. Investors should assume that the insolvency of any counterparty would result in a loss to the relevant Portfolio, which could be material. In addition, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the AIFM or its delegates will not have any visibility or control.

Because the passing of collateral is effected through the use of standard contracts, a Portfolio may be exposed to legal risks such as the contract may not accurately reflect the intentions of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

### ***Re-Investment of Cash Collateral***

Where cash collateral is re-invested, in accordance with the conditions imposed by the Central Bank, a Portfolio will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

### ***OTC Markets Risk***

Where any Portfolio acquires securities on OTC markets, there is no guarantee that the Portfolio will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

### ***Counterparty Risk***

Each Portfolio will have credit exposure to counterparties by virtue of positions in swaps, repurchase transactions, forward exchange rate and other financial or derivative contracts held by the Portfolio. To the extent that a counterparty defaults on its obligation and the Portfolio is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

The Portfolios will also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments.

### ***Absence of Regulation; Counterparty Default***

In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on Recognised Exchanges. In addition, many of the protections afforded to participants on some Recognised Exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions. OTC options are not regulated. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific firm involved in the transaction rather than a Recognised Exchange and accordingly the bankruptcy or default of a counterparty with which the Portfolio trades OTC options could result in substantial losses to the Portfolio. In addition, a counterparty may not settle a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Portfolio to suffer a loss. To the extent that a counterparty defaults on its obligation and the Portfolio is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Counterparty exposure will be in accordance with the Portfolio's investment restrictions. Regardless of the measures the Portfolio may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Portfolio will not sustain losses on the transactions as a result.

### ***Necessity for Counterparty Trading Relationships***

Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Fund believes that it will be able to establish the necessary counterparty business relationships to permit a Portfolio to effect transactions in the OTC currency market and other counterparty markets, including the swaps market, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit a Portfolio's activities and could require a Portfolio to conduct a more substantial portion of such activities in the futures markets. Moreover, the counterparties with which a Portfolio expects to establish such relationships will not be obligated to maintain the credit lines extended to a Portfolio, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

### ***Futures and Options Trading is Speculative and Volatile***

Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which the Portfolio intends to trade. Certain of the instruments in which the Portfolio may invest are interest and foreign exchange rate sensitive, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Portfolio's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates, and to utilise appropriate strategies to maximize returns to the Portfolio, while attempting to minimize the associated risks to its investment capital. Variance in the degree of volatility of the market from the Portfolio's expectations may produce significant losses to the Portfolio.

### ***Unit Currency Designation Risk***

Units of a Portfolio may be designated in a currency other than the Base Currency of the Portfolio. Changes in the exchange rate between the Base Currency of the Portfolio and such designated currency may lead to a depreciation of the value of such Units as expressed in the designated currency. The Investment Manager may or may not try to mitigate this risk by using financial instruments (such as forward foreign exchange contracts) as a hedge. Investors should be aware that this strategy may substantially limit Unitholders of the relevant Class from benefiting if the designated currency falls against the Base Currency of the Portfolio and/or the currency/currencies in which the assets of the Portfolio are denominated. In such circumstances Unitholders may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains/losses on and the costs of the relevant financial instruments. Where hedging strategies are Class specific the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Where an Investment Manager intends to enter into such hedging transactions, it will be disclosed in the Supplement to the relevant Portfolio.

### ***Market Risk***

Some of the Recognised Exchanges on which a Portfolio may invest may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Portfolio may liquidate positions to meet redemption requests or other funding requirements.

### ***Settlement Risk***

The trading and settlement practices on some of the Recognised Exchanges on which a Portfolio may invest may not be the same as those in more developed markets. That may increase settlement risk and/or result in delays in realising investments made by the relevant Portfolio.

### ***Custody Risk***

Local custody services in some of the market countries in which a Portfolio may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

### ***Taxation***

Potential investors' attention is drawn to the taxation risks associated with investing in a Portfolio. Further details are given under the heading "TAXATION" below.

### ***Premium Risk***

Where a Portfolio acquires or values securities in the over-the-counter market there is no guarantee that the Portfolio will be able to realise such securities at a premium due to the nature of the over-the-counter market.

### ***Valuation Risk***

Where an Investment Manager of a Portfolio, at the request of the AIFM, values investments which are not listed, quoted or dealt in on a Recognised Exchange, there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of the Portfolio's investments and the Investment Manager's other responsibilities.

Where the counterparty valuation of an over-the-counter derivative is approved or verified by an independent unit within the counterparty's group there is no assurance that complete pricing models and procedures are in place for the purposes of producing an accurate verification of the counterparty valuation or that any such pricing models and procedures will be adhered hereto. In addition, where the independent unit does have pricing models and procedures for the purposes of approving or verifying the counterparty valuation those pricing models and procedures may not be sufficiently different from those employed by the counterparty itself so as to guarantee a wholly independent verification of the counterparty valuation.

### ***Fund of Funds Risk***

A Portfolio established as a fund-of-funds may be subject to valuation risk due to the manner and timing of valuations of the relevant Portfolio's investments. Underlying funds may be valued by fund administrators affiliated to fund managers, or by the fund managers themselves, resulting in valuations which are not verified by an independent third party on a regular or timely basis. Accordingly, there is a risk that (i) the valuations of Portfolios may not reflect the true value of underlying fund holdings at a specific time which could result in significant losses or inaccurate pricing for these Portfolios and/or (ii) valuation may not be available as at the relevant Valuation Point for a Portfolio so that some or all of the assets of the Portfolios may be valued on an estimated basis.

While the AIFM or its delegate will exercise reasonable care to comply with the investment restrictions applicable to a particular Portfolio, the manager of and/or service providers to the underlying funds are not obliged to comply with such investment restrictions in the management/administration of underlying funds. No assurance is given that the investment restrictions of a Portfolio with respect to individual issuers or other exposures will be adhered to by underlying funds or that, when aggregated, exposure by underlying funds to individual issuers or counterparties will not exceed the investment restrictions applicable to a particular Portfolio. If the investment restrictions applicable to the investments directly made by a Portfolio are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the AIFM shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unitholders of the relevant Portfolio or Portfolios.

A Portfolio established as a fund-of-funds may invest in other mutual funds and other regulated and unregulated collective investment schemes. As a result, the Portfolio, and indirectly an investor in the Fund, may bear multiple investment management fees, which may include performance fees or incentive allocations that in the aggregate will exceed the fees that would typically be incurred by an investment with a single fund. In addition, investing in funds, and particularly in feeder funds and funds of funds, results in a lack of transparency of information concerning the underlying investments of such funds, which will not generally be available to



the AIFM (except to the extent that it invests in funds managed by itself or an associated or related company).

### ***Leverage Risk***

A Portfolio may invest in other collective investment schemes which may from time to time employ leverage in the course of normal trade and business. Use of leverage by underlying funds may take the form of direct borrowing, margining, short selling and the use of futures, warrants, options and other derivative products etc. Generally, leverage is used to increase the overall level of investment in a collective investment scheme. Higher investment levels may offer the potential for higher returns. This exposes investors to increased risk as leverage can increase the collective investment scheme's market exposure and volatility; the risk of leverage in futures contracts and investing in warrants is that small price movements can result in large losses or profits. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time.

### ***Emerging Markets Risk***

Investment in emerging markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation or other confiscation could result in loss to a Portfolio.

By comparison with more developed securities markets, most emerging countries' securities markets are comparatively small, less liquid and more volatile. This may result in greater volatility in the Net Asset Value per Unit (and consequently subscription and redemption prices for Units) than would be the case in relation to Portfolios invested in more developed markets. In addition, if a large number of securities have to be realised at short notice to meet substantial redemption requests for Units in a Portfolio such sales may have to be effected at unfavourable prices which may in turn have an adverse effect on the Net Asset Value per Unit.

In addition, settlement, clearing, safe custody and registration procedures in emerging markets may be underdeveloped, increasing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards may not provide the same degree of investor information or protection as would generally apply in more developed markets. Investments in certain emerging markets may require consents or be subject to restrictions which may limit the availability of attractive investment opportunities to a Portfolio.

Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally and so transactions may need to be made on a neighbouring exchange. Emerging markets securities may incur brokerage or stock transfer taxes levied by foreign governments which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of the sale of same. The issues of emerging markets securities, such as banks and other financial institutions may be subject to less stringent regulation than would be the case for issuers in developed countries, and therefore potentially carry greater risk. In addition, custodial expenses for emerging market securities are generally higher than for developed market securities. Dividend and interest payments from, and capital gains in respect of, emerging markets securities may be subject to foreign taxes that may or may not be reclaimable.

Laws governing foreign investment and securities transactions in emerging markets may be less sophisticated than in developed countries. Accordingly, a Portfolio may be subject to additional risks, including inadequate investor protection, unclear or contradictory legislation or regulations and lack of enforcement thereof, ignorance or breach of legislation or regulations on the part of other market participants, lack of legal redress and breaches of confidentiality. It may be difficult to obtain and enforce a judgment in certain emerging markets in which assets of the Portfolio are invested. Furthermore, the standard of corporate governance and investor protection in emerging markets may not be equivalent to that provided in other jurisdictions.

### ***US Tax-Exempt Investors***

Certain prospective investors may be subject to US federal and state laws, rules and regulations which may regulate their participation in the Fund, or their engaging indirectly through the Fund, in investment strategies of the types which the Fund may utilise from time to time. While the Fund believes that its investment programme is generally appropriate for US tax-exempt investors for which an investment in the Fund would otherwise be suitable, each type of such investor may be subject to different laws, rules and regulations and should consult with their own advisors as to the advisability and tax consequences of an investment in the Fund. Investment in the Fund by entities subject to ERISA and other tax-exempt investors requires special consideration. Depositories or administrators of such investors are urged carefully to review the matters discussed in this Prospectus.

### ***U.S. Foreign Account Tax Compliance Act (“FATCA”)***

Pursuant to FATCA, the Fund (or each Portfolio) will be required to comply, or be deemed compliant, with extensive reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Fund (or each Portfolio) to U.S. withholding taxes on certain U.S. sourced income and (effective 1 January 2019) gross proceeds. Pursuant to an intergovernmental agreement between the United States and Ireland, the Fund (or each Portfolio) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. taxpayer information directly to the Irish government. Investors may be requested to provide additional information to the Fund to enable the Fund (or each Portfolio) to satisfy these obligations. Failure to provide requested information or, if applicable, satisfy its own FATCA obligations may subject an investor to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the investor’s investment in its Units. Detailed guidance as to the mechanics and scope of this reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Fund or its Portfolios.

Prospective investors should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the Fund.

### ***Recent and Anticipated Legislative and Regulatory Activities***

The U.S. Congress, the SEC, the U.S. Commodity Futures Trading Commission (“CFTC”) and other regulators have taken or represented that they may take action to increase or otherwise modify the laws, rules and regulations applicable to short sales, derivatives and other techniques and instruments (including, without limitation, credit default swaps) in which a Portfolio may invest. New or modified laws, rules and regulations may not allow, or may significantly limit the ability of, the Investment Manager to use certain such instruments or to engage in such transactions. This may impair the ability of the Investment Manager to carry out a Portfolio’s investment strategy and may otherwise have an adverse impact on the

Portfolio's returns. Compliance with such new or modified laws, rules and regulations may also increase a Portfolio's expenses and therefore may adversely affect the Portfolio's performance. For example, Section 619 of the recently-enacted Dodd-Frank Wall Street Reform and Consumer Protection Act (the "*Dodd-Frank Act*") imposed the so-called "Volcker Rule". In general, the Volcker Rule prohibits, or significantly restricts, "banking entities" and "non-bank financial companies" from engaging in certain activities, such as proprietary trading and investing in, sponsoring, or holding interests in private investment funds such as a Fund.

In addition, Title VII of the Dodd-Frank Act has and will impose a number of new regulations governing OTC swaps and derivative transactions. Under the Dodd-Frank Act, swaps will generally be required to be submitted for clearing by a regulated clearing organization. With respect to uncleared swaps, the CFTC has also recently proposed rules that would require that margin be posted by "financial entities," including a Portfolio, for uncleared swap positions. New regulations will also likely limit the ability of bank holding companies and other entities from engaging in proprietary trading of swaps and other derivatives, which will likely reduce the number of potential counterparties and liquidity for swaps and other derivatives. These and other similar rules and regulations are likely to increase the costs and expenses to a Portfolio of utilizing swaps and other derivatives. As a result, a Portfolio may engage in fewer derivatives transactions than it would have otherwise, experience higher costs in connection with using derivatives for hedging or other purposes or may utilize higher leverage than it would have otherwise to achieve the same level of returns. Although various regulatory agencies (*e.g.*, the SEC, the CFTC and the U.S. Federal banking agencies) are in the process of developing regulations to implement the provisions of the Dodd-Frank Act, and accordingly it is not possible at this time to predict with certainty what, if any, impact the Dodd-Frank Act and such implementing regulations will have on the Investment Manager or a Portfolio, it is possible that such impact could be adverse and material.

### ***Common Reporting Standard***

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard to address the issue of offshore tax evasion on a global basis. Additionally, on 9 December 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("DAC2"). The Common Reporting Standard and DAC2 (collectively referred to herein as "CRS") provide a common standard for due diligence, reporting and exchange of financial account information. Pursuant to CRS, participating jurisdictions and EU Member States will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures with the first information exchanges having begun in 2017. Ireland has legislated for CRS and as a result the AIFM on behalf of the Fund will be required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Unitholders may be required to provide additional information to enable the AIFM on behalf of the Fund to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of their Units in the relevant Portfolio.

### ***EMIR***

EMIR establish certain requirements for over-the-counter derivatives contracts, including mandatory clearing obligations for certain classes of contracts as well as bilateral risk management requirements and reporting requirements with more general application. In addition there are mandatory margin requirements for un-cleared OTC derivatives with respect to the exchange of collateral between financial counterparties ("FCs") and non-financial counterparties ("NFCs") within the meaning of EMIR. These mandatory margin requirements for un-cleared OTC derivatives require the exchange of both initial margin (designed to protect

against default or credit exposure to a counterparty) and variation margin (designed to protect against changes to the market value of the relevant contracts). The requirement to exchange variation margin is already in effect with the requirement to exchange initial margin being introduced on a phased basis with the final implementation phase due to come into effect on 1 September 2022, at which point covered entities with an aggregate average notional amount of non-centrally cleared derivatives greater than €8 billion will be subject to the requirement to exchange initial margin.

### ***MIFID II***

The European regulatory framework and legal regime relating to derivatives is set not only by EMIR but also by a new Directive and Regulation containing a package of reforms to the existing Markets in Financial Instruments Directive (Directive 2004/39/EC), collectively referred to as ("**MiFID II**"). The majority of MiFID II's provisions became effective on 3 January 2018. In particular, MiFID II requires transactions between Financial Counterparties ("FCs") and Non-Financial Counterparties ("NFCs") in sufficiently liquid OTC derivatives to be executed on a trading venue which meets the requirements of the MiFID II regime. This trading obligation will also extend to FCs and NFCs which trade with non-EU counterparties that would be classed as FCs or NFCs if they were established in the EU.

### ***Duties of Investment Manager as ERISA Fiduciary***

In the event that participation in any class of equity interest in a Portfolio by "Benefit Plan Investors" equals or exceeds twenty-five percent (25%) of the aggregate value of that class, an undivided interest in the assets of the Portfolio may be deemed to be "plan assets" under ERISA. In such event, the AIFM and the Investment Manager will each be an ERISA fiduciary with respect to the assets of Unitholders who are Benefit Plan Investors. As an ERISA fiduciary, the Investment Manager will be required to conform its decisions and actions in connection with such "plan assets" to the fiduciary duties and limitations imposed on ERISA fiduciaries, notwithstanding anything contained herein to the contrary. In addition, restrictions imposed on the Portfolio under ERISA could limit certain investment opportunities in select circumstances. In addition, the Portfolio would have to be managed so as to avoid engaging in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

### ***Brexit***

With effect from 31 January, 2020 the United Kingdom is no longer part of the European Union ("**Brexit**").

Brexit has and may continue to result in substantial volatility in foreign exchange markets which may lead to a sustained weakness in the British pound's exchange rate against the United States dollar, the euro and other currencies which may have an adverse effect on the Fund and on the Portfolios' investments. There is also a possibility of reduced liquidity around some securities following Brexit day. This could lead to increased difficulty in producing fund valuations.

While the full impact of Brexit continues to evolve, the exit of the United Kingdom from the European Union could have a material impact on the region's economy and the future growth of that economy, which may impact adversely on the Portfolios' investments in the United Kingdom and Europe. It could also result in prolonged uncertainty regarding aspects of the United Kingdom and European economy and damage customers' and investors' confidence. Any of these events, as well as an exit or expulsion of a Member State other than the United Kingdom from the European Union, could have a material adverse effect on the financial condition, results of operations and prospects of the Funds, its service providers and counterparties.

## *GDPR*

Under GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances. The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the Fund. If there are breaches of these measures by the AIFM on behalf of the Fund or any of its service providers, the AIFM on behalf of the Fund or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Fund or the AIFM suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

## MANAGEMENT OF THE FUND

### *The AIFM*

The AIFM is a private company limited by shares and was incorporated with limited liability in Ireland on 2nd September, 1997. The AIFM has an authorised share capital of \$20,000,000 divided into 20,000,000 ordinary shares of US\$1 each. The AIFM has US\$1,826,755 in issued and fully paid up share capital divided into 1,826,755 ordinary shares of US\$1 each and is ultimately a wholly owned subsidiary of Coronation Fund Managers Limited. The AIFM also acts as manager of Coronation Global Opportunities Fund which is a UCITS umbrella fund and Coronation Common Contractual Fund, which is an Alternative Investment Fund (“AIF”).

The AIFM is responsible, under the Trust Deed, for the general management and administration of the Fund’s affairs including the investment and re-investment of each Portfolios’ assets having regard to the investment objective and policies of each Portfolio. However the AIFM has appointed Investment Managers to manage the investment and re-investment of the assets of one or more Portfolios. The AIFM is also responsible for preparing accounts, executing redemption of Units, making distributions and calculating the Net Asset Value per Unit. However, the AIFM has appointed the Administrator to act as administrator, registrar and transfer agent to the Portfolios.

The Directors of the AIFM are:

#### *Mr. Bryan Melville (South African)*

Mr. Melville joined Coronation Fund Managers Limited in South Africa from KPMG, Cape Town in July 1997. In January 1999 he was appointed as Operations Manager of Coronation Global Limited (now Coronation Global Fund Managers (Ireland) Limited). Mr. Melville was appointed to the post of Chief Operations and Financial Officer in Coronation International Limited in January 2001. He joined the AIFM in January 2004 where he held the position of Managing Director until February 2006. At that time he moved to Coronation International Limited to act as a research analyst for their fund of fund products.

#### *Mr. David Dillon (Irish)*

Mr. Dillon was admitted to practice as a solicitor in 1978. A graduate of University College Dublin with an MBA from Trinity College Dublin, David was one of the founding partners of Dillon Eustace where he worked principally in the areas of financial services. He is also a director of a number of Irish based investment and management companies. He has served as a member of a number of committees and sub-committees established by the Irish Law Society relating to commercial law and financial services and is former chair of the Investment Funds Committee (Committee I) of the International Bar Association and a past chairman of the government’s IFSC Funds Working Group. He is currently a member of the IFSC Funds Working Group. David is now a consultant to Dillon Eustace.

#### *Mr. Alan King (Irish)*

Mr. King joined the AIFM in November 2008, when he took up the role of Operations Manager. Prior to joining the AIFM he was a Senior Vice President with Citigroup, Inc. in Dublin. Mr. King joined the Fund Administration Unit of Citigroup from Eagle Star Life Assurance in July 1998 and held senior operations roles within that Unit until October 2008. Mr. King acts as Head of Operations and Managing Director of the AIFM.

*Mr. Clinton Martin (South African)*

Mr. Martin joined Coronation International Limited (United Kingdom) in January 2003. In January 2005 Mr Martin was appointed to the post of Chief Financial Officer of Coronation International Limited. He transferred to Coronation Fund Managers Limited (South Africa) in November 2008 to take up the role of Group Financial Manager. Prior to Coronation Mr Martin was with Deloitte South Africa in Cape Town where he qualified as a Chartered Accountant.

*Mr. Anton Pillay (South African)*

Mr. Pillay was appointed chief executive officer of Coronation Fund Managers Limited in February 2013. He joined Coronation Fund Managers Limited from BoE (Pty) Limited in January 2006 as Chief Operating Officer. During his almost nine-year career with BoE/Nedbank he held a number of key positions and directorships, including assistant general manager of the private bank, general manager of investments and head of banking.

*Mr. Shane Coman (Irish)*

Mr. Coman is an Independent Director and Industry Consultant operating in the regulated funds sector in Ireland and is an active member of the Irish Fund Directors Association. Mr. Coman is a founding partner of Nexus Governance Limited which is focused on providing operational risk and governance advisory services to clients in the international funds industry. Mr. Coman has extensive experience in fund service operations having performed executive roles at both JP Morgan and BNY Mellon. While at BNY Mellon Mr. Coman was responsible for the delivery of fund accounting and administration services in EMEA and was also a board member of BNY Mellon Fund Services Ireland DAC. Mr. Coman holds an MBA from the University of Melbourne and a BSc Finance from University College Cork.

The address of the Directors of the AIFM, all of whom aside from Bryan Melville are considered non-executive Directors, is the registered office of the AIFM; 33 Sir John Rogerson's Quay, Dublin DO2 XK09, Ireland. A non-executive Director is defined in the Irish Funds' Corporate Governance Code as a director not involved in the day to day discretionary investment management of the Fund.

David Dillon is the Chairman of the Board of Directors of the AIFM.

None of the Directors have had any convictions in relation to indictable offences, been involved in any bankruptcies, individual voluntary arrangements, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company or partnership voluntary arrangements, any composition or arrangements with creditors generally or any class of creditors of any company where they were a director or partner with an executive function, nor have any had any public criticisms by statutory or regulatory authorities (including recognised professional bodies) nor has any Director ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

The Trust Deed contains provisions governing the responsibilities of the AIFM and providing for its indemnification in certain circumstances subject to the exclusions of fraud, bad faith, negligence or wilful default and subject to the limitations contained in ERISA Section 410, to the extent applicable.

Tudor Trust Limited acts as company secretary to the AIFM.

### ***Administrator***

The AIFM has appointed J.P. Morgan Administration Services (Ireland) Limited as Administrator of the Fund and each Portfolio pursuant to the Administration Agreement. The responsibilities of J.P. Morgan Administration Services (Ireland) Limited as Administrator of the Portfolios include administration of the Portfolios, maintaining the accounting records of the Portfolios, calculating the Net Asset Value of the Portfolios, the Net Asset Value per Unit and serving as registrar and as transfer agent of the Portfolios.

J.P. Morgan Administration Services (Ireland) Limited is a wholly owned subsidiary company of J.P. Morgan Bank (Ireland) plc, which is a supplier of processing and administration services to financial institutions.

The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value and the Net Asset Value per Unit, the keeping of all relevant records in relation to the Fund as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the Fund's books and accounts, liaising with the Auditor in relation to the audit of the financial statements of the Fund and the provision of certain registration and transfer agency services in respect of units in the Fund.

### ***Depositary***

The Depositary is J.P. Morgan Bank (Ireland) plc which is a public company incorporated with limited liability in Ireland. It is an Irish banking company licensed under the Central Bank. The ultimate parent company of the Depositary is J.P. Morgan Chase & Co. incorporated in Delaware, USA.

Operating through a network of sub-custodian banks, the Depositary offers clearing settlement and custody services world-wide. These agent banks are selected on a standard set of selection criteria taking into account credit rating, settlement and clearing expertise, communications sophistication, membership of local depositories and clearing agencies and price. All relationships are governed by written legal agreements and monitored against agreed service level accords. Services provided include safe keeping and registration, clearance and settlement income collection, corporate actions collection, trustee and compliance services and treasury.

The duty of the Depositary is to provide safekeeping/custody, in respect of financial instruments required to be held in custody of the Fund in accordance with the provisions of the AIFM Legislation and the Trust Deed and the verification of assets. The Depositary will also provide cashflow monitoring and oversight services in respect of the Fund's cash flows and subscriptions.

The Depositary will be obliged, inter alia, to ensure that the issue and repurchase of Units in the Fund is carried out in accordance with the relevant legislation and the Trust Deed. The Depositary will carry out the instructions of the Directors unless they conflict with the AIFM Legislation or the Trust Deed. The Depositary is also obliged to enquire into the conduct of the Fund in each financial year and report thereon to the Unitholders.

The Depositary has power to delegate the whole or any part of its custodial functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. In order for the Depositary to discharge its responsibility for assets entrusted to a third party, the Depositary must exercise care and diligence in the selection of such third parties as safekeeping agents so as to ensure they have and maintain the expertise, competence and standing appropriate to discharge their responsibilities as sub-custodians. The Depositary must maintain an appropriate level of supervision over third parties and make



appropriate enquiries, periodically, to confirm that their obligations continue to be competently discharged.

The Depositary is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Fund and is responsible and liable only for the trustee and depositary services that it provides to the Fund pursuant to the Trust Deed.

As each Portfolio may invest in markets where custodial and/or settlement systems are not fully developed, the assets of that Portfolio which are listed or 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 will have no liability. Prospective investors are referred to the section “Risk Factors” in the Prospectus.

A summary of the terms of the Trust Deed is set out in APPENDIX 1 “GENERAL INFORMATION” under the heading “Material Contracts”. The AIFM will disclose to investors before they invest in the Fund any arrangement made by the Depositary to contractually discharge itself of liability. The Depositary shall inform the AIFM, who shall inform Unitholders, of any changes with respect to Depositary liability without delay. Currently, it is not envisaged that the Depositary will seek to contractually discharge itself of liability under any circumstances, and so it is not expected that this requirement will be applicable.

### ***Conflicts of Interest***

The AIFM, the Investment Managers, the Sub-Investment Managers, the Administrator, the Depositary, and their respective affiliates, officers and shareholders (collectively the “Parties”) are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of a Portfolio. These include management of other funds, purchases and sales of securities, investment and management counselling, brokerage services, trustee and depositary services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Portfolio may invest. In particular, it is envisaged that the Investment Managers and the Sub-Investment Managers may be involved in managing or advising on the investments of other investment funds which may have similar or overlapping investment objectives to or with the Portfolio. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Directors of the AIFM shall endeavour to ensure that it is resolved fairly and in the interests of Unitholders.

There is no prohibition on dealings in the assets of a Portfolio by the Parties. The Parties may engage in transactions with a Portfolio where any one or more of the Parties is acting in the capacity as broker, intermediary, principal, or counterparty provided that such transactions are carried out on terms similar to those which would apply in a like transaction between parties not connected with the Parties or any one of them and that such transactions are negotiated at arm's length and in the best interests of the Unitholders, and that such transaction complies with ERISA (if the Portfolio involved is subject to ERISA); and

- (i) a person approved by the Depositary (or in the case of a transaction involving the Depositary, the AIFM) as independent and competent shall certify in writing the price at which such transaction is effected; or
- (ii) such transaction shall be executed on best terms on organised investment exchanges under their rules; and
- (iii) where these rules are not practical, such transactions shall be executed on any terms which the Depositary (or in the case of a transaction involving the Depositary, the AIFM)

is satisfied conform with the principle that the transactions are negotiated at arm's length.

The AIFM operates a conflicts of interest policy that describes how it takes reasonable steps to identify and, wherever practicable, mitigate conflicts of interest that arise as a result of such business dealings.

***Fair Treatment of Investors***

In all of its decisions the AIFM shall ensure fair treatment of investors in the Fund and that any preferential treatment accorded by the AIFM to one or more investors does not result in an overall material disadvantage to other investors.

The principles of treating investors fairly include, but are not limited to:

- (a) Acting in the best interests of the Portfolios and of the investors;
- (b) Executing the investment decisions taken for the account of the Portfolios in accordance with the objectives, the investment policy and the risk profile of the Portfolios;
- (c) Ensuring that the interests of any group of investors are not placed above the interests of any other group of investors;
- (d) Ensuring that fair, correct and transparent pricing models and valuation systems are used for the Portfolios managed;
- (e) Preventing undue costs being charged to the Portfolios and investors;
- (f) Taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Unitholders; and
- (g) Recognising and dealing with complaints fairly.

The AIFM maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest, please see "Conflicts of Interest" above.

***Legal implications of an investment in the Fund***

The main legal implications of the contractual relationship which an investor would enter into by investing in a Fund are as follows:

- (i) By completing and submitting the Application Form, an investor will have made an offer to subscribe for Units which, once it is accepted by the AIFM and Units are issued, has the effect of a binding contract.
- (ii) The applicant will be obliged to make representations, warranties, declarations and certifications in the Application Form relating to its eligibility to invest in the Portfolio and its compliance with the applicable anti-money laundering laws and regulations.
- (iii) Upon the issue of Units, an investor will become a Unitholder in the relevant Portfolio and the Trust Deed will take effect as a contract between the Unitholder and the AIFM

on behalf of the Fund.

- (iv) The Trust Deed is governed by, and construed in accordance with, the laws of Ireland. The Application Form is governed by, and construed in accordance with, the laws of Ireland.
- (v) Any judgement for a definite sum obtained against the Fund in the courts of a foreign (non-Irish) jurisdiction (a "**Foreign Judgement**") should generally be recognised and enforced by the courts of Ireland without a retrial or examination of the case where Council Regulation EC No.44/2001 on the Jurisdiction and the Recognition of Judgments in Civil and Commercial Matters (the "**2001 Brussels Regulation**") or where Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 on the Jurisdiction and the Recognition of Enforcement of Judgements in Civil and Commercial Matters (Regulation EU No. 1215/2012) applies. Where the 2001 Brussels Regulation or Regulation EU No. 1215/2012 does not apply, the Foreign Judgement would not automatically be enforced in Ireland and it would be necessary to initiate legal proceedings before a court of competent jurisdiction in Ireland. In such circumstance, an Irish court would generally recognise and enforce such a Foreign Judgement without retrial or examination of the merits of the case provided certain common law principles are complied with.

### ***Investors Rights Against the Service Providers***

Absent a direct contractual relationship between a Unitholder and a service provider to the Fund, a Unitholder will generally have no direct rights against the service provider, and there are only limited circumstances in which a Unitholder could potentially bring a claim against a service provider. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Fund or the AIFM by the relevant service provider is the AIFM.

### ***Side Letters***

The AIFM may, at its sole and absolute discretion, agree with any existing or prospective investor, whether by means of a side letter or other agreement, to waive or modify the application of any of the terms described herein in this Prospectus or in the Application Form or to agree any specific terms with an investor ("**Side Letter**"). Such investors may include entities or persons who are affiliated with the AIFM and/or investors who hold a majority or substantial interest in the Fund or a Portfolio. Any such Side Letter may be agreed in accordance with the requirements of the Central Bank and the AIFM Legislation in relation to (but is not limited to) the application or calculation of fees provisions, indemnification obligations and/or additional representations, warranties and covenants. For the avoidance of doubt, the AIFM will not agree any Side Letter which provides an investor with different rights of access to portfolio information, disclosure of market sensitive events, or alter the liquidity provisions, redemption rights or voting rights of any investor and in this regard, will ensure that investors are treated fairly. The AIFM is not obligated to disclose the existence or specific terms of any Side Letter agreed with an investor to any other investors.

The provisions detailed under "*Legal implications of an investment in the Fund*" apply to the recognition and enforcement of a Foreign Judgement obtained against the Fund in relation to a Side Letter.

### ***Soft Commissions***

Save where otherwise set out in a supplement, subject to applicable law, any non-MiFID authorised Investment Manager or its delegate may effect transactions on behalf of any

Portfolio with or through the agency of any third party who provides services under a soft commission agreement under which that third party will, from time to time, provide to or procure for the non-MiFID authorised Investment Manager or its delegate and/or their respective Associates goods, services or other benefits such as research and advisory services or research measures and performance measures etc., the nature of which is such that their provision can reasonably be expected to benefit the Portfolio and may contribute to an improvement in the performance of the Portfolio and of that Investment Manager or any entity related to that Investment Manager in providing services to a Portfolio and for which no direct payment is made but instead that Investment Manager and any entity related to that Investment Manager undertake to place business with that third party, provided that:

- (i) such transactions are effected on a best execution basis, disregarding any benefit which might ensue directly, or indirectly to the non-MiFID authorised Investment Manager or its delegate or their respective Associates or the relevant Portfolio from the services or benefits provided under such soft commission agreement; (Best execution basis shall be taken to mean the best price available in the market, exclusive of any charges but taking account of any other exceptional circumstances such as counterparty risk, order size or client instructions);
- (ii) the services provided are of a type which assist the non-MiFID authorised Investment Manager in the provision of investment services to the relevant Portfolio;
- (iii) the non-MiFID authorised Investment Manager shall provide the AIFM with such information with respect to soft commissions as the AIFM may reasonably require to enable inclusion of a report in the annual and half yearly reports of the Fund describing the non-MiFID authorised Investment Manager's or its delegates' soft commission practices; and
- (iv) the soft commission agreement is in compliance with ERISA, if the Portfolio involved is subject to ERISA.

*MiFID Authorised Investment Managers*

In accordance with its obligations under MiFID II, any MiFID authorised Investment Manager shall pay to the relevant Portfolio, as soon as reasonably possible after receipt, any fees, commissions or other monetary benefits paid or provided by a third party in relation to the investment management services provided by the MiFID authorised Investment Manager to a Portfolio.

The MiFID authorised Investment Manager shall however be permitted to retain minor non-monetary benefits received from third parties where the benefits are such that they could not impair the MiFID authorised Investment Manager from complying with its obligation to act in the best interests of the Portfolio and provided such minor non-monetary benefits are disclosed to the Fund prior to the provision of investment management services by that entity.

Investment research will not constitute an inducement under MiFID II where it is paid for by the MiFID authorised Investment Manager itself out of its own resources or out of a research payment account ("RPA") funded by a specific research charge to the applicable Portfolio.

*Cash/Commission Rebates and Fee Sharing*

Where the Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of investments including without limitation permitted derivatives and techniques and instruments, for the account of the relevant Portfolio, the rebated commission shall be paid to the Depositary for the account of the relevant Portfolio. The Investment Manager or its

delegates may be reimbursed out of the management fee payable to the AIFM for reasonable properly vouched costs and expenses directly incurred by the Investment Manager or its delegates in this regard.

### **Remuneration Policy of the AIFM**

The AIFM's policy is to design and implement a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile or the Trust Deed nor impair compliance with the AIFM's duty to act in the best interests of the Trust and the Unitholders. The AIFM's remuneration policy is consistent with its business strategy, objectives, values and interests of the AIFM, the Fund and the Unitholders and includes measures to try to avoid any conflicts of interest which may arise. In line with the AIFM Regulations, the guidelines issued by the European Securities and Markets Authority ("ESMA") and the requirements of the Central Bank, all of which may be amended from time to time, the AIFM applies its remuneration policy in a manner which is proportionate to its size and that of the Fund, its internal organisation and the nature, scope and complexity of its activities.

The AIFM will ensure that the remuneration policy is reviewed internally and independently on an annual basis.

When delegating portfolio management or risk management activities according to the AIFM Regulations, the AIFM shall use its best efforts to ensure that:

- (a) the entities to which portfolio management or risk management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the relevant remuneration rules applicable to the AIFM; or
- (b) appropriate contractual arrangements are put in place with entities to which portfolio management or risk management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules applicable to the AIFM.

The AIFM will ensure that the remuneration of those engaged in the performance of risk management reflects the achievement of the objectives linked to the risk management function, independently of the performance of the business areas in which they are engaged.

Fixed remuneration is determined based on an employee's role and responsibilities and on market conditions. Non-executive Directors of the AIFM receive a fixed fee for their services (with appropriate adjustments for any properly vouched expenses).

Following the finalisation of the annual financial statements and during the first quarter of each financial year, the AIFM, through the relevant Designated Person responsible for remuneration functions on behalf of the Board, will decide what, if any, variable compensation to award staff.

The factors that are taken into account in deciding the quantum of the variable remuneration are as follows, if applicable:

- for revenue producing roles, the risk and resource adjusted profit or loss in comparison to the expected profit or loss in addition to the achievement of any specific objectives;
- for non-revenue producing roles, achievement against objectives and whether the individual exceeded what was expected of them during the year;

- for all roles:
  - o the profit that the AIFM made during the previous year;
  - o the resources that were consumed (for example IT, capital, legal and compliance resources);
  - o compliance by the individual with all relevant compliance and risk requirements and other firm policies and procedures;
  - o the achievement of objectives which are set during the annual review process and updated during the year;
  - o whether the individual helped to develop new businesses, improved processes, worked in a collegial way and assisted in the training, education and mentoring of other employees;
  - o other factors as may be determined from time to time by the Board.

The AIFM has determined, taking into account its size, internal organisation and the nature, scope and complexity of its activities, not to establish its own remuneration committee. The AIFM shall instead consult as required with the Coronation Group Remuneration Committee in relation to the implementation of remuneration policies and practices.

## ADMINISTRATION OF THE FUND

### *Description of Units*

Units of each Class are all freely transferable and are all entitled to participate equally in the profits and distributions of that Class and in the assets of a Portfolio attributable to that Class in the event of termination. The Units, which are of no par value and which must be fully paid for upon issue, carry no preferential or pre-emptive rights, subject to any differences between Units of different classes within a Portfolio as outlined in the relevant Supplement in relation to that Portfolio.

The Depositary has established Portfolio Cash Accounts in the name of the Depositary on behalf of each Portfolio pursuant to an instruction from the AIFM, through which subscription and redemption monies or dividends may be paid by and to Unitholders. Such accounts shall not be subject to the protections of the Investor Money Regulations, 2015 nor any equivalent protections under Irish law relating to “client money” nor does the AIFM or the Depositary or the financial institution with which such accounts have been opened hold such monies in trust for the investor. Prior to the issue of Units to the investor, the investor is not a Unitholder and is an unsecured creditor with respect to the amount subscribed and held by the relevant Fund until such Units are issued as of the relevant Dealing Day. On redemption, an investor is no longer a Unitholder and is an unsecured creditor with respect to the redemption amount held by the Fund until paid to the investor. Investors will therefore be exposed as unsecured creditors to the creditworthiness of the institution with which such accounts have been opened. In relation to subscription monies paid to such accounts prior to the Dealing Day as of which Units are issued to the investor, the investor will also bear a credit risk against the relevant Portfolio.

In the event that an investor defaults on its obligation to settle its subscription proceeds on time, the AIFM shall cancel any Units that have been issued to the investor and charge the investor interest and other expenses incurred by the Fund. In the event that the AIFM is unable to recoup such amounts from the defaulted investor, the Fund may incur losses or expenses in anticipation of receiving such amounts, for which the Fund, and consequently its Unitholders, may be liable.

Your attention is drawn to the section of the Prospectus entitled “*Risk Factors*” - “*Operation of Portfolio Cash Accounts*” above.

### *Issue of Units*

#### *Minimum Subscription*

The minimum subscription in respect of each new investor subscribing for Units in the Fund shall not be less than the aggregate amount of US\$150,000 (when aggregated with all other Units subscribed by the new investor in the Fund), or its equivalent in other currencies provided that such amount is not less than the Central Bank’s minimum subscription requirement of €100,000 in respect of a new investor in the Fund. The AIFM may provide for a higher minimum subscription amount in relation to any given Portfolio or Class in the relevant Supplement.

The AIFM may waive the minimum subscription requirement in its entirety in accordance with the requirements of the Central Bank in respect of the categories of investor listed below:-

- (i) the AIFM;
- (ii) a company appointed to provide investment management or advisory services to the Fund;

- (iii) a director of the AIFM or a director of a company appointed to provide investment management or advisory services to the Fund;
- (iv) an employee of the AIFM or an employee of a company appointed to provide investment management or advisory services to the Fund, where the employee:
  - is directly involved in the investment activities of the Fund; or
  - is a senior employee of such company and has experience in the provision of investment management or advisory services; and
- (v) trustees of pension plans provided such trustees commit to invest the minimum subscription amount within a period of 12 months from subscription.

In the case of investments by employees, as set out in (iv) above, the AIFM must be satisfied that prospective investors fall within the criteria outlined in (iv).

Applicants meeting the relevant criteria for waiver of the minimum subscription provided for above must certify that they are availing of the exemption provided for and are aware that the Fund is marketed solely to professional investors who are normally subject to a minimum subscription in the Fund of US\$150,000 or its equivalent in other currencies (provided such amount is not less than the Central Bank’s minimum subscription requirement of €100,000 in respect of a new investor in the Fund).

*Ineligible Applicants*

The Application Form requires each prospective applicant for Units to represent and warrant that, among other things, it is able to acquire and hold Units without violating applicable laws.

The Units may not be offered, issued or transferred to any person in circumstances which, in the opinion of the AIFM, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable US securities laws.

Units may generally not be issued or transferred to any US Person, except that the AIFM may authorise the issue or transfer of Units to or for the account of a US Person provided that:

- (a) such US Person certifies that it is an “accredited investor” and a “qualified purchaser”, in each case as defined under US federal securities laws;
- (b) such issue or transfer does not result in a violation of the 1933 Act or the securities laws of any US state;
- (c) such issue or transfer will not require the Fund to register under the 1940 Act or to file a prospectus with the US Commodity Futures Trading Commission or the US National Futures Association pursuant to regulations under the CEA;
- (d) such issue or transfer will not cause any assets of the Fund (other than the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund and any other Portfolio where such Portfolio’s assets are deemed to constitute “plan assets” subject to the fiduciary responsibility provisions of Title I of ERISA or Section 4975 of the IRC) to be “plan assets” for the purposes of ERISA; and
- (e) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Unitholders.



Each applicant for, and transferee of, Units who is a US Person will be required to provide such representations, warranties and documentation as may be required to ensure that these requirements are met prior to the issue or transfer of Units.

Investors must certify on the relevant Application Form that they have the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Fund, are aware of the risks inherent in investment in the assets in which the Fund will invest and the method by which these assets will be held and/or traded, and can bear the loss of their entire investment in the Fund. Any transferee of Units will be required to certify in like terms before any transfer is registered.

Subject as mentioned above and under “General and Statutory Information” below, Units are freely transferable.

#### *Initial Issues*

The AIFM shall, before the initial issue of any Units in a Class, determine the time at which, the terms upon which and the initial issue price per Unit at which the initial allotment of Units of that Class shall be made. The time at which, the terms upon which and the initial issue price per Unit of the initial issue of Units of any Class shall be specified in the relevant Supplement relating to the Portfolio.

In order to facilitate the equitable application of any performance fee which may be charged by the AIFM in respect of performance fee-paying Classes of one or more Portfolios as detailed in the relevant Supplement, an initial Series of Units (the “Initial Series”) for each relevant performance fee-paying Class will be issued on the close of the initial offer period for such Class, or at such other time as may be specified in the relevant Supplement. A description of the method of calculation of any such performance fee shall be set out in the relevant Supplement.

#### *Subsequent Issues*

Thereafter, Units shall be issued on a Dealing Day at a price equal to the Net Asset Value per Unit calculated as of the Valuation Point in relation to that Dealing Day. A preliminary charge not exceeding five per cent. (5%) of the Net Asset Value per Unit may be added to the subscription price per Unit. Such preliminary charges shall be paid to the AIFM for its absolute use and benefit and shall not form part of the assets of the relevant Portfolio. The AIFM may at its sole discretion waive such charge or charges or differentiate between applicants as to the amount of such charge or charges within the permitted limits.

In relation to each of the Portfolios, fractions of Units may be issued, at the discretion of the AIFM, where any part of the subscription monies for Units represents less than the subscription price for one Unit, provided however, that fractions shall not be less than .01 of a Unit. Subscription monies, representing less than .01 of a Unit will not be returned to the investor but will be retained for the benefit of the relevant Portfolio in order to defray administration costs.

In order to facilitate the equitable application of any performance fee which may be charged by the AIFM in respect of performance fee paying Classes of one or more Portfolios as detailed in the relevant Supplement, a new Series of Units shall be issued on each Dealing Day on which Units in any performance fee paying Class are sold, unless otherwise specified in the relevant Supplement. A description of the method of calculation of any such performance fee shall be set out in the relevant Supplement.

At the end of each Calculation Period (as defined in the relevant Supplement), each Series is consolidated or rolled-up into its associated Initial Series (or other Series, if appropriate) by

the Portfolio redeeming without notice each Unit of that Series at its then current Net Asset Value (after the payment of any investment management fees and performance fees), and applying the redemption proceeds to purchase Units (and fractional Units where necessary) in the associated Initial Series (or other Series if appropriate) at its then current Net Asset Value. This mechanism may not apply in certain circumstances, as detailed in the relevant Supplement.

A description of any alternative methodology will be described in the relevant Supplement.

Assets of a Portfolio may be valued on an estimated probable realisation value basis. Notwithstanding that such estimated probable realisation value may be lower or higher than the final valuation of such assets, any subscription price based on an estimated probable realisation value of such assets shall be final and not subsequently adjusted when the final valuation of such assets becomes available. Unitholders shall have no recourse to the Fund, the AIFM, the Administrator and/or the Investment Manager in the event that the estimated probable realisation value of such assets taken into account in the calculation of the subscription price is higher than the final valuation of such assets.

Any person applying for Units of a Class shall complete an Application Form in such form as the AIFM may from time to time prescribe and shall comply with such conditions as may be prescribed by the AIFM. All applications and subscription monies must be received by the relevant Administrator prior to such time as specified in the relevant Supplement relating to the Portfolio. Any applications received after the dealing deadline for a particular Dealing Day will be processed on the following Dealing Day unless the AIFM in its absolute discretion otherwise determines to accept one or more applications received after the dealing deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Units shall not be issued to any new investor subscribing for Units in a Class where such Units (when aggregated with all other Units subscribed by the new investor in the Fund), have an aggregate value less than US\$150,000 or its equivalent in other currencies, provided such amount is not less than the Central Bank's minimum subscription requirement of €100,000 in respect of a new investor in the Fund (or any higher minimum subscription amount in relation to any given Portfolio or Class as set out in the Supplement of any Portfolio). Units shall not be issued in any manner which would result in any person appearing in the register as the holder of Units in a Class with a value less than US\$10,000 or its equivalent in other currencies. Subject to the foregoing, the amounts of subsequent subscriptions from investors who have already subscribed the minimum initial subscription are unrestricted.

Applications for Units shall be accepted only on a cleared funds basis in the designated currency of the relevant Class. At the discretion of the AIFM, applications may be accepted in currencies other than the designated currency of the relevant Class. Any applications made in currencies other than the designated currency of the relevant Class will be converted into that currency at prevailing exchange rates. This foreign exchange transaction will be at the cost and risk of the relevant investor.

No share certificates shall be issued. However, a written confirmation of entry on the register shall be issued to each applicant for Units on acceptance of the application providing full details of the transaction and indicating the applicable registration number. A Unitholder statement will be sent to the relevant Unitholder on a monthly basis thereafter confirming entry on the register of Unitholders of the relevant Portfolio. If required by Unitholders, such confirmations and statements may be forwarded electronically.

The AIFM may reject at its discretion any application for such Units in whole or in part in which event the application monies or any balance thereof will be returned to the applicant by transfer to the applicants designated account or by post, each at the applicant's sole risk.

Any issue of Units shall be made by the AIFM only on a Dealing Day.

Requests for subscription for Units may not be withdrawn save with the written consent of the AIFM or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the relevant Portfolio of the Fund.

Subject to certain conditions, the AIFM may also from time to time make arrangements for the issue of Units to any person by way of exchange for investments upon such terms as the AIFM may think fit.

#### *Anti-Money Laundering and Countering Terrorist Financing Measures*

Measures aimed at the prevention of money laundering and counter terrorist financing require a detailed verification of the investor's identity and where applicable the beneficial owner on a risk sensitive basis. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with a prominent public function, and immediate family members, or persons known to close associates of such persons, must also be identified.

By way of example an individual may be required to produce a certified true copy of a passport or identification card together with evidence of his/her address, such as a certified true copy of a utility bill or bank statement, and proof of tax residence. In the case of corporate investors, such measures may require production of a certified true copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and resident and business address of all directors. Depending on the circumstances of each application, a detailed verification might not be required where for example; the application is made through a recognised intermediary. This exception will only apply if the intermediary referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering and counter terrorist financing regulations and satisfies other applicable conditions such as providing a letter of undertaking confirming the intermediary has carried out the appropriate verification checks on the investor and will retain such information in accordance with the required timeframe and will provide such information on request to the Administrator or the AIFM.

The Administrator and the AIFM each reserves the right to request such information as is necessary to verify the identity of an investor and where applicable the beneficial owner of an investor. In particular, the Administrator and the AIFM each reserve the right to carry out additional procedures in relation to an investor who is classed as a PEP. Verification of the investor's identity is required to take place before the establishment of the business relationship. In any event, evidence of identity is required for all investors as soon as is reasonably practicable after the initial contact. To the extent that copies of any documentation are required, the AIFM and/or Administrator may insist upon certified true copies of such documentation or the legal equivalent of a certified true copy.

In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator or the AIFM may refuse to accept the application and subscription monies and may return all subscription monies or compulsorily redeem such Unitholder's Units provided that payment of subscription monies and/or redemption proceeds may be delayed (no redemption proceeds will be paid if the Unitholder fails to produce such information). None of the AIFM, the Directors, the Investment Manager or the Administrator shall be liable to the subscriber or Unitholder where an application for Units is not processed or Units are compulsorily redeemed or payment of subscription monies and/or redemption proceeds is delayed in such circumstances. Subject to the foregoing, if an application is rejected, the Administrator will return application monies or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator may refuse to pay or delay payment of

subscription monies and/or redemption proceeds where the requisite information for verification purposes has not been produced by a Unitholder. Investors are therefore cautioned not to make payment of any subscription monies until such time as investors have received written confirmation of receipt of all necessary information and documentation required for purposes of the AIFM, the Fund and/or the Administrator fulfilling their obligations under all relevant anti-money laundering and counter-terrorism laws and that there are no constraints under such law that would prevent the Fund from accepting the investor's application for investment in the relevant Portfolio.

The Administrator and the AIFM reserve the right to obtain any additional information from investors so that they can monitor the ongoing business relationship with such investors. The Administrator and the AIFM cannot rely on third parties to meet this obligation, which remains their ultimate responsibility.

Any failure to supply the Fund with any documentation requested by it for anti-money laundering and terrorist financing procedures will result in a delay in the settlement of redemption proceeds or dividend monies. In circumstances where a redemption request is received, the AIFM on behalf of the relevant Portfolio will process any redemption request received by a Unitholder, however the proceeds of that redemption will be held in the Portfolio Cash Accounts and therefore shall remain an asset of the Fund. The redeeming Unitholder will rank as an unsecured creditor of the Portfolio until such time as the AIFM on behalf of the relevant Portfolio is satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which redemption proceeds will be released. In the event that the Portfolio has insufficient assets to discharge its liabilities, there is no guarantee that the Portfolio will have sufficient funds to pay unsecured creditors in full. Therefore a Unitholder is advised to address any outstanding issues promptly, including ensuring that all relevant documentation requested in order to comply with anti-money laundering and terrorist financing procedures is submitted to the Fund promptly on subscribing for Units in the Fund.

#### *Beneficial Ownership Regulations*

The AIFM may request such information (including by means of statutory notices) as may be required for the establishment and maintenance of the Fund's beneficial ownership register in accordance with the Beneficial Ownership Regulations or regulations imposing an equivalent requirement to maintain a beneficial ownership register. It should be noted that a Beneficial Owner has, in certain circumstances, obligations to notify the AIFM in writing of relevant information as to his/her status as a Beneficial Owner and any changes thereto (including where a Beneficial Owner has ceased to be a Beneficial Owner).

Under the Beneficial Ownership Regulations, the AIFM on behalf of the Fund is obliged to file certain information on the Beneficial Owners of the Fund (including name, date of birth, nationality and country of residence) with a central register which will be accessible to the public.

It should also be noted that it is an offence under the Beneficial Ownership Regulations for a Beneficial Owner to (i) fail to comply with the terms of a beneficial ownership notice received from or on behalf of the Fund or (ii) provide materially false information in response to such a notice or (iii) fail to comply with his/her obligations to provide relevant information to the Fund as to his/her status as a Beneficial Owner or changes thereto (in circumstances referred to above) or in purporting to comply, provide materially false information.

### *Data Protection Information*

Prospective investors should note that by completing the Application Form they are providing personal information to the AIFM and its delegates which may constitute personal data within the meaning of the GDPR.

This data will be used for the purposes set out in the Application Form which include but are not limited to client identification, the management and administration of investors holding in the Fund and in order to comply with any applicable legal or regulatory requirements.

Personal data provided to the AIFM on behalf of the Fund (which may include where relevant personal data of persons connected with a corporate Unitholder such as directors, beneficial owners, representatives etc.) may be disclosed to third parties as identified in the Application Form including:

(a) regulatory bodies, tax authorities; and

(b) delegates, advisers and service providers of the Fund and their or the Fund's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified. For the avoidance of doubt, each service provider to the Fund (including the AIFM, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies) may exchange the personal data, or information about the investors in the Fund, which is held by it with another service provider to the Fund.

By signing the Application Form, prospective investors consent to their personal data being obtained, held, used, disclosed and processed for any one or more of the purposes set out in the Application Form and consent to the recording of telephone calls made to and received from investors by the AIFM, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

Investors have a right to obtain a copy of their personal data kept by the AIFM or Depositary in their respective roles as AIFM and depositary of the Fund on payment of a fee and the right to rectify any inaccuracies in personal data held by the AIFM or Depositary in their respective roles as AIFM and Depositary of the Fund. Investors also have a right to be forgotten and a right to restrict or object to processing in a number of circumstances. In certain limited circumstances a right to data portability may apply. Where investors give consent to the processing of personal data, this consent may be withdrawn at any time.

The Fund and its appointed service providers will retain all documentation provided by a Unitholder in relation to its investment in the Fund for such period of time as may be required by Irish legal and regulatory requirements, but for at least six years after the period of investment has ended or the date on which a Unitholder has had its last transaction with the Fund.

A copy of the data privacy statement of the AIFM in respect of the Fund is available upon request from the AIFM.

### *Transfer of Units*

Every Unitholder entered in the register of a Portfolio shall be entitled to transfer the Units or any of the Units held by him/her to any person by an instrument in writing in any common form approved by the AIFM or in such other form as the AIFM may from time to time approve provided that where the transferee is a new investor in the Fund no transfer of all or part of a

holding of such Units shall be so registered if in consequence thereof the transferee would be the holder of Units with an aggregate value less than US\$150,000 or its equivalent in other currencies provided that such amount is not less than €100,000 (or any higher minimum subscription amount in relation to any given Portfolio or Class as set out in the Supplement of any Portfolio) and provided that at the discretion of the AIFM, no transfer of all or part of a holding of such Units shall be so registered if in consequence thereof either the transferor or the transferee would be the holder of Units with a value less than US\$10,000 or its equivalent in other currencies.

Every instrument of transfer must be signed by the transferor and the transferor shall be deemed to remain the holder of the Units intended to be transferred until the name of the transferee is entered in the relevant register in respect thereof. The instrument of transfer need not be a deed and must be accompanied by such certificates as to the qualification of the transferee as required by the AIFM. Furthermore, the AIFM and the Administrators are under a legal obligation to request such information as is necessary to verify the identity of the transferee and to request such representations and warranties as may appear to the AIFM as appropriate and to otherwise ensure applicable anti-money laundering and counter terrorist financing requirements are met.

If it shall come to the notice of the AIFM or if the AIFM shall have reason to believe that any Units are owned directly or beneficially by:-

- (a) any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Units; or
- (b) any US Person if at the time of issue or transfer of such Units to or for the account of that US Person one or more of the requirements in (a) to (e) under the heading “Ineligible Applicants” were not satisfied; or
- (c) a US Person if that US Person at any time after the issue or transfer of such Units to or for the account of the US Person in accordance with the requirements in (a) to (e) under the heading “Ineligible Applicants”, ceases to be an “accredited investor” and a “qualified purchaser”, in each case as defined under US federal securities laws;
- (d) a US Person if the latter’s Unitholding might:
  - (i) require the Fund to register under the 1940 Act or to file a prospectus with the US Commodity Futures Trading Commission or the US National Futures Association pursuant to regulations under the CEA; or
  - (ii) cause any assets of the Fund (other than the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund where such Portfolio’s assets are deemed to constitute “plan assets” subject to the fiduciary responsibility provisions of Title I of ERISA or Section 4975 of the IRC) to be “plan assets” for the purposes of ERISA; or
  - (iii) result in any adverse regulatory or tax consequences to the Fund or its Unitholders.
- (e) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons whether connected or not, or any other circumstances appearing to the AIFM to be relevant) which in the opinion of the AIFM might result in the Fund, the Portfolios or any of their Unitholders as a whole, incurring any liability to taxation or suffering pecuniary disadvantages which the Fund, the Portfolios or any of their Unitholders as a whole might not otherwise have incurred or suffered;

the AIFM shall be entitled to give that person notice to transfer his/her Units to a person who does not fall under paragraphs (a) to (c) above. If that person does not within 14 days thereafter transfer or redeem his/her Units he/she shall be deemed to have requested the AIFM to redeem his/her Units and the AIFM will be appointed as the attorney of such person to sign and complete any documents required to effect the redemption.

Any such redemption will be made on a Redemption Day at a price equal to the Net Asset Value per Unit calculated as of the Valuation Point in relation to that Redemption Day. A redemption charge not exceeding 5% of the Net Asset Value per Unit may be further deducted from such redemption price at the AIFM's sole discretion, it being understood that the AIFM may at its sole discretion waive such charge or differentiate between Unitholders as to the amount of such charge within the permitted limits. Such redemption charge, if any, shall be paid to the AIFM for its absolute use and benefit and shall not form part of the assets of the relevant Portfolio.

### ***Redemption of Units***

The AIFM will at any time during the term of a Portfolio on receipt by the relevant Administrator of a request in writing by a Unitholder redemption from such Unitholder on any Redemption Day all or any part of his/her holding of Units at a price per Unit being equal to the Net Asset Value per Unit for that Class, or where relevant Series, calculated as of the Valuation Point in relation to that Redemption Day. A redemption charge not exceeding five per cent (5%) of the Net Asset Value per Unit of that Class or where relevant Series, may be further deducted from such redemption price at the AIFM's sole discretion, it being understood that the AIFM may at its sole discretion waive such charge or differentiate between Unitholders as to the amount of such charge within the permitted limits. Such redemption charge, if any, shall be paid to the AIFM for its absolute use and benefit and shall not form part of the assets of the relevant Portfolio.

Assets of a Portfolio may be valued on an estimated probable realisation value basis. Notwithstanding that such estimated probable realisation value may be lower or higher than the final valuation of such assets, any redemption price based on an estimated probable realisation value of such assets shall be final and not subsequently adjusted when the final valuation of such assets becomes available. Unitholders shall have no recourse to the Fund, the AIFM, the Administrator and/or the Investment Manager in the event that the estimated probable realisation value of such assets taken into account in the calculation of the redemption price is less than the final valuation of such assets. In addition, the Fund shall have no recourse to the AIFM, the Administrator and/or the Investment Manager in the event that the estimated probable realisation value of such assets taken into account in the calculation of the redemption price is lower than the final valuation of such assets.

Where relevant, if a redeeming Unitholder owns Units of more than one Series within a Class, that Unitholder shall be permitted to elect which Series from which to redeem first. If no such election is made, Units will be redeemed on a "first in first out" basis for the purposes of determining the redemption price. Accordingly, in such circumstances, the Units of the earliest issued Series owned by the Unitholder will be redeemed first, at the relevant redemption price for Units of such Series, until the redeeming Unitholder no longer owns any Units attributable to such Series.

Requests for redemption of Units should be made to the Administrator by facsimile or written communication and should include such information and/or documentation as may be specified from time to time by the AIFM or its delegate. All redemption requests must be received by the Administrator prior to such time as specified in the relevant Supplement relating to the Portfolio. Any request received after the time aforesaid will be processed on the next Redemption Day unless the AIFM in its absolute discretion otherwise determines

provided that such requests have been received prior to the Valuation Point for the relevant Redemption Day.

Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation related to money laundering prevention checks are in place from original subscriptions. No redemption payment will be made from a Unitholder's holding until the original subscription Application Form and all documentation required by the AIFM and the Administrator (including any documents in connection with anti-money laundering procedures) have been received from the Unitholder and the anti-money laundering procedures have been completed.

Redemption requests may not be withdrawn save with the written consent of the AIFM or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the relevant Portfolio of the Fund.

The redemption price will be payable to the Unitholder within such time period (specified in the relevant Supplement relating to the Portfolio) after the relevant Redemption Day on which the redemption is to be effected and provided that the Unitholder has met all requirements in regard to the redemption as set out in this Prospectus and the relevant Supplement. Unless otherwise requested by the payee, the redemption price payable to the Unitholder will be paid in the designated currency of the relevant Class by telegraphic transfer at the expense of the Unitholder. Redemption payments will be made to the bank account detailed in the redemption request or as subsequently notified to the Administrator in writing signed by an authorised signatory of the Unitholder. Redemption payments following processing of redemption requests received by facsimile will only be made to the account of record of the Unitholder or, in the case of joint Unitholders, made payable to the order of the first named joint Unitholder on the register at the risk of such Unitholder or joint Unitholders, unless the AIFM (at its discretion) agrees otherwise. If a Unitholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the AIFM (at its discretion) on behalf of and for the account, risk and expense of the Unitholder.

Where a request to redeem would result in a Unitholder holding Units in a Class with a value less than US\$10,000 or its equivalent in other currencies, the AIFM may deem the request to be a request to redeem all of the Unitholder's Units in that Class.

If the number of Units of a Portfolio falling to be redeemed on any Redemption Day is equal to one tenth or more of the total number of Units of that Portfolio in issue or deemed to be in issue on such Redemption Day, then the AIFM may in its discretion refuse to redeem any Units in that Portfolio in excess of one tenth of the total number of Units of that Portfolio in issue or deemed to be in issue as aforesaid and, if the AIFM so refuses, the requests for redemption of Units in that Portfolio on such Redemption Day shall be reduced rateably and the Units in that Portfolio to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Redemption Day until all the Units in that Portfolio to which the original request related have been redeemed. Requests for redemption which have been carried forward from an earlier Redemption Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

In addition to the compulsory redemption provisions set out in the Prospectus under the heading "Administration of the Fund - Transfer of Units", Units held by a Unitholder may be compulsorily redeemed by the AIFM in order to discharge all or part of the AIFM's Performance Fee in relation to that Unitholder's holding of Units. Any intention to do so will be disclosed in the relevant Supplement relating to the Portfolio.



### ***Switching of Units***

Subject to the Units being in issue and being offered for sale and provided that the issue and redemption of Units has not been suspended, Unitholders may, in respect of Units held in one or more Classes (the “Original Units”), by notice in writing to the Administrator and subject to the payment of the fee hereinafter mentioned request the AIFM to switch some or all of such Original Units into Units in one or more other Classes (the “Switched Units”) within the same Portfolio or within Portfolios which are administered by the same Administrator, provided that at the discretion of the AIFM, no such switching shall be effected if it would result in the Unitholder being a Unitholder of Units in a Class with a value less than US\$10,000 or its equivalent in other currencies and provided further that such notice shall be effective only if accompanied by a written application form (“**switch form**”) duly signed by the Unitholder in such form and at such time and in such minimum amounts as the AIFM shall determine. In addition, no such switching shall be effected if it would result in a Portfolio’s assets (other than the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund where such Portfolio’s assets are deemed to constitute “plan assets” subject to the fiduciary responsibility provisions of Title I of ERISA or Section 4975 of the IRC) becoming subject to Title I of ERISA or Section 4975 of the IRC.

On the Dealing Day next following the receipt of the switch form, or on such earlier day as the AIFM in its absolute discretion may agree, the Original Units to be switched shall ipso facto be redesignated as the appropriate number of Switched Units. The Original Units shall on that Dealing Day have the same value (the “Switching Amount”) as if they were being redeemed by the AIFM from the Unitholder. The appropriate number of Switched Units shall be equal to the number of units in the Class(es) that would be issued on that Dealing Day if the Switching Amount were invested in the Class(es), provided that, for this purpose, the preliminary charge shall not be chargeable.

Upon any such switching, there shall be reallocated from the Portfolio or Portfolios attributable to the Class(es) to which the Original Units belonged, assets or cash equal in value to the Switching Amount to the Portfolio or Portfolios attributable to the Class(es) to which the Switched Units belong.

Switching requests may not be withdrawn save with the written consent of the AIFM or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the relevant Portfolio of the Fund.

In respect of any such switching, the Unitholder shall pay to the AIFM in such manner as the AIFM may from time to time determine a fee in respect of the administration carried out by the AIFM on a switching which fee shall not exceed five per cent. (5%) of the redemption price of the Original Units being switched. However, the AIFM shall not be entitled to receive any preliminary charge in respect thereof. Such charge may be reduced *pro-rata* if the switching results in both the issue and redemption of Units in a Class. The Unitholder shall also reimburse to the AIFM any fiscal and sale and fiscal and purchase charges arising out of such switching.

Upon any such switching the AIFM shall procure that the relevant registers are amended accordingly.

### ***Taxation on the occurrence of certain events***

The attention of investors is drawn to the section of the Prospectus headed “Irish Taxation” and in particular the taxation liability arising on the occurrence of certain events such as the encashment, redemption or transfer of Units by or payment of dividends to Unitholders who are Irish Resident or Ordinarily Resident in Ireland. Furthermore, if the Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event

giving rise to a tax liability occurs, the Fund shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Units held by the Unitholder or the beneficial owner of the Units as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Unitholder shall indemnify and keep the Fund indemnified against any loss arising to the Fund by reason of the Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation, cancellation or compulsory redemption has been made.

***Calculation of Net Asset Value***

The Net Asset Value of a Portfolio will be expressed in the Base Currency of the relevant Portfolio and calculated as of each Valuation Point by deducting from the value of the assets of the Portfolio as of such Valuation Point the liabilities of the Portfolio (including, at the discretion of the AIFM, a provision for Duties and Charges). The increase or decrease in the Net Asset Value of a Portfolio over or under, as the case may be, the Net Asset Value of that Portfolio as of the immediately preceding Valuation Point is then allocated between the different Classes or where applicable, Series of Units within each Class in that Portfolio based on their pro rata Net Asset Values as of the immediately preceding Valuation Point, as adjusted for subscriptions and redemptions executed at the prices calculated as of that immediately preceding Valuation Point. The Net Asset Value of a Portfolio attributable to a Class or Series shall be determined by calculating that portion of the Net Asset Value of the relevant Portfolio attributable to the Class or Series, subject to adjustments to take account of assets and or liabilities attributable to that Class or Series. The Net Asset Value of each Class or Series is then divided by the number of Units representing such Class or Series in issue, as of the Valuation Point, and then rounded to the nearest four decimal places to give the Net Asset Value per Unit.

Where there is more than one Class of Units in issue in a Portfolio, the Net Asset Value per Unit of each Class may be adjusted to reflect the accumulation or distribution of income and/or capital and the expenses, liabilities and assets attributable to such Class of Unit. The AIFM ensures that the valuation function is functionally and hierarchically independent from the portfolio management and other functions of the AIFM

The assets of a Portfolio will be valued as follows:-

- (a) investments listed and regularly traded on a Recognised Exchange and for which market quotations are readily available shall be valued on the basis of the last traded or last available quoted price as of the Valuation Point, provided that the value of any investment listed on a Recognised Exchange but acquired or traded at a premium or at a discount outside or off the relevant Recognised Exchange or on an over-the-counter market, shall be valued taking into account such premium or discount as of the date of valuation of the investment;
- (b) investments which are not listed or which are listed but in respect of which prices are not available or in respect of which the last traded or last available price does not in the opinion of the AIFM represent fair market value as of the Valuation Point shall be valued at their probable realisation value estimated with care and in good faith in consultation with the relevant Investment Manager by a competent person approved for the purpose by the Depositary. In ascertaining such value, the AIFM is entitled to accept an estimated valuation from a market-maker or other person qualified in the opinion of the AIFM and approved for the purpose by the Depositary to value the relevant investments;
- (c) derivative contracts traded on a regulated market including without limitation futures and options contracts and index futures shall be valued at the settlement price as

determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the AIFM; (ii) a competent person firm or corporation (including the Investment Manager) selected by the AIFM and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Subject to Article 11 of EMIR and the related Commission Delegated Regulation No 149/2013, derivative contracts which are not traded on a regulated market including without limitation swap and swaption contracts may be valued either using the counterparty valuation or an alternative valuation such as a valuation calculated on behalf of the Fund or by an independent pricing vendor. The AIFM acting on behalf of the Fund must value an over the counter derivative on at least a monthly basis except where the dealing frequency of a Portfolio is greater than once a month in which case the AIFM acting on behalf of the Fund must value the over the counter derivatives consistent with the dealing frequency of the Portfolio. Where the AIFM acting on behalf of the Fund values an over the counter derivative using an alternative valuation, the AIFM acting on behalf of the Fund will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA, the alternative valuation will be provided by a competent person selected by the AIFM and approved for the purpose by the Depositary, or a valuation by any other means provided that the value is approved by the Depositary and the alternative valuation will be fully reconciled to the counterparty valuation on a monthly basis. Where the AIFM acting on behalf of the Fund values an over the counter derivative 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 and the independent verification must be carried out at least monthly. The reference to an independent party may include the AIFM or any Investment Manager on behalf of the Fund. It can also include a party related to the counterparty provided the related party constitutes an independent unit within the counterparty's group which does not rely on the same pricing models employed by the counterparty. The attendant risks in this regard are specified in the section of the Prospectus entitled "Risk Factors". Where the independent party is related to the over the counter counterparty and the risk exposure to the counterparty may be reduced through the provision of collateral, the position must also be subject to verification by an unrelated party to the counterparty on a six monthly basis;

- (d) units/shares in underlying collective investment schemes not valued pursuant to paragraph (a) above shall be valued by reference to (a) the latest available net asset value of the units/shares as published of the relevant underlying collective investment scheme or (b) if more recent, the latest available estimate of the probable realisation value of the units/shares of the relevant underlying collective investment scheme estimated with care and good faith by the (i) AIFM, or (ii) other person selected by the AIFM, being a competent person approved for the purpose by the Depositary;

If units/shares of an underlying collective investment scheme are valued by reference to the latest available estimate of the probable realisation value of the units/shares of the underlying collective investment scheme, such valuation shall be final and not subsequently adjusted when the final valuation of such units/shares becomes available;

- (e) assets denominated in a currency other than in Dollars (whether of an investment or cash) and any non-Dollar borrowing shall be converted into Dollars at the rate (whether official or otherwise) which the AIFM deems appropriate in the circumstances;
- (f) cash and other liquid assets shall be valued at their nominal value plus accrued interest; and

- (g) forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market as detailed at paragraph (c) above or by reference to freely available market quotations.

In the event of it being impossible or impracticable to carry out a valuation of a particular investment in accordance with the valuation rules set out in paragraphs (a) to (g) above, the AIFM is entitled to use other generally recognised valuation principles, as approved by the Depositary, in order to reach a proper valuation of such investment.

To the extent that the Administrator relies on information supplied by the AIFM or relevant Investment Manager or any brokers or other financial intermediaries engaged in connection with making any of the aforementioned calculations, the Administrator's liability for the accuracy of such calculations is limited to the accuracy of its computations. The Administrator is not liable for the accuracy of the underlying data provided to it.

Prices from independent brokers in respect of investments traded on an over-the-counter market and/or premiums or discounts thereon shall be obtained by the relevant Investment Manager and furnished to the AIFM. The AIFM, with the approval of the Depositary, may adjust the value of such investments if it considers that such adjustment is required to reflect the fair value thereof.

In calculating the value of the assets of a Portfolio or any part thereof and in dividing such value by the number of Units in issue and deemed to be in issue in the relevant Portfolio:-

- (a) every Unit agreed to be issued by the AIFM shall be deemed to be in issue subsequent to the Valuation Point for the relevant Dealing Day and the assets of the relevant Portfolio as at that Valuation Point shall be deemed not to include any cash and property in the hands of the Depositary in respect of Units agreed to be issued on that Dealing Day and/or any cash or other property to be received in respect of Units agreed to be issued on that Dealing Day;
- (b) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed;
- (c) there shall be added to the assets of the relevant Portfolio any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Fund which is attributable to that Portfolio;
- (d) there shall be added to the assets of each relevant Portfolio a sum representing any interest or other income accrued but not received (interest or other income being deemed to have accrued);
- (e) there shall be added to the assets of each relevant Portfolio the total amount (whether actual or estimated by the AIFM) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief; and
- (f) where notice of the redemption of Units has been received with respect to a Redemption Day and the cancellation of such Units has not been completed, the Units to be redeemed shall be deemed to be in issue at the Valuation Point in respect of that Redemption Day and the value of the assets of the Portfolio as of that Valuation Point shall be deemed not to be reduced by the amount payable upon such redemption.

The liabilities of a Portfolio shall be deemed to include:-

- (a) the total amount of any actual or estimated liabilities properly payable out of the assets of the Portfolio including any outstanding borrowings of the Portfolio and all accrued interest, fees and expenses payable thereon (but excluding liabilities taken into account in determining the value of the assets of the Portfolio) and any estimated liability for tax on unrealised capital gains;
- (b) such sum in respect of tax (if any) on net capital gains realised during the current Accounting Period prior to the valuation being made as in the estimate of the AIFM will become payable;
- (c) the amount (if any) of any distribution declared by the AIFM in respect of the last preceding Accounting Period but not distributed in respect thereof;
- (d) the remuneration of the AIFM accrued but remaining unpaid together with value added tax thereon and Administration Expenses;
- (e) the total amount (whether actual or estimated by the AIFM) of any liabilities for taxation leviable on income including income tax and corporation tax, if any, (but not taxes leviable on capital or on realised or unrealised capital gains);
- (f) the total amount of any actual or estimated liabilities for withholding tax (if any) payable on any of the investments of the Portfolio in respect of the current Accounting Period;
- (g) the remuneration of the Depositary accrued but remaining unpaid together with value added tax thereon, if any, Disbursements and the expenses set out in the section headed "Management and Fund Charges"; and
- (h) the total amount (whether actual or estimated by the AIFM) of any other liabilities properly payable out of the assets of the Portfolio.

***Publication of Net Asset Value Per Unit and Price of Units***

Except where the determination of the Net Asset Value of a Portfolio, the Net Asset Value per Unit and the issue and redemption prices has been suspended in the circumstances described below, the Net Asset Value per Unit and the issue and redemption prices of the Units as of each Valuation Point will be made available at the registered office of the AIFM.

***Temporary Suspension of Calculation of Net Asset Value and Issue and Redemption of Units***

The AIFM may temporarily suspend the calculation of the Net Asset Value of each or any Portfolio and the issue and redemption of Units to and from Unitholders when:-

- (a) a market which is the basis for the valuation of a major part of the assets of the relevant Portfolio is closed or when trading on such a market is limited or suspended;
- (b) a political, economic, military, monetary or other emergency beyond the control, liability and influence of the AIFM makes the disposal of the assets of the relevant Portfolio impossible or impracticable under normal conditions or such disposal would be detrimental to the interests of the Unitholders;
- (c) the disruption of any relevant communications network or any other reason makes it impossible or impracticable to determine the value of a major portion of the assets of the relevant Portfolio; or

- (d) the relevant Portfolio is unable to repatriate funds for the purpose of making payments on the redemption of Units from Unitholders or making any transfer of funds involved in the realisation or acquisition of investments or when payments due on the redemption of Units from Unitholders cannot in the opinion of the AIFM be effected at normal rates of exchange.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Any such suspension will be notified to the Central Bank immediately and in any event on the same Business Day on which such supervision shall have been declared, shall be notified to Unitholders if in the opinion of the AIFM it is likely to exceed fourteen (14) days and will be notified to investors or Unitholders requesting issue or redemption of Units by the AIFM at the time of application for such issue or filing of the written request for such redemption.

### **Portfolio Information**

Provided the receiving party has entered into a confidentiality agreement with the Investment AIFM or any distributor governing the disclosure of a Portfolio's non-public holdings information, the AIFM may share such information on a lagged basis with the following persons in accordance with such terms agreed by the Directors:-

- (i) service providers to the Portfolio who may require access to such information in order to fulfil their contractual duties to the Portfolio; and
- (ii) certain mutual fund analysts, pricing services rating agencies and rating and tracking entities, or other entities that have a legitimate business purpose in receiving such information; or
- (iii) a Unitholder in the Portfolio who requires such information for regulatory reasons or risk management purposes.

To the extent that the AIFM on behalf of the Fund provides non-public holdings information or other information to a Unitholder in a Portfolio, any such information will be available to all investors in the relevant Portfolio on request.

## MANAGEMENT AND FUND CHARGES

### *The AIFM*

Each Portfolio will pay to the AIFM an annual fee and Performance Fee (if applicable) as set out in the Supplement to this Prospectus relevant to each Portfolio (plus VAT, if any).

The AIFM shall be entitled to be repaid all of its Administration Expenses out of the assets of each Portfolio which shall include legal fees, courier's fees and telecommunication costs and expenses.

### *The Administrator*

The AIFM will pay to the Administrator out of the assets of each relevant Portfolio an annual fee as set out in the Supplement to this Prospectus relevant to that Portfolio (plus VAT, if any).

The Administrator shall be entitled to be repaid out of the assets of each relevant Portfolio all of its reasonable out-of-pocket expenses incurred on behalf of the Portfolio which shall include legal fees, courier's fees and telecommunication costs and expenses.

### *The Depositary*

The AIFM will pay to the Depositary out of the assets of each Portfolio an annual fee as set out in the Supplement to this Prospectus relevant to each Portfolio (plus VAT, if any). The Depositary shall be entitled to be repaid out of the assets of each Portfolio all of its Disbursements which shall include legal fees, courier's fees, telecommunication costs and expenses and the fees (where applicable) and out-of-pocket expenses of any sub-custodians appointed by the Depositary which will be at normal commercial rates.

The Trustee shall also be entitled to be paid out of the assets of each relevant Portfolio a nominal fee of Euro 500 per filing (subject to a potential increase in such fee as agreed between the Trustee and the AIFM from time to time, subject to a maximum increase of 10% for any given increase) and out of pocket expenses in relation to the provision of administration services with respect to litigations in connection to securities held in a Portfolio's custody account that have entered into a claims administration and settlement process.

### *Investment Managers/Sub-Investment Manager*

The fees and expenses of the Investment Managers and Sub-Investment Manager (if any) are as set out in the Supplement to this Prospectus relevant to each applicable Portfolio where such fees and expenses are payable out of the assets of the Portfolio.

### *General*

All fees, expenses, duties and charges will be charged to the relevant Portfolio and within such Portfolio to the Classes and where applicable Series in respect of which they were incurred. Where an expense is not considered by the AIFM to be attributable to any one Portfolio, the expense will normally be allocated to all Portfolios in proportion to the Net Asset Value of the Portfolios or otherwise on such basis as the AIFM deems fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the relevant Administrator may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.

Each Portfolio is responsible for the expenses incurred by it in connection with litigation. Pursuant to provisions contained in the Trust Deed, the Depositary shall be indemnified out of the assets of a Portfolio in certain circumstances including costs and expenses incurred in

litigation by or on behalf of the Portfolio. The AIFM is entitled to recover from a Portfolio the costs and expenses incurred by it in litigation by or on behalf of that Portfolio.

The Fund pays out of a Portfolio all fees, expenses, including Administration Expenses and Disbursements of or incurred by the AIFM, the Administrator and the Depositary in connection with the ongoing administration and operation of the Portfolio. Such fees, expenses and disbursements payable by the Fund out of the relevant Portfolio include, but are not limited to:

- (a) auditors and accountants fees;
- (b) lawyers' fees;
- (c) commissions payable to any placing agent, structuring agent or distributor of the Units;
- (d) investment research, merchant banking, stockbroking or corporate finance fees including interest on borrowings;
- (e) taxes or duties imposed by any fiscal authority;
- (f) costs of preparation, translation and distribution of all reports, certificates, confirmations of purchase of Units and notices to Unitholders;
- (g) fees and expenses incurred in connection with the admission or proposed admission of Units to the official list of any Recognised Exchange and in complying with the listing rules thereof;
- (h) custody and transfer expenses;
- (i) expenses of Unitholders' meetings;
- (j) insurance premia;
- (k) any other expenses, including clerical costs of issue or redemption of Units;
- (l) the cost of preparing, printing and/or filing in any language the Trust Deed and all other documents relating to the Fund or to the relevant Portfolio including registration statements, prospectuses or any supplement, listing particulars, explanatory memoranda, annual, semi-annual and extraordinary reports with all authorities (including local securities dealers associations) having jurisdiction over the Fund or any of the Portfolios or the offer of Units of the relevant Portfolio and the cost of delivering any of the foregoing to the Unitholders;
- (m) advertising expenses relating to the distribution of Units of the Portfolio; and
- (n) the costs of publication of notices in local newspapers in any relevant jurisdiction;

in each case plus any applicable VAT.

The expenses incurred with the establishment of the Coronation Active Global Equity Fund, Coronation Global Equity Alternative Strategy Fund, Coronation Global Bond Fund, Coronation Africa Frontiers Fund, Coronation Global Emerging Markets Equity Fund and Coronation Global Equity Fund of Funds have been fully amortised



## TAXATION

### General

*The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Units under the laws of the jurisdictions in which they may be subject to tax.*

*The following is a brief summary of certain aspects of Irish taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.*

Dividends, interest and capital gains (if any) which the Fund receives with respect to its investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Fund may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Fund the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Unitholders rateably at the time of the repayment.

### *Irish Taxation*

The AIFM has been advised that on the basis that the Fund is resident in Ireland for taxation purposes the taxation position of the Fund and the Unitholders is as set out below.

### *The Fund*

The Fund will be regarded as resident in Ireland for tax purposes if the Depositary of the Fund is regarded as tax resident in Ireland. It is the intention of the AIFM that the business of the Fund will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The AIFM has been advised that the Fund qualifies as an investment undertaking as defined in Section 739B(1) of the Taxes Act. Under current Irish law and practice, the Fund is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the Fund. A chargeable event includes any distribution payments to Unitholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Units or the appropriation or cancellation of Units of a Unitholder by the Fund for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Fund in respect of chargeable events in respect of a Unitholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Fund satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- An exchange by a Unitholder, effected by way of an arm's length bargain where no payment is made to the Unitholder, of Units in the Fund for other Units in the Fund;

- Any transactions (which might otherwise be a chargeable event) in relation to units held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- A transfer by a Unitholder of the entitlement to Units where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Units arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Fund with another investment undertaking.

If the Fund becomes liable to account for tax if a chargeable event occurs, the Fund shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Units held by the Unitholder or the beneficial owner of the Units as are required to meet the amount of tax. The relevant Unitholder shall indemnify and keep the Fund indemnified against loss arising to the Fund by reason of the Fund becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the Fund from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Fund can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Fund to receive such dividends without deduction of Irish dividend withholding tax.

### ***Stamp Duty***

No stamp duty is payable in Ireland on the issue, transfer or redemption of Units in the Fund. Where any subscription for or redemption of Units is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the Fund on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act or a “qualifying company” within the meaning of Section 110 of the Taxes Act) which is registered in Ireland.

### ***Unitholders Tax***

#### ***Units which are held in a Recognised Clearing System***

Any payments to a Unitholder or any encashment, redemption, cancellation or transfer of Units held in a Recognised Clearing System will not give rise to a chargeable event in the Fund (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to Units held in a Recognised Clearing System, apply in the case of chargeable events arising on a deemed disposal, therefore, as previously advised, Unitholders should seek their own tax advice in this regard). Thus the Fund will not have to deduct any Irish taxes on such payments regardless of whether they are held by Unitholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Unitholder has made a Relevant Declaration. However, Unitholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Units are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Units.

To the extent any Units are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the point made in the previous paragraph in relation to a chargeable event arising on a deemed disposal), the following tax consequences will typically arise on a chargeable event.

*Unitholders who are neither Irish Residents nor Ordinarily Resident in Ireland*

The Fund will not have to deduct tax on the occasion of a chargeable event in respect of a Unitholder if (a) the Unitholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Unitholder has made a Relevant Declaration on or about the time when the Units are applied for or acquired by the Unitholder and (c) the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the Fund satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) tax will arise on the happening of a chargeable event in the Fund regardless of the fact that a Unitholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Unitholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Fund on the occasion of a chargeable event provided that either (i) the Fund satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Unitholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Fund has satisfied and availed of the equivalent measures or (ii) such Unitholders have made Relevant Declarations in respect of which the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Units and gains made on the disposal of their Units. However, any corporate Unitholder which is not Irish Resident and which holds Units directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Units or gains made on disposals of the Units.

Where tax is withheld by the Fund on the basis that no Relevant Declaration has been filed with the Fund by the Unitholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

*Unitholders who are Irish Residents or Ordinarily Resident in Ireland*

Unless a Unitholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Units are purchased by the Courts Service, tax at the rate of 41% (25% where the Unitholder is a company and an appropriate declaration is in place) will be required to be deducted by the Fund from a distribution (where payments are made annually or at more frequent intervals) to a Unitholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 41% (25% where the Unitholder is a company and an appropriate declaration is in place) will have to be deducted by the Fund on any other distribution or gain arising to the Unitholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Units by a Unitholder who is Irish Resident or Ordinarily Resident in Ireland.

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Unitholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Units held by them in the Fund at the ending of a Relevant Period. Such Unitholders (both companies and individuals) will be deemed to have disposed of their Units (“deemed disposal”) at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Unitholder is a company and an appropriate declaration is in place) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Units since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the Fund will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the Fund will refund the Unitholder for the excess (subject to the paragraph headed “15% threshold” below).

#### 10% Threshold

The Fund will not have to deduct tax (“exit tax”) in respect of this deemed disposal where the value of the chargeable units (i.e. those Units held by Unitholders to whom the declaration procedures do not apply) in the Fund (or the Portfolio being an umbrella scheme) is less than 10% of the value of the total Units in the Fund (or the Portfolio) and the Fund has made an election to report certain details in respect of each affected Unitholder to Revenue (the “Affected Unitholder”) in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Unitholder on a self assessment basis (“self-assessors”) as opposed to the Fund or Portfolio (or their service providers). The Fund is deemed to have made the election to report once it has advised the Affected Unitholders in writing that it will make the required report.

#### 15% Threshold

As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the Fund will refund the Unitholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable units in the Fund (or the Portfolio being an umbrella scheme) does not exceed 15% of the value of the total Units, the Fund may elect to have any excess tax arising repaid directly by Revenue to the Unitholder. The Fund is deemed to have made this election once it notifies the Unitholder in writing that any repayment due will be made directly by Revenue on receipt of a claim by the Unitholder.

#### *Other*

To avoid multiple deemed disposal events for multiple units an irrevocable election under Section 739D(5B) can be made by the Fund to value the Units held at the 30th June or 31st December of each year prior to the deemed disposal occurring. While the legislation is ambiguous, it is generally understood that the intention is to permit a fund to group units in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.

Unitholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Units. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Fund on a chargeable event.

### *Equivalent Measures*

The Finance Act 2010 (“Act”) introduced measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a unitholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there was a presumption that the investor was Irish Resident or Ordinarily Resident in Ireland. The Act however contained provisions that permit the above exemption in respect of unitholders who are not Irish Resident nor Ordinarily Resident in Ireland to apply where the investment undertaking is not actively marketed to such investors and appropriate equivalent measures are put in place by the investment undertaking to ensure that such unitholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Revenue Commissioners in this regard.

### *Personal Portfolio Investment Undertaking (“PPIU”)*

The Finance Act 2007 introduced provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold units in investment undertakings. These provisions introduced the concept of a personal portfolio investment undertaking (“PPIU”). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals’ circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors i.e. it will only be a PPIU in respect of those individuals’ who can “influence” selection. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual on or after 20<sup>th</sup> February 2007, will be taxed at the rate of 60%. Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted units deriving their value from land.

### *Capital Acquisitions Tax*

The disposal of Units may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Fund falls within the definition of investment undertaking (within the meaning of Section 739B(1) of the Taxes Act), the disposal of Units by a Unitholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Unitholder disposing (“disponer”) of the Units is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Units are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- ii) that person is either resident or ordinarily resident in Ireland on that date.

***European Union - Taxation of Savings Income Directive***

On 10 November 2015 the Council of the European Union adopted a Council Directive repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as reporting and exchange of information relating to and account for withholding taxes on payments made before those dates). This is to prevent overlap between the Savings Directive and the new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) (see section entitled “Common Reporting Standards (“CRS”) - Customer Information Notice” below).

**Compliance with US reporting and withholding requirements**

The foreign account tax compliance provisions (“**FATCA**”) of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States (“**US**”) aimed at ensuring that Specified US persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to a foreign financial institution (“**FFI**”) unless the FFI enters directly into a contract (“**FFI agreement**”) with the US Internal Revenue Service (“**IRS**”) or alternatively the FFI is located in a IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Fund would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“**Irish IGA**”) on 21 December 2012 and provisions were included in the Finance Act 2013 for the implementation of the Irish IGA and also to permit regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations - S.I. No. 292 of 2014 which are effective from 1 July 2014. Supporting Guidance Notes (which will be updated on an ad-hoc basis) were issued by the Irish Revenue Commissioners on 1 October 2014 with the most recent version being issued in June 2017.

The Irish IGA is intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners. The Irish Revenue Commissioners will then provide such information to the IRS (by the 30<sup>th</sup> September of the following year) without the need for the FFI to enter into a FFI agreement with the IRS. Nevertheless, the FFI will generally be required to register with the IRS to obtain a Global Intermediary Identification Number commonly referred to as a GIIN.

Under the Irish IGA, FFIs will generally not be required to apply 30% withholding tax. To the extent the Fund does suffer US withholding tax on its investments as a result of FATCA, the Directors of the AIFM may take any action in relation to an investor's investment in the Fund to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation.

### **United States Federal Income Taxation**

As with any investment, the tax consequences of an investment in Units may be material to an analysis of an investment in the Fund. Prospective investors in the Fund should be aware of the tax consequences of such an investment before purchasing Units. This Prospectus discusses certain U.S. federal income tax consequences only generally and does not purport to deal with all of the U.S. federal income tax consequences applicable to the Fund or to all categories of investors, some of whom may be subject to special rules. In particular, because "United States persons", as defined for U.S. federal income tax purposes (referred to herein as U.S. Holders and defined below), other than tax-exempt U.S. Holders, generally will not be permitted to invest in the Fund, the discussion does not address the U.S. federal tax consequences to taxable U.S. Holders of an investment in Units. Any such direct or indirect investors should consult their own tax advisors.

The following discussion assumes that no U.S. Holder owns or will own directly or indirectly, or will be considered as owning by reason of certain tax law rules of constructive ownership, 10% or more of the total combined voting power of all Units of the Fund or any Portfolio. The AIFM on behalf of the Fund does not, however, guarantee that will always be the case. Furthermore, the discussion assumes that the Fund will not hold any interests (other than as a creditor) in any "United States real property holding corporations" as defined in the U.S. Internal Revenue Code of 1986, as amended (the "Code"). Each prospective investor is urged to consult his or her tax advisor regarding the specific consequences of an investment in the Fund under applicable U.S. federal, state, local and foreign income tax laws as well as with respect to any specific gift, estate and inheritance tax issues.

As used herein, the term "U.S. Holder" includes a U.S. citizen or resident alien of the United States (as defined for United States federal income tax purposes); any entity treated as a partnership or corporation for U.S. tax purposes that is created or organized in, or under the laws of, the United States or any state thereof (including the District of Columbia); any other partnership that may be treated as a U.S. Holder under future U.S. Treasury Department regulations; any estate, the income of which is subject to U.S. income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Holders. Persons who are aliens as to the United States but who have spent 183 days or more in the United States in any of the last two years should check with their tax advisors as to whether they may be considered residents of the United States.

The following discussion assumes for convenience that the Fund, including each Portfolio thereof, will be treated as a single entity for U.S. federal income tax purposes. The law in this area is uncertain. Thus, it is possible that the Fund may adopt an alternative approach, treating each Portfolio of the Fund as a separate entity for U.S. federal income tax purposes. There can be no assurance that the U.S. Internal Revenue Service will agree with the position taken by the AIFM on behalf of the Fund.

*Taxation of the Fund*

The AIFM generally intends to conduct the affairs of the Fund so that the Fund will not be deemed to be engaged in trade or business in the United States and, therefore, none of its income will be treated as “effectively connected” with a U.S. trade or business carried on by the Fund. If none of the Fund’s income is effectively connected with a U.S. trade or business carried on by the Fund, certain categories of income (including dividends and certain types of interest income) derived by the Fund from U.S. sources will be subject to a U.S. tax of 30%, which tax is generally withheld from such income. Certain other categories of income, generally including most forms of U.S. source interest income (e.g. interest and original issue discount on portfolio debt obligations (which may include United States Government securities, original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit), and capital gains (including those derived from options transactions), will not be subject to this 30% withholding tax. If, on the other hand, the Fund derives income which is effectively connected with a U.S. trade or business carried on by the Fund, such income will be subject to U.S. federal income tax at the graduated rates applicable to U.S. domestic corporations, and the Fund would also be subject to a branch profits tax on earnings removed, or deemed removed, from the United States.

Pursuant to the U.S. Foreign Account Tax Compliance Act (“FATCA”), the Fund (or each Portfolio thereof) will be subject to U.S. federal withholding taxes (at a 30% rate) on payments of certain amounts made to such entity (“withholdable payments”), unless it complies (or is deemed compliant) with extensive reporting and withholding requirements. Withholdable payments generally include interest (including original issue discount), dividends, rents, annuities, and other fixed or determinable annual or periodical gains, profits or income, if such payments are derived from U.S. sources, as well as (effective 1 January 2019) gross proceeds from dispositions of securities that could produce U.S. source interest or dividends. Income which is effectively connected with the conduct of a U.S. trade or business is not, however, included in this definition. To avoid the withholding tax, unless deemed compliant, the AIFM on behalf of the Fund (or each Portfolio thereof) will be required to enter into an agreement with the United States to identify and disclose identifying and financial information about each U.S. Holder (or foreign entity with substantial U.S. ownership) which invests in the Fund (or Portfolio), and to withhold tax (at a 30% rate) on withholdable payments and related payments made to any investor which fails to furnish information requested on behalf of the Fund to satisfy its obligations (or those of its Portfolios) under the agreement. Pursuant to an intergovernmental agreement between the United States and Ireland, the Fund (or each Portfolio) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. Holder information directly to the Irish government. Certain categories of U.S. investors, generally including, but not limited to, tax-exempt investors, publicly traded corporations, banks, regulated investment companies, real estate investment trusts, common trust funds, brokers, dealers and middlemen, and state and federal governmental entities, are exempt from such reporting. Detailed guidance as to the mechanics and scope of this reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future Fund (or Portfolio) operations.

Unitholders will be required to provide certifications as to their U.S. or non-U.S. tax status, together with such additional tax information as the AIFM on behalf of the Fund (or a Portfolio) or its agents may from time to time request. Failure to furnish requested information or (if applicable) satisfy its own FATCA obligations may subject a Unitholder to liability for any resulting withholding taxes, U.S. tax information reporting and mandatory redemption of such Unitholder’s Units.



### *Taxation of Unitholders*

The U.S. tax consequences to Unitholders of distributions from the Fund and of dispositions of Units generally depends on the Unitholder's particular circumstances, including whether the Unitholder conducts a trade or business within the United States or is otherwise taxable as a U.S. Holder.

U.S. Holders will be required to furnish the Fund with a properly executed IRS Form W-9; all other Unitholders will be required to furnish an appropriate, properly executed IRS Form W-8. Amounts paid to a U.S. Holder Unitholder as dividends from the Fund, or as gross proceeds from a redemption of Units, generally will be reported to the U.S. Holder Unitholder and the U.S. Internal Revenue Service on an IRS Form 1099 (except as otherwise noted below). Failure to provide an appropriate and properly executed IRS Form W-8 (in the case of Unitholders who are not U.S. Holders) or IRS Form W-9 (for Unitholders who are U.S. Holders), may subject a Unitholder to backup withholding tax. Backup withholding is not an additional tax. Any amounts withheld may be credited against a Unitholder's U.S. federal income tax liability.

U.S. tax-exempt entities, corporations, non-U.S. Unitholders and certain other categories of Unitholders generally will not be subject to reporting on IRS Form 1099 or backup withholding, if such Unitholders furnish the Fund with an appropriate and properly executed IRS Form W-8 or IRS Form W-9 certifying as to their exempt status.

As noted above, failure to furnish appropriate documentation may subject a Unitholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Unitholder's Units.

### *Taxation of U.S. Tax-Exempt Unitholders*

*Passive Foreign Investment Company ("PFIC") Rules - In General.* The Fund is expected to be a PFIC within the meaning of Section 1297(a) of the Code. In addition, it is possible that the Fund may invest directly or indirectly in other entities that are classified as PFICs. Thus, Unitholders may be treated as indirect Unitholders of PFICs in which the Fund invests. U.S. investors are urged to consult their own tax advisors with respect to the application of the PFIC rules. The AIFM on behalf of the Fund does not intend to provide U.S. Unitholders with the information necessary to make an effective "qualified electing fund" ("QEF") election unless expressly specified to the contrary in the Supplement of a particular Portfolio.

### *PFIC Consequences - Tax-Exempt Organizations - Unrelated Business Taxable Income.*

Certain entities (including qualified pension and profit sharing plans, individual retirement accounts, 401(k) plans and Keogh plans ("Tax-Exempt entities")) generally are exempt from U.S. federal income taxation except to the extent that they have unrelated business taxable income ("UBTI"). UBTI is income from a trade or business regularly carried on by a Tax-Exempt entity which is unrelated to the entity's exempt activities. Various types of income, including dividends, interest and gains from the sale of property other than inventory and property held primarily for sale to customers, are excluded from UBTI, so long as the income is not derived from debt-financed property. Capital gains derived by a Tax-Exempt entity from the sale or exchange of Units and any dividends received by a Tax-Exempt entity with respect to its Units should be excluded from UBTI, provided that the Tax-Exempt entity has not incurred acquisition indebtedness in connection with the acquisition of such Units.

Under current law, the PFIC rules apply to a Tax-Exempt entity that holds Units only if a dividend from the Fund would be subject to U.S. federal income taxation in the hands of the Unitholder (as would be the case, for example, if the Units were debt-financed property in the hands of the Tax-Exempt entity). It should be noted, however, that temporary and proposed

regulations appear to treat certain tax-exempt trusts (but not qualified plans) differently than other Tax-Exempt entities by treating the beneficiaries of such trusts as PFIC shareholders and thereby subjecting such persons to the PFIC rules.

*Other Tax Considerations.* The foregoing discussion assumes, as stated above, that no U.S. Holder owns or will own directly or indirectly, or be considered as owning by application of certain tax law rules of constructive ownership, 10% or more of the total combined voting power of all voting Units of the Fund or any Portfolio (any such U.S. Holder so holding such an interest is referred to herein as a “10 Percent U.S. Unitholder”). If more than 50% of the equity interests in the Fund were owned by 10 Percent U.S. Unitholders, the Fund would be a “controlled foreign corporation” in which case a 10 Percent U.S. Unitholder would be required to include in income that amount of the Fund’s earnings to which the Unitholder would have been entitled had the Fund currently distributed all of its earnings. (Under current law, such income inclusions generally would not be expected to be treated as UBTI, so long as not deemed to be attributable to insurance income earned by the Fund.) Also, upon the sale or exchange of Units, all or part of any resulting gain could be treated as ordinary income. Alternatively, if each Portfolio were treated as a separate entity for U.S. federal income tax purposes, the 10 Percent U.S. Unitholder and controlled foreign corporation determinations would be made on an individual Portfolio basis. Similar rules could apply with respect to shares of any other non-U.S. corporations that are held by a Unitholder indirectly through the Fund.

*Reporting Requirements.* U.S. Holders may be subject to additional U.S. tax reporting requirements by reason of their ownership of Units. For example, special reporting requirements may apply with respect to certain interests in, transfers to, and changes in ownership interest in, the Fund and certain other foreign entities in which the Fund may invest. A U.S. Holder also would be subject to additional reporting requirements in the event that it is deemed to be a 10 Percent U.S. Unitholder of a controlled foreign corporation by reason of its investment in the Fund. Alternatively, the 10 Percent U.S. Unitholder and controlled foreign corporation determinations would be made on an individual Portfolio basis, if each Portfolio were treated as a separate entity for U.S. federal income tax purposes. Each U.S. Holder which is deemed to be a direct or indirect PFIC Unitholder also will be required to report annually such information as the U.S. Department of the Treasury shall require, regardless of whether such person has received any PFIC income or distributions in a given taxable year. Individuals holding foreign financial assets (including Units) having an aggregate value of more than US\$50,000 generally will be required to disclose such holdings with such individual’s U.S. tax returns. Significant penalties will apply to failures to disclose and to certain underpayments of tax attributable to undisclosed Units and other reportable foreign financial assets. U.S. Holders should consult their own U.S. tax advisors regarding any reporting responsibilities resulting from an investment in the Fund.

*Tax Shelter Reporting.* Persons who participate in or act as material advisors with respect to certain “reportable transactions” must disclose required information concerning the transaction to the U.S. Internal Revenue Service. In addition, material advisors must maintain lists that identify such reportable transactions and their participants. Significant penalties apply to taxpayers who fail to disclose a reportable transaction. Although the Fund is not intended to be a vehicle to shelter U.S. federal income tax, and applicable regulations provide a number of relevant exceptions, there can be no assurance that the Fund and certain of its Unitholders and material advisors will not, under any circumstance, be subject to these disclosure and list maintenance requirements.

## Common Reporting Standards

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information (“**the Standard**”) which therein contains the Common Reporting Standard. This has been applied in Ireland by means of the relevant international legal framework and Irish

tax legislation. Additionally, on 9 December 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (“DAC2”) which, in turn, has been applied in Ireland by means of the relevant Irish tax legislation.

The main objective of the Common Reporting Standard and DAC2 (collectively referred to herein as “CRS”) is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of participating jurisdictions or EU Member States.

CRS draws extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between the reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, the CRS has a significantly wider ambit due to the multiple jurisdictions participating in the regime.

Broadly speaking, the CRS will require Irish Financial Institutions to identify Account Holders (and, in particular situations, Controlling Persons of such Account Holders) resident in other participating jurisdictions or EU Member States and to report specific information in relation to these Account Holders (and, in particular situations, specific information in relation to identified Controlling Persons) to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the Fund will be considered an Irish Financial Institution for the purposes of the CRS.

For further information on the CRS requirements of the Fund, please refer to the below “CRS Data Protection Information Notice”.

Each prospective investor should consult their own tax advisor regarding the requirements under CRS with respect to their own situation.

#### *Customer Information Notice*

The AIFM on behalf of the Fund intends to take such steps as may be required to satisfy any obligations imposed by (i) the Standard and, specifically, the Common Reporting Standard therein, as applied in Ireland by means of the relevant international legal framework and Irish tax legislation and (ii) DAC2, as applied in Ireland by means of the relevant Irish tax legislation, so as to ensure compliance or deemed compliance (as the case may be) with CRS from 1 January 2016.

In this regard the AIFM on behalf of the Fund is obliged under Section 891F and Section 891G of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections to collect certain information about each Unitholder’s tax arrangements (and also collect information in relation to relevant Controlling Persons of specific Unitholders).

In certain circumstances the AIFM on behalf of the Fund may be legally obliged to share this information and other financial information with respect to a Unitholder’s interests in the Fund with the Irish Revenue Commissioners. In turn, and to the extent the account has been identified as a Reportable Account, the Irish Revenue Commissioners will exchange this information with the country of residence of the Reportable Person(s) in respect of that Reportable Account.

In particular, information that may be reported in respect of a Shareholder (and relevant Controlling Persons, if applicable) includes name, address, date of birth, place of birth, account number, account balance or value at year end or other appropriate reporting period or, if the account was closed during such year the balance or value at the date of closure of the account,

any payments (including redemption and dividend/interest payments) made with respect to the account during the calendar year, tax residency(ies) and tax identification number(s).

Unitholders (and relevant Controlling Persons) can obtain more information on the Fund's tax reporting obligations on the website of the Irish Revenue Commissioners (<http://www.revenue.ie/en/business/aeoi/index.html>) or the following link in the case of CRS only: <http://www.oecd.org/tax/automatic-exchange/>.

All capitalised terms above, unless otherwise defined above, shall have the same meaning as they have in the Standard or DAC2 (as applicable).

***Future Changes in Applicable Law***

The foregoing description of United States income tax consequences of an investment in and the operations of the Fund is based on laws and regulations that are subject to change through legislative, judicial or administrative action. Other legislation could be proposed that, if enacted, would subject the Fund to income taxes or subject Unitholders to increased income taxes.

**The tax and other matters described in this section do not constitute, and should not be considered as, legal or tax advice to prospective Unitholders.**

## APPENDIX I

### GENERAL INFORMATION

#### Meetings

The Depositary or the AIFM may convene a meeting of Unitholders at any time. The Depositary must convene such a meeting if requested in writing to do so by the holders of not less than 15% in aggregate of the Units in issue (excluding Units held by the AIFM).

All business transacted at a meeting of Unitholders duly convened and held shall be by way of Extraordinary Resolution.

Not less than fourteen (14) days' notice of every meeting must be given to Unitholders. The notice shall specify the place, day and hour of meeting and the terms of the resolution to be proposed. A copy of the notice shall be sent by post to the Depositary unless the meeting shall be convened by the Depositary. A copy of the notice shall be sent by post to the AIFM unless the meeting shall be convened by the AIFM. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

The quorum shall be Unitholders present in person or by proxy holding or representing at least one tenth in number of the Units for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

At any meeting (a) on a show of hands every Unitholder who is present in person or by a proxy shall have one vote and (b) on a poll every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. Fractions of Units do not carry voting rights.

With regard to the respective rights and interests of Unitholders in different Portfolios or different Classes, the foregoing provisions shall have effect subject to the following modifications:-

- (a) a resolution which in the opinion of the Depositary affects one Portfolio or Class only shall be deemed to have been duly passed if passed at a separate meeting of the Unitholders of that Portfolio or Class;
- (b) a resolution which in the opinion of the Depositary affects more than one Portfolio or Class but does not give rise to a conflict of interest between the Unitholders of the respective Portfolios or Classes shall be deemed to have been duly passed at a single meeting of the Unitholders of those Portfolios or Classes;
- (c) a resolution which in the opinion of the Depositary affects more than one Portfolio or Class and gives or may give rise to a conflict of interest between the Unitholders of the respective Portfolios or Classes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Unitholders of those Portfolios or Classes, it shall be passed at separate meetings of the Unitholders of those Portfolios or Classes.

#### Reports

In respect of each Accounting Period the AIFM shall cause to be audited and certified by the auditors an annual report relating to the management of the Fund and each of its Portfolios. Such annual report shall be in a form approved by the Central Bank and shall contain such information required under the Act. There shall be attached to such annual report a statement

by the Depositary in relation to the Fund and each of its Portfolios and a statement of such additional information as the Central Bank may specify.

The said annual report shall be sent to Unitholders not later than six months after the end of the period to which it relates.

The AIFM shall prepare an un-audited half-yearly report for the six months immediately succeeding the Accounting Date by reference to which the last annual report of the Fund and of each of the Portfolios was prepared. Such half-yearly report shall be in a form approved by the Central Bank and shall contain such information required under the Act.

Copies of the said half-yearly report shall be made available to Unitholders not later than two months from the end of the period to which it relates.

The AIFM shall provide the Central Bank with any monthly or other reports it may require.

The Trust Deed will be available at the respective registered offices of the AIFM and the Depositary. In addition, a copy of the Trust Deed will be sent by the AIFM to Unitholders, upon written request, on payment of a fee of ten Euro (€10).

## **Notices**

Any notice or other document required to be served upon or sent to a Unitholder shall be deemed to have been duly given if sent by post or left at the Unitholder's address as appearing on the register of Unitholders and in the case of joint Unitholders if so sent to or left at the address of the first named Unitholder on the register of Unitholders.

Service of a notice or document on any one of several joint Unitholders shall be deemed effective service on himself/herself and the other joint Unitholders.

Any certificate or notice or other document which is sent by post or left at the registered address of the Unitholder named therein or despatched by the AIFM or the Depositary in accordance with any Unitholder's instructions shall be so sent, left or despatched at the risk of such Unitholder.

## **Periodic Reporting**

The following information will be made available in a clear and presentable way, to Unitholders as part of the Fund's periodic reporting or updates to the prospectus and, as a minimum, in the annual report:

- (a) the percentage of each Portfolio's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, any new material arrangements for managing liquidity the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees will apply to these assets;
- (b) the current risk profile of each Portfolio, and information on the risk management systems used by the AIFM to manage those risks;
- (c) the total amount of leverage employed by each Portfolio calculated in accordance with the gross and commitment methods;
- (d) any material changes to the information at (a) to (c) above; and
- (e) past performance.

Information on changes to the maximum level of leverage calculated in accordance with the gross and commitment methods and any right of re-use of collateral or any guarantee under the leveraging arrangements shall be disclosed without undue delay in the manner described above and shall include:

- (a) the original and revised maximum level of leverage calculated in accordance with the relevant provisions of the AIFM Legislation, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the Portfolio;
- (b) the nature of the rights granted for the reuse of collateral;
- (c) the nature of guarantees granted; and
- (d) details of changes in any service providers which relating to one of the items above.

It is intended that Unitholders will be notified immediately of any material changes to the liquidity management systems and procedures such as the suspension of redemptions, the deferral of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage which a Portfolio may employ will be provided to Unitholders without undue delay.

On occasion, the AIFM may be requested to disclose information of a particular form or in a particular format to one or more investors as result of their legal, regulatory, or structural requirements. In such instances the AIFM, as applicable, will make all reasonable efforts ensure the same level of information is available to all investors.

### **Material Contracts**

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

- (i) The Trust Deed.

Pursuant to the Amended and Restated Trust Deed between the AIFM and the Depositary dated 29 July, 2014 as amended or supplemented from time to time pursuant to which the Depositary was appointed to provide depositary services to the Fund and to each of the Portfolios in accordance with the provisions of the AIFM Legislation. The Trust Deed also provides that the Depositary may use other sub custodians, agents and nominees for the safekeeping of the assets of the Fund (each a “**Sub-Custodian**”). The Depositary must exercise all due care, skill and diligence in the selection and appointment of the Sub-Custodians and must exercise all due skill, care and diligence in its periodic review and ongoing monitoring of such Sub-Custodians. The Trust Deed provides that the liability of the Depositary shall not be affected by delegation unless the Depositary has discharged itself of liability in accordance with the AIFM Regulations.

The Depositary shall be liable to the Fund or to the investors of the Fund for the loss of financial instruments held in custody by the Depositary or by a sub-custodian to whom the custody of such assets has been delegated and in the case of such a loss the Depositary shall return a financial instrument of identical type or the corresponding amount to the Fund without undue delay unless the Depositary can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable to the Fund, or to the investors of the Fund, for all other losses suffered by them as a result of the Depositary’s negligent or

intentional failure to properly fulfil its obligations pursuant to the AIFM Regulations or for any losses arising from the Depository's fraud, wilful default, recklessness or bad faith in the performance or non-performance of its duties.

Pursuant to the Trust Deed, the Depository and its sub-custodian or other delegate are indemnified out of the assets of the Fund against all costs, demands and expenses (including reasonable legal and professional expenses and costs and charges properly incurred in enforcing or attempting to enforce this indemnity) which the Depository itself or acting through its sub-custodian or other delegate may suffer or incur in acting as Depository in connection with the deed. The Depository shall not be indemnified for any such losses which arise as a result of the Depository's negligent or intentional failure to properly fulfil its duties thereunder or the loss of financial instruments held in custody, or negligence, fraud, or wilful default in the performance of its duties,. In certain circumstances set out in the Trust Deed either party may terminate the agreement by notice in writing as described under "Termination".

(ii) Administration Agreement

Pursuant to the Amended and Restated Administration Agreement between the AIFM and the Administrator dated 29 July, 2014 as amended or supplemented from time to time the Administrator will provide certain administrative and registrar services to the Fund and its Portfolios.

Pursuant to the Administration Agreement, the Administrator shall not, in the absence of negligence, bad faith, wilful default or fraud on its part or on the part of its servants, agents or delegates be liable for any loss, incurred by the Fund, the Portfolio or the AIFM arising out of or in connection with the performance by the Administrator of its obligations pursuant to the Administration Agreement including, without limitation, any loss, damage or expense arising from any action or inaction taken or omitted by the Administrator in accordance with instructions of the AIFM. The Administrator excludes all liability arising out of or in connection with the Administration Agreement, for indirect, special or consequential loss. The Administration Agreement provides for certain further exculpations in favour the Administrator in relation to certain specific matters.

This Agreement provides that the AIFM shall indemnify and hold harmless the Administrator, its directors, officers, employees, agents or delegates against any liability, losses, costs or expenses whatsoever including without limitation, reasonable legal and accounting expenses incurred which may be imposed on, incurred by or asserted against the Administrator or its directors, officers, employees, agents or delegates in performing its obligations or duties thereunder, or as a result of its appointment as administrator except as a result of the negligence, wilful default, recklessness, bad faith or fraud of the Administrator or on the part of its directors, officers, employees, agents or delegates. This Agreement is for an unlimited term unless terminated by either party providing 90 (ninety) days prior written notice to the other party.

- (iii) any one or more investment management agreements and/or sub-investment management agreements pursuant to which one or more Investment Managers and/or Sub-Investment Managers are appointed to manage the assets of particular Portfolios shall be detailed in appropriate Supplements to this Prospectus.

Any other contracts subsequently entered into, not being contracts entered into in the ordinary course of business which are or may be material, shall be detailed in the appropriate Supplement or Supplements to this Prospectus.



## Termination

The Fund or any of its Portfolios may be terminated by the Depositary by notice in writing as hereinafter provided upon the occurrence of any of the following events, namely:

- (i) if the AIFM shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Depositary) or ceases business or becomes (in the reasonable judgement of the Depositary) subject to the de facto control of some corporation or person of whom the Depositary does not reasonably approve or if a receiver is appointed in respect of any of the assets of the AIFM or if an examiner is appointed to the AIFM pursuant to the Companies Act 2014;
- (ii) if in the reasonable opinion of the Depositary the AIFM shall be incapable of performing or shall in fact fail to perform its duties satisfactorily or shall do any other thing which in the reasonable opinion of the Depositary is intended to bring the Fund or any of its Portfolios into disrepute or to be harmful to the interests of the Unitholders;
- (iii) if any law shall be passed which renders it illegal or in the reasonable opinion of the Depositary impracticable or inadvisable to continue the Fund or any of its Portfolios; or
- (iv) if within a period of three months from the date of the Depositary expressing in writing to the AIFM its desire to retire the AIFM shall have failed to appoint a new trustee pursuant to the provisions of the Trust Deed.

The Fund or any of its Portfolios may be terminated by the AIFM in its absolute discretion by notice in writing as hereinafter provided in any of the following events, namely:

- (i) if one year from the date of the first issue of Units or on any Dealing Day thereafter the Net Asset Value of all of the Portfolios shall be less than one million Dollars;
- (ii) if the Fund shall cease to be an authorised unit trust under the Act or if any of its Portfolios shall cease to be authorised by the Central Bank;
- (iii) if any law shall be passed which renders it illegal or in the reasonable opinion of the AIFM impracticable or inadvisable to continue the Fund or any of its Portfolios;
- (iv) if within a period of three months from the date of the AIFM expressing in writing to the Depositary its desire to retire, a replacement manager shall not have been appointed; or
- (v) if within a period of three months from the date of any Investment Manager expressing in writing to the AIFM its desire to retire the AIFM shall have failed to appoint a new Investment Manager.

The party terminating the Fund or a Portfolio shall give notice thereof to the Unitholders in the manner herein provided and by such notice fix the date on which such termination is to take effect which date shall not be less than two months after the service of such notice.

The Fund or any of its Portfolios may at any time be terminated by extraordinary resolution of a meeting of the Unitholders duly convened and held in accordance with the provisions contained in the Schedule to the Trust Deed and such termination shall take effect from the date on which the said resolution is passed or such later date (if any) as the said resolution may provide.

Not later than two months before the termination of the Fund or of a Portfolio, as the case may be, the AIFM shall (if practically possible) give notice to the Unitholders advising them of the impending distribution of the assets of the Fund or of the Portfolio, as the case may be. After the giving of notice of such termination the AIFM shall procure the sale of all investments then remaining in the Depositary's and its nominee's hands as part of the assets of the Fund or of the Portfolio and such sale shall be carried out and completed in such manner and within such period after the termination of the Fund or of the Portfolio as the AIFM and the Depositary thinks desirable. The Depositary shall at such time or times as it shall deem convenient and at its entire discretion distribute to the Unitholders in accordance with the latest available allocation of the Net Asset Value of the Portfolio between Units of the relevant Class pursuant to the Trust Deed and then pro rata to the number of Units of the relevant Class held by them respectively, all net cash proceeds derived from the realisation of the investments and any cash then forming part of the assets of the relevant Portfolio so far as the same are available for the purpose of such distribution. Every such distribution shall be made only after the certificates relating to the Units in respect of which the same is made shall have been lodged with the Depositary together with such form of request of payment and receipt as the Depositary shall in its absolute discretion require provided that the Depositary shall be entitled to retain out of any such monies in its hands full provision for all costs, charges, expenses, claims, liabilities and demands relating to the relevant Portfolios, for which the Depositary is or may become liable or incurred, made or expended by the Depositary in connection with the liquidation of the Fund or any of the Portfolios, as the case may be, and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

#### **Continuance or Retirement of AIFM**

The AIFM shall so long as the Fund subsists continue to act as the alternative investment fund manager thereof in accordance with the terms of the Trust Deed.

The AIFM for the time being shall be subject to removal and shall be so removed by notice in writing given by the Depositary to the AIFM in any of the following events:

- (i) if the AIFM goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Depositary) or if a receiver is appointed in respect of any of the assets of the AIFM or if an examiner is appointed to the AIFM pursuant to the Companies Act 2014;
- (ii) if for good and sufficient reason the Depositary is of the opinion and so states in writing that a change of AIFM is desirable in the interests of the Unitholders; or
- (iii) if a Meeting of the Unitholders by Extraordinary Resolution determines that the AIFM should retire.

In the case of (i) above, the AIFM shall, upon notice by the Depositary, ipso facto cease to be the AIFM and in the case of either (ii) or (iii) above the AIFM shall upon notice by the Depositary, and after the expiration of three months, cease to be the AIFM.

The AIFM shall have the power on the giving of three months' written notice to the Depositary to retire in favour of some other corporation approved by the Depositary and the Central Bank upon and subject to such corporation entering into an acceptable deed.

The AIFM shall cease to hold office in the event of the appointment by the Central Bank of a new AIFM under the Act.

## **Continuance or Retirement of Depositary**

The Depositary shall so long as the Fund subsists continue to act as the depositary thereof in accordance with the terms of the Trust Deed.

The Depositary for the time being shall be subject to removal and shall be so removed by notice in writing given by the AIFM to the Depositary in any of the following events:-

- (i) if the Depositary goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms approved in writing by the AIFM) or ceases business or becomes (in the reasonable opinion of the AIFM) subject to the de facto control of some corporation or person of whom the AIFM does not reasonably approve or if a receiver is appointed in respect of any of the assets of the Depositary or if an examiner is appointed to the Depositary pursuant to the Companies Act 2014;
- (ii) if a Meeting of the Unitholders by Extraordinary Resolution determines that the Depositary should retire.

In the case of (i) above, the Depositary shall, upon notice by the AIFM, ipso facto cease to be the Depositary upon the appointment of a successor trustee and in the case of (ii) above the Depositary shall upon notice by the AIFM, and after the expiration of three months, cease to be the Depositary upon the appointment of a successor trustee.

The Depositary shall not be entitled to retire voluntarily except upon the appointment of a new trustee. In the event of the Depositary desiring to retire, the AIFM may by supplemental deed appoint any duly qualified corporation with the prior approval of the Central Bank to be the depositary in the place of the retiring Depositary. If within a period of three months of expressing its desire to retire or of the date on which notice of removal is given no successor trustee has been appointed, the Depositary may terminate the Fund and revocation of the Fund's authorisation will be sought from the Central Bank provided that the Depositary shall remain in office until the Fund's authorisation has been revoked. The Central Bank may, where it appears to be desirable in the interests of the Unitholders of the Fund, replace the Depositary with another depositary in accordance with the terms of the Act.

## **General**

Except as provided below, no director of the AIFM, or any connected person, has any interest in any transaction which has been effected on behalf of the Fund and which is unusual in its nature or conditions or significant to the business of the Fund:-

- (i) Mr. Anton Pillay by virtue of him being a director of Coronation International Limited and a director of Coronation Investment Management International (Pty) Limited;
- (ii) Mr. Bryan Melville by virtue of him being a director of Coronation International Limited;
- (iii) Mr. Clinton Martin by virtue of him being a director of Coronation International Limited and a director of Coronation Investment Management International (Pty) Limited;
- (iv) Mr. Alan King by virtue of him being the AIFM's Managing Director and Head of Operations and a director of Coronation International Limited.

## **Documents Available for Inspection**

The following documents are available for inspection on any Business Day at the registered office of the AIFM from the date of this Prospectus:

- (a) the material contracts referred to above;
- (b) the Unit Trusts Act 1990 and the Central Bank notices and guidance notes made thereunder;
- (c) the latest annual reports, incorporating audited financial statements and half-yearly reports, incorporating unaudited financial statements; and
- (d) a memorandum detailing the current and prior directorships and partnerships of each of the Directors in the past five years.

Copies of each of the above documents can be obtained at the registered office of the AIFM at a cost of ten Euro (€10) per document.

## **The Application Form**

By subscribing for Units using the Application Form, each investor agrees to enter into a contract with the Fund in respect of a Portfolio. Any Units subscribed for under the Application Form will be held subject to the terms and conditions of this Prospectus, as amended from time to time, the Trust Deed, as amended from time to time, and the applicable Application Form.

## **Professional Liability Indemnities and Insurance**

The AIFM maintains additional own funds to cover potential professional liability risks arising from professional negligence in line with the Level 2 Regulations.

## **Changes to the Fund**

The AIFM will assess, in consultation with the Depositary whether changes which are proposed to be made to the Fund (including, for example, any change to the investment policy or investment strategy of the Fund) are to be treated for the purposes of Unitholder notification as being “material”. “Material” shall be taken to mean, although not exclusively: “changes which significantly alter the asset type, credit quality, borrowing or leverage limits or risk profile of the scheme”.

A change to the investment objectives or a material change to the investment policies of the Portfolios may not be effected without the prior written approval of all Unitholders or without approval on the basis of a majority of votes cast at general meeting. In the event of a change of investment objectives and/or investment policy, on the basis of a majority of votes cast at a general meeting, a reasonable notification period will be provided to enable Unitholders redeem their units prior to implementation of these changes.

## **Unitholder Rights**

Unitholders are entitled to participate in the Fund on the basis set out in this prospectus (as amended from time to time). Paragraphs “Meetings”, “Reports”, “Periodic Reporting” set out above outline important rights about Unitholders’ participation in the Fund.

Unitholders may have no direct rights against the service providers to the Fund set out in “Management and Administration” above.

Unitholders may be able to take action if the contents of this document are inaccurate or incomplete.

Unitholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation.

Unitholders who are concerned about their rights in respect of the Fund (or any Portfolio) should seek legal advice.

## APPENDIX II

### RECOGNISED EXCHANGES

The following is a list of regulated stock exchanges and markets on which a Portfolio's investments in securities and financial derivative instruments other than permitted investment in unlisted securities and OTC derivative instruments, will be listed or traded and is set out in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities (and OTC derivative instruments investment in securities and derivative instruments) will be restricted to the stock exchanges and markets listed below. The Central Bank does not issue a list of approved stock exchanges or markets.

(i) any stock exchange which is:-

- located in any Member State of the European Union; or
- located in any Member State of the EEA; or
- located in any of the following countries:-
  - Australia;
  - Canada;
  - Hong Kong;
  - Japan;
  - New Zealand;
  - Switzerland;
  - United Kingdom
  - United States of America.

(ii) any of the following stock exchanges or markets:-

Argentina	-	Bolsa de Comercio de Buenos Aires
Argentina	-	Bolsa de Comercio de Cordoba
Argentina	-	Bolsa de Comercio de Mendoza S.A.
Argentina	-	Bolsa de Comercio de Rosario
Bahrain	-	Bahrain Stock Exchange
Bangladesh	-	Dhaka Stock Exchange
Bangladesh	-	Chittagong Stock Exchange
Bermuda	-	Bermuda Stock Exchange
Botswana	-	Botswana Stock Exchange
Brazil	-	Bolsa de Valores do Rio de Janeiro
Brazil	-	BM&F BOVESPA S.A.
Chile	-	Bolsa de Comercio de Santiago
Chile	-	Bolsa Electronica de Chile
People's Republic of China (Shanghai)	-	Shanghai Stock Exchange
People's Republic of China (Shenzhen)	-	Shenzhen Stock Exchange
Colombia	-	Bolsa de Valores de Colombia
Costa Rica	-	Bolsa Nacional de Valores
Ecuador	-	Guayaquil Stock Exchange
Ecuador	-	Quito Stock Exchange
Egypt	-	Cairo and Alexandria Stock Exchange
Ghana	-	Ghana Stock Exchange
India	-	Bangalore Stock Exchange

India	-	Calcutta Stock Exchange
India	-	Delhi Stock Exchange
India	-	Madras Stock Exchange
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange of India
Indonesia	-	Indonesia Stock Exchange
Indonesia	-	Jakarta Stock Exchange
Indonesia	-	Surabaya Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Jamaica	-	Jamaican Stock Exchange
Jordan	-	Amman Stock Exchange
Kazakhstan (Rep. Of)	-	Central Asian Stock Exchange
Kazakhstan (Rep. Of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Stock Exchange
Korea	-	Korea Exchange
Kuwait	-	Kuwait Stock Exchange
Lebanon	-	Beirut Stock Exchange
Malaysia	-	Malaysia Stock Exchange
Malawi	-	Malawi Stock Exchange
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
Morocco	-	La Bourse de Casablanca
Mozambique	-	Maputo Stock Exchange
Namibia	-	Namibian Stock Exchange
Nigeria	-	Nigerian Stock Exchange
Oman	-	Omani Stock Exchange
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Panama	-	Panama Stock Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Qatar	-	Qatar Stock Exchange
Romania	-	Bucharest Stock Exchange
Rwanda:	-	Rwanda Stock Exchange
Singapore	-	Singapore Stock Exchange
Saudi Arabia	-	Saudi Stock Exchange
Serbia	-	Belgrade Stock Exchange
South Africa	-	Johannesburg Stock Exchange
South Africa	-	JSE Alternative Exchange
South Africa	-	Bond Exchange of South Africa
South Korea	-	Korea Stock Exchange
	-	KOSDAQ Market
Sri Lanka	-	Colombo Stock Exchange
Swaziland	-	Swaziland Stock Exchange
Taiwan		
(Republic of China)	-	Taiwan Stock Exchange Corporation
Tanzania	-	Dar es Salaam Stock Exchange
Thailand	-	Stock Exchange of Thailand
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Turkey	-	Istanbul Stock Exchange
Uganda	-	Uganda Securities Exchange
Ukraine	-	Ukrainian Stock Exchange
United Arab Emirates	-	Abu Dhabi Securities Market
Uruguay	-	Electronica de Valores del Uruguay S.A.
Venezuela	-	Caracas Stock Exchange

Vietnam - Ho Chi Minh City Stock Exchange  
 Zimbabwe - Zimbabwe Stock Exchange  
 Zambia - Lusaka Stock Exchange.

(iii) any of the following markets:

Moscow Exchange

La Bourse Regionales des Valuers Mobilieres (BVRM), which is a stock exchange for the following countries:

- Benin;
- Burkina Faso;
- Guinea Bissau;
- Mali;
- Niger;
- Senegal;
- Togo; and
- Ivory Coast.

the market organised by the International Securities Market Association;

the market conducted by the “listed money market institutions”, as described in the Financial Conduct Authority (“FCA”) publication “The Investment Business Interim Prudential Sourcebook” (which replaces the “Grey Paper”) as amended from time to time;

AIM - the Alternative Investment Market in the UK regulated and operated by the London Stock Exchange;

the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

NASDAQ in the United States;

the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;

the over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

the French market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments);

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;

Catalist (the second tier of the Singapore Stock Exchange).



(iv) All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

- in a Member State;
- in a Member State in the EEA;
- in the United Kingdom;

in the United States of America, on the

- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;

in Canada, on the

- the Montreal Exchange;
- the Toronto Stock Exchange;

in China, on the Shanghai Futures Exchange;

in Hong Kong, on the Hong Kong Futures Exchange;

in Japan, on the

- Osaka Securities Exchange;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

in New Zealand, on the New Zealand Futures and Options Exchange;

in Singapore, on the

- Singapore Commodity Exchange;
- SGX;

in South Africa, on the South African Futures Exchange;

in Switzerland, on the SWX Swiss Exchange.

For the purposes only of determining the value of the assets of a Portfolio, the term “Recognised Exchange” shall be deemed to include, in relation to any derivatives contract utilised by a Portfolio, any organised exchange or market on which such contract is regularly trade

(v) any exchange not specifically referred to in this Appendix II that:

- is a full member of the World Federation of Exchanges; or
- is not a full member of the World Federation of Exchanges but is licensed as an exchange under the regulations of the jurisdiction in which it operates and has been approved by the Depositary (after the Depositary has conducted an

appropriate due diligence of the exchange) and has been approved by the AIFM or the Investment Manager's credit committee.

## APPENDIX III

### DEFINITIONS

#### “U.S. Person”

A “U.S. Person” for purposes of this Prospectus is a person who is in either of the following two categories: (a) a person included in the definition of “U.S. person” under Rule 902 of Regulation S under the 1933 Act or (b) a person excluded from the definition of a “Non-United States person” as used in CFTC Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of U.S. Person only if he or it does not satisfy any of the definitions of “U.S. person” in Rule 902 and qualifies as a “Non-United States person” under CFTC Rule 4.7.

“U.S. person” under Rule 902 of Regulation S includes the following:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organised or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a U.S. person;
- (d) any trust of which any trustee is a U.S. person;
- (e) any agency or branch of a non-U.S. 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 other 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; and
- (h) any partnership or corporation if:
  - i. organised or incorporated under the laws of any non-U.S. jurisdiction; and
  - ii. formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, “U.S. person” under Rule 902 does not include: (i) any 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; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, if (A) 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 (B) the estate is governed by non-U.S. law; (iii) 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; (iv) 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; (v) any agency or branch of a U.S. person located outside the United States if (A) the agency or

branch operates for valid business reasons, and (B) 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; and (vi) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act, including their agencies, affiliates and pension plans.

“Non-United States person” under CFTC Rule 4.7 includes the following:

- (a) a natural person who is not a resident of the United States or an enclave of the U.S. government, its agencies or instrumentalities;
- (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction;
- (c) an estate or trust, the income of which is not subject to U.S. income tax regardless of source;
- (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)) represent in the aggregate less than ten per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being Non-United States persons; and
- (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

## APPENDIX IV

### SUSTAINABLE FINANCE DISCLOSURES

This Appendix provides investors with disclosures as required under the EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“Sustainable Finance Disclosure Regulation” or “SFDR”) including the manner in which the Investment Managers incorporate Sustainability Risk (as defined below) in their investment decision making.

The term “ESG event” when used in this Appendix refers to an event or condition of an environmental, social or governance nature.

#### *Policy on Sustainability Risk*

Sustainability Risk is defined as an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the long term value of the investment. The identification and management of Sustainability Risk forms an important part of the investment analysis, due diligence and risk management processes implemented by the Investment Manager of each Portfolio (the “Investment Manager”).

When assessing the Sustainability Risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an ESG event.

The Investment Manager’s due diligence process focuses on the long-term prospects of the securities into which the Investment Manager invests on behalf of a Portfolio. This includes an analysis of the ability of each investment to create, sustain and protect long term value, with the goal of generating superior risk-adjusted returns in accordance with a Portfolio’s objectives. Sustainability Factors (as described below) play an important role in assessing the Sustainability Risk of investments. The Investment Manager accordingly believes that the effective integration of Sustainability Factors into the due diligence process leads to increased long-term value and lower risk for the assets held in a Portfolio.

The Investment Manager’s investment process is designed to provide a comprehensive understanding of the drivers of long-term value of the investments held in a Portfolio, address key business risks, including sustainability risks, and promote sound governance, all of which are consistent with the Portfolio’s investment objectives.

The Portfolios adopt a holistic approach to the promotion of environmental and/or social characteristics, having regard to the region and industry in which each issuer operates.

#### *Sustainability Factors*

‘Sustainability Factors’ include, but are not limited to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. The Investment Manager identifies and monitors Sustainability Factors that are material and relevant to each of the issuers in which it invests.

The Investment Manager considers environmental risks and practices that are material and relevant to the issuer including, but not limited to, carbon emissions, water consumption,

energy efficiency, pollution and waste, the adoption of clean technology, and the production, consumption and rehabilitation of scarce resources.

The Investment Manager further considers material and relevant social risks and practices including, but not limited to, labour practices, health and safety controls, community engagement, data security and data privacy practices, and policies on diversity and inclusion.

The Investment Manager assesses the governance practices of issuers in order to satisfy itself that the relevant issuers follow good governance practices. This includes, but is not limited to, an assessment of board composition and structures, remuneration policies, capital allocation practices and policies relating to the management of conflicts of interest and promotion of ethical practices. The Investment Manager will not invest in companies where there are material governance concerns.

#### *Integration of Sustainability Risk into the Investment Decision Making Process*

The Investment Manager integrates into its investment decision making process the risks and opportunities stemming from Sustainability Factors that are most material to each investment based on the underlying issuer's business model and operations, within the context of the region and industry in which the issuer operates. Sustainability Risk is identified, monitored and mitigated by the Investment Manager in the following manner:

##### Identification and Monitoring

Prior to acquiring investments on behalf of a Portfolio, the Investment Manager conducts in-depth fundamental research on the potential investment in order to determine a long-term fair value. As part of this due diligence process, the Investment Manager integrates Sustainability Factors into the fundamental valuation that it assigns to the proposed investment. This includes an assessment of the ESG risks and opportunities to which the potential investment is exposed, as well as the adequacy of the issuer's disclosure practices and the manner in which the issuer manages its Sustainability Risks.

Sustainability Factors are therefore integrated into the valuation and investment decision making process. The Investment Manager may make use of third-party data providers and other sources of independent research as part of its research process in order to assist with the identification of material ESG risks and opportunities relating to the proposed investment.

During the life of the investment, Sustainability Risk is monitored through ongoing fundamental research and review of the long-term fair value of the investment in accordance with the Investment Manager's investment process. This includes ongoing review of the ESG risks and opportunities to which the investment is exposed, using the same approach as that used for the initial identification of sustainability risk.

##### *Active Ownership, Engagement and Mitigation*

The Investment Manager actively engages with the issuer's representatives where additional disclosure or mitigation of Sustainability Risks or achievement of a particular ESG characteristic is required. The Investment Manager furthermore exercises a Portfolio's rights as holder of the relevant instrument where necessary including, but not limited to, proxy voting, collaboration with other shareholders and/or relevant stakeholders, and other means. Where the actions taken by the Investment Manager to identify and mitigate material Sustainability Risks are unsuccessful, the Investment Manager will reassess the investment case and decide on the appropriate action to take on behalf of the Portfolio, having due regard to the best interests of the Investors. This may include selling out of the position in the Portfolio.

### *Impact of Sustainability Risk on Returns*

The Sustainability Risk to which an underlying investment is exposed can result in the occurrence of an ESG event, which can negatively affect the value of the investment. The extent to which the value of the investment is impaired will depend on the nature and materiality of the event that has occurred.

The process by which Sustainability Risk is integrated into the investment decision making process is intended to reduce the Sustainability Risk to which each Portfolio is exposed. Sustainability risk is further reduced at a Portfolio level by ensuring that the Portfolios are appropriately diversified. The Investment Manager has therefore determined that the Sustainability Risk faced by the Portfolios is low.

### Principle Adverse Impact Reporting

Article 4, as read together with Article 7 of the SFDR, introduces an obligation on certain financial market participants to consider and disclose to investors any “principal adverse impacts” that their investment decisions, in the funds that they manage, have on sustainability factors.

The AIFM falls outside the scope of this obligation. The AIFM awaits finalisation of the Level 2 regulatory technical standards (“RTS”) and will look to the evolving guidance from and consultation with the regulators and industry bodies to gain an understanding of whether voluntary compliance with these requirements will be in the best interests of investors and the Portfolios before making a final decision in this regard.

**SUPPLEMENTS**

**THE PORTFOLIOS**



## CORONATION GLOBAL EQUITY ALTERNATIVE STRATEGY FUND

(THIS PORTFOLIO IS IN THE PROCESS OF BEING TERMINATED AND IS NO LONGER AVAILABLE FOR SUBSCRIPTION)

Supplement 1 dated 10 December, 2021 to the Prospectus of the Coronation Universal Fund dated 10 December, 2021.

### 1. Structure

Coronation Global Equity Alternative Strategy Fund (the “**Portfolio**”) is a portfolio of Coronation Universal Fund an open-ended umbrella unit trust authorised by the Central Bank pursuant to the provisions of the Unit Trusts Act, 1990. At the date of this Supplement, the Coronation Universal Fund has six portfolios; the Coronation Global Equity Alternative Strategy Fund, the Coronation Global Equity Fund of Funds, the Coronation Global Bond Fund, the Coronation Africa Frontiers Fund, the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund.

A description of

- the Fund and its management and administration
- general management and fund charges
- taxation of the Fund and its Unitholders and
- risk factors

is contained in the Prospectus. **This Supplement forms part of the Prospectus and should be read in the context of and in conjunction with the Prospectus. Capitalised terms used in this Supplement shall bear the meanings attributable to them in the Prospectus.** The Prospectus is available from:

- J.P. Morgan Administration Services (Ireland) Limited, 200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin D02 RK57, Ireland (the “**Administrator**”); or
- Coronation International Limited at 7th Floor, St. Albans House, 57-59 Haymarket, London, SW1Y 4QX, England (the “**Investment Manager**” of this Portfolio); or
- Available for download from [www.coronation.com](http://www.coronation.com).

### 2. Classes of Units

The following Classes of Units are designated in the Portfolio, the proceeds and subsequent investments of which represent the Portfolio.

<b>Class</b>	<b>Designated Currency</b>
Class A Units	US Dollars
Class B Units	US Dollars
Class C Units	Euro
Class F Units	US Dollars
Class J Units	US Dollars
Class Z Units	US Dollars

Units in each Class are issued at the Net Asset Value per Unit of the relevant Class or where applicable at the Net Asset Value per Unit of the relevant Series.

The creation of additional Classes will be notified in advance to the Central Bank.

A separate portfolio of assets is not maintained for each Class.

The Units in each Class rank pari passu with each other except (i) in respect of the designated currency of the relevant Class; (ii) the Class A Units, the Class C Units and the Class F Units will be subject to a performance fee in accordance with the performance fee provisions set out in Section 14 “Fees” in this Supplement; (iii) the Class A Units, Class B Units, Class F, Class J Units and Class Z Units will not be exposed to any one currency whereas the Class C Units will not be exposed to any currency other than to its designated currency, which will be achieved by hedging at class level; (iv) the Class Z Units will not be subject to an annual management fee or performance fee; and (v) the Class Z Units will only be available to accounts managed by the Coronation group and selected other investors with prior consent of the AIFM.

All applications for Units in a Class and subscription monies must be received by the Administrator prior to 5.00 p.m. (Irish time) on the second Business Day immediately preceding the relevant Dealing Day.

Units shall be issued in Series to facilitate the equitable application of the performance fee which may be charged to the relevant Class of the Portfolio. For the purpose of calculating the performance fee payable by existing holders of Class A, Class C and Class F Units, the Class A, Class C and Class F Units already in existence as of, or which were issued on, 1 October, 2008 are regarded as constituting the initial Series of Units issued in each Class.

Each initial Series of Units in Class A, Class C and Class F respectively shall hereinafter be referred to as the “Initial Series”.

In order to facilitate the equitable application of the performance fee payable by holders of Class A, Class C and Class F Units who subscribe for or redeem Units at different times, a new Series of Units will be issued on each Dealing Day that Units in Class A, Class C and Class F are purchased, which Series will be lettered consecutively, commencing with, for example, A1 Series (being the first Series of Class A Units issued after the Initial Series) or C1 Series (being the first Series of Class C Units issued after the Initial Series), followed by A2 Series or C2 Series (whichever is applicable) being the next Series to be issued on the next relevant Dealing Day and so on.

As of the end of the relevant Calculation Period (as hereinafter defined), each Series of Class A, Class C and Class F Units (other than the Initial Series) will (except in the circumstances set out in the section of this Supplement titled “Fees”) be consolidated or rolled up into its associated Initial Series (or other Series, if appropriate) by the Portfolio redeeming without notice each Unit of that Series at its then current Net Asset Value (after the payment of any investment management fees and performance fees), and applying the redemption proceeds to purchase Units (and fractional Units where necessary) in the associated Initial Series Units (or other Series, if appropriate) at their then current Net Asset Value.

**3. Base Currency**

Dollars (US\$)

**4. Dealing Day**

The last Business Day of each calendar month shall constitute a Dealing Day. Additional Dealing Days may be determined at the discretion of the AIFM and notified to Unitholders in advance.

**5. Valuation Day/ Valuation Point**

Valuation Day means each Dealing Day. Additional Valuation Days may be determined at the discretion of the AIFM. Valuation Point means close of business in the relevant market on each Valuation Day or such other time as the AIFM may determine and notify to Unitholders.

**6. Redemption Day**

Redemption Day means each Dealing Day. Additional Redemption Days may be determined at the discretion of the AIFM and notified to Unitholders in advance.

**7. Investment Objectives**

The Portfolio will be used as an investment vehicle for investors wishing to achieve steady growth in investments through the allocation of assets, principally, to alternative strategy mutual funds and collective investment schemes managed by international fund managers. Such alternative strategies may include but are not limited to long/short equity strategies, market neutral strategies and/or special event strategies.

**8. Investment Policies**

The Portfolio will be actively managed. Subject to the investment restrictions hereinafter set out, the Portfolio's relative exposure to collective investment schemes and/or direct investments will vary from time to time depending on the Investment Manager's investment view. The Portfolio will invest in:-

- the units of any one or more of the other portfolios of the Fund.
- the units of open-ended collective investment schemes managed by other fund management companies. The Coronation Global Equity Alternative Strategy Fund may invest in underlying collective investment schemes which are unregulated and which will not provide a level of investor protection equivalent to schemes authorised under Irish laws and subject to Irish regulations and conditions. The Portfolio will mainly invest in such collective investment schemes authorised in Luxembourg, Ireland, Bermuda, Isle of Man and/or the Cayman Islands.
- the units of closed-ended collective investment schemes.
- directly in equities and/or money market instruments (including but not limited to bankers' acceptances, commercial paper and/or certificates of deposit) to take advantage of particular circumstances or where market or other factors so warrant. Where the Portfolio invests directly, in equities and/or money market instruments, such equities and/or money market instruments will be primarily listed, traded in or dealt on a Recognised Exchange.
- a feeder scheme where the feeder scheme provides the only means of investing in an underlying collective investment scheme and the feeder scheme and the underlying collective investment scheme act in effect as a singular structure. The feeder scheme and the underlying collective investment scheme will be regarded as constituting a single structure where the following conditions are met:
  - (a) the feeder scheme and the underlying collective investment scheme have a common investment objective and the feeder scheme seeks to achieve this

investment objective by investing substantially all of its assets in the underlying collective investment scheme;

- (b) one or more of the service providers appointed by the feeder scheme (e.g. the investment manager) also provide services to the underlying collective investment scheme;
- (c) the feeder scheme and underlying collective investment scheme share certain other basic characteristics such as, for example, the duration of their respective accounting periods; and
- (d) there is no duplication of investment management fees (including performance fees) and custody fees in that such fees are borne by either the feeder scheme or the underlying collective investment scheme or divided equally between the schemes.

The half-yearly and annual reports in respect of the Portfolio shall provide full information in relation to the investment in the underlying collective investment scheme.

The Portfolio may employ borrowings or leverage of up to a maximum of 200% of the Net Asset Value of the Portfolio where using the 'commitment' method and 200% of the Net Asset Value of the Portfolio where using the 'gross' method calculated using the sum of the absolute value of all positions in accordance with the requirements of the Level 2 Regulation. For the purpose of providing margin or collateral, the Portfolio may from time to time secure such borrowings by pledging, mortgaging or charging the assets of the Portfolio.

## 9. Derivatives

The Portfolio may use financial derivative instruments such as futures, options, warrants, swaps, forwards (including currency forwards) for any investment purpose consistent with the investment objectives and policies set out above. Such derivatives will be covered and will include exchange traded as well as over-the-counter transactions. The assets which underlie the derivative may be transferable securities, underlying managed funds, units in collective investment schemes, financial indices, permitted deposits, permitted derivatives, interest rates, foreign exchange rates, currencies and cash not yet received but due to be received within 2 months. The Portfolio may be leveraged through the use of derivatives, as described below, but any such leverage will not exceed the exposure limits set out in Section 8 above.

Examples of the ways in which financial derivative instruments may be used, which should not be taken as being exhaustive, or mutually exclusive, include:

- (a) to hedge the currency exposure of the assets of the Portfolio attributable to a particular Class into the currency of denomination of the relevant Class;
- (b) as a substitute for taking a position in the underlying asset where the Investment Manager feels that a derivative exposure to the underlying asset represents better value than a direct exposure;
- (c) to tailor the Portfolio's interest rate exposure to the Investment Managers outlook for interest rates;
- (d) to gain an exposure to the composition and performance of a particular index (provided always that the Portfolio may not have an indirect exposure through an index to an asset, issuer or currency to which it cannot have a direct exposure).

Although not the intention, over-hedged or under-hedged positions may arise due to factors outside the control of the Investment Manager. However, hedged positions will be kept under review to ensure that over-hedged positions will not exceed 105% of the Net Asset Value of the Class and that positions in excess of 100% of the Net Asset Value of the Class will not be carried forward from month to month. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of the Portfolio as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of the Portfolio. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

#### **10. Repurchase/Reverse Repurchase and Stocklending Agreements**

The Portfolio may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements for the purposes of efficient portfolio management including reduction of risk or cost or the generation of additional capital or income for the Portfolio. Further detail in relation to the use of repurchase agreements, reverse repurchase agreements and/or stock lending agreements is provided for in the "Fund - Repurchase/Reverse Repurchase and Stocklending Agreements" section of the Prospectus.

#### **11. Investment Restrictions:**

The Portfolio is subject to the following investment restrictions in addition to the general investment restrictions set out in the Prospectus under the heading "The Fund - Investment Restrictions" which are not disapplied below:

- (i) the Portfolio may not invest more than 40% of its net assets in the units of any one open-ended collective investment scheme, subject to a maximum of 20% in any one unregulated scheme. These limits will also apply to any investment in a feeder scheme where the feeder scheme provides the only means of investing in an underlying collective investment scheme and the feeder scheme and the underlying collective investment scheme act in effect as a singular structure. The Investment Manager shall monitor the underlying portfolio of the underlying collective investment schemes and endeavour to ensure that in the aggregate no more than 20% of the gross assets of the Portfolio will be invested in the securities of a single issuer. If this 20 % level is breached, the Investment Manager will take immediate corrective action. Investment restrictions (c) (i) and (c) (ii) in the "Investment and Borrowing Restrictions" section of the Prospectus are, accordingly, disapplied.
- (ii) the Portfolio may invest up to 100% of its net assets directly in transferable securities, such as equities, money market instruments and units of closed-ended collective investment schemes (any investment in the units of open-ended collective investment schemes shall be subject to the limits set out in (i) above). The Portfolio may not invest more than 20% of its net assets in transferable securities which are not listed, traded in or dealt on a Recognised Exchange.
- (iii) the Portfolio may not invest more than 10% of its net assets in units of other fund of funds schemes.

- (iv) the Portfolio may not invest in feeder schemes unless a feeder scheme provides the only means of investing in an underlying collective investment scheme and the feeder scheme and the underlying collective investment scheme act in effect as a singular structure.
- (v) where the Portfolio invests in the units of another portfolio of Coronation Universal Fund which may be established or in the units/shares of another collective investment scheme managed by the AIFM: (i) the AIFM must waive the preliminary/initial charge which it is entitled to charge for its own account; (ii) the AIFM must waive that portion of its annual fee in order to avoid a double charge. Where the investment manager of the Portfolio and the other portfolio of Coronation Universal Fund or the relevant underlying collective investment scheme is one and the same entity such investment manager must waive that portion of its annual fee in order to avoid a double charge. Where commission is received by the AIFM of the Portfolio by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the Portfolio.
- (vi) the Portfolio may invest in other portfolios of Coronation Universal Fund which in turn may also invest in other portfolios of Coronation Universal Fund provided that those latter portfolios may not cross-invest within Coronation Universal Fund.

## **12. Distributions**

It is not intended to declare any distributions.

## **13. Investment Manager**

Pursuant to an investment management agreement between the AIFM and Coronation International Limited dated 29 July 2014 and as may be further amended from time to time (the "Investment Management Agreement"), Coronation International Limited acts as Investment Manager responsible for managing the investment and re-investment of the assets of the Portfolio.

This agreement is for an indefinite period and may be terminated by the AIFM or the Investment Manager at the end of each calendar quarter by giving not less than three (3) calendar months' notice in writing to the other party (or such shorter period as may be agreed by the parties to the Investment Management Agreement). This agreement provides that the AIFM (on behalf of the Portfolio) shall hold harmless and indemnify out of the assets of the Portfolio the Investment Manager, its employees, delegates and agents from and against all damages, actions, proceedings, claims, costs, demands and expenses (including without limitation, legal and professional expenses) which may be brought against, suffered or incurred by the Investment Manager, its employees, delegates or agents in the performance of its duties under the agreement (other than due to the bad faith, negligence, wilful default or fraud of the Investment Manager, its employees, delegates or agents in the performance of its obligations under the agreement).

The major activity of Coronation International Limited is asset management. Coronation International Limited having its principal office at 7<sup>th</sup> Floor, St. Albans House, 57-59 Haymarket, London, SW1Y 4QX, England is an FCA regulated company incorporated and registered in the United Kingdom to act as investment manager/adviser to a variety of funds. Coronation International Limited is ultimately a wholly owned subsidiary of Coronation Fund Managers Limited.

## 14. Fees

In addition to the general management and fund charges set out in the Prospectus under the heading “Management and Fund Charges - General” the following fees and expenses are payable out of the Portfolio.

### *AIFM*

#### Annual Fee

The Portfolio will pay to the AIFM an annual fee, accrued monthly and payable monthly in arrears, at a rate of 0.7% of the Net Asset Value of the Portfolio attributable to Classes A, B, and F (plus VAT, if any). The Portfolio will pay to the AIFM an annual fee, accrued monthly and payable monthly in arrears, at a rate of 1% of the Net Asset Value of the Portfolio attributable to Class C and J Units (plus VAT, if any).

No annual management fee will be attributable to the Class Z Units.

The AIFM shall be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

#### Performance Fee

The AIFM shall also be entitled to receive a performance fee in respect of each Unit in Class A, Class C and Class F of the Portfolio (a “Performance Fee”). For the purposes of calculating the Performance Fee, all references to Units in this section should be read as references to Units of the relevant Series of Class A or Class C or Class F of the Portfolio on which a Performance Fee shall be charged.

The calculation period for the Class A, Class C and Class F Units shall comprise each successive twelve month period from 1 October each year to 30 September (or the last Valuation Point in September) in the following year (each a “Calculation Period”). The last Calculation Period in relation to a Unit which is redeemed on a Redemption Day other than the 30 September (or the last Valuation Point in September) shall be the period commencing on the termination of the prior Calculation Period for such Unit or the date of issue of such Unit (if redemption occurs during the first Calculation Period of such Unit) and ending on the relevant Redemption Day.

The Performance Fee determined in the manner below is accrued monthly as of each Valuation Point and is payable annually in arrears.

The Performance Fee shall be calculated by the Administrator (subject to verification by the Depositary) based on the finalised Net Asset Value per Unit of the relevant Series of Class A, Class C and Class F Units (before the accrual of the annual management fees).

#### **Hurdle Rate**

##### (a) Class A Units and Class C Units

The hurdle rate used when calculating the Performance Fee for the Class A and Class C Units will be the MSCI World Index percentage performance during the Calculation Period (the “Hurdle Rate”).

This is calculated using the formula:-

$$(B-A/A)*100$$

where, A = MSCI World Index as of close of business on the preceding Valuation Point; and  
 B = MSCI World Index as of close of business on the current Valuation Point.

The Hurdle Rate may either be positive, indicating that the MSCI World Index has increased since the preceding Valuation Point, or negative, indicating that the MSCI World Index has decreased since the preceding Valuation Point.

In respect of a Class A Unit or Class C Unit issued (or redeemed) on a Dealing Day during the Calculation Period, the Hurdle Rate will be prorated by reference to the number of days such Unit was in issue from that Dealing Day to the Valuation Point.

(b) Class F Units

The hurdle rate used when calculating the Performance Fee for the Class F Units will be a composite index (the "Index") of 50% MSCI World Index, 25% 3 Month USD LIBOR Index (US0003M as quoted by Bloomberg) and 25% 3 Month EURIBOR Index (EUR003M as quoted by Bloomberg) during the Calculation Period (the "Hurdle Rate").

The rate for the 3 Month USD LIBOR and the 3 Month EURIBOR will be fixed as at the rate pertaining at the close of business on the preceding Valuation Point and expressed as a percentage on an actual/365 basis.

The rate for the MSCI World Index will be calculated using the formula:-

$$(B-A/A)*100$$

where, A = MSCI World Index as of close of business on the preceding Valuation Point; and  
 B = MSCI World Index as of close of business on the current Valuation Point.

In respect of a Class F Unit issued (or redeemed) on a Dealing Day during the Calculation Period, the Hurdle Rate will be prorated by reference to the number of days such Unit was in issue from that Dealing Day to the Valuation Point.

Performance Fee Calculation Methodology

The Performance Fee is calculated on a Unit-by Unit basis so that each relevant Unit of a Series is charged a Performance Fee that equates precisely with that Unit's performance. This method of calculation is intended to ensure as far as possible that (i) any Performance Fee paid to the AIFM is charged only to those Units which have outperformed the Hurdle Rate applied to those Units, and (ii) all holders of Units have the same amount per Unit at risk in the Portfolio.

At each Valuation Point, the Performance Fee per Unit of a Series will be calculated in respect of all Units of such Series in issue at that Valuation Point. Units of subsequent



Series will be issued at the Net Asset Value per Unit of the Initial Series after accrual of any Performance Fees payable to the AIFM.

The Performance Fee payable in respect of each Class A, Class C and Class F Unit in any Calculation Period will be 10 % of the difference between the Net Asset Value per Unit of the relevant Series (before the accrual of the annual management fees) and the High Water Mark per Series of Unit (as defined below) in respect of that Calculation Period.

For the Series of Units issued in respect of Class A, Class C and Class F, this can occur both as a result of a positive and negative percentage performance in the Net Asset Value per Unit (before the accrual of the annual management fees), i.e. a Performance Fee may be payable to the AIFM in the event that the Net Asset Value per Unit of the relevant Series of Class A Unit has declined but outperformed the High Water Mark per Series. However, in any case, the Net Asset Value per Unit of the relevant Series (before the accrual of the annual management fees) must be greater than the High Water Mark per Series of Unit as at the end of the relevant Calculation Period in order for the Performance Fee to be paid.

For a Series of Units for which the AIFM is entitled to a Performance Fee less than 1 % per annum of the Net Asset Value per Unit of that Series (after the accrual of the annual management fee) in respect of a Calculation Period, then all such Units of that relevant Series will be redeemed by the Portfolio at the end of that Calculation Period without notice to the relevant Unitholders at its then current Net Asset Value per Unit (after the payment of any investment management fees and Performance Fees) and the redemption proceeds will be used to;

- i. purchase Units in the associated Initial Series or;
- ii. if the Net Asset Value per Unit of the Initial Series (after accrual of the annual management fees) is less than the High Water Mark per Unit of the Initial Series as at the end of the Calculation Period or if out-performance is being carried forward in the High Water Mark per Unit of the Initial Series in the following Calculation Period, purchase Units in the earliest issued Series for which the Net Asset Value per Unit of the Series is not less than the High Water Mark of the Series and for which no out-performance is being carried forward in the High Water Mark of the Series in the following Calculation Period;

(hereinafter referred to as the “Roll-up”);

At the end of the Calculation Period, the AIFM will be entitled to a Performance Fee if the Net Asset Value per Unit of the relevant Series (before the accrual of the annual management fees) is greater than the High Water Mark per Series of Unit. If the Performance Fee triggered is greater than 1 % per annum of the Net Asset Value per Unit of the relevant Series (before the accrual of the annual management fee), such out-performance will be carried forward in the High Water Mark of that Series of Unit in the following Calculation Period. No Roll-up of a Series of Unit will occur at the end of the current Calculation Period if the Performance Fee triggered is greater than 1 % per annum of the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fee). See the “High Water Mark per Series” calculation below. For the avoidance of doubt, although the out-performance in excess of the 1% cap in a current Calculation Period will be carried forward in the High Water Mark per Series in the following Calculation Period, the full performance fee in the current Calculation Period will be accrued on a month to month basis.

If at the end of the relevant Calculation Period, the Net Asset Value per Unit of the relevant Series (before the accrual of the annual management fees) is less than the High Water Mark per Series of Unit, then no Performance Fee is payable and any underperformance for that series is carried forward into the next Calculation Period and no Roll-up of that Series of Unit will occur at the end of that current Calculation Period.

#### High Water Mark per Series

The High Water Mark per Series for the first Calculation Period in respect of each Unit subscribed for shall be the issue price of each Unit multiplied by one plus the Hurdle Rate.

In relation to Calculation Periods other than the first Calculation Period, the High Water Mark of that Series at the beginning of the current Calculation Period is the higher of:

- (i) the Net Asset Value per Unit of the relevant Series (net of the annual management fee and capped Performance Fees) at the end of the previous Calculation Period less the market value of any out-performance carried forward; and
- (ii) the High Water Mark of that Series at the end of the previous Calculation Period.

In relation to Calculation Periods other than the first Calculation Period, the High Water Mark of that Series at the end of the current Calculation Period is equal to the High Water Mark of that Series at the beginning of the current Calculation Period x (1+Hurdle Rate for the applicable Calculation Period).

#### Adjustments

On redemption or switching of Units or any other event deemed a “crystallisation event”, the full Performance Fee is triggered even if this amount is in excess of 1 percent per annum of the Net Asset Value per Unit of the relevant Series (before the accrual of the annual management fee).

#### Transfers

A transfer of Units that does not involve a change in beneficial ownership shall not result in a crystallisation of Performance Fees. A transfer of Units that does result in a change of beneficial ownership shall be treated as a redemption and subscription, resulting in a crystallisation of Performance Fees as at the date of transfer.

***Net realised and unrealised capital gains plus net realised and unrealised capital losses as of the relevant Valuation Point shall be taken into account in calculating the Net Asset Value per Unit. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.***

***Hurdle Rates will take account of income and capital gains/losses.***

The AIFM may in its discretion differentiate between Unitholders of the Portfolio by waiving or reducing the annual investment management fee. In respect of Class A, Class C and Class F Unitholders, the AIFM may also in its discretion waive or reduce the Performance Fee payable by such Unitholders.

### ***The Administrator***

The AIFM will pay to the Administrator out of the assets of the Portfolio an annual aggregate fee, accrued monthly and payable monthly in arrears, at a rate of up to 0.11 % of the Net Asset Value of the Portfolio (plus VAT, if any).

The Administrator shall be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

### ***The Depositary***

The AIFM shall pay to the Depositary out of the assets of the Portfolio an annual fee in respect of the trustee and depositary services provided by it to the Portfolio, which fee shall accrue and be payable in arrears on a monthly basis, at a rate which will not exceed 0.04% of the Net Asset Value of the Portfolio (plus VAT, if any), subject to a minimum annual fee of US\$40,000 per annum.

The AIFM will also pay to the Depositary out of the assets of the Portfolio a fee of US\$250 per transaction in respect of all settlements.

The Depositary shall also be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

### ***The Investment Manager***

The AIFM will pay to the Investment Manager, out of the AIFM’s fee as opposed to out of the assets of the Portfolio, an annual fee (plus VAT, if any) accrued monthly and payable monthly in arrears.

### ***Fees payable in respect of Investments in Other Funds***

The Portfolio may be liable to pay, without limitation, subscription, redemption, management, performance, distribution, administration and/or custody fees or charges in respect of each collective investment fund in which it invests. Such typical fee ranges of underlying collective investment schemes include up to 2.0% of the collective investment scheme’s net asset value in respect of management fees, administration and trustee fees in the range of 0.05% to 0.25% of the collective investment scheme’s net asset value and performance fees payable to the investment managers of the underlying collective investment schemes will typically be between 0% and 30% of the portion of the increase of performance of the net asset value of the respective underlying funds over a predetermined period of time (except in some cases where such performance fees are payable only in excess of the applicable hurdle rate).

In the case of investment by the Portfolio in a feeder scheme, there may be some duplication of the fees payable by the feeder scheme and the underlying collective scheme, such as administration, legal and/or audit fees. Investment management fees (including performance fees) and custody fees will be borne by either the feeder scheme or the underlying collective investment scheme or divided equally between the schemes.

## **15. Risk Factors**

Potential investors should consider the risks referred to in the “Risk Factors” section of the Prospectus.

## 16. Redemption of Units

In respect of all redemption requests to be effected on a Redemption Day, such redemption requests must be received by the Administrator prior to 5.00 p.m. (Irish time) on a “Business Day” which is at least thirty calendar days prior to that Redemption Day.

The redemption price will normally be payable to the Unitholder within twenty calendar days after the relevant Redemption Day on which the redemption is to be effected (and, in any event, not later than thirty calendar days after the relevant Redemption Day on which the redemption is to be effected) subject to receipt by the Administrator of the redemption request, supporting information and documentation as required by the AIFM and/or the Administrator .

Redemption requests may be submitted by fax to the Administrator at (353) 1 8458622 (or such other facsimile number designated for this purpose from time to time) All redemption requests carried out by fax should be verified by Unitholders by telephone to the Administrator to confirm receipt of their fax instruction.

## CORONATION GLOBAL EQUITY FUND OF FUNDS

Supplement 2 dated 10 December, 2021 to the Prospectus of the Coronation Universal Fund dated 10 December, 2021.

### 1. Structure

Coronation Global Equity Fund of Funds (the “**Portfolio**”) is a portfolio of Coronation Universal Fund an open-ended umbrella unit trust authorised by the Central Bank pursuant to the provisions of the Unit Trusts Act, 1990. At the date of this Supplement, the Coronation Universal Fund has six portfolios; the Coronation Global Equity Alternative Strategy Fund, the Coronation Global Equity Fund of Funds, the Coronation Global Bond Fund, the Coronation Africa Frontiers Fund, the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund.

A description of

- the Fund and its management and administration
- general management and fund charges
- taxation of the Fund and its Unitholders and
- risk factors

is contained in the Prospectus. **This Supplement forms part of the Prospectus and should be read in the context of and in conjunction with the Prospectus. Capitalised terms used in this Supplement shall bear the meanings attributable to them in the Prospectus.** The Prospectus is available from

- J.P. Morgan Administration Services (Ireland) Limited, 200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin D02 RK57, Ireland (the “**Administrator**”); or
- Coronation International Limited at 7th Floor, St. Albans House, 57-59 Haymarket, London, SW1Y 4QX, England (the “**Investment Manager**” of this Portfolio); or
- Available for download from [www.coronation.com](http://www.coronation.com).

### 2. Classes of Units

Class A Units, Class B Units, Class C Units and Class Z Units (all designated in US Dollars) are issued at the Net Asset Value per Unit of the relevant Class or where applicable at the Net Asset Value per Unit of the relevant Series.

The Units in each Class rank pari passu with each other except (i) the Class A Units will be subject to a performance fee in accordance with the performance fee provision set out in Section 14 “Fees” in this Supplement; (ii) the Class A and Class B Units will be subject to a lower annual management fee than the Class C Units in accordance with the annual management fee provision set out in Section 14 “Fees” in this Supplement; (iii) the Class B Units will only be offered to pension fund clients of Coronation Asset Management (PTY) Limited and may also be offered, at the discretion of the AIFM to the pension fund clients of Coronation Investment Management International (PTY) Ltd (iv) the Class Z Units will not be subject to an annual management fee or performance fee; and (v) the Class Z Units will only be available to accounts managed by the Coronation group and selected other investors with prior consent of the AIFM.

All applications for Units in a Class and subscription monies must be received by the Administrator prior to 5.00 p.m. (Irish time) on the second Business Day immediately preceding the relevant Dealing Day.

Units shall be issued in Series to facilitate the equitable application of the performance fee which may be charged to the relevant Class of the Portfolio. For the purpose of calculating the performance fee payable by existing holders of Class A Units, the Class A Units already in existence as of, or which were issued on, 2 January, 2008 are regarded as constituting the initial Series of Units issued in Class A.

The initial Series of Units in Class A shall hereinafter be referred to as the “Initial Series”.

In order to facilitate the equitable application of the performance fee payable by holders of Class A Units who subscribe for or redeem Units at different times, a new Series of Units will be issued on each Dealing Day that Units in Class A are purchased, which Series will be lettered consecutively, commencing with A1 Series (being the first Series of Class A Units issued after the issue of the Initial Series), followed by A2 Series being the next Series to be issued on the next relevant Dealing Day and so on.

As of the end of the relevant Calculation Period (as hereinafter defined), each Series will (except in the circumstances set out in the section of this Supplement titled “Fees”) be consolidated or rolled up into its associated Initial Series (or other Series, if appropriate) by the Portfolio redeeming without notice each Unit of that Series at its then current Net Asset Value (after the payment of any investment management fees and performance fees), and applying the redemption proceeds to purchase Units (and fractional Units where necessary) in the associated Initial Series Units (or other Series, if appropriate) at their then current Net Asset Value.

The creation of additional Classes will be notified in advance to the Central Bank. A separate portfolio of assets is not maintained for each Class.

**3. Base Currency**

United States dollars (US\$).

**4. Dealing Day**

Dealing Day means the last Business Day of each calendar week and the last Business Day of each calendar month and/or such other day or days as may be determined by the Directors and notified to Unitholders in advance.

**5. Valuation Day/Valuation Point**

Valuation Day means each Dealing Day. Additional Valuation Days may be determined at the discretion of the AIFM. Valuation Point means close of business in the relevant market on each Valuation Day or such other time as the AIFM may determine and notify to Unitholders.

**6. Redemption Day**

Redemption Day means each Dealing Day. Additional Redemption Days may be determined at the discretion of the AIFM and notified to Unitholders in advance.

**7. Investment Objectives**

The Portfolio will endeavour to provide investors with long term capital growth principally through the allocation of assets to mutual funds and collective investment schemes investing in global equity on a long only basis.

## 8. Investment Policies

The Portfolio will be actively managed. Subject to the investment restrictions hereinafter set out, the Portfolio will invest in:-

- the units of any one or more of the portfolios of the Fund. The Portfolio may invest in other portfolios of the Fund, which in turn may also invest in other portfolios of the Fund, provided that those latter portfolios may not cross-invest within the Fund.
- the units of open-ended collective investment schemes managed by the AIFM or by other fund management companies including any one or more of the existing or future sub-funds of Coronation Global Opportunities Fund and Coronation Common Contractual Fund. The Portfolio may invest in underlying collective investment schemes which are unregulated and which will not provide a level of investor protection equivalent to schemes authorised under Irish laws and subject to Irish regulations and conditions. The Portfolio may also invest in regulated underlying collective investment schemes. The Portfolio will mainly invest in such collective investment schemes authorised in Luxembourg, Ireland, Bermuda, Isle of Man and/or the Cayman Islands.
- the units of closed-ended collective investment schemes. Such investments may have lower liquidity than investment in underlying open-ended collective investment schemes. The Portfolio may invest in such funds to the extent that it determines that such investment will not affect the Portfolio's ability to provide the liquidity described under "Redemption of Units" in the Prospectus.
- up to 10 % of net assets of the Portfolio may be invested in other fund of fund schemes.
- a feeder scheme where the feeder scheme provides the only means of investing in an underlying collective investment scheme and the feeder scheme and the underlying collective investment scheme act in effect as a singular structure. The feeder scheme and the underlying collective investment scheme will be regarded as constituting a single structure where the following conditions are met:
  - (a) the feeder scheme and the underlying collective investment scheme have a common investment objective and the feeder scheme seeks to achieve this investment objective by investing substantially all of its assets in the underlying collective investment scheme;
  - (b) one or more of the service providers appointed by the feeder scheme (e.g. the investment manager) also provide services to the underlying collective investment scheme;
  - (c) the feeder scheme and underlying collective investment scheme share certain other basic characteristics such as, for example, the duration of their respective accounting periods; and
  - (d) there is no duplication of investment management fees (including performance fees) and custody fees in that such fees are borne by either the feeder scheme or the underlying collective investment scheme or divided equally between the schemes.

The half-yearly and annual reports in respect of the Portfolio shall provide full information in relation to the investment in the underlying collective investment scheme.

- equities and/or money market instruments (including but not limited to bankers' acceptances, commercial paper and/or certificates of deposit) to take advantage of particular circumstances or where market or other factors so warrant. Where the Portfolio invests directly, in equities and/or money market instruments, such equities and/or money market instruments will be primarily (meaning a minimum of 80 % of the assets of the Portfolio so invested) listed or traded on a Recognised Exchange.

The Investment Manager may invest up to 15% of the Net Asset Value of the Portfolio in securities listed or traded on Russian markets. Any such investment will only be made in securities that are listed/traded on the Moscow Exchange.

- units of exchange traded funds, which funds may be open-ended or closed-ended schemes. For the purposes of investment by the Portfolio in such exchange traded funds, the investment restrictions set out hereafter regarding investment in open ended collective investment schemes and close ended investment schemes will apply to investment in such exchange traded funds as appropriate.

Although it is normal policy of the Portfolio to deploy its assets as detailed above, it may also retain cash and cash equivalents such as certificates of deposits, notes and bills in the appropriate circumstances. Such circumstances may include but are not limited to the holding of cash on deposit pending reinvestment in order to meet redemptions and payment of expenses.

The AIFM believes that the diversification afforded by adopting a fund of funds approach should result in a reduced level of risk, since diversification of fund holdings should limit the impact of a single investment or single constituent fund on the Portfolio as a whole.

The periodic reports relating to the Portfolio will provide information on the underlying schemes, including disclosure on the fees paid by the underlying schemes.

It is not intended that the underlying schemes in which the Portfolio may invest will be leveraged.

#### *Investment Process Relating to the Selection and Monitoring of Underlying Investment Managers*

The Investment Manager will identify, research, interview, evaluate, select and monitor fund managers of underlying collective investment schemes that employ varying strategies and techniques. The Investment Manager will begin the selection process by identifying managers which have achieved above-average returns through different market cycles with good performance in adverse environments given greater weight than good performance in favourable environments. Consistency of performance will be placed as an important factor. The Investment Manager will reduce the list of prime candidates to those within specified investment strategies which have performed well and will engage in further investigation in order to validate the results shown and where possible judge the managers' adherence to their stated strategies. The Investment Manager will take into account the expertise and experience of the managers, their risk posture, as well as their communications and reporting.



The selection of underlying collective investment schemes for inclusion in the Portfolio and the determination as to how much and when to invest in or redeem from such schemes will be made solely by the Investment Manager in accordance with the investment objective and policies described above. The Investment Manager will manage the overall investment position of the Portfolio, including on-going evaluation of the managers of the underlying collective investment schemes, and the Investment Manager will make periodic changes in the allocation of funds to existing and new underlying collective investment schemes as it deems appropriate.

The Investment Manager will track aspects of the managers' performance against internal and external benchmarks, and against peer managers. Among other monitoring activities, the Investment Manager conducts calls to managers at least monthly, and makes at least two onsite due diligence visits annually to each manager. In general, the Investment Manager's monitoring activities represent a continuation of the analysis process conducted prior to a manager's initial conclusion in a portfolio. As part of this monitoring process, various risk reports are created and internally circulated for review. These reports describe a manager's current leverage, position "tilts", correlations, liquidity of positions, geographic exposure, results of various stress tests, and other matters relating to the manager's portfolio. A position "tilt" is where an underlying scheme initially invests in a core portfolio of securities which track a benchmark type index to which additional securities are subsequently added to help to tilt the underlying scheme in a particular direction with the aim of outperforming that index and enhancing overall investment returns.

The Portfolio does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. As a result, the Portfolio does not fall within the scope of Article 5 or Article 6 of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying the Portfolio do not take into account the EU criteria for environmentally sustainable economic activities.

The Portfolio may employ borrowings or leverage of up to a maximum of 200% of the Net Asset Value of the Portfolio where using the 'commitment' method and 200% of the Net Asset Value of the Portfolio where using the 'gross' method calculated using the sum of the absolute value of all positions in accordance with the requirements of the Level 2 Regulation. For the purpose of providing margin or collateral, the Portfolio may from time to time secure such borrowings by pledging, mortgaging or charging the assets of the Portfolio.

## **9. Derivatives**

The Portfolio may use financial derivative instruments such as futures, options, warrants, swaps, forwards (including currency forwards) for any investment purpose consistent with the investment objectives and policies set out above. Such derivatives will be covered and will include exchange traded as well as over-the-counter transactions. The assets which underlie the derivative may be transferable securities, underlying managed funds, units in collective investment schemes, financial indices, permitted deposits, permitted derivatives, interest rates, foreign exchange rates, currencies and cash not yet received but due to be received within 2 months. The Portfolio may be leveraged through the use of derivatives, as described below, such leverage will not exceed the exposure limits set out in Section 8 above.

Examples of the ways in which financial derivative instruments may be used, which should not be taken as being exhaustive, or mutually exclusive, include:

- (a) to hedge the currency exposure of the assets of the Portfolio attributable to a particular Class into the currency of denomination of the relevant Class;

- (b) as a substitute for taking a position in the underlying asset where the Investment Manager feels that a derivative exposure to the underlying asset represents better value than a direct exposure;
- (c) to tailor the Portfolio's interest rate exposure to the Investment Managers outlook for interest rates;
- (d) to gain an exposure to the composition and performance of a particular index (provided always that the Portfolio may not have an indirect exposure through an index to an asset, issuer or currency to which it cannot have a direct exposure).

Although not the intention, over-hedged or under-hedged positions may arise due to factors outside the control of the Investment Manager. However, hedged positions will be kept under review to ensure that over-hedged positions will not exceed 105% of the Net Asset Value of the Class and that positions in excess of 100% of the Net Asset Value of the Class will not be carried forward from month to month. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of the Portfolio as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of the Portfolio. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

#### **10. Repurchase/Reverse Repurchase and Stocklending Agreements and Securities Financing Transactions**

The Portfolio may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements for the purposes of efficient portfolio management including reduction of risk or cost or the generation of additional capital or income for the Portfolio. Further detail in relation to the use of repurchase agreements, reverse repurchase agreements and/or stock lending agreements is provided for in the "Fund - Repurchase/Reverse Repurchase and Stocklending Agreements" section of the Prospectus.

The Portfolio may engage in SFTs, as described under "Repurchase / Reverse Repurchase and Stock-Lending Arrangements" and "Securities Financing Transactions".

Further details on SFTs are set out in the Prospectus under the headings "Securities Financing Transactions", "Collateral Policy" and "Counterparty Selection Process".

#### **11. Investment Restrictions**

The Portfolio is subject to the following investment restrictions in addition to the general investment restrictions set out in the Prospectus under the heading "The Fund - Investment Restrictions" which are not disapplied below:

- (i) the Portfolio may not invest more than 40 % of its net assets in the units of any one open-ended collective investment scheme, subject to a maximum of 20% in any one unregulated scheme. These limits will also apply to any investment in a feeder scheme where the feeder scheme provides the only means of investing in an underlying collective investment scheme and the feeder scheme and the underlying collective investment scheme act in effect as a singular structure. The Investment Manager shall monitor the underlying portfolio of the

underlying collective investment schemes and endeavour to ensure that in the aggregate no more than 20 % of the gross assets of the Portfolio will be invested in the securities of a single issuer. If this 20 % level is breached, the Investment Manager will take immediate corrective action. Investment restrictions (c)(i) and (c)(ii) in the “Investment and Borrowing Restrictions” section of the Prospectus are, accordingly, disapplied;

- (ii) the Portfolio may invest up to 100 % of its net assets directly in transferable securities, such as equities, money market instruments and units of closed-ended collective investment schemes (any investment in the units of open-ended collective investment schemes shall be subject to the limits set out in (i) above). The Portfolio may not invest more than 20% of its net assets in transferable securities which are not listed, traded in or dealt on a Recognised Exchange;
- (iii) the Portfolio may not invest more than 10% of its net assets in units of other fund of funds schemes;
- (iv) the Portfolio may not invest in feeder schemes unless a feeder scheme provides the only means of investing in an underlying collective investment scheme and the feeder scheme and the underlying collective investment scheme act in effect as a singular structure;
- (v) where the Portfolio invests in the units of another portfolio of the Fund which may be established or in the units/shares of another collective investment scheme managed by the AIFM: (i) the AIFM must waive the preliminary/initial charge which it is entitled to charge for its own account; (ii) the AIFM must waive that portion of its annual fee in order to avoid a double charge. Where the investment manager of the Portfolio and the other portfolio of the Fund or the relevant underlying collective investment scheme is one and the same entity such investment manager must waive that portion of its annual fee in order to avoid a double charge. Where commission is received by the AIFM of the Portfolio by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the Portfolio; and
- (vi) the Portfolio may invest in other portfolios of the Fund which in turn may also invest in other portfolios of the Fund provided that those latter portfolios may not cross-invest within the Fund.

## 12. Distributions

It is not intended to declare any distributions.

## 13. Investment Manager

Pursuant to an investment management agreement between the AIFM and Coronation International Limited dated 29<sup>th</sup> July, 2014 and as may be further amended from time to time (the “Investment Management Agreement”), Coronation International Limited acts as Investment Manager responsible for managing the investment and re-investment of the assets of the Portfolio.

This agreement is for an indefinite period and may be terminated by the AIFM or the Investment Manager at the end of each calendar quarter by giving not less than three (3) calendar months’ notice in writing to the other party (or such shorter period as may be agreed by the parties to the Investment Management Agreement). This agreement provides that the AIFM (on behalf of the Portfolio) shall hold harmless and indemnify out of the assets of the Portfolio the Investment Manager, its employees, delegates

and agents from and against all damages, actions, proceedings, claims, costs, demands and expenses (including without limitation, legal and professional expenses) which may be brought against, suffered or incurred by the Investment Manager, its employees, delegates or agents in the performance of its duties under the agreement (other than due to the bad faith, negligence, wilful default or fraud of the Investment Manager, its employees, delegates or agents in the performance of its obligations under the agreement).

The major activity of Coronation International Limited is asset management. Coronation International Limited having its principal office at 7<sup>th</sup> Floor, St. Albans House, 57-59 Haymarket, London, SW1Y 4QX, England is an FCA regulated company incorporated and registered in the United Kingdom to act as investment manager/adviser to a variety of funds. Coronation International Limited is ultimately a wholly owned subsidiary of Coronation Fund Managers Limited.

#### **14. Fees**

In addition to the general management and fund charges set out in the Prospectus under the heading “Management and Fund Charges - General” the following fees and expenses are payable out of the Portfolio.

##### ***The AIFM***

The Portfolio will pay to the AIFM an annual fee, accrued at each Valuation Point and payable monthly in arrears, at a rate of 0.70 % of the Net Asset Value of the Portfolio attributable to Class A Units and Class B Units (plus VAT, if any).

The Portfolio will pay to the AIFM an annual fee, accrued at each Valuation Point and payable monthly in arrears, at a rate of 1 % of the Net Asset Value of the Portfolio attributable to Class C Units (plus VAT, if any).

No annual management fee will be attributable to the Class Z Units.

The AIFM shall be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

##### **Performance Fee**

The AIFM shall also be entitled to receive a performance fee in respect of each Unit in Class A of the Portfolio (a “Performance Fee”). For the purposes of calculating the Performance Fee, all references to Units in this section should be read as references to Units of the relevant Series of Class A of the Portfolio on which a Performance Fee shall be charged.

The calculation period for the Class A Units shall comprise each successive twelve month period from 1 October each year to 30 September (or the last Valuation Point in September) in the following year (each a “Calculation Period”). The last Calculation Period in relation to a Unit which is redeemed on a Redemption Day other than the 30<sup>th</sup> September (or the last Valuation Point in September) shall be the period commencing on the termination of the prior Calculation Period for such Unit or the date of issue of such Unit (if redemption occurs during the first Calculation Period of such Unit) and ending on the relevant Redemption Day.

The Performance Fee determined in the manner below is accrued as of each Valuation Point and is payable annually in arrears.

The Performance Fee shall be calculated by the Administrator (subject to verification by the Depositary) based on the finalised Net Asset Value per Unit of the relevant Series of Class A Units.

#### Hurdle Rate

The Hurdle rate used when calculating the Performance Fee for each Series of the Class A Units will be the MSCI Daily Total Return ACWI (dividends reinvested net of withholding taxes) USD Index (NDUEACWF as quoted by Bloomberg) percentage performance during the Calculation Period (the “Hurdle Rate”). This is calculated using the following formula:

$$((B-A)/A)*100$$

Where,

A = MSCI Daily Total Return ACWI (dividends reinvested net of withholding taxes) USD Index (NDUEACWF as quoted by Bloomberg) (the “Benchmark”) as of close of business on the preceding Valuation Point;

and

B = The Benchmark as of close of business on the current Valuation Point.

The Hurdle Rate may either be positive, indicating that the Benchmark has increased or negative, indicating that the Benchmark has decreased.

In respect of a Class A Unit issued (or redeemed) on a Dealing Day during the Calculation Period, the Hurdle Rate will be prorated by reference to the number of days such Class A Unit was in issue from that Dealing Day to the Valuation Point.

#### Performance Fee Calculation Methodology

The Performance Fee is calculated on a Unit-by Unit basis so that each relevant Unit of a Series is charged a Performance Fee that equates precisely with that Unit’s performance. This method of calculation is intended to ensure as far as possible that (i) any Performance Fee paid to the AIFM is charged only to those Units which have outperformed the Hurdle Rate applied to those Units, and (ii) all holders of Units have the same amount per Unit at risk in the Portfolio.

At each Valuation Point, the Performance Fee per Unit of a Series will be calculated in respect of all Units of such Series in issue at that Valuation Point. Units of subsequent Series will be issued at the Net Asset Value per Unit of the Initial Series after accrual of any Performance Fees payable to the AIFM.

The Performance Fee payable in respect of each Unit in any Calculation Period will be 20 % of the difference between the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fees) and the High Water Mark per Series of Unit (as defined below) in respect of that Calculation Period. For the Series of Units issued in respect of Class A, this can occur both as a result of a positive and negative percentage performance in the Net Asset Value per Unit (after the accrual of the annual management fees), i.e. a Performance Fee may be payable to the AIFM in the event that the Net Asset Value per Unit of the relevant Series has declined but outperformed the High Water Mark per Series. However, in any case, the Net Asset Value per Unit of the relevant Series (after accrual of the annual management fees) must be greater than the High Water Mark per Series of Unit as at the end of the relevant Calculation Period in order for the Performance Fee to be paid.

For a Series of Units for which the AIFM is entitled to a Performance Fee less than 1 % per annum of the Net Asset Value per Unit of that Series (after the accrual of the annual management fee) in respect of a Calculation Period, then all such Units of that relevant Series will be redeemed by the Portfolio at the end of that Calculation Period without notice to the relevant Unitholders at its then current Net Asset Value per Unit (after the payment of any investment management fees and Performance Fees) and the redemption proceeds will be used to;

- i) purchase Units in the associated Initial Series or;
- ii) if the Net Asset Value per Unit of the Initial Series (after accrual of the annual management fees) is less than the High Water Mark per Unit of the Initial Series as at the end of the Calculation Period or if out-performance is being carried forward in the High Water Mark per Unit of the Initial Series in the following Calculation Period, purchase Units in the earliest issued Series for which the Net Asset Value per Unit of the Series is not less than the High Water Mark of the Series and for which no out-performance is being carried forward in the High Water Mark of the Series in the following Calculation Period; (hereinafter referred to as the “Roll-up”).

At the end of the Calculation Period, the AIFM will be entitled to a Performance Fee if the Net Asset Value per Series of Unit (after the accrual of the annual management fees) is greater than the High Water Mark per Series of Unit. If the Performance Fee triggered is greater than 1 % per annum of the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fee), such out-performance will be carried forward in the High Water Mark of that Series of Unit in the following Calculation Period. No Roll-up of a Series of Unit will occur at the end of the current Calculation Period if the Performance Fee triggered is greater than 1 % per annum of the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fee). See the “High Water Mark per Series” calculation below. For the avoidance of doubt, although any outperformance in excess of the 1% cap in a current Calculation Period will be carried forward in the High Water Mark per Series in the following Calculation Period, the full Performance Fee in the current Calculation Period will be accrued on a week to week basis.

If at the end of the relevant Calculation Period, the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fees) is less than the High Water Mark per Series of Unit, then no Performance Fee is payable and any underperformance for that series is carried forward into the next Calculation Period and no Roll-up of that Series of Unit will occur at the end of that current Calculation Period.

#### High Water Mark per Series

The High Water Mark per Series for the first Calculation Period in respect of each Unit subscribed for shall be the issue price of each Unit multiplied by one plus the Hurdle Rate.

In relation to Calculation Periods other than the first Calculation Period, the High Water Mark of that Series at the beginning of the current Calculation Period is the higher of:

- i) the Net Asset Value per Unit of the relevant Series (net of the annual management fee and capped Performance Fees) at the end of the previous Calculation Period less the market value of any out-performance carried forward; and
- ii) the High Water Mark of that Series at the end of the previous Calculation Period.

In relation to Calculation Periods other than the first Calculation Period, the High Water Mark of that Series at the end of the current Calculation Period is equal to the High Water Mark of that Series at the beginning of the current Calculation Period x (1+Hurdle Rate for the applicable Calculation Period).

#### Adjustments

On redemption or switching of Units or any other event deemed a “crystallisation event”, the full Performance Fee is triggered even if this amount is in excess of 1 % per annum of the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fees).

#### Transfers

A transfer of Units that does not involve a change in beneficial ownership shall not result in a crystallisation of Performance Fees. A transfer of Units that does result in a change of beneficial ownership shall be treated as a redemption and subscription, resulting in a crystallisation of Performance Fees as at the date of transfer.

***Net realised and unrealised capital gains plus net realised and unrealised capital losses as of the relevant Valuation Point shall be taken into account in calculating the Net Asset Value per Unit. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.***

***Hurdle Rates will take account of income and capital gains/losses.***

The AIFM may in its discretion differentiate between Unitholders of the Portfolio by waiving or reducing the annual investment management fee. In respect of Class A Unitholders, the AIFM may also in its discretion waive or reduce the Performance Fee payable by such Unitholders.

#### ***The Administrator***

The AIFM will pay to the Administrator out of the assets of the Portfolio an annual aggregate fee, accrued at each Valuation Point and payable monthly in arrears, at a rate of up to 0.025% of the Net Asset Value of the Portfolio (plus VAT, if any), subject to a minimum annual fee. The minimum annual fee is US\$50,000 per Portfolio, and applies pro rata to each Portfolio based on Net Asset Value when the aggregate fee in respect of all Portfolios under the agreement is less than US\$50,000 times the number of Portfolios under the agreement.

In addition, the Administrator will be paid out of the assets of the Portfolio fees for maintaining investor records including the provision of reports to allow the Fund to fulfil its obligations under the Common Reporting Standard and the Foreign Account Tax Compliance Act. These fees are dependent on the number of investors and the number of transactions and are not expected to exceed US\$25,000 per annum.

The Administrator shall be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

#### ***The Depositary***

The AIFM shall pay to the Depositary out of the assets of the Portfolio an annual fee in respect of the trustee and depositary services provided by it to the Portfolio, which fee shall accrue at each Valuation Point and be payable in arrears on a monthly basis, at

a rate which will not exceed 0.0275% of the Net Asset Value of the Portfolio (plus VAT, if any), subject to a minimum annual fee. The minimum annual fee is US\$36,000 per Portfolio, and applies pro rata to each Portfolio based on Net Asset Value when the aggregate fee in respect of all Portfolios under the agreement is less than US\$36,000 times the number of Portfolios under the agreement.

The AIFM will also pay to the Depositary out of the assets of the Portfolio fees of up to 0.02% per annum of the value of assets held in safekeeping and up to US\$250 per transaction in respect of securities trade settlements.

The Depositary shall also be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

### ***The Investment Manager***

The AIFM will pay to the Investment Manager, out of the AIFM’s fee as opposed to out of the assets of the Portfolio, an annual fee (plus VAT, if any) accrued weekly and payable monthly in arrears.

### ***Fees payable in respect of Investments in Other Funds***

The Portfolio may be liable to pay, without limitation, subscription, redemption, management, performance, distribution, administration and/or custody fees or charges in respect of each collective investment fund in which it invests. Such typical fee ranges of underlying collective investment schemes include up to 2.0% of the collective investment scheme’s net asset value in respect of management fees, administration and trustee fees in the range of 0.05% to 0.25% of the collective investment scheme’s net asset value and performance fees payable to the investment managers of the underlying collective investment schemes will typically be between 0% and 30% of the portion of the increase of performance of the net asset value of the respective underlying funds over a predetermined period of time (except in some cases where such performance fees are payable only in excess of the applicable hurdle rate).

In the case of investment by the Portfolio in a feeder scheme, there may be some duplication of the fees payable by the feeder scheme and the underlying collective scheme, such as administration, legal and/or audit fees. Investment management fees (including performance fees) and custody fees will be borne by either the feeder scheme or the underlying collective investment scheme or divided equally between the schemes.

### ***Voluntary Expense Cap***

To the extent that certain operating expenses (i.e. all expenses other than management fees and performance fees, the cost of buying and selling assets, including brokerage and any anti-dilution levies charged, and interest) (the “Qualifying Expenses”) exceed 0.2% per annum (the “Cap Rate”) of the average Net Asset Value of the Portfolio (the “Voluntary Expense Cap”) over the VEC Calculation Period (as defined in this paragraph), the AIFM shall be responsible for and will reimburse the Portfolio in the amount of such excess, with such obligation arising from the time that the Voluntary Expense Cap is introduced. The calculation period for the Voluntary Expense Cap shall comprise each successive twelve month period (each a “VEC Calculation Period”), provided that the first calculation period will commence from the time in the particular financial year of the Portfolio that the Voluntary Expense Cap was introduced and run to the last day of such financial year. The Voluntary Expense Cap will be calculated as the Cap Rate multiplied by the average weekly Net Asset Value over the VEC Calculation Period. Where the Qualifying Expenses incurred during the



VEC Calculation Period exceed the Voluntary Expense Cap at the calculation date (being the last Valuation Day of the VEC Calculation Period), the AIFM will inject the excess amount into the Portfolio. The excess amount will be payable in arrears at the end of the VEC Calculation Period and therefore actual operating expenses incurred by the Portfolio could exceed the Voluntary Expense Cap at other points during the VEC Calculation Period. As stated above, Qualifying Expenses will include all operating expenses other than management and performance fees, the cost of buying and selling assets (including brokerage and any anti-dilution levies charged) and interest.

The Voluntary Expense Cap shall apply until such time as at the sole discretion of the AIFM, the Voluntary Expense Cap is removed, provided that Unitholders will be given reasonable notice prior to such removal to enable them to redeem their Units if they wish.

**16. Additional Risk Factors:**

The attention of investors is drawn to the “Risk Factors” section of the Prospectus. In addition, the following risk factors are specific to the Portfolio:

***Investment in Russia***

Investments in companies organised in or who principally do business in the independent states that were once part of the Soviet Union, including the Russian Federation, pose special risks, including economic and political unrest and may lack a transparent and reliable legal system for enforcing the rights of creditors and Unitholders of the Portfolio. The concept of fiduciary duty is not well established and rules regulating corporate governance are undeveloped. Unitholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy.

Evidence of legal title to shares in a Russian company is maintained in book entry form. In order to register an interest of the Portfolio’s shares, an individual must travel to the company’s registrar and open an account with the registrar. The individual will be provided with an extract of the share register detailing his interests but the only document recognised as conclusive evidence of title is the register itself. Registrars are not subject to effective government supervision. There is a possibility that the Portfolio could lose its registration through fraud, negligence, oversight or catastrophe such as fire. Registrars are not required to maintain insurance against these occurrences and are unlikely to have sufficient assets to compensate the Portfolio in the event of loss. In other circumstances such as the insolvency of a sub-custodian or registrar, or retroactive application of legislation, the Portfolio may not be able to establish title to investments made and may suffer loss as a result. In such circumstances, the Portfolio may find it impossible to enforce its rights against third parties. Neither the Fund, the AIFM, the Investment Manager, the Depositary nor any of their agents make any representation or warranty in respect of, or in guarantee of, the operations or performance of any registrar or sub-custodian.

While the Portfolio may invest to a limited extent in Russian equities listed or traded on the Moscow Exchange, the exposure to Russian listed/traded equities shall not exceed 15% of the Net Asset Value of the Portfolio.

***Investment in Unregulated Collective Investment Schemes***

The investment vehicles, into which the Portfolio may invest, may not be subject to any form of authorisation or regulatory supervision. They may not be required to have an

independent custodian or any custodian at all. Therefore, investment in such investment vehicles carries a higher potential risk.

#### **17. Redemption of Units**

All redemption requests must be received by the Administrator prior to 5.00 p.m. (Irish time) on the second “Business Day” prior to that Redemption Day.

The redemption price will normally be payable to the Unitholder within fourteen calendar days (ten Business Days) after the relevant Redemption Day on which the redemption is to be effected (and, in any event, not later than forty six calendar days after the relevant Redemption Day on which the redemption is to be effected subject to receipt by the Administrator of the redemption request, supporting information and documentation as required by the AIFM and/or the Administrator.

Redemption requests may be submitted by fax to the Administrator at +353 (0) 1 612 5779 (or such other number as designated for this purpose from time to time). All redemption requests carried out by fax should be verified by Unitholders by telephone to the Administrator to confirm receipt of their fax instruction.

## CORONATION GLOBAL BOND FUND

Supplement 3 dated 10 December, 2021 to the Prospectus of the Coronation Universal Fund dated 10 December, 2021.

### 1. Structure

Coronation Global Bond Fund (the “**Portfolio**”) is a portfolio of Coronation Universal Fund, an open-ended umbrella unit trust authorised by the Central Bank pursuant to the provisions of the Unit Trusts Act, 1990. At the date of this Supplement, the Coronation Universal Fund has six portfolios; the Coronation Global Equity Alternative Strategy Fund, the Coronation Global Equity Fund of Funds, the Coronation Global Bond Fund, the Coronation Africa Frontiers Fund, the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund.

A description of

- the Fund and its management and administration
- general management and fund charges
- taxation of the Fund and its Unitholders and
- risk factors

is contained in the Prospectus. **This Supplement forms part of the Prospectus and should be read in the context of and in conjunction with the Prospectus. Capitalised terms used in this Supplement shall bear the meanings attributable to them in the Prospectus.** The Prospectus is available from

- J.P. Morgan Administration Services (Ireland) Limited, 200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin D02 RK57, Ireland (the “**Administrator**”); or
- Coronation Investment Management International (PTY) Ltd at 7th Floor, Montclare Place, Cnr Campground and Main Road, Claremont, 7708, Cape Town, South Africa (the “**Investment Manager**” of this Portfolio) or
- Available for download from [www.coronation.com](http://www.coronation.com).

The Fund may invest more than 30% of its net assets in below investment grade securities. Due to the potentially high level of investment in below investment grade securities, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

### 2. Issue Price

Class A Units, Class B Units, Class C Units and Class Z Units (all designated in US Dollars) are issued at the Net Asset Value per Unit of the relevant Class or where applicable at the Net Asset Value per Unit of the relevant Series.

The Units in each Class rank pari passu with each other except (i) the Class A Units are subject to a performance fee in accordance with the performance fee provision set out in Section 14 “Fees” in this Supplement; (ii) the Class A and Class B Units are subject to a lower annual management fee than the Class C Units in accordance with the annual management fee provision set out in Section 14 “Fees” in this Supplement; (iii) the Class B Units is only offered to pension fund clients of Coronation Asset Management (PTY) Limited and may also be offered, at the discretion of the AIFM to the pension fund clients of Coronation Investment Management International (PTY) Ltd; (iv) the Class Z Units will not be subject to an annual management fee or performance

fee; and (v) the Class Z Units will only be available to accounts managed by the Coronation group and selected other investors with prior consent of the AIFM.

All applications for Units in a Class and subscription monies must be received by the Administrator prior to 5.00 p.m. (Irish time) on the second Business Day immediately preceding the relevant Dealing Day. However, the AIFM (subject to prior agreement) may extend the settlement period up to 1 Business Day after the relevant Dealing Day to facilitate payment or settlement methods or by such longer period as the Directors of the AIFM may approve. The AIFM reserves the right to defer the issue of Units until receipt of cleared subscription monies by the Portfolio.

Units shall be issued in Series to facilitate the equitable application of the performance fee which may be charged to the relevant Class of the Portfolio. For the purpose of calculating the performance fee payable by existing holders of Class A Units, the Class A Units already in existence as of, or which were issued on, 1 November, 2008 are regarded as constituting the initial Series of Units issued in Class A.

The initial Series of Units in Class A shall hereinafter be referred to as the “Initial Series”.

In order to facilitate the equitable application of the performance fee payable by holders of Class A Units who subscribe for or redeem Units at different times, a new Series of Units will be issued on each Dealing Day that Units in Class A are purchased, which Series will be lettered consecutively, commencing with A1 Series (being the first Series of Class A Units issued after the issue of the Initial Series), followed by A2 Series being the next Series to be issued on the next relevant Dealing Day and so on.

As of the end of the relevant Calculation Period (as hereinafter defined), each Series will (except in the circumstances set out in the section of this Supplement titled “Fees”) be consolidated or rolled up into its associated Initial Series (or other Series, if appropriate) by the Portfolio redeeming without notice each Unit of that Series at its then current Net Asset Value (after the payment of any investment management fees and performance fees), and applying the redemption proceeds to purchase Units (and fractional Units where necessary) in the associated Initial Series Units (or other Series, if appropriate) at their then current Net Asset Value.

The creation of additional Classes will be notified in advance to the Central Bank.

A separate portfolio of assets is not maintained for each Class.

For the avoidance of doubt, the Class A of the Portfolio is in the process of being closed and the Class A of the Portfolio is therefore no longer available for subscription.

**3. Base Currency**

United States dollars (US\$).

**4. Dealing Day**

Dealing Day means the last Business Day of each calendar week and the last Business Day of each calendar month and/or such other day or days as may be determined by the Directors and notified to Unitholders in advance.

**5. Valuation Day/Valuation Point**

Valuation Day means each Dealing Day. Additional Valuation Days may be determined at the discretion of the AIFM. Valuation Point means close of business in the relevant market on each Valuation Day or such other time as the AIFM may determine and notify to Unitholders.

**6. Redemption Day**

Redemption Day means each Dealing Day. Additional Redemption Days may be determined at the discretion of the AIFM and notified to Unitholders in advance.

**7. Investment Objective**

The investment objective of the Portfolio is to seek to maximize total return, consistent with preservation of capital and prudent investment management.

**8. Investment Policies**

The Portfolio will aim to achieve its objective by investing up to 100% of net assets in a diversified portfolio of fixed income securities and money market instruments of varying maturities. The average portfolio duration will vary depending on the Investment Manager's forecast for interest rates.

The Portfolio will be actively managed. The fixed income securities and money market instruments which the Portfolio will invest in shall include, but will not be limited to, the following:

- corporate debt securities and corporate commercial paper;
- mortgage-backed and other asset-backed securities which are transferable securities that are collateralized by receivables or other assets;
- transferable securities and money market instruments issued or guaranteed by EU Member States and non-EU Member states, their sub-divisions, agencies or instrumentalities, to include, but not limited to, UK gilts, EU government bonds, UK government bonds, Euro inflation linked bonds and United States treasury bills;
- transferable securities and money market instruments issued or guaranteed by international agencies or supranational entities, to include, but not limited to, commercial paper, negotiable certificate of deposit, bonds and debentures issued by the World Bank, the European Bank for Reconstruction and Development, the Asian Development Bank and the African Development Bank;
- certificates of deposit and American and/or Global Depository Receipts, which may be rated or unrated;
- inflation-indexed bonds issued by both governments and corporations;
- event-linked bonds issued by both governments and corporations;
- international sovereign, government, bank and other bonds (including mortgage bonds) not already referred to in (vi) and (vii) above;

- freely transferable and unleveraged structured notes, including securitized loan participations; and
- freely transferable and unleveraged hybrid securities which are derivatives that combine a traditional stock or bond with an option or forward contract.

The fixed income securities and money market instruments listed above may have fixed, variable or floating rates of interest, and may vary inversely with respect to the reference rate. They shall be primarily (meaning a minimum of 60 % of the assets of the Portfolio so invested) listed or traded on a Recognised Exchange.

The Portfolio may invest up to 50% of its assets in debt or debt related instruments that are unrated or rated lower than BBB- by S&P (or an equivalent rating by other recognized rating agencies). For avoidance of doubt, for the purposes of the foregoing limit convertible bonds shall not be treated as debt or debt-related instruments and shall accordingly not be taken into account when determining whether any thresholds pertaining to debt or debt-related instruments have been reached.

Subject to the foregoing, the Portfolio may invest without limit in USD-denominated fixed income securities issued by non-US issuers.

The Portfolio may hold both non-USD denominated fixed income securities and non-USD denominated currency positions. The Portfolio may use spot and forward foreign exchange contracts and currency futures, options and swaps in an attempt to hedge against exchange rate risk. Further details on the manner in which derivatives will be used for hedging purposes are set out in Section 9, entitled “Derivatives”, of this Supplement.

The benchmark index for the Portfolio will be the Barclays Global Aggregate Bond Total Return Index Unhedged USD (LEGATRUU as quoted by Bloomberg) (the “Benchmark”). The Benchmark is a widely used measure of the performance of government bonds and corporate bonds, primarily in developed markets. It is not intended to track this index but to measure the performance of the Portfolio against this index.

The Investment Manager will follow both a “top down” and “bottom-up” approach in managing the Portfolio. This means that the first stage of the investment process will be to determine the macro economic outlook, which involves evaluation of various factors including, but not limited to, interest rates, exchange rates, monetary and fiscal policies and trade and current account balances. The second stage will involve selection of suitable fixed income securities and/or money market instruments to reflect the Investment Manager’s assessment of bond market conditions. Issues that the Investment Manager will focus on may include portfolio duration, yield curve positioning and the credit quality of investment instruments held. The Portfolio will be predominantly invested in sovereign debt, supranational debt, corporate bonds and emerging market bonds.

The Investment Manager believes that value can be added by following a focused approach in terms of individual markets and portfolio positioning.

Subject to the investment restrictions hereinafter set out, the Portfolio may also invest in:-

- the units of any one or more of the portfolios of the Fund. The Portfolio may invest in other portfolios of the Fund, which in turn may also invest in other

portfolios of the Fund, provided that those latter portfolios may not cross-invest within the Fund.

- the units of open-ended collective investment schemes managed by the AIFM or by other fund management companies, including any one or more of the existing or future sub-funds of Coronation Global Opportunities Fund and Coronation Common Contractual Fund. The Portfolio may invest in underlying collective investment schemes which are unregulated and which will not provide a level of investor protection equivalent to schemes authorised under Irish laws and subject to Irish regulations and conditions. The Portfolio may also invest in regulated underlying collective investment schemes. The Portfolio will mainly invest in such collective investment schemes authorised in Luxembourg, Ireland, Bermuda, Isle of Man and/or the Cayman Islands.
- the units of closed-ended collective investment schemes. Such investments may have lower liquidity than investment in underlying open-ended collective investment schemes. The Portfolio may invest in such funds to the extent that it determines that such investment will not affect the Portfolio's ability to provide the liquidity described under "Redemption of Units" in the Prospectus.
- a feeder scheme where the feeder scheme provides the only means of investing in an underlying collective investment scheme and the feeder scheme and the underlying collective investment scheme act in effect as a singular structure. The feeder scheme and the underlying collective investment scheme will be regarded as constituting a single structure where the following conditions are met:
  - (a) the feeder scheme and the underlying collective investment scheme have a common investment objective and the feeder scheme seeks to achieve this investment objective by investing substantially all of its assets in the underlying collective investment scheme;
  - (b) one or more of the service providers appointed by the feeder scheme (e.g. the investment manager) also provide services to the underlying collective investment scheme;
  - (c) the feeder scheme and underlying collective investment scheme share certain other basic characteristics such as, for example, the duration of their respective accounting periods; and
  - (d) there is no duplication of investment management fees (including performance fees) and custody fees in that such fees are borne by either the feeder scheme or the underlying collective investment scheme or divided equally between the schemes.

The half-yearly and annual reports in respect of the Portfolio shall provide full information in relation to the investment in the underlying collective investment scheme.

- the units of exchange traded funds, which funds may be open-ended or closed-ended schemes. For the purposes of investment by the Portfolio in such exchange traded funds, the investment restrictions set out hereafter regarding investment in open ended collective investment schemes and close ended investment schemes will apply to investment in such exchange traded funds as appropriate. The periodic reports relating to the Portfolio will provide

information on the underlying schemes, including disclosure on the fees paid by the underlying schemes.

The Portfolio may employ borrowings or leverage of up to a maximum of 400% of the Net Asset Value of the Portfolio where using the 'commitment' method and 400% of the Net Asset Value of the Portfolio where using the 'gross' method calculated using the sum of the absolute value of all positions in accordance with the requirements of the Level 2 Regulation. For the purpose of providing margin or collateral, the Portfolio may from time to time secure such borrowings by pledging, mortgaging or charging the assets of the Portfolio.

The Portfolio does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. As a result, the Portfolio does not fall within the scope of Article 5 or Article 6 of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying the Portfolio do not take into account the EU criteria for environmentally sustainable economic activities.

## **9. Derivatives**

The Portfolio may use financial derivative instruments such as futures, bond futures, options, warrants, swaps, forwards (including currency forwards) for any investment purpose consistent with the investment objectives and policies set out above. Such derivatives will be covered and will include exchange traded as well as over-the-counter transactions. The assets which underlie the derivative may be transferable securities, underlying managed funds, units in collective investment schemes, financial indices, permitted deposits, permitted derivatives, interest rates, foreign exchange rates, currencies and cash not yet received but due to be received within 2 months. The Portfolio may be leveraged through the use of derivatives, as described below, such leverage will not exceed the exposure limits set out in Section 8 above.

Examples of the ways in which financial derivative instruments may be used, which should not be taken as being exhaustive, or mutually exclusive, include:

- (a) to hedge the currency exposure of the assets of the Portfolio attributable to a particular Class into the currency of denomination of the relevant Class;
- (b) as a substitute for taking a position in the underlying asset where the Investment Manager feels that a derivative exposure to the underlying asset represents better value than a direct exposure;
- (c) to tailor the Portfolio's interest rate exposure to the Investment Managers outlook for interest rates;
- (d) to gain an exposure to the composition and performance of a particular index (provided always that the Portfolio may not have an indirect exposure through an index to an asset, issuer or currency to which it cannot have a direct exposure).

Although not the intention, over-hedged or under-hedged positions may arise due to factors outside the control of the Investment Manager. However, hedged positions will be kept under review to ensure that over-hedged positions will not exceed 105% of the Net Asset Value of the Class and that positions in excess of 100% of the Net Asset Value of the Class will not be carried forward from month to month. Any financial



instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of the Portfolio as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of the Portfolio. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

#### **10. Repurchase/Reverse Repurchase and Stocklending Agreements and Securities Financing Transactions**

The Portfolio may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements for the purposes of efficient portfolio management including reduction of risk or cost or the generation of additional capital or income for the Portfolio. Further detail in relation to the use of repurchase agreements, reverse repurchase agreements and/or stock lending agreements is provided for in the "Fund - Repurchase/Reverse Repurchase and Stocklending Agreements" section of the Prospectus.

The Portfolio may engage in SFTs, as described under "Repurchase / Reverse Repurchase and Stock-Lending Arrangements" and "Securities Financing Transactions".

Further details on SFTs are set out in the Prospectus under the headings "Securities Financing Transactions", "Collateral Policy" and "Counterparty Selection Process".

#### **11. Investment Restrictions**

As a sub-fund of a professional investor alternative investment fund the Portfolio is subject to the following investment restrictions imposed by the Central Bank:

- (a) the Portfolio may not invest more than 20 % of its net assets in securities which are not listed on or traded in or dealt on a Recognised Exchange;
- (b) the Portfolio may not invest more than 20 % of its net assets in securities issued by a single issuer. Related companies/institutions are regarded as a single issuer for that purpose;
- (c) the Portfolio may acquire the units of other open-ended collective investment schemes subject to the following restrictions:-
  - (i) the Portfolio may not invest more than 40 % of its net assets in such schemes;
  - (ii) the Portfolio may not invest more than 20 % of its net assets in unregulated schemes;
  - (iii) where the Portfolio invests in units of a collective investment scheme managed by the AIFM or by an associated or related company, the manager of the scheme in which the investment is being made must waive the preliminary/initial/redemption charge which it is entitled to charge for its own account;

- (iv) where a commission is received by the AIFM of the Portfolio by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the Portfolio.
- (d) no more than 20 % of the Portfolio's net assets may be kept on deposit with any one institution. This limit is increased to 30 % for deposits with or securities evidencing deposits issued by or securities guaranteed by a Relevant Institution or the Depositary.

Related companies/institutions, within the meaning of Section 2(10) of the Irish Companies Act 2014, are regarded as a single issuer for the purpose of this paragraph;

- (e) the Portfolio may not hold more than 20 % of any class of security issued by any single issuer. However this requirement will not apply to investment in other collective investment schemes of the open-ended type or transferable securities issued in accordance with section (g) below;
- (f) the Portfolio may not take or seek to take legal or management control of the issuers of the securities in which it invests;
- (g) the Portfolio may invest up to 100 % of its assets in transferable securities issued or guaranteed by the EU, by the government, constituent states or local authorities of any EU member state, by the governments of the United Kingdom, Australia, Canada, Iceland, Japan, Mexico, New Zealand, Norway, South Korea, Switzerland and Turkey, by the European Investment Bank, by Euratom, by the World Bank, by the Asian Development Bank, by the Inter-American Development Bank and issues backed by the full faith and credit of the government of the United States of America.

The Portfolio is subject to the following investment restrictions in addition to the foregoing investment restrictions:

- (i) the Portfolio may not invest more than 40 % of its net assets in the units of any one open-ended collective investment scheme, subject to a maximum of 20 % in any one unregulated scheme. These limits will also apply to any investment in a feeder scheme where the feeder scheme provides the only means of investing in an underlying collective investment scheme and the feeder scheme and the underlying collective investment scheme act in effect as a singular structure. The Investment Manager shall monitor the underlying portfolio of the underlying collective investment schemes and endeavour to ensure that in the aggregate no more than 20 % of the gross assets of the Portfolio will be invested in the securities of a single issuer. If this 20 percent level is breached, the Investment Manager will take immediate corrective action. Investment restrictions (c)(i) and (c)(ii) above are, accordingly, disappplied;
- (ii) the Portfolio may invest up to 100 % of its net assets directly in transferable securities, such as equities, money market instruments and units of closed-ended collective investment schemes (any investment in the units of open-ended collective investment schemes shall be subject to the limits set out in (i) above);
- (iii) the Portfolio may not invest more than 10 % of its net assets in units of fund of funds schemes; which restriction will apply to investment by the Portfolio in the portfolios of the Fund which constitute fund of fund schemes;

- (iv) the Portfolio may not invest in feeder schemes unless a feeder scheme provides the only means of investing in an underlying collective investment scheme and the feeder scheme and the underlying collective investment scheme act in effect as a singular structure;
- (v) where the Portfolio invests in the units/shares of another collective investment scheme managed by the AIFM (including for the avoidance any other portfolios of the Fund): (i) the AIFM must waive the preliminary/initial/redemption charge which it is entitled to charge for its own account; (ii) the AIFM must waive that portion of its annual fee in order to avoid a double charge. Where the investment manager of the Portfolio and the relevant underlying collective investment scheme is one and the same entity such investment manager must waive that portion of its annual fee in order to avoid a double charge. Where commission is received by the AIFM of the Portfolio by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the Portfolio.

## **12. Distributions**

It is not intended to declare any distributions.

## **13. Investment Manager**

Pursuant to a novation agreement effective as of 1 October 2015 between the AIFM, Coronation Asset Management (PTY) Limited and Coronation Investment Management International (PTY) Ltd to the investment management agreement between the AIFM and Coronation Asset Management (PTY) Limited dated 29th July 2014 as may be amended from time to time (collectively the “Investment Management Agreement”), Coronation Investment Management International (PTY) Ltd acts as Investment Manager responsible for managing the investment and re-investment of the assets of the Portfolio.

The Investment Management Agreement is for an indefinite period and may be terminated by the AIFM or the Investment Manager at the end of each calendar quarter by giving not less than three (3) calendar months’ notice in writing to the other party (or such shorter period as may be agreed by the parties to the Investment Management Agreement). The Investment Management Agreement provides that the AIFM as agent of the Fund shall hold harmless and indemnify the Investment Manager, its employees, delegates or agents out of the assets of the Portfolio from and against all actions, proceedings, claims, damages, costs, demands and expenses including, without limitation, legal and professional expenses on a full indemnity basis which may be brought against, suffered or incurred by the Investment Manager, its employees, delegates or agents in the performance of its duties under the Investment Management Agreement other than due to the negligence, fraud, bad faith or wilful default of the Investment Manager, its employees, delegates or agents in the performance of its obligations under the Investment Management Agreement.

The major activity of Coronation Investment Management International (PTY) Ltd is asset management. Coronation Investment Management International (PTY) Ltd having its principal office at 7th Floor, Montclare Place, Cnr Campground and Main Road, Claremont, 7708, Cape Town, South Africa is an FSCA regulated company incorporated and registered in South Africa to act as investment manager/investment advisor to a variety of funds. Coronation Investment Management International (PTY) Ltd is a wholly owned subsidiary of Coronation Fund Managers Limited.

Coronation Investment Management International (PTY) Ltd may with the prior approval of the AIFM and in accordance with the requirements of the Central Bank, appoint one or more sub-investment managers, advisers or delegates if deemed necessary.

#### 14. Fees

In addition to the general management and fund charges set out in the Prospectus under the heading “Management and Fund Charges - General” the following fees and expenses are payable out of the Portfolio, subject to the voluntary cap detailed below.

##### *The AIFM*

The Portfolio will pay to the AIFM an annual fee, accrued at each Valuation Point and payable monthly in arrears, at a rate of 0.45 percent of the Net Asset Value of the Portfolio attributable to Class A Units and Class B Units (plus VAT, if any).

The Portfolio will pay to the AIFM an annual fee, accrued at each Valuation Point and payable monthly in arrears, at a rate of 0.60 percent of the Net Asset Value of the Portfolio attributable to Class C Units (plus VAT, if any).

No annual management fee will be attributable to the Class Z Units.

The AIFM shall be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

##### Performance Fee

The AIFM shall also be entitled to receive a performance fee in respect of each Unit in Class A of the Portfolio (a “Performance Fee”). For the purposes of calculating the Performance Fee, all references to Units in this section should be read as references to Units of the relevant Series of Class A of the Portfolio on which a Performance Fee shall be charged.

The calculation period for the Class A Units shall comprise each successive twelve month period from 1 October each year to 30 September (or the last Valuation Point in September) in the following year or for such longer or shorter period as set forth below in this paragraph (each a “Calculation Period”). The last Calculation Period in relation to a Unit which is redeemed on a Redemption Day other than the 30th September (or the last Valuation Point in September) shall be the period commencing on the termination of the prior Calculation Period for such Unit or the date of issue of such Unit (if redemption occurs during the first Calculation Period of such Unit) and ending on the relevant Redemption Day.

The Performance Fee determined in the manner below is accrued at each Valuation Point as of each Valuation Point and is payable annually in arrears.

The Performance Fee shall be calculated by the Administrator (subject to verification by the Depositary) based on the finalised Net Asset Value per Unit of the relevant Series of Class A Units.

##### Hurdle Rate

The Hurdle Rate used when calculating the Performance Fee for the Class A Units will be the Barclays Global Aggregate Bond Total Return Index Unhedged USD (LEGATRUU as quoted by Bloomberg) (the “Benchmark”) percentage performance

during the Calculation Period (the “Hurdle Rate”). This is calculated using the following formula:

$$((B-A)/A)*100$$

Where,

A = the Benchmark as of close of business on the preceding Valuation Point; and

B = the Benchmark as of close of business on the current Valuation Point.

The Hurdle Rate may either be positive, indicating that the Benchmark has increased or negative, indicating that the Benchmark has decreased.

In respect of a Class A Unit issued (or redeemed) on a Dealing Day during the Calculation Period, the Hurdle Rate will be prorated by reference to the number of days such Class A Unit was in issue from that Dealing Day to the Valuation Point.

#### Performance Fee Calculation Methodology

The Performance Fee is calculated on a Unit-by Unit basis so that each relevant Unit of a Series is charged a Performance Fee that equates precisely with that Unit’s performance. This method of calculation is intended to ensure as far as possible that (i) any Performance Fee paid to the AIFM is charged only to those Units which have outperformed the Hurdle Rate applied to those Units, and (ii) all holders of Units have the same amount per Unit at risk in the Portfolio.

At each Valuation Point, the Performance Fee per Unit of a Series will be calculated in respect of all Units of such Series in issue at that Valuation Point. Units of subsequent Series will be issued at the Net Asset Value per Unit of the Initial Series after accrual of any Performance Fees payable to the AIFM.

The Performance Fee payable in respect of each Unit in any Calculation Period will be 10 % of the difference between the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fees) and the High Water Mark per Series of Unit (as defined below) in respect of that Calculation Period. For the Series of Units issued in respect of Class A, this can occur both as a result of a positive and negative percentage performance in the Net Asset Value per Unit (after the accrual of the annual management fees), i.e. a Performance Fee may be payable to the AIFM in the event that the Net Asset Value per Unit of the relevant Series has declined but outperformed the High Water Mark per Series. However, in any case, the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fee) must be greater than the High Water Mark per Series of Unit as at the end of the relevant Calculation Period in order for the Performance Fee to be paid.

For a Series of Units for which the AIFM is entitled to a Performance Fee less than 1 % per annum of the Net Asset Value per Unit of that Series (after the accrual of the annual management fee) in respect of a Calculation Period, then all such Units of that relevant Series will be redeemed by the Portfolio at the end of that Calculation Period without notice to the relevant Unitholders at its then current Net Asset Value per Unit (after the payment of any investment management fees and Performance Fees) and the redemption proceeds will be used to;

- (i) purchase Units in the associated Initial Series or;

- (ii) if the Net Asset Value per Unit of the Initial Series (after accrual of the annual management fees) is less than the High Water Mark per Unit of the Initial Series as at the end of the Calculation Period or if out-performance is being carried forward in the High Water Mark per Unit of the Initial Series in the following Calculation Period, purchase Units in the earliest issued Series for which the Net Asset Value per Unit of the Series is not less than the High Water Mark of the Series and for which no out-performance is being carried forward in the High Water Mark of the Series in the following Calculation Period; (hereinafter referred to as the “Roll-up”).

At the end of the Calculation Period, the AIFM will be entitled to a Performance Fee if the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fees) is greater than the High Water Mark per Series of Unit. If the Performance Fee triggered is greater than 1 % per annum of the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fee), such out-performance will be carried forward in the High Water Mark of that Series of Unit in the following Calculation Period. No Roll-up of a Series of Unit will occur at the end of the current Calculation Period if the Performance Fee triggered is greater than 1 % per annum of the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fee). See the “High Water Mark per Series” calculation below. For the avoidance of doubt, although any outperformance in excess of the 1% cap in a current Calculation Period will be carried forward in the High Water Mark per Series in the following Calculation Period, the full Performance Fee in the current Calculation Period will be accrued on a week to week basis.

If at the end of the relevant Calculation Period, the Net Asset Value per Unit of the relevant Series of Class A Units (after the accrual of the annual management fees) is less than the High Water Mark per Series of Unit, then no Performance Fee is payable and any underperformance for that series is carried forward into the next Calculation Period and no Roll-up of that Series of Unit will occur at the end of that current Calculation Period.

#### High Water Mark per Series

The High Water Mark per Series for the first Calculation Period in respect of each Unit subscribed for shall be the issue price of each Unit multiplied by one plus the Hurdle Rate.

In relation to Calculation Periods other than the first Calculation Period, the High Water Mark of that Series at the beginning of the current Calculation Period is the higher of:

the Net Asset Value per Unit of the relevant Series (net of the annual management fee and capped Performance Fees) at the end of the previous Calculation Period less the market value of any out-performance carried forward; and

the High Water Mark of that Series at the end of the previous Calculation Period.

In relation to Calculation Periods other than the first Calculation Period, the High Water Mark of that Series at the end of the current Calculation Period is equal to the High Water Mark of that Series at the beginning of the current Calculation Period x (1+Hurdle Rate for the applicable Calculation Period).

#### Adjustments

On redemption or switching of Units or any other event deemed a “crystallisation event”, the full Performance Fee is triggered even if this amount is in excess of 1 percent per

annum of the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fees).

#### Transfers

A transfer of Units that does not involve a change in beneficial ownership shall not result in a crystallisation of Performance Fees. A transfer of Units that does result in a change of beneficial ownership shall be treated as a redemption and subscription, resulting in a crystallisation of Performance Fees as at the date of transfer.

**Net realised and unrealised capital gains plus net realised and unrealised capital losses as of the relevant Valuation Point shall be taken into account in calculating the Net Asset Value per Unit. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.**

**Hurdle rates will take account of income and capital gains/losses.**

The AIFM may in its discretion differentiate between Unitholders of the Portfolio by waiving or reducing the annual investment management fee. In respect of Class A Unitholders, the AIFM may also in its discretion waive or reduce the Performance Fee payable by such Unitholders.

#### *The Administrator*

The AIFM will pay to the Administrator out of the assets of the Portfolio an annual aggregate fee, accrued at each Valuation Point and payable monthly in arrears, at a rate of up to 0.025% of the Net Asset Value of the Portfolio (plus VAT, if any), subject to a minimum annual fee. The minimum annual fee is US\$50,000 per Portfolio, and applies pro rata to each Portfolio based on Net Asset Value when the aggregate fee in respect of all Portfolios under the agreement is less than US\$50,000 times the number of Portfolios under the agreement.

In addition, the Administrator will be paid out of the assets of the Portfolio fees for maintaining investor records including the provision of reports to allow the Fund to fulfil its obligations under the Common Reporting Standard and the Foreign Account Tax Compliance Act. These fees are dependent on the number of investors and the number of transactions and are not expected to exceed US\$10,000 per annum.

The Administrator shall be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the "Management and Fund Charges" section of the Prospectus.

#### *The Depositary*

The AIFM shall pay to the Depositary out of the assets of the Portfolio an annual fee in respect of the fiduciary and depositary services provided by it to the Portfolio, which fee shall accrue at each Valuation Point and be payable in arrears on a monthly basis. The fee for fiduciary services will be charged at a rate which will not exceed 0.0275% of the Net Asset Value of the Portfolio (plus VAT, if any), but will be subject to a minimum annual fee.

The minimum annual fee is US\$36,000 per Portfolio, and applies pro rata to each Portfolio based on Net Asset Value when the aggregate fee in respect of all Portfolios under the agreement is less than US\$36,000 times the number of Portfolios under the agreement.

The fees for depositary services will vary from market to market, and will tend to be higher in less developed markets. Depositary service fees will include event based transaction fees and value based safekeeping fees.

The Depositary shall also be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

### ***Investment Manager***

The AIFM will pay to the Investment Manager, out of the AIFM’s annual fee as opposed to out of the assets of the Portfolio an annual fee (plus VAT, if any), accrued weekly and payable monthly in arrears.

### ***Fees payable in respect of Investments in Other Funds***

The Portfolio may be liable to pay, without limitation, subscription, redemption, management, performance, distribution, administration and/or custody fees or charges in respect of each collective investment fund in which it invests. Such typical fee ranges of underlying collective investment schemes include up to 2.0% of the collective investment scheme’s net asset value in respect of management fees, administration and trustee fees in the range of 0.05% to 0.25% of the collective investment scheme’s net asset value. Performance fees payable to the investment manager of the underlying collective investment schemes will typically be between 0% and 20% of the portion of the increase of performance of the net asset value of the respective underlying fund over a predetermined period of time (except in some cases where such performance fees are payable only in excess of the applicable hurdle rate).

In the case of investment by the Portfolio in a feeder scheme, there may be some duplication of the fees payable by the feeder scheme and the underlying collective scheme, such as administration, legal and/or audit fees. Investment management fees (including performance fees) and custody fees will be borne by either the feeder scheme or the underlying collective investment scheme or divided equally between the schemes.

### ***Voluntary Expense Cap***

To the extent that certain operating expenses (i.e. all expenses other than management fees and performance fees, the cost of buying and selling assets, including brokerage and any anti-dilution levies charged, and interest) (the “Qualifying Expenses”) exceed 0.15% per annum (the “Cap Rate”) of the average Net Asset Value of the Portfolio (the “Voluntary Expense Cap”) over the VEC Calculation Period (as defined in this paragraph), the AIFM shall be responsible for and will reimburse the Portfolio in the amount of such excess, with such obligation arising from the time that the Voluntary Expense Cap is introduced. The calculation period for the Voluntary Expense Cap shall comprise each successive twelve month period in each financial year of the Portfolio (each a “VEC Calculation Period”),. The Voluntary Expense Cap will be calculated as the Cap Rate multiplied by the average weekly Net Asset Value over the VEC Calculation Period. Where the Qualifying Expenses incurred during the VEC Calculation Period exceed the Voluntary Expense Cap at the calculation date (being the last Valuation Day of the VEC Calculation Period), the AIFM will inject the excess amount into the Portfolio. The excess amount will be payable in arrears at the end of the VEC Calculation Period and therefore actual operating expenses incurred by the Portfolio could exceed the Voluntary Expense Cap at other points during the



VEC Calculation Period. As stated above, Qualifying Expenses will include all operating expenses other than management and performance fees, the cost of buying and selling assets (including brokerage and any anti-dilution levies charged) and interest.

During the period for which the Voluntary Expense Cap is in existence, the AIFM will waive Performance Fees. The Voluntary Expense Cap shall apply until such time as at the sole discretion of the AIFM, the Voluntary Expense Cap is removed, provided that Unitholders will be given reasonable notice prior to such removal to enable them to redeem their Units if they wish. If the Voluntary Expense Cap is removed the existing fee structure will apply.

## 15. Risk Factors

Potential investors should consider the risks referred to in the “Risk Factors” section of the Prospectus.

In addition, potential investors should be aware that the investment vehicles, into which the Portfolio may invest, may not be subject to any form of authorisation or regulatory supervision. They may not be required to have an independent custodian or any custodian at all. Therefore, investment in such investment vehicles carries a higher potential risk.

### *Non-Investment Grade Securities*

Non-investment grade securities are considered predominantly speculative by traditional investment standards and may have poor prospects for reaching investment grade standing. Non-investment grade and unrated fixed income securities of comparable credit quality (commonly known as “junk bonds”) are subject to the increased risk of an issuer's inability to meet principal and interest obligations. These securities, also referred to as high yield securities, may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions or publicity (whether or not based on fundamental analysis) of the junk bond markets generally and less secondary market liquidity.

Non-investment grade securities are often issued in connection with a corporate reorganisation or restructuring or as part of a merger, acquisition, takeover or similar event. They are also issued by less established companies seeking to expand. Such issuers are often highly leveraged and generally less able than more established or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.

The market value of non-investment grade securities tends to reflect individual corporate developments to a greater extent than that of investment grade securities which react primarily to fluctuations in the general level of interest rates. As a result, the ability of the Portfolio to invest in non-investment grade securities to achieve its investment objectives may depend to a greater extent on the Investment Manager's judgment concerning the creditworthiness of the issuers of such securities than portfolios which invest in investment grade securities. Issuers of non-investment grade fixed income securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of investment grade securities by economic downturns, specific corporate developments or the issuer's inability to meet specific projected business forecasts.

A holder's risk of loss from default is significantly greater for non-investment grade

securities than is the case for holders of other debt securities because such non-investment grade securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such securities. Investments in defaulted securities poses additional risk of loss should non-payment of principal and interest continue. Even if such securities are held to maturity, recovery by the Portfolio of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for non-investment grade securities is concentrated in relatively few market makers and is dominated by institutional investors. Accordingly, the secondary market for such securities is not as liquid as, and is more volatile than, the secondary market for higher-rated securities. In addition, market trading volume for high yield fixed income securities is generally lower and the secondary market for such securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and the Portfolio's ability to dispose of particular portfolio investments, which may be reflected in wider bid/offer spreads than would be applied for investment grade securities. A less liquid secondary market also may make it more difficult for the Portfolio to obtain precise valuations of the high yield securities in its portfolio.

Credit ratings issued by credit rating agencies are designed to evaluate the safety of principal and interest payments of rated securities. They do not, however, evaluate the market value risk of non-investment grade securities and, therefore, may not fully reflect the true risks of an investment. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value and liquidity of the security. Consequently, credit ratings are used only as a preliminary indicator of investment quality. Investments in non-investment grade and comparable unrated obligations will be more dependent on the Investment Manager's credit analysis than would be the case with investments in investment grade debt obligations.

The Investment Manager employs its own credit research and analysis in regards to both non-investment grade securities and investment grade securities, which includes, inter alia, a study of existing debt, capital structure, ability to service debt and to pay dividends, the issuer's sensitivity to economic conditions, its operating history and the current trend of earnings.

The Investment Manager continually monitors the investments in the Portfolio's investment portfolio and evaluates whether to dispose of or to retain non-investment grade and comparable unrated securities whose credit ratings or credit quality may have changed.

## **16. Redemption of Units**

In respect of all redemption requests to be effected on a Redemption Day, such redemption requests must be received by the Administrator prior to 5.00 p.m. (Irish time) on a "Business Day" which is at least fourteen calendar days prior to that Redemption Day.

The redemption price will normally be payable to the Unitholder within fourteen calendar days after the relevant Redemption Day on which the redemption is to be effected (and, in any event, not later than forty six calendar days after the relevant Redemption Day on which the redemption is to be effected subject to receipt by the Administrator of the redemption request, supporting information and documentation as required by the AIFM and/or the Administrator.

Redemption requests may be submitted by fax to the Administrator at +353 (0) 1 612 5779 (or such other number as designated for this purpose from time to time). All redemption requests carried out by fax should be verified by Unitholders by telephone to the Administrator to confirm receipt of their fax instruction.

## CORONATION AFRICA FRONTIERS FUND

Supplement 4 dated 10 December, 2021 to the Prospectus of the Coronation Universal Fund dated 10 December, 2021.

### 1. Structure

Coronation Africa Frontiers Fund (the “**Portfolio**”) is a portfolio of Coronation Universal Fund, an open-ended umbrella unit trust authorised by the Central Bank pursuant to the provisions of the Unit Trusts Act, 1990. At the date of this Supplement, the Coronation Universal Fund has six portfolios; the Coronation Global Equity Alternative Strategy Fund, the Coronation Global Equity Fund of Funds, the Coronation Global Bond Fund, the Coronation Africa Frontiers Fund, the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund.

A description of

- the Fund and its management and administration
- general management and fund charges
- taxation of the Fund and its Unitholders and
- risk factors

is contained in the Prospectus. **This Supplement forms part of the Prospectus and should be read in the context of and in conjunction with the Prospectus. Capitalised terms used in this Supplement shall bear the meanings attributable to them in the Prospectus.** The Prospectus is available from:

- J.P. Morgan Administration Services (Ireland) Limited, 200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin D02 RK57, Ireland (the “**Administrator**”); or
- Coronation Investment Management International (PTY) Ltd at 7th Floor, Montclare Place, Cnr Campground and Main Road, Claremont, 7708, Cape Town, South Africa (the “**Investment Manager**” of this Portfolio); or
- Available for download from [www.coronation.com](http://www.coronation.com).

**The Fund may invest more than 20% of its net assets in positions in markets that the Investment Manager regards as emerging markets. Due to the potentially high level of emerging markets exposure an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### 2. Issue Price

Units in Class A and Class Z (designated in US Dollars) are issued at the Net Asset Value per Unit.

The creation of additional Classes will be notified in advance to the Central Bank.

A separate portfolio of assets is not maintained for each Class.

The Units in each Class rank pari passu with each other except (i) the Class Z Units will not be subject to an annual management fee or performance fee; and (ii) the Class Z Units will be available only to accounts managed by the Coronation group and selected other investors with prior consent of the AIFM.

All applications for Units in a Class and subscription monies must be received by the Administrator prior to 5.00 p.m. (Irish time) on the second Business Day immediately preceding the relevant Dealing Day. However, the AIFM (subject to prior agreement) may extend the settlement period up to 2 Business Days after the relevant Dealing Day to facilitate payment or settlement methods or such longer period as the Directors of the AIFM may approve. The AIFM reserves the right to defer the issue of Units until receipt of cleared subscription monies by the Portfolio.

In order to facilitate the equitable application of the performance fee payable by holders of Class A Units who subscribe for Units or have Units redeemed at different times, a new Series of Units will be issued on each Dealing Day that Units in Class A are purchased, which Series will be lettered consecutively; for example, A1 Series will be the first Series of Class A Units issued after the issue of the initial series of Class A Units (the “Initial Series”) on the first Business Day after the initial offer period for Class A. A1 Series will be followed by A2 Series being the next Series to be issued on the next relevant Dealing Day and so on.

At any Valuation Point post the first Calculation Period (as hereinafter defined) (the “**Relevant Valuation Point**”), each Series of Class A Units, at the discretion of the AIFM, may (as set out in the section of this Supplement titled “Fees”) be consolidated or rolled up into its associated Initial Series (or other Series, if appropriate) by the Portfolio redeeming without notice each Unit of that Series at its then current Net Asset Value (after the payment of any investment management fees and performance fees), and applying the redemption proceeds to purchase Units (and fractional Units where necessary) in the associated Initial Series Units (or other Series, if appropriate) at their then current Net Asset Value.

**3. Base Currency**

United States dollars (US\$).

**4. Dealing Day**

Dealing Day means the last Business Day of each calendar month and/or such other day or days as may be determined by the Directors and notified to Unitholders in advance.

**5. Valuation Day/Valuation Point**

Valuation Day means each Dealing Day. Additional Valuation Days may be determined at the discretion of the AIFM. Valuation Point means close of business in the relevant market on each Valuation Day or such other time as the AIFM may determine and notify to Unitholders.

**6. Redemption Day**

Redemption Day means each Dealing Day. Additional Redemption Days may be determined at the discretion of the AIFM and notified to Unitholders in advance.

**7. Investment Objective**

The investment objective of the Portfolio is to achieve a long term total return by investing primarily in equity securities of companies which are either domiciled in Africa or are established in another continent but which derive a significant proportion of their earnings from African countries.

The benchmark for the Portfolio will be Secured Overnight Financing Rate (“SOFR”) (SOFRINDX as quoted by Bloomberg), plus 3% per annum (after the accrual of the annual management fees). It is not intended to track this benchmark, but to measure the performance of the Portfolio against this benchmark.

## **8. Investment Policies**

This investment objective will be achieved by investing in securities, primarily equity securities, of companies which are domiciled in Africa or established in another continent but for which Africa constitutes a significant portion of the value of the security. Such equity securities normally will be listed or dealt in on any Recognised Exchange globally. The Portfolio may also invest in unlisted securities, such as the equity securities issued by an unlisted company that is awaiting the initial public offer of its shares. The Portfolio will invest in securities located in a geographically diverse range of African markets, including, but not limited to, Nigeria, Morocco, Egypt, South Africa and Kenya.

The Portfolio may invest in negotiable debt and debt-related instruments (including liquid short term fixed interest debt securities such as treasury bills and fixed and floating rate bonds) issued by African governments, financial institutions and corporations (or by companies which are established in another continent but which derive a significant proportion of their earnings from African countries). The minimum credit rating of the debt and debt-related instruments in which the Portfolio may invest will be BBB- rated by Standard & Poor’s Rating Group (or equivalent rating by any other recognised rating agency), or if unrated or rated below BBB-, limited to 20% of the Portfolio’s net assets.

The amortised cost method of valuation shall not be used to value the debt and debt-related instruments invested in by the Portfolio.

The Portfolio may use financial derivative instruments such as futures, options, warrants, swaps, forwards (including currency forwards) for any investment purpose that is consistent with the investment objectives and policies set out above. Such derivatives will be covered and will include exchange traded as well as over-the-counter transactions. The assets which underlie the derivative may be transferable securities, underlying managed funds, units in collective investment schemes, financial indices, permitted deposits, permitted derivatives, interest rates, foreign exchange rates, currencies and cash not yet received but due to be received within 2 months. Investment in derivatives will give rise to an indirect, net long only leveraged exposure. However, any leverage arising from the use of derivatives by the Portfolio, whether for investment or efficient portfolio management purposes, shall not exceed the limits set out in Section 9 below. Examples of the manner in which the Portfolio may use derivatives are set out in Section 10, entitled “Derivatives”.

The Portfolio may also invest in the units of open-ended collective investment schemes managed by the AIFM (including for the avoidance other portfolios of the Fund) or other fund management companies. The Portfolio may invest in underlying collective investment schemes which are unregulated and which will not provide a level of investor protection equivalent to schemes authorised under Irish laws and subject to Irish regulations and conditions. The Portfolio may also invest in regulated underlying collective investment schemes. The Portfolio will invest in such collective investment schemes authorised mainly in Luxembourg, Ireland, Bermuda, Isle of Man and/or the Cayman Islands.

The Portfolio may also invest in the units of closed-ended collective investment schemes. Such investments may have lower liquidity than investment in underlying

open-ended collective investment schemes. The Portfolio may invest in such funds to the extent that it determines that such investment will not affect the Portfolio's ability to provide the liquidity described under "Redemption of Units" in the Prospectus.

The Portfolio may seek to obtain indirect exposure to asset classes, such as property and commodities (to include, but not limited to, oil, gold and iron), where suitable securities or listed derivatives representing such exposure are available to the Portfolio. Such securities or derivatives include, but are not limited to, the following:

- (i) equities of or money market instruments issued by, a company whose main business is concerned with commodities or property. Such money market instruments shall include commercial paper and fixed and/or floating rate corporate bonds;
- (ii) exchange traded commodities ("ETCs"). ETCs are asset backed bonds that track the performance of either: (a) a single commodity, e.g. gold; or (b) a commodity index;
- (iii) exchange traded notes ("ETNs") that track the performance of a commodity index;
- (iv) exchange traded funds ("ETFs") which track a commodity index;
- (v) ETFs which track a property index; and
- (vi) derivatives which have a commodity index as their underlying asset.

The Portfolio may invest in a feeder scheme where the feeder scheme provides the only means of investing in an underlying collective investment scheme and the feeder scheme and the underlying collective investment scheme act in effect as a singular structure. The feeder scheme and the underlying collective investment scheme will be regarded as constituting a single structure where the following conditions are met:

- (a) the feeder scheme and the underlying collective investment scheme have a common investment objective and the feeder scheme seeks to achieve this investment objective by investing substantially all of its assets in the underlying collective investment scheme;
- (b) one or more of the service providers appointed by the feeder scheme (e.g. the investment manager) also provide services to the underlying collective investment scheme;
- (c) the feeder scheme and underlying collective investment scheme share certain other basic characteristics such as, for example, the duration of their respective accounting periods; and
- (d) there is no duplication of investment management fees (including performance fees) and custody fees in that such fees are borne by either the feeder scheme or the underlying collective investment scheme or divided equally between the schemes.

The half-yearly and annual reports in respect of the Portfolio shall provide full information in relation to the investment in the underlying collective investment scheme.

The Portfolio may also invest in the units of ETFs, which funds may be open-ended or closed-ended schemes. For the purposes of investment by the Portfolio in such open-

ended or closed-ended ETFs, the investment restrictions set out above and in Section 9 below shall apply to the extent that they are relevant to investment in an open-ended collective investment scheme or closed-ended collective investment scheme, as applicable.

The periodic reports relating to the Portfolio will provide information on the underlying schemes, including disclosure on the fees paid by the underlying schemes.

The underlying schemes in which the Portfolio may invest may be leveraged and attention is drawn to the section entitled “Leverage Risk” in the “Risk Factors” section of the Prospectus.

Although it is normal policy of the Portfolio to deploy its assets as detailed above, it may also retain cash and cash equivalents such as certificates of deposit, bills and notes in the appropriate circumstances. Such circumstances may include, but are not limited to, the holding of cash on deposit pending reinvestment, in order to meet redemptions, and payment of expenses.

The Portfolio does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. As a result, the Portfolio does not fall within the scope of Article 5 or Article 6 of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying the Portfolio do not take into account the EU criteria for environmentally sustainable economic activities.

#### *Investment Process*

The country and asset allocation will be driven by the relative attractiveness of asset classes across the African continent and will be decided at a macroeconomic level, based on a) the relative attractiveness of the proposed investment, b) its liquidity & credit rating, and c) where applicable, the political stability of the country in which the issuer is domiciled or from which it derives a significant proportion of its earnings.

In managing the Portfolio, the Investment Manager endeavours to achieve the target performance through a concentrated asset selection process. The Investment Manager will actively manage the Portfolio and buy attractively valued assets with limited absolute downside risk.

## **9. Investment Restrictions**

The Portfolio is subject to the following investment restrictions in addition to the general investment restrictions set out in the Prospectus under the heading “The Fund - Investment and Borrowing Restrictions” which are not disapplied below:

- (i) the Portfolio may invest in closed-ended collective investment schemes, provided not more than 20 % of its net assets may be invested in closed-ended collective investment schemes which are not listed, traded in or dealt on a Recognised Exchange;
- (ii) the Portfolio may invest in any one or more of the existing or future sub-funds of Coronation Global Opportunities Fund and Coronation Common Contractual Fund. The Coronation Global Opportunities Fund is a unit trust and the Coronation Common Contractual Fund is a common contractual fund, both of



which are managed by the AIFM, with the former being authorised by the Central Bank as a UCITS and the latter being authorised by the Central Bank as an AIF;

- (iii) the Portfolio may invest in other portfolios of Coronation Universal Fund which in turn may also invest in other portfolios of Coronation Universal Fund provided that those latter portfolios may not cross-invest within Coronation Universal Fund;
- (iv) the Portfolio may not invest more than 10 % of its net assets in units of other fund of funds schemes; which restriction will apply to investment by the Portfolio in other portfolios of the Fund which constitute fund of fund schemes;
- (v) the Portfolio may not invest in feeder schemes unless a feeder scheme provides the only means of investing in an underlying collective investment scheme and the feeder scheme and the underlying collective investment scheme act in effect as a singular structure;
- (vi) where the Portfolio invests in the units/shares of another collective investment scheme managed by the AIFM (including for the avoidance other portfolios of the Fund): (i) the AIFM must waive the preliminary/initial/redemption charge which it is entitled to charge for its own account; (ii) the AIFM must waive that portion of its annual fee in order to avoid a double charge. Where the investment manager of the Portfolio and the relevant underlying collective investment scheme is one and the same entity such investment manager must waive that portion of its annual fee in order to avoid a double charge. Where commission is received by the AIFM of the Portfolio by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the Portfolio.

The Portfolio may employ borrowings or leverage of up to a maximum of 200% of the Net Asset Value of the Portfolio where using the 'commitment' method and 200% of the Net Asset Value of the Portfolio where using the 'gross' method calculated using the sum of the absolute value of all positions in accordance with the requirements of the Level 2 Regulation. For the purpose of providing margin or collateral, the Portfolio may from time to time secure such borrowings by pledging, mortgaging or charging the assets of the Portfolio.

## 10. Derivatives

The Portfolio may use derivatives for the purposes of efficient portfolio management or for any investment purpose that is consistent with the investment objectives and policies set out above. The Portfolio may be leveraged through the use of derivatives, as described below, such leverage will not exceed the exposure limits set out in Section 9 above. Examples of the ways in which financial derivative instruments may be used, which should not be taken as being exhaustive, or mutually exclusive, include:

- (a) to hedge the currency exposure of the assets of the Portfolio attributable to a particular Class into the currency of denomination of the relevant Class;
- (b) as a substitute for taking a position in the underlying asset where the Investment Manager feels that a derivative exposure to the underlying asset represents better value than a direct exposure;

- (c) to tailor interest rate exposure of the Portfolio to the Investment Manager's outlook for interest rates;
- (d) to gain an exposure to the composition and performance of a particular index (provided always that the Portfolio may not have an indirect exposure through an index to an asset, issuer or currency to which it cannot have a direct exposure).

Although not the intention, over-hedged or under-hedged positions may arise due to factors outside the control of the Investment Manager. However, hedged positions will be kept under review to ensure that over-hedged positions will not exceed 105% of the Net Asset Value of the Class and that positions in excess of 100% of the Net Asset Value of the Class will not be carried forward from month to month. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of the Portfolio as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of the Portfolio. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

#### **11. Repurchase/Reverse Repurchase and Stocklending Agreements and Securities Financing Transactions**

The Portfolio may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements for the purposes of efficient portfolio management including reduction of risk or cost or the generation of additional capital or income for the Portfolio. Further detail in relation to the use of repurchase agreements, reverse repurchase agreements and/or stock lending agreements is provided for in the "Fund - Repurchase/Reverse Repurchase and Stocklending Agreements" section of the Prospectus.

The Portfolio may engage in SFTs, as described under "Repurchase / Reverse Repurchase and Stock-Lending Arrangements" and "Securities Financing Transactions".

Further details on SFTs are set out in the Prospectus under the headings "Securities Financing Transactions", "Collateral Policy" and "Counterparty Selection Process".

#### **12. Distributions**

It is not intended to declare any distributions.

#### **13. Investment Manager**

Pursuant to a novation agreement effective as of 1 October 2015 between the AIFM, Coronation Asset Management (PTY) Limited and Coronation Investment Management International (PTY) Ltd to the investment management agreement between the AIFM and Coronation Asset Management (PTY) Limited dated 29th July 2014 as may be amended from time to time (collectively the "Investment Management Agreement"), Coronation Investment Management International (PTY) Ltd acts as Investment Manager responsible for managing the investment and re-investment of the assets of the Portfolio.

The Investment Management Agreement is for an indefinite period and may be terminated by the AIFM or the Investment Manager at the end of each calendar quarter

by giving not less than three (3) calendar months' notice in writing to the other party (or such shorter period as may be agreed by the parties to the Investment Management Agreement). The Investment Management Agreement provides that the AIFM as agent of the Fund shall hold harmless and indemnify the Investment Manager, its employees, delegates or agents out of the assets of the Portfolio from and against all actions, proceedings, claims, damages, costs, demands and expenses including, without limitation, legal and professional expenses on a full indemnity basis which may be brought against, suffered or incurred by the Investment Manager, its employees, delegates or agents in the performance of its duties under the Investment Management Agreement other than due to the negligence, fraud, bad faith or wilful default of the Investment Manager, its employees, delegates or agents in the performance of its obligations under the Investment Management Agreement.

The major activity of Coronation Investment Management International (PTY) Ltd is asset management. Coronation Investment Management International (PTY) Ltd having its principal office at 7th Floor, Montclare Place, Cnr Campground and Main Road, Claremont, 7708, Cape Town, South Africa is an FSCA regulated company incorporated and registered in South Africa to act as investment manager/investment advisor to a variety of funds. Coronation Investment Management International (PTY) Ltd is a wholly owned subsidiary of Coronation Fund Managers Limited.

Coronation Investment Management International (PTY) Ltd may with the prior approval of the AIFM and in accordance with the requirements of the Central Bank, appoint one or more sub-investment managers, advisers or delegates if deemed necessary.

#### **14. Fees**

In addition to the general management and fund charges set out in the Prospectus under the heading "Management and Fund Charges - General" the following fees and expenses are payable out of the Portfolio.

##### *The AIFM*

The Portfolio will pay to the AIFM an annual fee, accrued monthly and payable monthly in arrears, at a rate of 1.50% per annum of the Net Asset Value of the Portfolio attributable to Class A (plus VAT, if any).

No annual management fee will be attributable to the Class Z Units.

The AIFM shall be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the "Management and Fund Charges" section of the Prospectus.

##### *Performance Fee*

The AIFM shall also be entitled to receive a performance fee in respect of each Unit in Class A of the Portfolio (a "Performance Fee"). For the purposes of calculating the Performance Fee, all references to Units in this section should be read as references to Units of the relevant Series of Class A of the Portfolio on which a Performance Fee shall be charged.

The calculation period for the Class A Units shall comprise each successive twelve month period from the first Business Day in May of each year to the last Business Day in April of the following year or for such longer or shorter period as set forth below in this paragraph (each a "Calculation Period"). The first Calculation Period for any Units

issued as of the close of the initial offer period will be the period commencing on the first Business Day immediately following the close of the initial offer period and ending on the last Business Day in April thereafter. The first Calculation Period for any Units subsequently issued on a Dealing Day shall be the period commencing on that Dealing Day and ending on the last Business Day in April thereafter. The last Calculation Period in relation to a Unit which is redeemed on a Redemption Day other than the last Business Day in April shall be the period commencing on the termination of the prior Calculation Period for such Unit or the date of issue of such Unit (if redemption occurs during the first Calculation Period of such Unit) and ending on the relevant Redemption Day.

The Performance Fee determined in the manner below is accrued monthly as of each Valuation Point and is payable annually in arrears.

The Performance Fee shall be calculated by the Administrator (subject to verification by the Depositary) based on the finalised Net Asset Value per Unit of the relevant Series of Class A Units or (whichever is applicable) after the accrual of the annual management fee.

#### *Hurdle Rate*

The hurdle rate (“HR”) used when calculating the Performance Fee for the Class A Units will be the percentage change between successive Evaluation Points in the Secured Overnight Financing Rate (“SOFR”) (SOFRINDEX as quoted by Bloomberg) (the “Index”). The benchmark (“BM”) shall be expressed as a percentage figure which shall be the hurdle rate plus an additional 3% per annum (after the accrual of the annual management fees).

The rate for the percentage change in SOFR will be fixed as the rate pertaining at the close of business on the Valuation Point and expressed as a percentage on an actual/360 basis. The 3-month USD LIBOR rate (rather than the percentage change in SOFR) was applicable for all Calculation Periods, or parts thereof, up to and including 30 November 2021.

#### *Performance Fee Calculation Methodology*

The Performance Fee is calculated on a Unit by Unit basis so that each relevant Unit of a Series is charged a Performance Fee that equates precisely with that Unit’s performance. This method of calculation is intended to ensure as far as possible that (i) any Performance Fee paid to the AIFM is charged only to those Units which have outperformed the Hurdle Rate applied to those Units, and (ii) all holders of Units in the same Series will have the same performance and performance fee experience per Unit in the Class A of the Portfolio.

At each Valuation Point, the Performance Fee per Unit of a Series will be calculated in respect of all Units of such Series in issue at that Valuation Point. Units of subsequent Series will be issued at the Net Asset Value per Unit of the Initial Series after accrual of any Performance Fees payable to the AIFM.

The Performance Fee payable in respect of each Class A Unit in any Calculation Period will be 15% of the difference between the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fees) and the High Water Mark per Series of Unit (as defined below) in respect of that Calculation Period.

For a Series of Units for which the AIFM is entitled to receive a Performance Fee per Unit as at the last Business Day in April, the Units in such a Series will be redeemed

by the Portfolio at that Valuation Point without notice to the relevant Unitholders at its then current Net Asset Value per Unit (after the payment of any investment management fees and Performance Fees) and the redemption proceeds will be used to:

- (i) purchase Units in the associated Initial Series or;
- (ii) if the Net Asset Value per Unit of the Initial Series (after accrual of the annual management fees) is less than the High Water Mark per Unit of the Initial Series as at the Relevant Valuation Point, purchase Units in the earliest issued Series for which the Net Asset Value per Unit of the Series is not less than the High Water Mark of the Series; (hereinafter referred to as the “Roll-up”).

At the end of the Calculation Period, the AIFM will be entitled to a Performance Fee if the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fees) is greater than the High Water Mark per Series of Unit.

If at the Valuation Point as at the last Business Day in April, the Net Asset Value per Unit of the relevant Series (after the accrual of the annual management fees) is less than the High Water Mark per Series of Unit, then no Performance Fee is payable and any underperformance for that series is carried forward and no Roll-up of that Series of Unit will occur at that Valuation Point.

#### *High Water Mark per Series*

The High Water Mark per Series for the first Calculation Period in respect of each Unit subscribed for shall be the issue price of each Unit multiplied by one plus the benchmark.

In relation to Calculation Periods other than the first Calculation Period, the High Water Mark of that Series at the beginning of the current Calculation Period is, if a Performance Fee is payable in respect of the previous Calculation Period, the Net Asset Value per Unit of the relevant Series (net of the annual management fee and Performance Fees) at the end of the previous Calculation Period; and, if no Performance Fee is payable in respect of the previous Calculation Period, the High Water Mark of that Series at the end of the previous Calculation Period. In relation to Calculation Periods other than the first Calculation Period, the High Water Mark of that Series at the end of the current Calculation Period is equal to the High Water Mark of that Series at the beginning of the current Calculation Period x (1+benchmark for the applicable Calculation Period).

On redemption or switching of Units or any other event deemed a “crystallisation event”, the full Performance Fee is triggered.

#### *Transfers*

A transfer of Units that does not involve a change in beneficial ownership shall not result in a crystallisation of Performance Fees. A transfer of Units that does result in a change of beneficial ownership shall be treated as a redemption and subscription, resulting in a crystallisation of Performance Fees as at the date of transfer.

#### *Series Consolidation*

At each Valuation Point, an investor with holdings in multiple Series of Units of the Fund may, at the discretion of the AIFM, have their holdings consolidated into another Series of Units of the AIF provided they are the only investor in that Series. This will not be

deemed a crystallization event and the AIFM will ensure that the Unitholder is put in exactly the same financial position that they would have been had such consolidation not happened.

***Net realised and unrealised capital gains plus net realised and unrealised capital losses as of the relevant Valuation Point shall be taken into account in calculating the Net Asset Value per Unit. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.***

The AIFM may in its discretion differentiate between Unitholders of the Portfolio by waiving or reducing the annual investment management fee. In respect of Class A Unitholders, the AIFM may also in its discretion waive or reduce the Performance Fee payable by such Unitholders.

### ***The Administrator***

The AIFM will pay to the Administrator out of the assets of the Portfolio an annual aggregate fee, accrued monthly and payable monthly in arrears, at a rate of up to 0.025% of the Net Asset Value of the Portfolio on the Net Asset Value of the Portfolio (plus VAT, if any).

The minimum annual fee is US\$50,000 per Portfolio, and applies pro rata to each Portfolio based on Net Asset Value when the aggregate fee in respect of all Portfolios under the agreement is less than US\$50,000 times the number of Portfolios under the agreement.

In addition, the Administrator will be paid out of the assets of the Portfolio fees for maintaining investor records including the provision of reports to allow the Fund to fulfil its obligations under the Common Reporting Standard and the Foreign Account Tax Compliance Act. These fees are dependent on the number of investors and the number of transactions and are not expected to exceed US\$60,000 per annum.

The Administrator shall be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

### ***The Depositary***

The AIFM shall pay to the Depositary out of the assets of the Portfolio an annual fee in respect of the trustee and depositary services provided by it to the Portfolio, which fee shall accrue and be payable in arrears on a monthly basis, at a rate which will not exceed 0.0275% of the Net Asset Value of the Portfolio (plus VAT, if any), subject to a minimum annual fee.

The minimum annual fee is US\$36,000 per Portfolio, and applies pro rata to each Portfolio based on Net Asset Value when the aggregate fee in respect of all Portfolios under the agreement is less than US\$36,000 times the number of Portfolios under the agreement.

The fees for depositary services will vary from market to market, and will tend to be higher in less developed markets. Depositary service fees will include event based transaction fees and value based safekeeping fees.

The Depositary shall also be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

### ***The Investment Manager***

The AIFM will pay to the Investment Manager, out of the AIFM’s annual fee, as opposed to out of the assets of the Portfolio, an annual fee (plus VAT, if any), accrued monthly and payable monthly in arrears.

### ***Fees payable in respect of Investments in Other Funds***

The Portfolio may be liable to pay, without limitation, subscription, redemption, management, performance, distribution, administration and/or custody fees or charges in respect of each collective investment fund in which it invests. Such typical fee ranges of underlying collective investment schemes include up to 2.0% of the collective investment scheme’s net asset value in respect of management fees, and administration and trustee fees in the range of 0.05% to 0.25% of the collective investment scheme’s net asset value. Performance fees payable to the investment managers of the underlying collective investment schemes will typically be between 0% and 30% of the portion of the increase of performance of the net asset value of the respective underlying funds over a predetermined period of time (except in some cases where such performance fees are payable only in excess of the applicable hurdle rate).

In the case of investment by the Portfolio in a feeder scheme, there may be some duplication of the fees payable by the feeder scheme and the underlying collective scheme, such as administration, legal and/or audit fees. Investment management fees (including performance fees) and custody fees will be borne by either the feeder scheme or the underlying collective investment scheme or divided equally between the schemes.

### ***Anti-Dilution Levy/Duties and Charges***

The AIFM shall impose an anti-dilution levy, representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold) and dealing costs (“Dealing Costs”) relating to the acquisition or disposal of assets, in the event of receipt for processing of net subscription and/or net redemption requests to be effected as of a Dealing Day (including subscriptions and/or redemptions which would be effected as a result of requests for switching from one Portfolio into another Portfolio).

The anti-dilution levy will be paid into the Portfolio and become part of the property of the Portfolio and is designed to protect both the value of the Portfolio’s underlying assets and the current Unitholders’ interests in the Portfolio.

The levy will be applied on a pro-rata basis to:

- (i) all subscribers in the event of receipt for processing of net subscription requests (including subscriptions which would be effected as a result of requests for switching from one Portfolio into another Portfolio) and will be deducted from the subscription amount received from such subscribers as a separate charge; or
- (ii) all shareholders requesting redemption in the event of receipt for processing of net redemption requests (including redemptions which would be effected as a

result of requests for switching from one Portfolio into another Portfolio) and will be deducted from the redemption proceeds to be paid to such shareholders.

The AIFM shall be entitled to waive the anti-dilution levy for all persons impacted in circumstances where the AIFM considers it appropriate to do so in the best interests of the Unitholders in the Portfolio (e.g. where the anti-dilution levy is negligible compared to the costs which would be incurred on behalf of the Portfolio in applying the levy, etc).

However where a gross single subscription and/or redemption and/or switching request exceeds 5% of the net asset value of the Portfolio on any Dealing Day (the “5% threshold”), the AIFM may at its discretion, as opposed to apportioning the anti-dilution levy on the basis as set out above, apportion the anti-dilution levy, on a pro rata basis, only to the applicable subscriber(s) and/or shareholder(s) requesting redemption and/or switching exceeding that 5% threshold. In such circumstance, the anti-dilution levy payable will still be calculated by taking into account any other requests for subscriptions / redemptions to be effected on the same Dealing Day which could potentially reduce the market impact of the dealing costs to be incurred. The anti-dilution levy will be deducted from the subscription amount received as a separate charge in the case of a subscription request exceeding the 5% threshold and deducted from the redemption proceeds to be paid in the case of a redemption request exceeding the 5% threshold. The deduction would also apply to a subscription amount and/or redemption proceeds applicable to requests for switching being effected from one Portfolio into another Portfolio.

## **15. Risk Factors**

Potential investors should consider the risks referred to in the “Risk Factors” section of the Prospectus.

In addition, potential investors should be aware that the investment vehicles, into which the Portfolio may invest, may not be subject to any form of authorisation or regulatory supervision. They may not be required to have an independent custodian or any custodian at all. Therefore, investment in such investment vehicles carries a higher potential risk.

## **16. Redemption of Units**

In respect of all redemption requests to be effected on a Redemption Day, such redemption requests must be received by the Administrator prior to 5.00 p.m. (Irish time) on a “Business Day” which is at least thirty-eight calendar days prior to that Redemption Day.

The redemption price will normally be payable to the Unitholder within twenty calendar days after the relevant Redemption Day on which the redemption is to be effected (and, in any event, not later than forty-six calendar days after the relevant Redemption Day on which the redemption is to be effected subject to receipt by the Administrator of the redemption request, supporting information and documentation as required by the AIFM and/or the Administrator.

Redemption requests may be submitted by fax to the Administrator at +353 (0) 1 6125779 (or such other number as designated for this purpose from time to time). All redemption requests carried out by fax should be verified by Unitholders by telephone to the Administrator to confirm receipt of their fax instruction.



## CORONATION GLOBAL EMERGING MARKETS EQUITY FUND

**Supplement 5 dated 10 December, 2021 to the Prospectus of the Coronation Universal Fund dated 10 December, 2021.**

### 1. Structure

Coronation Global Emerging Markets Equity Fund (the “**Portfolio**”) is a portfolio of Coronation Universal Fund an open-ended umbrella unit trust authorised by the Central Bank pursuant to the provisions of the Unit Trusts Act, 1990. At the date of this Supplement, the Coronation Universal Fund has six portfolios; the Coronation Global Equity Alternative Strategy Fund, the Coronation Global Equity Fund of Funds, the Coronation Global Bond Fund, the Coronation Africa Frontiers Fund, the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund.

A description of

- the Fund and its management and administration
- general management and fund charges
- taxation of the Fund and its Unitholders and
- risk factors

is contained in the Prospectus. **This Supplement forms part of the Prospectus and should be read in the context of and in conjunction with the Prospectus. Capitalised terms used in this Supplement shall bear the meanings attributable to them in the Prospectus.** The Prospectus is available from:

- J.P. Morgan Administration Services (Ireland) Limited, 200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin D02 RK57, Ireland (the “**Administrator**”); or
- Coronation Investment Management International (PTY) Limited at 7th Floor, Montclare Place, Cnr Campground and Main Road, Claremont, 7708, Cape Town, South Africa (the “**Investment Manager**” of this Portfolio); or
- Available for download from [www.coronation.com](http://www.coronation.com).

### 2. Classes of Units

The following Classes of Units are designated in the Portfolio, the proceeds and subsequent investments of which represent the Portfolio.

<b>Class</b>	<b>Designated Currency</b>
Class B Units	US Dollars
Class Z Units	US Dollars
Class I Units	US Dollars

Units in Class B, Class Z and Class I (designated in US Dollars) are issued at the Net Asset Value per Unit.

The creation of additional Classes will be notified in advance to the Central Bank.

A separate portfolio of assets is not maintained for each Class.

The Units in each Class rank pari passu with each other except (i) the Class B Units will be subject to an annual management fee but not a performance fee; (ii) the Class Z Units and the Class I Units will not be subject to an annual management fee or performance fee; and (iv) the Class Z Units and the Class I Units will only be available to accounts managed by the Coronation group and selected other investors with prior consent of the AIFM.

All applications for Units in a Class and subscription monies must be received by the Administrator prior to 5.00 p.m. (Irish time) on the second Business Day immediately preceding the relevant Dealing Day. However, the AIFM (subject to prior agreement) may extend the settlement period up to 2 Business Days after the relevant Dealing Day to facilitate payment or settlement methods or by such longer period as the Directors of the AIFM may approve. The AIFM reserves the right to defer the issue of Units until receipt of cleared subscription monies by the Portfolio.

The minimum initial subscription amount for Units in the Portfolio is the aggregate amount of US\$ 2 million (when aggregated with all Units subscribed by the new investor in the Portfolio). The AIFM may, however, at any time, in its discretion, elect instead to apply the minimum subscription amount and provisions set out in the “Issue of Units” section of the Prospectus to any new investor that makes an initial investment in the Portfolio.

**3. Base Currency**

US Dollars (US\$).

**4. Dealing Day**

Dealing Day means the last Business Day of each calendar week and the last Business Day of each calendar month and/or such other day or days as may be determined by the Directors and notified to Unitholders in advance.

**5. Valuation Day/Valuation Point**

Valuation Day means each Dealing Day. Additional Valuation Days may be determined at the discretion of the AIFM. Valuation Point means close of business in the relevant market on each Valuation Day or such other time as the AIFM may determine and notify to Unitholders.

**6. Redemption Day**

Redemption Day means each Dealing Day. Additional Redemption Days may be determined at the discretion of the AIFM and notified to Unitholders in advance.

**7. Investment Objectives**

The investment objective of the Portfolio is to produce long term out-performance of the MSCI GEM Total Return (net of withholding taxes) Index (Bloomberg ticker NDUEEGF) primarily through investment in equities and equity related securities in global emerging markets.

The Portfolio’s return will be measured against that of the MSCI GEM Total Return (net of withholding taxes) Index (Bloomberg ticker NDUEEGF) but there is no intention to track the index. It will simply be used as a measurement tool. The MSCI GEM Total Return (net of withholding taxes) Index (Bloomberg ticker NDUEEGF) is a widely used measure of the performance of equities listed or traded on Recognised Exchanges

located in emerging markets including markets such as Brazil, China and India (amongst others).

## 8. Investment Policies

The investment objective will be achieved by investing, either directly or indirectly, at least 80% of its assets in equities and equity-related securities (such as warrants, convertible preference shares, and convertible bonds) of companies, listed or traded on a Recognised Exchange in an Emerging Market country; and/or, of companies which have the predominant part of their business activities in an Emerging Market country; and/ or, of holding companies that have the predominant part of their assets in companies with their registered office in an Emerging Market country. “**Emerging Market**” shall mean any country that is included in the MSCI GEM Total Return (net of withholding taxes) Index (Bloomberg ticker NDUEEGF) or composite thereof (or any successor index, if revised), or any country classified by the World Bank as a low to upper middle income country.

Although it will be normal policy of the Portfolio to deploy its assets as detailed above, where appropriately valued equity and equity related securities are not available, it may also invest in fixed income instruments, such as international sovereign, government, supranational agency, corporate, bank and other bonds (including mortgage and corporate bonds) and other debt and debt-related securities (such as debentures, notes (including corporate, sovereign, floating and fixed rate notes), asset and mortgage backed securities, certificates of deposit, commercial paper) listed or traded on Recognised Exchanges located worldwide. Investment in such fixed income securities will be limited to 20% of the net assets of the Portfolio. Such debt and debt-related instruments may be fixed or floating rate, where appropriate, and may be unrated or rated lower than BBB by S&P (or an equivalent rating by other recognised rating agencies).

In the appropriate circumstances, the Portfolio may retain cash and cash equivalents such as certificates of deposit, treasury bills and notes. Such circumstances may include but are not limited to the holding of cash and/or cash equivalents pending reinvestment in accordance with the investment objective and policies of the Portfolio, in order to meet redemptions and/or payment of expenses and/or cover for financial derivative instruments entered into on behalf of the Portfolio.

The amortised cost method of valuation shall not be used to value the money market instruments which the Portfolio invests in.

The Portfolio may use financial derivative instruments such as futures, options, warrants, swaps, forwards (including currency forwards) for any investment purpose that is consistent with the investment objectives and policies set out in this Supplement. Such derivatives will be covered by liquid assets and will include exchange traded as well as over-the-counter transactions. The assets which underlie the derivative may be equities, fixed income securities, units in collective investment schemes, financial indices, interest rates, foreign exchange rates and currencies. Investment in derivatives may give rise to additional exposure. Exposure to underlying assets will be subject to such limits as set out in this Investment Policy section. However, any additional exposure arising from the use of derivatives by the Portfolio, whether for investment or efficient portfolio management purposes, shall not exceed the limits set out in Section 9 below. Examples of the manner in which the Portfolio may use derivatives are set out in this Section 8 (see below) and in Section 10, entitled “Efficient Portfolio Management”.

The Portfolio may also invest in the units of open-ended collective investment schemes in order to gain exposure to investments consistent with the investment policies of the Portfolio. Such schemes will be managed by the AIFM (provided however that no such investment shall be made at any time that the assets of the Portfolio are considered “plan assets” subject to ERISA as set forth in Section 18 below) or other fund management companies and may or may not provide a level of investor protection equivalent to schemes authorised under Irish laws and subject to Irish regulations and conditions. The Portfolio will mainly invest in such collective investment schemes authorised in Luxembourg, Ireland, Bermuda, Isle of Man and/or the Cayman Islands.

The Portfolio may also invest in the units of closed-ended collective investment schemes to gain exposure to investments consistent with the investment policies of the Portfolio. Investment in units of closed-ended collective investment schemes may have lower liquidity than investment in open-ended collective investment schemes. The Portfolio may invest in such funds to the extent that it determines that such investment will not affect the Portfolio’s ability to provide the liquidity described under “Redemption of Units” in the Prospectus.

The Portfolio may, subject to a maximum exposure of 15% of the net assets of the Portfolio, seek to obtain indirect exposure to asset classes, such as property and commodities (to include, but not limited, to oil, gold and iron), where suitable securities or listed derivatives representing such exposure are available to the Portfolio. Such securities or derivatives include, but are not limited to, the following:

- (i) equities of or money market instruments issued by, a company whose main business is concerned with commodities or property. Such money market instruments shall include commercial paper and fixed and/or floating rate corporate bonds;
- (ii) exchange traded commodities (“ETCs”). ETCs are asset backed bonds that track the performance of either: (a) a single commodity, e.g. gold; or (b) a commodity index;
- (iii) exchange traded notes (“ETNs”) that track the performance of a commodity index;
- (iv) exchange traded funds (“ETFs”) which track a commodity index;
- (v) ETFs which track a property index; and
- (vi) derivatives which have a commodity index as their underlying asset.

#### *Investment Process*

The country and equity selection will be driven by the relative attractiveness of equity securities across the investable universe. The key factors in determining attractiveness will be valuation and liquidity. The Investment Manager will buy equities that the Investment Manager deems to be undervalued, but only if the Investment Manager is satisfied that those equities are sufficiently liquid that they can be sold in a relatively short period. In determining an appropriate valuation for a security account will be taken of the various risks inherent within the business including the political stability of the country in which the issuer is domiciled or from which it derives a significant proportion of its earnings.

In managing the Portfolio, the Investment Manager endeavours to achieve the target performance through a concentrated equity selection process. The Investment

Manager will actively manage the Portfolio and hence vary the allocation to country, sector and different securities over time. This is not a buy and hold portfolio.

In addition to the above, where equity investments do not offer adequately attractive valuations, the Investment Manager has the ability to invest up to 20% of the Net Assets of the Portfolio in fixed income securities and to obtain indirect exposure to asset classes, such as property and commodities as set out in the Investment Policy section above. Such investment will be based on the Investment Manager's research and assessment of fair value.

## 9. Investment Restrictions

The Portfolio is subject to the following investment restrictions in addition to the general investment restrictions set out in the Prospectus under the heading "The Fund - Investment and Borrowing Restrictions" which are not disapplied below:

- (i) the Portfolio may invest in closed-ended collective investment schemes, provided not more than 20 % of its net assets may be invested in closed-ended collective investment schemes which are not listed, traded in or dealt on a Recognised Exchange;
- (ii) the Portfolio may invest in any one or more of the existing or future sub-funds of Coronation Global Opportunities Fund and Coronation Common Contractual Fund, provided however that no such investment shall be made at any time that the assets of the Portfolio are considered "plan assets" subject to ERISA as set forth in Section 18 below. The Coronation Global Opportunities Fund is a unit trust and the Common Contractual Fund is a common contractual fund, both of which are managed by the AIFM, with the former being authorised by the Central Bank as a UCITS and the latter being authorised by the Central Bank as an AIF;
- (iii) the Portfolio may invest in other portfolios of the Fund which in turn may also invest in other portfolios of the Fund provided that those latter portfolios may not cross-invest within the Fund, provided however that no such investment shall be made at any time that the assets of the Portfolio are considered "plan assets" subject to ERISA as set forth in Section 18 below;
- (iv) where the Portfolio invests in the units/shares of another collective investment scheme managed by the AIFM (including for the avoidance of doubt other portfolios of the Fund): (i) the AIFM must waive the preliminary/initial/redemption charge which it is entitled to charge for its own account; (ii) the AIFM must waive that portion of its annual fee in order to avoid a double charge. Where the investment manager of the Portfolio and the relevant underlying collective investment scheme is one and the same entity, such investment manager must waive that portion of its annual fee in order to avoid a double charge. Where commission is received by the AIFM of the Portfolio by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the Portfolio.

The Portfolio may derogate from the general investment restrictions set out in the Prospectus and the investment restrictions above for six months following the date of its launch provided it observes the principle of risk spreading.

The Portfolio may employ borrowings or leverage of up to a maximum of 200% of the Net Asset Value of the Portfolio where using the 'commitment' method and 200% of the Net Asset Value of the Portfolio where using the 'gross' method calculated using

the sum of the absolute value of all positions in accordance with the requirements of the Level 2 Regulation. For the purpose of providing margin or collateral, the Portfolio may from time to time secure such borrowings by pledging, mortgaging or charging the assets of the Portfolio.

**10. Efficient Portfolio Management**

The Portfolio may use derivatives for the purposes of efficient portfolio management or for any investment purpose that is consistent with the investment objectives and policies set out above. The Portfolio may be leveraged through the use of derivatives, as described below, such leverage will not exceed the exposure limits set out in Section 9 above. Examples of the ways in which financial derivative instruments may be used, which should not be taken as being exhaustive, or mutually exclusive, include:

- (a) to hedge the currency exposure of the assets of the Portfolio into the base currency of the Portfolio;
- (b) to hedge or reduce the Portfolio's exposure to any asset;
- (c) as a substitute for taking a position in the underlying asset where the Investment Manager feels that a derivative exposure to the underlying asset represents better value than a direct exposure;
- (d) to tailor the Portfolio's interest rate exposure to the Investment Manager's outlook for interest rates; and /or
- (e) to gain an exposure to the composition and performance of a particular index, the constituents of which are consistent with the investment policy of the Portfolio.

**11. Repurchase/Reverse Repurchase and Stocklending Agreements and Securities Financing Transactions**

The Portfolio may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements for the purposes of efficient portfolio management including reduction of risk or cost or the generation of additional capital or income for the Portfolio. Further detail in relation to the use of repurchase agreements, reverse repurchase agreements and/or stock lending agreements is provided for in the "Fund - Repurchase/Reverse Repurchase and Stocklending Agreements" section of the Prospectus.

The Portfolio may engage in SFTs and equity swaps, as described under "Repurchase / Reverse Repurchase and Stock-Lending Arrangements" and "Securities Financing Transactions".

Further details on SFTs are set out in the Prospectus under the headings "Securities Financing Transactions", "Collateral Policy" and "Counterparty Selection Process".

**13. Distributions**

Under normal circumstances, it is anticipated that the Distribution Date of Class I shall occur quarterly, with the Distribution Payment Date occurring on the last day of the particular quarter (or on such other Distribution Date and/or Distribution Payment date as determined by the AIFM in its discretion).

It is not intended to declare any distributions to Unitholders in the Class B or the Class

Z.

#### **14. Investment Manager**

Pursuant to a novation agreement effective as of 3 October 2016 between the AIFM, Coronation Asset Management (PTY) Limited and Coronation Investment Management International (PTY) Ltd to the investment management agreement between the AIFM and Coronation Asset Management (PTY) Limited dated 29th July 2014 as may be amended from time to time (collectively the “Investment Management Agreement”), Coronation Investment Management International (PTY) Ltd acts as Investment Manager responsible for managing the investment and re-investment of the assets of the Portfolio.

The Investment Management Agreement is for an indefinite period and may be terminated by the AIFM or the Investment Manager at the end of each quarter by giving not less than three (3) calendar months’ notice in writing to the other party (or such shorter period as may be agreed by the parties to the Investment Management Agreement). The Investment Management Agreement provides that the AIFM as agent of the Fund shall hold harmless and indemnify the Investment Manager, its employees, delegates or agents out of the assets of the Portfolio from and against all actions, proceedings, claims, damages, costs, demands and expenses including, without limitation, legal and professional expenses on a full indemnity basis which may be brought against, suffered or incurred by the Investment Manager, its employees, delegates or agents in the performance of its duties under the Investment Management Agreement other than due to the breach of ERISA, negligence, fraud, bad faith or wilful default of the Investment Manager, its employees, delegates or agents in the performance of its obligations under the Investment Management Agreement.

The major activity of Coronation Investment Management International (PTY) Limited is asset management. Coronation Investment Management International (PTY) Limited having its principal office at 7<sup>th</sup> Floor, Montclare Place, Cnr Campground and Main Road, Claremont, 7708, Cape Town, South Africa is an FSCA regulated company incorporated and registered in South Africa to act as investment manager/investment advisor to a variety of funds. Coronation Investment Management International (PTY) Limited is a wholly owned subsidiary of Coronation Fund Managers Limited.

Coronation Investment Management International (PTY) Limited may with the prior approval of the AIFM and in accordance with the requirements of the Central Bank, appoint one or more sub-investment managers, advisers or delegates if deemed necessary.

#### **15. Fees**

In addition to the general management and fund charges set out in the Prospectus under the heading “Management and Fund Charges - General” the following fees and expenses are payable out of the Portfolio.

##### ***AIFM***

##### **Annual Fee**

The Portfolio will pay to the AIFM an annual fee, accrued at each Valuation Point and payable monthly in arrears, at a rate of 0.85%p.a. of the Net Asset Value of the Portfolio attributable to Class B (plus VAT, if any).

No annual management fee or performance fee will be attributable to the Class Z Units or the Class I Units.

The AIFM shall be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

### ***The Administrator***

The AIFM will pay to the Administrator out of the assets of the Portfolio an annual fee, accrued at each Valuation Point and payable monthly in arrears, at a rate of up to 0.025% per annum of the Net Asset Value of the Portfolio (plus VAT, if any, thereon) subject to a minimum annual fee.

The minimum annual fee is US\$50,000 per Portfolio, and applies pro rata to each Portfolio based on Net Asset Value when the aggregate fee in respect of all Portfolios under the agreement is less than US\$50,000 times the number of Portfolios under the agreement.

In addition, the Administrator will be paid out of the assets of the Portfolio fees for maintaining investor records including the provision of reports to allow the Fund to fulfil its obligations under the Common Reporting Standard and the Foreign Account Tax Compliance Act. These fees are dependent on the number of investors and the number of transactions and are not expected to exceed US\$25,000 per annum.

The Administrator shall be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

### ***The Depositary***

The AIFM shall pay to the Depositary out of the assets of the Portfolio an annual fee in respect of the fiduciary and depositary services provided by it to the Portfolio, which fee shall accrue at each Valuation Point and be payable in arrears on a monthly basis. The fee for fiduciary services will be charged at a rate which will not exceed 0.0275% of the Net Asset Value of the Portfolio (plus VAT, if any), but will be subject to a minimum annual fee.

The minimum annual fee is US\$36,000 per Portfolio, and applies pro rata to each Portfolio based on Net Asset Value when the aggregate fee in respect of all Portfolios under the agreement is less than US\$36,000 times the number of Portfolios under the agreement.

The fees for depositary services will vary from market to market, and will tend to be higher in less developed markets. Depositary service fees will include event based transaction fees and value based safekeeping fees.

The Depositary shall also be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

### ***The Investment Manager***

The AIFM will pay to the Investment Manager, out of the AIFM’s fee as opposed to out of the assets of the Portfolio, an annual fee (plus VAT, if any) accrued weekly and payable monthly in arrears.



### **Anti-Dilution Levy/Duties and Charges**

The AIFM reserves the right to impose “an anti-dilution levy” representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs (“Dealing Costs”) relating to the acquisition or disposal of assets in the event of receipt for processing of net subscription or net redemption requests exceeding 5% of the Net Asset Value of the Portfolio (including subscriptions and/or redemptions which would be effected as a result of requests for switching from one Portfolio into another Portfolio). Any such levy will be deducted from the subscription amount received as a separate charge in the case of net subscription requests exceeding 5% of the Net Asset Value of the Portfolio and deducted from the redemption proceeds to be paid in the case of net redemption requests exceeding 5% of the Net Asset Value of the Portfolio (including subscriptions and/or redemptions which would be effect as a result of requests for switching from one Portfolio into another Portfolio). The anti-dilution levy will be paid into the Portfolio and become part of the property of the Portfolio and is designed to protect both the value of the Portfolio’s underlying assets, and the current Unit holders’ interests in the Portfolio.

### ***Voluntary Expense Cap***

To the extent that certain operating expenses (i.e. all expenses other than management fees and performance fees, the cost of buying and selling assets, including brokerage and any anti-dilution levies charged, and interest) (the “Qualifying Expenses”) exceed 0.30% per annum (the “Cap Rate”) of the average Net Asset Value of the Portfolio (the “Voluntary Expense Cap”) over the VEC Calculation Period (as defined in this paragraph), the AIFM shall be responsible for and will reimburse the Portfolio in the amount of such excess, with such obligation arising from the time that the Voluntary Expense Cap is introduced. The calculation period for the Voluntary Expense Cap shall comprise each successive twelve month period in each financial year of the Portfolio (each a “VEC Calculation Period”), . The Voluntary Expense Cap will be calculated as the Cap Rate multiplied by the average weekly Net Asset Value over the VEC Calculation Period. Where the Qualifying Expenses incurred during the VEC Calculation Period exceed the Voluntary Expense Cap at the calculation date (being the last Valuation Day of the VEC Calculation Period), the AIFM will inject the excess amount into the Portfolio. The excess amount will be payable in arrears at the end of the VEC Calculation Period and therefore actual operating expenses incurred by the Portfolio could exceed the Voluntary Expense Cap at other points during the VEC Calculation Period. As stated above, Qualifying Expenses will include all operating expenses other than management and performance fees, the cost of buying and selling assets (including brokerage and any anti-dilution levies charged) and interest.

The Voluntary Expense Cap shall apply in respect of each VEC Calculation Period until such time as at the sole discretion of the AIFM, the Voluntary Expense Cap is removed, provided that Unit holders will be given reasonable notice prior to such removal to enable them to redeem their Units if they wish.

## **16. Risk Factors**

Potential investors should consider the risks referred to in the “Risk Factors” section of the Prospectus.

## 17. Redemption of Units

In respect of all redemption requests to be effected on a Redemption Day, such redemption requests must be received by the Administrator prior to 5.00 p.m. (Irish time) on a “Business Day” which is at least five Business Days prior to that Redemption Day.

The redemption price will normally be payable to the Unitholder within five Business Days after the relevant Redemption Day on which the redemption is to be effected (and, in any event, not later than thirty calendar days after the relevant Redemption Day on which the redemption is to be effected) subject to receipt by the Administrator of the redemption request, supporting information and documentation as required by the AIFM and/or the Administrator.

Redemption requests may be submitted by fax to the Administrator at +353 (0) 1 612 5779 (or such other number as may be designated for this purpose from time to time). All redemption requests carried out by fax should be verified by Unitholders by telephone to the Administrator to confirm receipt of their fax instruction.

## 18. ERISA Considerations

The Portfolio may accept investments from employee benefit plans subject to Part 4, Subtitle B of Title I of the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”), plans or accounts subject to Section 4975 of the US Internal Revenue Code of 1986, as amended (the “IRC”) and entities whose underlying assets include “plan assets” as defined by ERISA and the regulations thereunder (collectively, “Plan Investors”), and it is not expected that such investment in the Portfolio will be limited. Accordingly, the Portfolio’s assets may be deemed to constitute “plan assets” subject to Title I of ERISA or Section 4975 of the IRC.

A Plan Investor should, before authorizing an investment of the plan’s assets in the Portfolio and after considering the investor’s particular circumstances, determine whether the investment is appropriate under the fiduciary standards of ERISA and other applicable law, including standards with respect to prudence, diversification and delegation of control, and the prohibited transaction provisions of ERISA and the IRC. Plan Investors should consult their own advisors in making such determination.

United States Department of Labor (the “DOL”) regulation 29 C.F.R Section 2510.3-101 and Section 3(42) of ERISA (together, the “Plan Asset Rule”) govern whether investment by a “benefit plan investor”, as defined in the Plan Asset Rule, in an entity will result in the underlying assets of the entity being considered plan assets. If the underlying assets of an entity in which a benefit plan investor were to invest were considered plan assets, the activities of the entity, and not just the benefit plan investor’s decision to invest in that entity, would be subject to applicable provisions of ERISA and/or section 4975 of the Code. Under the Plan Asset Rule, when a benefit plan investor acquires an equity interest in an entity (such as the Portfolio) that is neither a publicly-offered security nor a security issued by a registered investment company, the plan’s assets include an undivided interest in each of the underlying assets of the entity unless it is established that either: (i) the entity is an operating company, or (ii) the aggregate equity participation in the entity by “benefit plan investors” is not significant. Equity participation in an entity by benefit plan investors is significant if such investors hold twenty-five percent (25%) or more of the value of any class of equity interest in the entity (such as shares in the Portfolio), disregarding equity

interests held by Controlling Persons. Benefit plan investors include employee benefit plans subject to the fiduciary responsibility provisions of ERISA, plans subject to Section 4975(e) of the IRC (such as IRAs), and entities whose underlying assets include plan assets under the Plan Asset Rule.

Due to the nature of the investment portfolio of the Portfolio, the AIFM and the Investment Manager believe that the Portfolio will not qualify as an “operating company”. It is possible that participation by benefit plan investors in the Portfolio will be significant, in which case the Portfolio’s investments and other assets will constitute “plan assets” subject to ERISA and Section 4975 of the Code.

If the assets of the Portfolio are considered plan assets, then the activities of the Portfolio will be subject to the fiduciary standards of ERISA and other applicable law, including the prohibited transaction rules of ERISA and the IRC. This could result in the imposition of an excise tax upon interested parties and liability for persons or entities having discretion or control over such investments and activities. The Investment Manager and AIFM, however, are each Qualified Professional Asset Investment Managers within the meaning of DOL PTE 84-14 (the “QPAM Exemption”). Accordingly, under the QPAM Exemption, the Portfolio will be permitted to engage in certain transactions with parties in interest of the ERISA Investors that would otherwise be prohibited. In addition, if the assets of the Portfolio are considered plan assets, the Investment Manager’s and the AIFM’s fees as fiduciaries will be subject to the applicable prohibited transaction rules and related exemptions, which require, amongst other things, that the fees constitute reasonable compensation for services rendered and comply with certain conflict of interest provisions. Although there is little guidance in this regard, the AIFM believes that its fees are within industry norms and are determined at arm’s length between the AIFM and the investors, and therefore should be considered reasonable.

The Investment Manager has acknowledged in the Investment Management Agreement and the AIFM has acknowledged in the Trust Deed that if the assets of the Portfolio are considered plan assets under the Plan Asset Rule, they will each be a fiduciary with respect to the ERISA Investors in the Portfolio. Also the Investment Manager and the AIFM have each obtained an ERISA performance bond covering each ERISA Investor in the Portfolio, in compliance with Section 412 of ERISA, and the Investment Manager and/or the AIFM will provide ERISA Investors with the information necessary for them to complete the United States Internal Revenue Service Form 5500 and to comply with ERISA Section 408(b) (2) and regulations thereunder.

In addition, Section 404(b) of ERISA and DOL regulation 2550.404b-1 require generally that the indicia of ownership of plan assets be maintained in the United States, but allow non-US assets to be held outside the United States by a non-US qualified custodian that meets certain requirements where the foreign custodial entity holds the indicia of ownership as agent for a US bank and the US bank retains ultimate liability for the assets. Accordingly, JP Morgan Bank (Ireland) plc, as Depositary for the Coronation Universal Fund, has appointed a global US sub-custodian for the Portfolio in order to satisfy the ERISA indicia of ownership requirements.

Fiduciaries of Plan Investors that are subject to ERISA are required to file annual reports with the DOL and the IRS that set forth the current value and other information with respect to the assets of such plans. For the purpose of this requirement, fiduciaries must include information with respect to the plans’ interest in entities, such as the Portfolio, that are treated as holding plan assets, unless the entity files such information directly with the DOL in accordance with an alternative procedure. Although the Portfolio may undertake to comply with this alternative method of annual

reporting, it is not under any obligation to do so. In all events, the Portfolio will provide, through the reports provided to investors or upon request, the information reasonably necessary to enable Plan Investors to comply with the applicable reporting requirements, to the extent such information is available. In addition, Plan Investors may be required to report certain compensation paid by the Portfolio (or by third parties) to the Portfolio's service providers as "reportable indirect compensation" on Schedule C to Form 5500 Annual Return ("Form 5500"). To the extent any compensation arrangements described herein constitute reportable indirect compensation, any such descriptions are intended to satisfy the alternative reporting option for "eligible indirect compensation," as defined in the Instructions for Schedule C to Form 5500.

Section 408(b)(2) of ERISA and Section 4975(d)(2) of the Code each provides an exemption from the prohibited transaction rules for reasonable arrangements between plans and parties in interest for, in relevant part, the provision of services, if no more than reasonable compensation is paid for those services. Regulation 29 C.F.R. Section 2550.408b-2 requires, among other things, that a person who is a fiduciary to a plan by reason of providing investment advisory services to a "plan assets" fund must disclose certain compensation paid to itself and its affiliates and subcontractors, as well as certain expenses paid by the fund, in order to rely on the Section 408(b)(2) exemption. To the extent it is determined that it is necessary or desirable to rely on this exemption, the Portfolio will provide the required disclosures if such information is not contained in this Prospectus.

No information that the Fund (or the Portfolio), the AIFM, the Investment Manager, any Sub-Investment Manager or any entity or other person providing marketing services on their behalf, or any of their respective affiliates (collectively, the "Fund Parties") is providing shall be considered to be or is advice on which the Plan Investor may rely for any investment decision. The Plan Investor must make its own decision, with whatever third-party advice it may wish to obtain, and the Plan Investor is not authorized to rely on any information any Fund Party is providing as advice that is a basis for the Plan Investor's decisions.

Unless it expressly notifies the Fund in writing to the contrary, each investor subscribing to acquire Units that is a Benefit Plan Investor, will be deemed, at any time when regulation 29 C.F.R. Section 2510.3-21, as modified 8 April 2016 is applicable, by its acceptance of Units, to acknowledge and agree that the person making the decision to make such investment on its behalf is an Independent Fiduciary (as defined in (b) below) and such Independent Fiduciary will be required to acknowledge and agree that (i) it has been informed that none of the Fund Parties has provided, and none of them will provide, any impartial investment recommendation or investment advice, and they are not giving any advice in a fiduciary capacity, in connection with any Benefit Plan Investor's acquisition of Units; and (ii) it has received and understands the disclosure of the existence and nature of the Fund Parties' financial interests contained in this Prospectus and any other materials provided to such Benefit Plan Investor. Further, the Independent Fiduciary is required to represent and warrant that it (a) (I) is a bank as defined in Section 202 of the Advisers Act, or similar institution that is regulated and supervised and subject to periodic examination by a state or federal agency; (II) is an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a Benefit Plan Investor; (III) is an investment adviser registered under the Advisers Act, or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; (IV) is a broker-dealer registered under the Securities Exchange Act of 1934, as amended; or (V) has, and at all times that the Benefit Plan Investor is invested in Units of the Portfolio will have, total assets of at least U.S. \$50,000,000 under its

management or control (provided that this clause (V) shall not be satisfied if the Independent Fiduciary is either (i) the owner or a relative of the owner of an investing individual retirement account or (ii) a participant or beneficiary of the Benefit Plan Investor investing in Units in such capacity), in each case as provided in 29 C.F.R. Section 2510.3-21(c)(1)(i); (b) is a “fiduciary” as defined in Section 3(21) of ERISA with respect to the Benefit Plan Investor that is a plan fiduciary that is independent within the meaning of 29 C.F.R. Section 2510.3-21(c) (“Independent Fiduciary”); (c) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) is responsible for exercising independent judgment in evaluating the transaction; and (e) neither the Benefit Plan Investor nor the Independent Fiduciary is paying or has paid any fee or other compensation directly to any of the Fund Parties for investment advice (as opposed to other services) in connection with its acquisition or holding of Units.

Employee benefit plans that are not Plan Investors, including, for example, governmental plans and church plans with respect to which no election has been made under Code Section 410(d), although they are not subject to the fiduciary responsibility provisions of Title I of ERISA or to Section 4975 of the Code, may be subject to other laws regulating employee benefit plans. The laws or governing instruments applicable to such plans may have provisions that impose restrictions on the investments and management of the assets of such plans that are, in some cases, similar to those under ERISA and the Code. It is uncertain whether exemptions and interpretations under ERISA would be recognized by the applicable authorities in such cases. Provisions relating to the investment and management of such plans’ assets also might contain restrictions and limitations such as a prohibition, or percentage limitation, on investments of a particular type, or a bar on investments in particular countries or kinds of businesses. Fiduciaries or such plans, in consultation with their advisers, should consider the impact of their applicable laws, regulations and governing instruments on investments in the Portfolio, as well as the considerations discussed herein, to the extent applicable.

**19. Passive Foreign Investment Company (“PFIC”) Considerations for U.S. Holders**

*PFIC Rules - In General.* The Fund (or, alternatively, the Portfolio) is a PFIC within the meaning of Section 1297(a) of the Code. In addition, the Portfolio may invest directly or indirectly in other entities that are classified as PFICs. Thus, Unitholders may be treated as indirect shareholders of PFICs in which the Portfolio invests. U.S. investors are urged to consult their own tax advisors with respect to the application of the PFIC rules, including the making of a “QEF election”, summarised below.

*PFIC Consequences - No QEF or Mark to Market Election.* A U.S. Holder which holds Units generally will be subject to special rules with respect to any “excess distribution” out of the assets of the Portfolio to that Unitholder and any gain from the disposition of the Units. For this purpose, an “excess distribution” generally refers to the excess of the amount of distributions received by the Unitholder during the taxable year in respect of the Units over 125 percent of the average amount received by the Unitholder in respect of those Units during the three preceding taxable years (or shorter period that the Unitholder held the Units). The tax payable by a U.S. Unitholder with respect to an excess distribution or disposition of Units will be determined by allocating the excess distribution or gain from the disposition ratably to each day in the Unitholder’s holding period for the Units. The distribution or gain so allocated to any taxable year of the Unitholder, other than the taxable year of the excess distribution or disposition, will be taxed to the Unitholder at the highest ordinary income rate in effect for that year, and the tax will be further increased by an interest charge to reflect the value of the tax deferral deemed to have resulted from the ownership of the Units. Any amount of

distribution or gain allocated to the taxable year of the distribution or disposition will be included as ordinary income.

*PFIC Consequences - QEF Election.* A U.S. Holder Unitholder in certain circumstances may be able to make an election (a “qualified electing fund” or “QEF” election), in lieu of being taxable in the manner described above, to include annually as income and gain that Unitholder’s pro rata share of the ordinary earnings and net capital gain of the Portfolio, regardless of whether the Unitholder actually received any distributions from the Portfolio. Losses, however, would not flow through to an electing Unitholder. For the QEF election to be effective, the Portfolio would need to provide the electing Unitholder with certain financial information based on U.S. tax accounting principles. The AIFM on behalf of the Portfolio currently intends to provide electing U.S. Unitholders with the annual information needed to make and maintain an effective QEF election with respect to its Units in the Portfolio. There can be no assurance, however, that a QEF election will be available with respect to any PFIC shares held by a Unitholder indirectly through the Portfolio or with respect to Units of other portfolios of the Fund.

The following discussion assumes that each portfolio of the Fund, including the Portfolio, will be treated as a separate entity for U.S. federal income tax purposes. The law in this area is uncertain. Thus, there can be no assurance that the U.S. Internal Revenue Service will agree with this position. If the Fund, including all portfolios thereof, were treated as a single entity for U.S. federal income tax purposes, a QEF election with respect to Units of the Portfolio may not be respected unless available at the Fund level with respect to all portfolios of the Fund.

## CORONATION ACTIVE GLOBAL EQUITY FUND

Supplement 6 dated 10 December, 2021 to the Prospectus of the Coronation Universal Fund dated 10 December, 2021.

### 1. Structure

Coronation Active Global Equity Fund (the “**Portfolio**”) is a portfolio of Coronation Universal Fund an open-ended umbrella unit trust authorised by the Central Bank pursuant to the provisions of the Unit Trusts Act, 1990. At the date of this Supplement, the Coronation Universal Fund has six portfolios; the Coronation Global Equity Alternative Strategy Fund, the Coronation Global Equity Fund of Funds, the Coronation Global Bond Fund, the Coronation Africa Frontiers Fund, the Coronation Global Emerging Markets Equity Fund and the Coronation Active Global Equity Fund.

A description of

- the Fund and its management and administration
- general management and fund charges
- taxation of the Fund and its Unitholders and
- risk factors

is contained in the Prospectus. **This Supplement forms part of the Prospectus and should be read in the context of and in conjunction with the Prospectus. Capitalised terms used in this Supplement shall bear the meanings attributable to them in the Prospectus.** The Prospectus is available from:

- J.P. Morgan Administration Services (Ireland) Limited, 200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin D02 RK57, Ireland (the “**Administrator**”); or
- Coronation Investment Management International (PTY) Limited at 7th Floor, Montclare Place, Cnr Campground and Main Road, Claremont, 7708, Cape Town, South Africa (the “**Investment Manager**” of this Portfolio); or
- Available for download from [www.coronation.com](http://www.coronation.com).

### 2. Classes of Units

Class	Designated Currency
Class A Units	US Dollars
Class Z Units	US Dollars

Class A Units and Class Z Units (designated in US Dollars) are issued at the Net Asset Value per Unit of the particular Class.

The creation of additional Classes will be notified in advance to the Central Bank.

A separate portfolio of assets is not maintained for each Class.

The Class Z Units will only be available to accounts managed by the Coronation group and selected other investors with prior consent of the AIFM.

All applications for Units and subscription monies must be received by the Administrator prior to 5.00 p.m. (Irish time) on the second Business Day immediately preceding the relevant Dealing Day. However, the AIFM (subject to prior agreement) may extend the settlement period up to 2 Business Days after the relevant Dealing Day

to facilitate payment or settlement methods or by such longer period as the Directors of the AIFM may approve. The AIFM reserves the right to defer the issue of Units until receipt of cleared subscription monies by the Portfolio.

The minimum initial subscription amount for Units in the Portfolio is the aggregate amount of US\$2 million (when aggregated with all Units subscribed by the new investor in the Portfolio). The AIFM may, however, at any time, in its discretion, elect instead to apply the minimum subscription amount and provisions set out in the “Issue of Units” section of the Prospectus to any new investor that makes an initial investment in the Portfolio.

**3. Base Currency**

US Dollars (US\$).

**4. Dealing Day**

Dealing Day means the last Business Day of each calendar week and the last Business Day of each calendar month and/or such other day or days as may be determined by the Directors and notified to Unitholders in advance.

**5. Valuation Day/Valuation Point**

Valuation Day means each Dealing Day. Additional Valuation Days may be determined at the discretion of the AIFM. Valuation Point means close of business in the relevant market on each Valuation Day or such other time as the AIFM may determine and notify to Unitholders.

**6. Redemption Day**

Redemption Day means each Dealing Day. Additional Redemption Days may be determined at the discretion of the AIFM and notified to Unitholders in advance.

**7. Investment Objectives**

The investment objective of the Portfolio is to produce long term out-performance of the MSCI Daily Total Return ACWI (dividends reinvested net of withholding taxes) USD Index (NDUEACWF as quoted by Bloomberg) primarily through investment in equities and equity related securities in global markets.

The Portfolio’s return will be measured against that of the MSCI Daily Total Return ACWI (dividends reinvested net of withholding taxes) USD Index (NDUEACWF as quoted by Bloomberg) but there is no intention to track the index. It will simply be used as a measurement tool. The MSCI Daily Total Return ACWI (dividends reinvested net of withholding taxes) USD Index is a widely used measure of the performance of equities listed or traded on Recognised Exchanges in global markets.

**8. Investment Policies**

The investment objective will be achieved by investing, either directly or indirectly, at least 80% of its assets in equities and equity-related securities (such as warrants, convertible preference shares, and convertible bonds) of companies listed or traded on a Recognised Exchange.



Although it will be normal policy of the Portfolio to deploy its assets as detailed above, where appropriately valued equity and equity related securities are not available, it may also invest in fixed income instruments, such as international sovereign, government, supranational agency, corporate, bank and other bonds (including mortgage and corporate bonds), other debt and debt-related securities (such as debentures, notes (including corporate, sovereign, floating and fixed rate notes), asset and mortgage backed securities, certificates of deposit, commercial paper) listed or traded on Recognised Exchanges located worldwide and gain indirect exposure to asset classes such as property and commodities (to include, but not limited, to oil, gold and iron). Investment in such fixed income securities will be limited to 20% of the net assets of the Portfolio. Such debt and debt-related instruments may be fixed or floating rate, where appropriate, and shall not be subject to any minimum credit rating other than as may be determined by the Investment Manager's credit committee and may be unrated.

The Portfolio may invest more than 30% of its net assets in below investment grade securities.

In the appropriate circumstances, the Portfolio may retain cash and cash equivalents such as certificates of deposit, treasury bills and notes. Such circumstances may include but are not limited to the holding of cash and/or cash equivalents pending reinvestment in accordance with the investment objective and policies of the Portfolio, in order to meet redemptions and/or payment of expenses and/or cover for financial derivative instruments entered into on behalf of the Portfolio.

The amortised cost method of valuation shall not be used to value the money market instruments which the Portfolio invests in.

The Portfolio may use financial derivative instruments such as futures, options, warrants, swaps, forwards (including currency forwards) for any investment purpose that is consistent with the investment objectives and policies set out in this Supplement. Such derivatives will be covered by liquid assets and will include exchange traded as well as over-the-counter transactions. The assets which underlie the derivative may be equities, fixed income securities, units in collective investment schemes, financial indices, interest rates, foreign exchange rates and currencies. Investment in derivatives may give rise to additional exposure. Exposure to underlying assets will be subject to such limits as set out in this Investment Policy section. However, any additional exposure arising from the use of derivatives by the Portfolio, whether for investment or efficient portfolio management purposes, shall not exceed the limits set out in Section 9 below. Examples of the manner in which the Portfolio may use derivatives are set out in this Section 8 (see below) and in Section 10, entitled "Efficient Portfolio Management".

The Portfolio may also invest in the units of open-ended collective investment schemes in order to gain exposure to investments consistent with the investment policies of the Portfolio. Such schemes will be managed by the AIFM or other fund management companies and may or may not provide a level of investor protection equivalent to schemes authorised under Irish laws and subject to Irish regulations and conditions. The Portfolio will mainly invest in such collective investment schemes authorised in Luxembourg, Ireland, Bermuda, Isle of Man and/or the Cayman Islands.

The Portfolio may also invest in the units of closed-ended collective investment schemes to gain exposure to investments consistent with the investment policies of the Portfolio. Investment in units of closed-ended collective investment schemes may have lower liquidity than investment in open-ended collective investment schemes. The Portfolio may invest in such funds to the extent that it determines that such investment

will not affect the Portfolio's ability to provide the liquidity described under "Redemption of Units" in the Prospectus.

The Portfolio may, subject to a maximum exposure of 15% of the net assets of the Portfolio, seek to obtain indirect exposure to asset classes, such as property and commodities (to include, but not limited, to oil, gold, platinum and iron), where suitable securities or listed derivatives representing such exposure are available to the Portfolio. Such securities or derivatives include, but are not limited to, the following:

- (i) equities of or money market instruments issued by, a company whose main business is concerned with commodities or property. Such money market instruments shall include commercial paper and fixed and/or floating rate corporate bonds;
- (ii) exchange traded commodities ("ETCs"). ETCs are asset backed bonds that track the performance of either: (a) a single commodity, e.g. gold; or (b) a commodity index;
- (iii) exchange traded notes ("ETNs") that track the performance of a commodity index;
- (iv) exchange traded funds ("ETFs") which track a commodity index;
- (v) ETFs which track a property index; and
- (vi) derivatives which have a commodity index as their underlying asset.

#### *Investment Process*

The country and equity selection will be driven by the relative attractiveness of equity securities across the investable universe. The key factors in determining attractiveness will be valuation and liquidity. The Investment Manager will buy equities that the Investment Manager deems to be undervalued, but only if the Investment Manager is satisfied that those equities are sufficiently liquid that they can be sold in a relatively short period. In determining an appropriate valuation for a security account will be taken of the various risks inherent within the business including the political stability of the country in which the issuer is domiciled or from which it derives a significant proportion of its earnings.

In managing the Portfolio, the Investment Manager endeavours to achieve the target performance through a concentrated equity selection process. The Investment Manager will actively manage the Portfolio and hence vary the allocation to country, sector and different securities over time. This is not a buy and hold portfolio.

In addition to the above, where equity investments do not offer adequately attractive valuations, the Investment Manager has the ability to invest up to 20% of the Net Assets of the Portfolio in fixed income securities and to obtain indirect exposure to asset classes, such as property and commodities as set out in the Investment Policy section above. Such investment will be based on the Investment Manager's research and assessment of fair value.

## **9. Investment Restrictions**

The Portfolio is not subject to the general investment and borrowing restrictions set out in the Prospectus under the heading "The Fund - Investment and Borrowing Restrictions". The Portfolio is subject to the following investment restrictions:

- (i) the Portfolio may invest in any one or more of the existing or future sub-funds of Coronation Global Opportunities Fund and Coronation Common Contractual Fund provided, however, that no such investment shall be made at any time that the assets of the Portfolio are considered “plan assets” subject to ERISA as set forth in Section 18 below. The Coronation Global Opportunities Fund is a unit trust and the Coronation Common Contractual Fund is a common contractual fund, both of which are managed by the AIFM, with the former being authorised by the Central Bank as a UCITS and the latter being authorised by the Central Bank as an AIF;
- (ii) the Portfolio may invest in other portfolios of the Fund which in turn may also invest in other portfolios of the Fund provided that those latter portfolios may not cross-invest within the Fund provided, however, that no such investment shall be made at any time that the assets of the Portfolio are considered “plan assets” subject to ERISA as set forth in Section 18 below;
- (iii) where the Portfolio invests in the units/shares of another collective investment scheme managed by the AIFM (including for the avoidance of doubt other portfolios of the Fund): (i) the AIFM must waive the preliminary/initial/redemption charge which it is entitled to charge for its own account; (ii) the AIFM must waive that portion of its annual fee in order to avoid a double charge. Where the investment manager of the Portfolio and the relevant underlying collective investment scheme is one and the same entity, such investment manager must waive that portion of its annual fee in order to avoid a double charge. Where commission is received by the AIFM of the Portfolio by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the Portfolio;
- (iv) the Portfolio may invest up to 100% of net assets in other collective investment schemes, subject to a maximum of 50% of net assets in any one underlying unregulated collective investment scheme.

The Portfolio may employ borrowings to meet its obligations in relation to the administration of the Portfolio related to the settlement of buying and sale transactions and redemption or cancellation of Units of up to a maximum of 100% of the Net Asset Value of the Portfolio. For the purpose of providing margin or collateral, the Portfolio may from time to time secure such borrowings by pledging, mortgaging or charging the assets of the Portfolio.

The Portfolio may employ borrowings or leverage of up to a maximum of 200% of the Net Asset Value of the Portfolio where using the ‘commitment’ method and 200% of the Net Asset Value of the Portfolio where using the ‘gross’ method calculated using the sum of the absolute value of all positions in accordance with the requirements of the Level 2 Regulation. For the purpose of providing margin or collateral, the Portfolio may from time to time secure such borrowings by pledging, mortgaging or charging the assets of the Portfolio.

## 10. Efficient Portfolio Management

The Portfolio may use derivatives for the purposes of efficient portfolio management or for any investment purpose that is consistent with the investment objectives and policies set out above. The Portfolio may be leveraged through the use of derivatives, as described below, such leverage will not exceed the exposure limits set out in Section 9 above. Examples of the ways in which financial derivative instruments may be used, which should not be taken as being exhaustive, or mutually exclusive, include:

- to hedge the currency exposure of the assets of the Portfolio into the base currency of the Portfolio;
- to hedge or reduce the Portfolio's exposure to any asset;
- as a substitute for taking a position in the underlying asset where the Investment Manager feels that a derivative exposure to the underlying asset represents better value than a direct exposure;
- to tailor the Portfolio's interest rate exposure to the Investment Manager's outlook for interest rates; and /or
- to gain an exposure to the composition and performance of a particular index, the constituents of which are consistent with the investment policy of the Portfolio.

#### **11. Repurchase/Reverse Repurchase and Stocklending Agreements and Securities Financing Transactions**

The Portfolio may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements for the purposes of efficient portfolio management including reduction of risk or cost or the generation of additional capital or income for the Portfolio. Further detail in relation to the use of repurchase agreements, reverse repurchase agreements and/or stock lending agreements is provided for in the "Fund - Repurchase/Reverse Repurchase and Stocklending Agreements" section of the Prospectus.

The Portfolio may engage in SFTs and equity swaps, as described under "Repurchase / Reverse Repurchase and Stock-Lending Arrangements" and "Securities Financing Transactions".

Further details on SFTs are set out in the Prospectus under the headings "Securities Financing Transactions", "Collateral Policy" and "Counterparty Selection Process".

#### **12. Distributions**

It is not intended to declare any distributions.

#### **13. Investment Manager**

Pursuant to a novation agreement effective as of 3 October 2016 between the AIFM, Coronation Asset Management (PTY) Limited and Coronation Investment Management International (PTY) Ltd to the investment management agreement between the AIFM and Coronation Asset Management (PTY) Limited dated 29th July 2014 as may be amended from time to time (collectively the "Investment Management Agreement"), Coronation Investment Management International (PTY) Ltd acts as Investment Manager responsible for managing the investment and re-investment of the assets of the Portfolio.

The Investment Management Agreement is for an indefinite period and may be terminated by the AIFM or the Investment Manager at the end of each calendar quarter by giving not less than three (3) calendar months' notice in writing to the other party (or such shorter period as may be agreed by the parties to the Investment Management Agreement). The Investment Management Agreement provides that the AIFM as agent of the Fund shall hold harmless and indemnify the Investment Manager, its employees, delegates or agents out of the assets of the Portfolio from and against all actions, proceedings, claims, damages, costs, demands and expenses including, without limitation, legal and professional expenses on a full indemnity basis which may be

brought against, suffered or incurred by the Investment Manager, its employees, delegates or agents in the performance of its duties under the Investment Management Agreement other than due to the breach of ERISA, negligence, fraud, bad faith or wilful default of the Investment Manager, its employees, delegates or agents in the performance of its obligations under the Investment Management Agreement.

The major activity of Coronation Investment Management International (PTY) Limited is asset management. Coronation Investment Management International (PTY) Limited having its principal office at 7<sup>th</sup> Floor, Montclare Place, Cnr Campground and Main Road, Claremont, 7708, Cape Town, South Africa is an FSCA regulated company incorporated and registered in South Africa to act as investment manager/investment advisor to a variety of funds. Coronation Investment Management International (PTY) Limited is a wholly owned subsidiary of Coronation Fund Managers Limited.

Coronation Investment Management International (PTY) Limited may with the prior approval of the AIFM and in accordance with the requirements of the Central Bank, appoint one or more sub-investment managers, advisers or delegates if deemed necessary.

#### **14. Fees**

In addition to the general management and fund charges set out in the Prospectus under the heading “Management and Fund Charges - General” the following fees and expenses are payable out of the Portfolio.

##### ***AIFM***

##### **Annual Fee**

The Portfolio will pay to the AIFM an annual management fee accrued weekly and payable monthly in arrears, at a rate of 0.75% of the Net Asset Value of the Portfolio attributable to Class A Units (plus VAT, if any).

No annual fee will be attributable to the Class Z Units.

##### ***The Administrator***

The AIFM will pay to the Administrator out of the assets of the Portfolio an annual fee, accrued at each Valuation Point and payable monthly in arrears, at a rate of up to 0.025% per annum of the Net Asset Value of the Portfolio (plus VAT, if any, thereon) for a valuation service, subject to a minimum annual fee.

The minimum annual fee is US\$50,000 per Portfolio, and applies pro rata to each Portfolio based on Net Asset Value when the aggregate fee in respect of all Portfolios under the agreement is less than US\$50,000 times the number of Portfolios under the agreement.

In addition, the Administrator will be paid out of the assets of the Portfolio fees for maintaining investor records including the provision of reports to allow the Fund to fulfil its obligations under the Common Reporting Standard and the Foreign Account Tax Compliance Act. These fees are dependent on the number of investors and the number of transactions and are not expected to exceed US\$10,000 per annum.

The Administrator shall be entitled to be repaid out of the assets of the Portfolio such expenses provided for in the “Management and Fund Charges” section of the Prospectus.

### ***The Depositary***

The AIFM shall pay to the Depositary out of the assets of the Portfolio an annual fee in respect of trustee and depositary services provided by it to the Portfolio which fee will be accrued at each Valuation Point and payable monthly in arrears, at a rate of up to 0.0275% per annum of the Net Asset Value of the Portfolio (plus VAT, if any, thereon) subject to a minimum annual fee.

The minimum annual fee is US\$36,000 per Portfolio, and applies pro rata to each Portfolio based on Net Asset Value when the aggregate fee in respect of all Portfolios under the agreement is less than US\$36,000 times the number of Portfolios under the agreement.

The fees for depositary services will vary from market to market, and will tend to be higher in less developed markets. Depositary service fees will include event based transaction fees and value based safekeeping fees.

The Depositary shall be entitled to be repaid out of the assets of the Portfolio all of its Disbursements which shall include legal fees, courier’s fees, telecommunication costs and expenses and the fees (where applicable) and out-of-pocket expenses of any sub-custodians appointed by the Depositary which will be at normal commercial rates.

### ***The Investment Manager***

The AIFM will pay to the Investment Manager, out of the AIFM’s fee as opposed to out of the assets of the Portfolio, an annual fee (plus VAT, if any) accrued weekly and payable monthly in arrears.

### ***Initial Expenses***

All expenses incurred with the establishment of the Portfolio and initial offer of Units of the Portfolio will be borne by the AIFM initially but subsequently recharged to the Portfolio upon which such expenses will be amortised over one year or such other period as the AIFM may determine and in such manner as the AIFM in its absolute discretion deems fair. Such establishment expenses are estimated to amount to €8,000. The amount of such fees will be disclosed in the annual and half-yearly reports of the Portfolio.

### **Voluntary Expense Cap**

To the extent that certain operating expenses (i.e. all expenses other than management fees and performance fees, the cost of buying and selling assets, including brokerage and any anti-dilution levies charged, and interest) (the “Qualifying Expenses”) exceed 0.20% per annum (the “Cap Rate”) of the average Net Asset Value of the Portfolio (the “Voluntary Expense Cap”) over the VEC Calculation Period (as defined in this paragraph), the AIFM shall be responsible for and will reimburse the Portfolio in the amount of such excess, with such obligation arising from the time that the Voluntary Expense Cap is introduced. The calculation period for the Voluntary Expense Cap shall comprise each successive twelve month period in each financial year of the Portfolio (each a “VEC Calculation Period”). The Voluntary Expense Cap will be calculated as the Cap Rate multiplied by the average weekly Net Asset Value over the VEC Calculation Period. Where the Qualifying Expenses incurred during the

VEC Calculation Period exceed the Voluntary Expense Cap at the calculation date (being the last Valuation Day of the VEC Calculation Period), the AIFM will inject the excess amount into the Portfolio. The excess amount will be payable in arrears at the end of the VEC Calculation Period and therefore actual operating expenses incurred by the Portfolio could exceed the Voluntary Expense Cap at other points during the VEC Calculation Period. As stated above, Qualifying Expenses will include all operating expenses other than management and performance fees, the cost of buying and selling assets (including brokerage and any anti-dilution levies charged) and interest.

The Voluntary Expense Cap shall apply in respect of each VEC Calculation Period until such time as at the sole discretion of the AIFM, the Voluntary Expense Cap is removed, provided that Unitholders will be given reasonable notice prior to such removal to enable them to redeem their Units if they wish.

### Anti-Dilution Levy

The AIFM shall impose an anti-dilution levy, representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold) and dealing costs (“**Dealing Costs**”) relating to the acquisition or disposal of assets, in the event of receipt for processing of net subscription and/or net redemption requests to be effected as of a Dealing Day (including subscriptions and/or redemptions which would be effected as a result of requests for switching from one Portfolio into another Portfolio).

The anti-dilution levy will be paid into the Portfolio and become part of the property of the Portfolio and is designed to protect both the value of the Portfolio’s underlying assets and the current Unitholders’ interests in the Portfolio.

The levy will be applied on a pro-rata basis to:

- (i) all subscribers in the event of receipt for processing of net subscription requests (including subscriptions which would be effected as a result of requests for switching from one Portfolio into another Portfolio) and will be deducted from the subscription amount received from such subscribers as a separate charge; or
- (ii) all Unitholders requesting redemption in the event of receipt for processing of net redemption requests (including redemptions which would be effected as a result of requests for switching from one Portfolio into another Portfolio) and will be deducted from the redemption proceeds to be paid to such Unitholders.

The AIFM shall be entitled to waive the anti-dilution levy for all persons impacted in circumstances where the AIFM considers it appropriate to do so in the best interests of the Unitholders in the Portfolio (e.g. where the anti-dilution levy is negligible compared to the costs which would be incurred on behalf of the Portfolio in applying the levy, etc).

However where a gross single subscription and/or redemption and/or switching request exceeds 5% of the net asset value of the Portfolio on any Dealing Day (the “**5% threshold**”), the AIFM may at its discretion, as opposed to apportioning the anti-dilution levy on the basis as set out above, apportion the anti-dilution levy, on a pro rata basis, only to the applicable subscriber(s) and/or Unitholder(s) requesting redemption and/or switching exceeding that 5% threshold. In such circumstance, the anti-dilution levy payable will still be calculated by taking into account any other requests for subscriptions / redemptions to be effected on the same Dealing Day which could

potentially reduce the market impact of the dealing costs to be incurred. The anti-dilution levy will be deducted from the subscription amount received as a separate charge in the case of a subscription request exceeding the 5% threshold and deducted from the redemption proceeds to be paid in the case of a redemption request exceeding the 5% threshold. The deduction would also apply to a subscription amount and/or redemption proceeds applicable to requests for switching being effected from one Portfolio into another Portfolio.

## 15. Risk Factors

Potential investors should consider the risks referred to in the “Risk Factors” section of the Prospectus.

## 16. Redemption of Units

In respect of all redemption requests to be effected on a Redemption Day, such redemption requests must be received by the Administrator prior to 5.00 p.m. (Irish time) on a “Business Day” which is at least five Business Days prior to that Redemption Day.

The redemption price will normally be payable to the Unitholder within five Business Days after the relevant Redemption Day on which the redemption is to be effected (and, in any event, not later than thirty calendar days after the relevant Redemption Day on which the redemption is to be effected) subject to receipt by the Administrator of the redemption request, supporting information and documentation as required by the AIFM and/or the Administrator.

Redemption requests may be submitted by fax to the Administrator at +353 (0) 1 612 5779 (or such other number as may be designated for this purpose from time to time). All redemption requests carried out by fax should be verified by Unitholders by telephone to the Administrator to confirm receipt of their fax instruction.

## 17. ERISA Considerations

The Portfolio may accept investments from employee benefit plans subject to Part 4, Subtitle B of Title I of the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”), plans or accounts subject to Section 4975 of the US Internal Revenue Code of 1986, as amended (the “IRC”) and entities whose underlying assets include “plan assets” as defined by ERISA and the regulations thereunder (collectively, “Plan Investors”), and it is not expected that such investment in the Portfolio will be limited. Accordingly, the Portfolio’s assets may be deemed to constitute “plan assets” subject to Title I of ERISA or Section 4975 of the IRC.

A Plan Investor should, before authorizing an investment of the plan’s assets in the Portfolio and after considering the investor’s particular circumstances, determine whether the investment is appropriate under the fiduciary standards of ERISA and other applicable law, including standards with respect to prudence, diversification and delegation of control, and the prohibited transaction provisions of ERISA and the IRC. Plan Investors should consult their own advisors in making such determination.

United States Department of Labor (the “DOL”) regulation 29 C.F.R Section 2510.3-101 and Section 3(42) of ERISA (together, the “Plan Asset Rule”) govern whether investment by a “benefit plan investor”, as defined in the Plan Asset Rule, in an entity will result in the underlying assets of the entity being considered plan assets. If the underlying assets of an entity in which a benefit plan investor were to invest were



considered plan assets, the activities of the entity, and not just the benefit plan investor's decision to invest in that entity, would be subject to applicable provisions of ERISA and/or section 4975 of the Code. Under the Plan Asset Rule, when a benefit plan investor acquires an equity interest in an entity (such as the Portfolio) that is neither a publicly-offered security nor a security issued by a registered investment company, the plan's assets include an undivided interest in each of the underlying assets of the entity unless it is established that either: (i) the entity is an operating company, or (ii) the aggregate equity participation in the entity by "benefit plan investors" is not significant. Equity participation in an entity by benefit plan investors is significant if such investors hold twenty-five percent (25%) or more of the value of any class of equity interest in the entity (such as shares in the Portfolio), disregarding equity interests held by Controlling Persons. Benefit plan investors include employee benefit plans subject to the fiduciary responsibility provisions of ERISA, plans subject to Section 4975(e) of the IRC (such as IRAs), and entities whose underlying assets include plan assets under the Plan Asset Rule.

Due to the nature of the investment portfolio of the Portfolio, the AIFM and the Investment Manager believe that the Portfolio will not qualify as an "operating company". It is possible that participation by benefit plan investors in the Portfolio will be significant, in which case the Portfolio's investments and other assets will constitute "plan assets" subject to ERISA and Section 4975 of the Code.

If the assets of the Portfolio are considered plan assets, then the activities of the Portfolio will be subject to the fiduciary standards of ERISA and other applicable law, including the prohibited transaction rules of ERISA and the IRC. This could result in the imposition of an excise tax upon interested parties and liability for persons or entities having discretion or control over such investments and activities. The Investment Manager and AIFM, however, are each Qualified Professional Asset Investment Managers within the meaning of DOL PTE 84-14 (the "QPAM Exemption"). Accordingly, under the QPAM Exemption, the Portfolio will be permitted to engage in certain transactions with parties in interest of the ERISA Investors that would otherwise be prohibited. In addition, if the assets of the Portfolio are considered plan assets, the Investment Manager's and the AIFM's fees as fiduciaries will be subject to the applicable prohibited transaction rules and related exemptions, which require, amongst other things, that the fees constitute reasonable compensation for services rendered and comply with certain conflict of interest provisions. Although there is little guidance in this regard, the AIFM believes that its fees are within industry norms and are determined at arm's length between the AIFM and the investors, and therefore should be considered reasonable.

The Investment Manager has acknowledged in the Investment Management Agreement and the AIFM has acknowledged in the Trust Deed that if the assets of the Portfolio are considered plan assets under the Plan Asset Rule, they will each be a fiduciary with respect to the ERISA Investors in the Portfolio. Also the Investment Manager and the AIFM have each obtained an ERISA performance bond covering each ERISA Investor in the Portfolio, in compliance with Section 412 of ERISA, and the Investment Manager and/or the AIFM will provide ERISA Investors with the information necessary for them to complete the United States Internal Revenue Service Form 5500 and to comply with ERISA Section 408(b) (2) and regulations thereunder.

In addition, Section 404(b) of ERISA and DOL regulation 2550.404b-1 require generally that the indicia of ownership of plan assets be maintained in the United States, but allow non-US assets to be held outside the United States by a non-US qualified custodian that meets certain requirements where the foreign custodial entity holds the indicia of ownership as agent for a US bank and the US bank retains ultimate liability

for the assets. Accordingly, JP Morgan Bank (Ireland) plc, as Depository for the Coronation Universal Fund, has appointed a global US sub-custodian for the Portfolio in order to satisfy the ERISA indicia of ownership requirements.

Fiduciaries of Plan Investors that are subject to ERISA are required to file annual reports with the DOL and the IRS that set forth the current value and other information with respect to the assets of such plans. For the purpose of this requirement, fiduciaries must include information with respect to the plans' interest in entities, such as the Portfolio, that are treated as holding plan assets, unless the entity files such information directly with the DOL in accordance with an alternative procedure. Although the Portfolio may undertake to comply with this alternative method of annual reporting, it is not under any obligation to do so. In all events, the Portfolio will provide, through the reports provided to investors or upon request, the information reasonably necessary to enable Plan Investors to comply with the applicable reporting requirements, to the extent such information is available. In addition, Plan Investors may be required to report certain compensation paid by the Portfolio (or by third parties) to the Portfolio's service providers as "reportable indirect compensation" on Schedule C to Form 5500 Annual Return ("Form 5500"). To the extent any compensation arrangements described herein constitute reportable indirect compensation, any such descriptions are intended to satisfy the alternative reporting option for "eligible indirect compensation," as defined in the Instructions for Schedule C to Form 5500.

Section 408(b)(2) of ERISA and Section 4975(d)(2) of the Code each provides an exemption from the prohibited transaction rules for reasonable arrangements between plans and parties in interest for, in relevant part, the provision of services, if no more than reasonable compensation is paid for those services. Regulation 29 C.F.R. Section 2550.408b-2 requires, among other things, that a person who is a fiduciary to a plan by reason of providing investment advisory services to a "plan assets" fund must disclose certain compensation paid to itself and its affiliates and subcontractors, as well as certain expenses paid by the fund, in order to rely on the Section 408(b)(2) exemption. To the extent it is determined that it is necessary or desirable to rely on this exemption, the Portfolio will provide the required disclosures if such information is not contained in this Prospectus.

No information that the Fund (or the Portfolio), the AIFM, the Investment Manager, any Sub-Investment Manager or any entity or other person providing marketing services on their behalf, or any of their respective affiliates (collectively, the "Fund Parties") is providing shall be considered to be or is advice on which the Plan Investor may rely for any investment decision. The Plan Investor must make its own decision, with whatever third-party advice it may wish to obtain, and the Plan Investor is not authorized to rely on any information any Fund Party is providing as advice that is a basis for the Plan Investor's decisions.

Unless it expressly notifies the Fund in writing to the contrary, each investor subscribing to acquire Units that is a Benefit Plan Investor, will be deemed, at any time when regulation 29 C.F.R. Section 2510.3-21, as modified 8 April 2016 is applicable, by its acceptance of Units, to acknowledge and agree that the person making the decision to make such investment on its behalf is an Independent Fiduciary (as defined in (b) below) and such Independent Fiduciary will be required to acknowledge and agree that (i) it has been informed that none of the Fund Parties has provided, and none of them will provide, any impartial investment recommendation or investment advice, and they are not giving any advice in a fiduciary capacity, in connection with any Benefit Plan Investor's acquisition of Units; and (ii) it has received and understands the disclosure of the existence and nature of the Fund Parties' financial interests contained in this Prospectus and any other materials provided to such Benefit Plan Investor. Further, the Independent Fiduciary is required to represent and warrant that

it (a) (I) is a bank as defined in Section 202 of the Advisers Act, or similar institution that is regulated and supervised and subject to periodic examination by a state or federal agency; (II) is an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a Benefit Plan Investor; (III) is an investment adviser registered under the Advisers Act, or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; (IV) is a broker-dealer registered under the Securities Exchange Act of 1934, as amended; or (V) has, and at all times that the Benefit Plan Investor is invested in Units of the Portfolio will have, total assets of at least U.S. \$50,000,000 under its management or control (provided that this clause (V) shall not be satisfied if the Independent Fiduciary is either (i) the owner or a relative of the owner of an investing individual retirement account or (ii) a participant or beneficiary of the Benefit Plan Investor investing in Units in such capacity), in each case as provided in 29 C.F.R. Section 2510.3-21(c)(1)(i); (b) is a “fiduciary” as defined in Section 3(21) of ERISA with respect to the Benefit Plan Investor that is a plan fiduciary that is independent within the meaning of 29 C.F.R. Section 2510.3-21(c) (“Independent Fiduciary”); (c) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) is responsible for exercising independent judgment in evaluating the transaction; and (e) neither the Benefit Plan Investor nor the Independent Fiduciary is paying or has paid any fee or other compensation directly to any of the Fund Parties for investment advice (as opposed to other services) in connection with its acquisition or holding of Units.

Employee benefit plans that are not Plan Investors, including, for example, governmental plans and church plans with respect to which no election has been made under Code Section 410(d), although they are not subject to the fiduciary responsibility provisions of Title I of ERISA or to Section 4975 of the Code, may be subject to other laws regulating employee benefit plans. The laws or governing instruments applicable to such plans may have provisions that impose restrictions on the investments and management of the assets of such plans that are, in some cases, similar to those under ERISA and the Code. It is uncertain whether exemptions and interpretations under ERISA would be recognized by the applicable authorities in such cases. Provisions relating to the investment and management of such plans’ assets also might contain restrictions and limitations such as a prohibition, or percentage limitation, on investments of a particular type, or a bar on investments in particular countries or kinds of businesses. Fiduciaries of such plans, in consultation with their advisers, should consider the impact of their applicable laws, regulations and governing instruments on investments in the Portfolio, as well as the considerations discussed herein, to the extent applicable.