

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

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## WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC

(an umbrella type open-ended investment company with variable capital and segregated liability between Funds, incorporated with limited liability under the laws of Ireland with registered number 267944)

**Dated 22 April 2016**

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FIXED INCOME FUNDS	EQUITY FUNDS	MULTI-ASSET FUNDS
Wellington Emerging Local Debt Fund Wellington Emerging Local Debt Advanced Beta Fund Wellington Emerging Markets Corporate Debt Fund Wellington Emerging and Sovereign Opportunities Fund Wellington Euro Corporate Bond Fund Wellington Global Bond Fund Wellington Global Corporate Credit Fund Wellington Global Credit Buy and Maintain Fund Wellington Global Credit Plus Fund Wellington Global High Yield Bond Fund Wellington Global Strategic Sovereign Fund Wellington Opportunistic Emerging Markets Debt Fund Wellington Sterling Core Bond Plus Fund Wellington US\$ Core High Yield Bond Fund Wellington World Bond Fund	Wellington Asia ex Japan Equity Fund Wellington Durable Companies Fund Wellington Emerging Markets Equity Fund Wellington Emerging Markets Local Equity Fund Wellington Emerging Markets Opportunities Fund Wellington Emerging Markets Systematic Equity Fund Wellington Emerging Market Themes Fund Wellington Enduring Assets Fund Wellington Global Health Care Equity Fund Wellington Global Perspectives Fund Wellington Global Property Fund Wellington Global Quality Equity Fund Wellington Hedged Alpha Opportunities Fund Wellington Opportunistic Themes Fund Wellington Strategic European Equity Fund Wellington US Capital Appreciation Equity Fund Wellington US Quality Equity Fund	Wellington Dynamic Diversified Income Fund Wellington Multi-Asset Absolute Return Fund

Wellington Management Funds (Ireland) plc (the "Company") is an investment company with variable capital and segregated liability between sub-funds (the "Funds") incorporated on 25 June 1997 and is authorized in Ireland as a UCITS pursuant to the Regulations. Such authorisation is not an endorsement or guarantee of the Company or any Fund by the Central Bank, nor is the Central Bank responsible for the contents of this Prospectus.

The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.

Certain of the Shares of the Funds are, or application has been made to the Irish Stock Exchange for certain of the Shares of the Funds to be, admitted to the official list and trading on the main securities market of the Irish Stock Exchange. No application has been made for the Shares of the Company to be listed on any other stock exchange. The Directors do not anticipate that an active secondary market will develop in the Shares of any Fund. Neither the admission of Shares of any Fund to the official list and trading on the main securities market of the Irish Stock Exchange nor the approval of the Prospectus shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any other party connected with such Funds, the adequacy of information contained in the Prospectus or the suitability of such Funds for investment purposes.

**The value of and income from the Shares in the Company may go up or down and you may not get back the amount you have invested in the Company. Fees and expenses charged to a Fund will also negatively affect that Fund's investment return, and you should refer to the "Charges and Expenses" section below. Where a subscription and/or redemption charge is provided for the difference at any one time between the preliminary and repurchase price of Shares in the relevant Fund of the Company means that the investment should be viewed as medium to long term. As describe in the section entitled Dividend Policy dividends may be paid out of capital, for example where the Directors do not wish them to be paid out profits or other sources. In the instance the capital of the relevant Fund will be eroded, the dividend is achieved by foregoing the potential for future capital growth and the cycle may continue until all capital is depleted. Dividends out of capital may have different tax implications to dividends out of income and you should seek advice in this regard. Before investing in the Company, you should consider the risks involved in such investment. Please see relevant "Risk Factors" below.**

If you are in any doubt about the contents of this Prospectus you should consult your Stockbroker, Bank Manager, Solicitor, Accountant or other financial adviser.

Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.

Any information given, or representations made, by any dealer, salesman or other person not contained in this Prospectus, a Key Investor Information Document or in any reports and accounts of the Company forming part hereof must be regarded as unauthorized and accordingly must not be relied upon. Neither the delivery of this Prospectus or a Key Investor Information Document nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus. To reflect material changes, this Prospectus may from time to time be updated and intending subscribers should enquire of the Company or the relevant Investment Manager as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Company.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorized. In particular: the Shares have not been registered under the United States Securities Act of 1933 (as amended) and may not, unless otherwise permitted by the Company in its sole discretion, be directly or indirectly offered or sold in the United States or to any United States Person. The Company will not be registered under the United States Investment Company Act of 1940 (as amended).

The Articles of Association of the Company give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to redeem Shares held by), or the transfer of Shares to, United States Persons or by any person who appears to be in breach of the laws or requirements of any country or government authority or by 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 persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary or regulatory disadvantages which the Company might not otherwise have incurred or suffered. The Articles of Association also permit the Directors where necessary to repurchase and cancel Shares held by a person who is or is deemed to be or is acting on behalf of a Taxable Irish Person on the occurrence of a chargeable event for taxation purposes.

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## **DIRECTORY**

### **REGISTERED OFFICE OF THE COMPANY**

25-28 North Wall Quay  
International Financial Services Centre  
Dublin 1  
Ireland

### **INVESTMENT MANAGER**

**in respect of all Funds except for the Wellington Emerging Markets Opportunities Fund, Wellington Emerging Market Themes Fund, Wellington Emerging and Sovereign Opportunities Fund, Wellington Strategic European Equity Fund and the Wellington Asia Ex Japan Equity Fund**

Wellington Management Company LLP  
2711 Centerville Road Suite 400  
Wilmington, Delaware 19808  
USA

### **INVESTMENT MANAGER**

**in respect of the Wellington Emerging Markets Opportunities Fund, Wellington Emerging and Sovereign Opportunities Fund and Wellington Strategic European Equity Fund**

Wellington Management International Ltd.  
Cardinal Place  
80 Victoria Street  
London SW1E 5JL

### **INVESTMENT MANAGER**

**In respect of the Wellington Asia Ex Japan Equity Fund and Wellington Emerging Market Themes Fund**

Wellington Management Singapore Pte Ltd  
1 Marina Boulevard #28-00  
One Marina Boulevard  
Singapore 018989

### **SUB-INVESTMENT MANAGERS**

The Investment Manager may delegate the investment management of a portion of the assets of the Wellington Emerging Market Themes Fund, Wellington Hedged Alpha Opportunities Fund, Wellington Multi-Asset Absolute Return Fund, Wellington Opportunistic Themes Fund and the Wellington Dynamic Diversified Income Fund to sub-investment managers within its group and in such instance, information in respect of the relevant sub-investment managers will be provided to the Shareholders on request and will be disclosed in the periodic reports of the Company.

<b>DISTRIBUTOR</b>	Wellington Global Administrator, Ltd. Clarendon House 2 Church Street P.O. Box HM, 666 Hamilton, HMCX Bermuda
<b>DIRECTORS</b>	Gerald Brady Alan J. Brody Liam Manahan Michael McKenna Neil A. Medugno Christophe Y. Orly
<b>DEPOSITARY</b>	State Street Custodial Services (Ireland) Limited 78 Sir John Rogerson's Quay Dublin 2 Ireland
<b>ADMINISTRATOR</b>	State Street Fund Services (Ireland) Limited 78 Sir John Rogerson's Quay Dublin 2 Ireland
<b>TRANSFER AGENT</b>	Brown Brothers Harriman Fund Administration Services (Ireland) Limited Styne House Upper Hatch Street Dublin 2 Ireland
<b>SECRETARY</b>	Goodbody Secretarial Limited 25-28 North Wall Quay Dublin 1 Ireland
<b>AUDITORS</b>	PricewaterhouseCoopers Chartered Accountants One Spencer Dock North Wall Quay Dublin 1 Ireland
<b>IRISH LEGAL ADVISERS TO THE COMPANY</b>	A&L Goodbody International Financial Services Centre



North Wall Quay  
Dublin 1  
Ireland

## **THE COMPANY**

The Company is an open-ended investment company with variable capital and segregated liability between Funds incorporated with registered number 267944 and is authorized in Ireland as a UCITS pursuant to the Regulations.

The Company is structured as an umbrella fund. Each class of Shares issued relates to a particular Fund the assets of which will be invested in accordance with the investment objective applicable to such Fund. A separate pool of assets shall not be maintained for each class of Shares within the same Fund.

The creation of further Share classes must be notified to, and cleared in advance with the Central Bank. On the introduction of any new class of Shares, the Company will prepare and the Directors will issue documentation setting out the relevant details of each such class of Shares.

### **Profile of a typical investor**

The Emerging and Sovereign Opportunities Fund and the Multi-Asset Absolute Return Fund are suitable for investors seeking an absolute return and investors in these Funds must be able to afford to set aside the invested capital for the medium to long term. All other Funds are suitable for investors seeking long-term total return.

All of the Funds are suitable for investors who are prepared to accept, in normal market conditions, a high degree of volatility of Net Asset Value from time to time and each Fund is suitable as an investment in a well diversified portfolio.

## **INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS**

Details of the investment objective and policies for each Fund of the Company are set forth below. Any change in the investment objective or a material change in investment policy of a Fund may only be made with the approval on the basis of a majority of votes cast at general meeting of the Shareholders of the relevant Fund. In the event of a change of investment objective or policy of a Fund a reasonable notification period will be provided by that Fund to enable Shareholders to redeem their Shares prior to the implementation of the changes.

Details of the investment restrictions laid down in accordance with the Central Bank's Rulebook are set out in Appendix II. Such restrictions apply to each Fund and apply at the time of purchase or entry into each relevant transaction. The Directors may from time to time impose such further investment restrictions on any Fund as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders of the Company are located.

### **Fixed Income Funds**

The Wellington Opportunistic Emerging Markets Debt Fund is currently closed to further investment. Shares of this Fund are no longer offered to, and are not available for subscription by, new subscribers or existing Shareholders, except as described below.

The Directors may allow further investment in the Fund on a limited basis, as capacity arises. Any decision to allow further investment is made at the sole discretion of the Directors, on the basis of the

particular circumstances of the proposed investment and available capacity at that time. The Directors may reopen the Fund at any time without advance notice.

From time to time, the Funds may be exposed to the performance of Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State, its local authorities, non-EU Member States or public international bodies of which one or more EU Member States are members (an "**Issuer**"). In such instances, the relevant Fund may have an exposure of in excess of 35% of its Net Asset Value to the Transferable Securities or Money Market Instruments of a single Issuer. In all instances, the diversification requirements applicable to such instruments shall be adhered to.

### *Wellington Emerging Local Debt Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the JP Morgan Government Bond Index – Emerging Markets Global Diversified Index (the "**Index**"), seeking to achieve the objective primarily through investment in a diversified portfolio of emerging markets local currency-denominated debt securities. The Index consists of domestic currency government bonds to which international investors can gain exposure. The Index uses a weighting scheme to reduce the weight of large countries and redistributing the excess to the smaller weight countries with a maximum weight of 10% per country.

The Fund will invest, either directly or indirectly through the types of financial derivative instruments ("**FDI**") more fully described in the section entitled Types and Description of FDIs. FDI will primarily provide both long and short exposure to emerging markets fixed income securities, currencies and interest rates. The Fund may also invest, in the same manner, in bonds issued by sovereign, quasi-sovereign agency, supranational and sub national government issuers; mortgage-, commercial mortgage-, and asset-backed securities; corporate debt; hybrid securities comprising convertible securities as more fully described in the section entitled **Types and Description of FDIs**, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event; sukuk (financial instruments with cash flows similar to conventional bonds that are structured to comply with Islamic law), warrants, loan participation securities that qualify as an eligible investment by the Fund (including, but not limited to, trade finance loan participations), and, in addition, bank loan assignments that qualify as Money Market Instruments; and credit and index linked securities, which are debt securities of companies whose interest payments and/or payment at maturity depend primarily on the performance of one or more underlying credit exposures or market indices. A particular credit-linked security's underlying credit exposure may be to a sovereign, quasi-sovereign or corporate issuer. Underlying index exposures may be to an index tied to a country's economic exposure, debt or currency. In each case, the underlying credit or index exposure will be consistent with the Fund's investment objective and policies. The Fund also may buy and sell structured notes (which are synthetic securities with embedded components (such as an option)); as well as other debt securities issued by public or private issuers, both fixed- and floating-rate, including forward contracts on such securities.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 50% and 150% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the

Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may invest.

The Fund may invest in any country which is considered by the Investment Manager to be an emerging market. These are primarily located in Latin/Central America and the Caribbean, Central and Eastern Europe, Middle East, Africa and Asia. Developed market exposures are also permitted. The Fund may make substantial investment in securities traded on Russian markets.

Currency exposure to multiple currencies will be taken on an opportunistic basis. Currency exposure to both emerging markets and developed countries, including cross-currency positions, which are not related to the Fund's bond and cash equivalent positions, will be assumed.

There is no limit on the duration of individual Fund holdings; however, duration at the Fund level is expected not to exceed 8 years, in normal market circumstances.

The Fund generally will be diversified by country, currency and issuer but may hold positions that are concentrated from time to time.

Investments will be drawn from the broad credit spectrum. The Fund's weighted average credit quality, including cash and cash equivalents may be below investment grade. There will be no limitations on the credit quality of individual securities or currencies in the Fund.

It is expected that the Fund will generally incur leverage up to a maximum rate of 1300% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. Where FDIs are used for hedging purposes or are themselves hedged against equal and opposite trades, the sum of gross notional values of FDIs may not reflect the true economic risk of the Fund. The maximum figure above includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. If the expected level of leverage were calculated taking into account netting of equal and opposite foreign exchange forward contracts, and excluding the share class hedging, the level of leverage would be expected to be lower and generally between 0% and 300% of the Fund's Net Asset Value. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

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

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### *Wellington Emerging Local Debt Advanced Beta Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective primarily through investment in a diversified portfolio of emerging markets local currency-denominated sovereign debt securities.

The Investment Manager seeks to build a portfolio that targets a return that is broadly equivalent to overall market returns but with less risk. Overall market returns are considered to be the return of a market capitalization weighted index. The exposure of such an index to a market is broadly referred to as "Beta". Such an index can provide a certain level of diversification and return, however, traditional index methodology uses the market capitalization of a country's outstanding debt to determine that country's weighting, which results in more-indebted countries often dominating the index. The Investment Manager considers that the Fund can be constructed to provide exposure to a market in an alternate manner to that of the indices (beta) described above but with lower risk. The Investment Manager calls this "Advanced Beta". In this regard, by utilizing the "Advanced Beta" approach the Investment Manager seeks to reduce the risk of emphasizing larger issues of debt due to strict focus on market capitalization, by applying an additional screening process in the selection of debt securities for the Fund to provide a similar level of exposure but with lower risk. The Fund focuses on bonds that will mature within two to ten years, favors interest rate risk in countries that have steep yield curves, favors currency risk in countries where short-term rates are attractive, and balances risk among markets based on historical data. The Investment Manager will invest in an unconstrained manner using the above outputs with a forward-looking perspective on the creditworthiness of each country, as well as the liquidity and trading costs in each market.

When the Fund invests in emerging market local currency denominated debt securities it creates an implicit short exposure in the Base Currency of the Fund. Changes in exchange rates between the Base Currency and the local market currencies could create volatility in the Fund's returns. The Investment Manager will, using currency derivatives, seek to reduce this volatility by diversifying the Fund's Base Currency short exposure across a basket of short exposures to developed market currencies. In order to ensure the US\$ and non-US\$ Share Classes have substantially the same exposure to the basket of developed market currency short exposures and therefore similar investment returns, the Dealing Currency of the non-US\$ Share Classes will include a hedge against the US\$ Base Currency as described in more detail in the section entitled **Other Share Class Transactions**.

Although the Fund is not constructed relative to a benchmark, the JP Morgan Government Bond Index – Emerging Markets Global Diversified Index (the "Index") will serve as a reference benchmark. The Index consists of domestic currency government bonds to which international investors can gain exposure. The Index uses a weighting scheme to reduce the weight of large countries and redistributing the excess to the smaller weight countries with a maximum weight of 10% per country.

The Fund will invest, either directly or indirectly through financial derivative instruments ("FDI") (set out below); FDI will primarily provide both long and short exposure to emerging markets fixed income securities and currencies and developed market currencies. The Fund may invest in bonds issued by

sovereign, quasi-sovereign agency, supranational and sub national government issuers; loan participation securities that qualify as an eligible investment by the Fund and may be securitised or unsecuritised, warrants and credit and index linked securities, which are debt securities of companies whose interest payments and/or payment at maturity depend primarily on the performance of one or more underlying credit exposures or market indices. A particular credit-linked security's underlying credit exposure may be to a sovereign, quasi-sovereign. Underlying index exposures may be to an index tied to a country's economic exposure, debt or currency. In each case, the underlying credit or index exposure will be consistent with the Fund's investment objective and policies. The Fund may also hold securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)) and other debt securities issued by public or private issuers, both fixed- and floating-rate, including forward contracts on such securities.

The Fund may invest in collective investment schemes as described in the section entitled **Investment in Other Investment Funds** and in exchange traded funds ("ETFs") that provide exposure to the types of securities listed above and which constitute an eligible investment for the Fund. Such ETFs will be listed and/or traded on the markets and/or exchanges as set out in Appendix I and regulated as UCITS or as AIF ETFs.

The Fund may buy and sell exchange-traded and over-the-counter derivative instruments, comprising currency, interest rate, bond and index options, interest rate, bond, index and currency futures, or options on futures, credit default swaps, index credit default swaps, interest rate, total return and currency swaps, swaptions and swaps on an index, deliverable and non-deliverable currency forwards, forwards on bonds or other debt securities and forward rate agreements, in pursuit of the investment objective and to gain exposure to the instruments listed above, for efficient portfolio management purposes and/or in order to hedge against risk. The Fund may engage in repurchase transactions for efficient portfolio management purposes only. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 90% and 120% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

The Fund will be denominated in US Dollars. Currency exposure, from the use of forward currency exchange contracts in multiple currencies, will be taken on an opportunistic basis as more fully described in the section entitled **Forward Contracts**. Currency exposure to both emerging markets and developed countries, including cross-currency positions, which are not related to the Fund's bond and cash equivalent positions, will be assumed. Debt securities may be denominated in US Dollars or other currencies. The Fund may hold cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents** in multiple currencies without restriction.

There is no limit on the duration of individual Fund holdings; however, duration at the Fund level is expected not to exceed 8 years, in normal market circumstances.

The Fund may invest in any country which is considered by the Investment Manager to be an emerging market. These are primarily located in Latin/Central America and the Caribbean, Central and Eastern Europe, Middle East, Africa and Asia. Developed market exposures are also permitted. The Fund may make substantial investment in securities traded on Russian markets from time to time.

The Fund generally will be diversified by country, currency, sector and issuer, but may hold positions that are concentrated from time to time. The Fund's weighted average credit quality is expected to be investment grade, but investments may be drawn from a broad credit spectrum. However, the Fund may only purchase securities if rated at least speculative grade i.e. B3 by Moody's, B- by S&P, or B- by Fitch, or an equivalent internal rating by the Investment Manager. In case of two different ratings, the lower rating shall be decisive. In case of three or more different ratings, the lower rating of the two best ratings shall be decisive. Any securities which fall below the minimum required rating subsequent to purchase will be sold within six months from the downgrading, unless the rating is upgraded within that period. The Investment Manager will under no circumstances rely exclusively or automatically on external ratings in determining the credit risk of a financial instrument, and the Investment Manager will perform its own credit assessment with respect to each investment.

It is expected that the Fund will generally incur leverage up to a maximum rate of 700% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. Where FDIs are used for hedging purposes or are themselves hedged against equal and opposite trades, the sum of gross notional values of FDIs may not reflect the true economic risk of the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of non-US\$ Share Classes. If the expected level of leverage were calculated taking into account netting of equal and opposite foreign exchange forward contracts, and excluding the share class hedging, the level of leverage would be expected to be lower and generally between 0% and 200% of the Fund's Net Asset Value. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

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

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

## *Wellington Emerging Markets Corporate Debt Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the JPMorgan Corporate Emerging Market Bond Index Broad Diversified (the "Index"), seeking to achieve the objective through investment in a diversified portfolio, primarily consisting of US Dollar denominated emerging markets corporate bonds. The Index is market capitalization weighted and consists of US-denominated Emerging Market corporate bonds. To ensure the Index remains diversified, the weights of the index countries with larger corporate debt are limited by only including a specified portion of the face value of their debt.

Fund construction is based on combining top-down quantitative and macroeconomic analysis and detailed sovereign and credit research with bottom-up security selection conducted by the Investment Managers. The Fund will primarily invest in any country that is considered by the Investment Manager to be a developing or emerging market. These are primarily located in Latin/Central America and the Caribbean, Central and Eastern Europe, Middle East, Africa and Asia. The Fund may make substantial investment in securities traded on Russian markets

The Fund may invest, either directly or indirectly through the use of FDI, primarily in bonds issued by corporates and quasi-sovereign agencies but may also invest, in the same manner, in bonds issued by sovereigns, supranational and sub national government issuers. These bonds will be denominated predominantly in US Dollars, but may also be denominated in euros or other currencies.

The Fund may also buy and sell index linked bonds and credit linked notes whose interest payments and/or payment at maturity depend primarily on the performance of an underlying index or security. The underlying exposure of an index linked bond may be tied to a market index (such as a bond index or a credit default swap index) or an economic index (such as growth or inflation indices). The underlying exposure of a credit linked note is typically tied to a sovereign, quasi-sovereign or corporate bond issuer. In each case, the underlying exposure will be consistent with the Fund's investment objective and policies. The Fund also may buy and sell structured notes. Such structured notes shall give exposure to underlying fixed income securities on an unleveraged basis.

The Fund also may buy and sell mortgage-backed securities, asset-backed securities, commercial mortgage backed securities, hybrid securities such as convertible bonds, contingent capital securities (which may be automatically written down upon the occurrence of a specific event) and contingent convertible securities (which may be automatically converted into an equity security upon the occurrence of a particular event), sukuk (financial instruments with cash flows similar to conventional bonds that are structured to comply with Islamic law), credit linked notes issued by public or private issuers, as well as other bonds that may be fixed- and floating rate. The Fund may also hold private placements, including those issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)).

In pursuit of the investment objective and as a means of indirectly gaining both long and short exposure to the instruments listed above, for efficient portfolio management purposes and for hedging purposes, the Fund may buy and sell exchange-traded and over-the-counter FDIs, including interest rate, bond, index (including credit index) and currency futures; currency, interest rate, inflation, total return swaps, and credit default swaps; currency, bond, interest rate and swap options; deliverable and non-deliverable



currency forward contracts, bond forwards and warrants. FDIs are more fully described in the section entitled Types and Description of FDIs. The Fund may hold outright (i.e. net) short positions synthetically through the use of FDIs.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 80% and 150% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

Non-US Dollar denominated positions may be unhedged, partially hedged, or fully hedged depending on the Investment Manager's investment outlook and hedges will be implemented primarily via deliverable and non-deliverable currency forward contracts. Currency exposure to both emerging and developed market currencies, including cross-currency positions, which are not related to the denomination of the Fund's positions, may be assumed as opportunities arise.

There is no limit on the duration of individual Fund holdings; however, duration at the Fund level will be limited to the duration of the Index +/- 2 years. Duration indicates price sensitivity to fluctuations in interest rates. Duration is measured in years - the higher the duration, the more likely prices will drop as interest rates increase. For example, a bond with 5 year duration will likely decrease in value by 5% if interest rates rise 1% and increase in value by 5% if interest rates fall 1%. If the duration of the Fund's reference benchmark is 6 years, for example, the above statement means that the duration of the Fund will not be lower than 4 years, and will not be higher than 8 years.

The Fund will generally be diversified by country, currency and issuer but may hold concentrated positions in currencies, countries and issuers from time to time.

Investments will be drawn from the broad credit spectrum. The Fund's weighted average credit quality, including cash and cash equivalents may be below investment grade. There will be no limitations on the credit quality of individual securities or currencies in the Fund.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 400% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. Where FDIs are used for hedging purposes or are themselves hedged against equal and opposite trades, the sum of gross notional values of FDIs may not reflect the true economic risk of the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. If

the expected level of leverage were calculated taking into account netting of equal and opposite foreign exchange forward contracts, and excluding the share class hedging, the level of leverage would be expected to be lower and generally between 0% and 30% of the Fund's Net Asset Value. Further information on leverage can be found in the section entitled **Leverage**.

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

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### *Wellington Emerging and Sovereign Opportunities Fund*

The investment objective of the Fund is to seek absolute returns above a cash benchmark over the medium to long term.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by entering into FDIs and direct investments, to gain both short and long exposure to interest rate, foreign exchange and debt securities markets. The Fund will gain exposure primarily to global emerging and developed sovereign markets with some limited allocation to global emerging markets corporate bonds.

The Bank of America Merrill Lynch 3-month US T Bill index (the "Index") will serve as the cash benchmark. The Index consists of short-term U.S. Government securities with a remaining term to final maturity of less than three months.

The approach is unconstrained in nature and will seek to gain both long and short exposure by combining a model based approach and a fundamental approach for interest rate, currency and debt securities markets. The model based process is followed to determine predominantly the interest rate and currency positioning in the Fund. It is based on models that are used to assess fair value and to identify momentum in interest rates and currency markets. Each model is assigned risk limits and stop losses so that downside risk can be clearly quantified and to combat the effect of market movement. Processes are enhanced on an ongoing basis to ensure their effectiveness as financial markets evolve. The fundamental process is employed to determine predominantly positions in sovereign and corporate debt securities. Rigorous fundamental analysis is the foundation of this investment process. The analysis is approached from different perspectives, including a top-down assessment of macroeconomic and political conditions and a bottom-up view derived from fundamental analysis of the dominant issuers and industries in each country and intensive credit research. By gaining exposures in this manner the Fund shall therefore endeavour to generate opportunities regardless of market direction.

The Fund will invest, either directly or indirectly through the use of FDI, in debt securities denominated in US Dollars, euros, or the currencies of emerging or developed markets, including debt instruments issued by emerging and developed markets governments, sovereigns, quasi-sovereign agencies, supranational, sub national government issuers, and corporate issuers. Such debt securities include mortgage-, commercial mortgage backed securities, corporate debt, hybrid securities comprising convertible securities as more fully described in the section entitled **Types and Description of FDIs**, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event, credit-linked securities (including credit linked notes) and index-linked securities which are debt securities of companies whose interest payments and/or payment at

maturity depend primarily on the performance of one or more underlying credit exposures or market indices. A particular credit-linked security's underlying credit exposure may be to a sovereign, quasi-sovereign or corporate issuer. Underlying index exposures may be to an index tied to debt, currency or another measure of a country's economic exposure, for example a bond index or a credit default swap index. In each case, the underlying credit or index exposure will be consistent with the Fund's investment objective and policies.

The Fund may buy and sell exchange-traded and over-the-counter derivative instruments, including interest rate, bond, index (including credit index) and currency futures; currency, interest rate, inflation, total return swaps, and credit default swaps; currency, bond, interest rate and swap options; deliverable and non-deliverable currency forward contracts, bond forwards, warrants, "to-be announced" (TBA) securities and may hold outright (i.e. net) short positions synthetically through the use of derivative instruments for efficient portfolio management purposes as well as for investment purposes in pursuit of the Fund's investment objective. FDIs are more fully described in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will vary in time, but will typically range from a maximum net short position of 500% to a maximum net long position of 1000% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

Currency exposure to multiple currencies will be taken on an opportunistic basis. Currency exposure to both emerging markets and developed countries, including cross-currency positions, which are not related to the Fund's bond and cash equivalent positions, will be assumed.

For the purposes of this Fund, an emerging market is one that the Investment Manager considers to be an emerging market.

The Fund generally will be diversified by country, currency and issuer but may hold concentrated positions from time to time. For example, the Fund may directly invest up to 20% in securities traded on Russian markets.

Investments will be drawn from the broad credit spectrum ranging from permitted unrated issues, below investment grade emerging markets issues to highly rated developed market government issues. There will be no limitations on the credit quality of individual securities or currencies in the Fund.

Net exposure to corporate debt securities will not represent more than 20% of the Fund's Net Asset Value at the time of purchase.

The Fund may invest more than 30% of its Net Asset Value in below investment grade securities and may invest more than 20% of its Net Asset Value in emerging markets.

The level of leverage in the Fund is not expected to exceed 5000% of its Net Asset Value. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse

movements of the strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The market risk of the Fund, including the risk associated with the use of short opportunities, will be assessed within the regulatory limits specified below in the section entitled **Financial Derivative Instruments (FDIs)** using a risk management technique known as absolute VaR calculated using a parametric approach. The VaR approach is a measure of maximum potential loss. More particularly, the VaR approach measures the maximum potential loss at a given confidence level over a specific time period under normal market conditions. As specified in the section entitled **Financial Derivative Instruments (FDIs)** the Fund adopts a one-tailed 99% confidence level under normal market conditions for a one month holding horizon and considering at least three years of historical data. This is equivalent to saying that there is a 1% probability (confidence level) that the potential loss could be greater than the VaR amount. This is most likely to arise in abnormal market conditions or at times of extraordinary high impact events. In that instance the VaR approach does not measure the maximum potential loss and the Fund and Shareholders could likely suffer serious financial consequences as a result. Stress testing is performed on the Funds to monitor the impact of potential losses as a result of low probability events. These use a range of historical or hypothetical events which may be unrepresentative of actual abnormal market conditions or high impact events. The Company has in place procedures to limit the risks and protect Shareholder interests especially under abnormal market conditions. These may include reducing the use of the FDIs by the Fund, adopting stop-losses and undergoing more representative and more frequent stress testing.

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

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

#### ***Wellington Euro Corporate Bond Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the Barclays Euro Aggregate Corporate Index (the 'Index'), seeking to achieve the objective by investing primarily in a diversified portfolio of Euro-denominated corporate debt securities. The Index tracks the performance of investment grade corporate bonds issued in Euro, including securities of issuers from and outside the Euro zone.

Fund construction is primarily based top-down analysis of global investment themes, rigorous fundamental economic analysis and specialist research on individual credit sectors with bottom-up security selection conducted by the Investment Manager.

The Fund may also invest in Euro denominated debt securities of issuers domiciled around the world including securities issued by commercial, governmental or supranational entities. The debt securities will include residential and commercial mortgage-backed securities, asset-backed securities, covered bonds, corporate and real estate investment trust (REIT) debt, which are debt instruments issued by a REIT and credit-linked securities (for example a credit linked note), index-linked, capital securities,

hybrid securities such as convertible bonds, contingent capital securities (which may be automatically written down upon the occurrence of a specific event) and contingent convertible securities (which may be automatically converted into an equity security upon the occurrence of a specific event) including forward contracts on such securities. Credit-linked securities are debt securities of companies whose interest payments and/or payment at maturity depend on the performance of one or more underlying credit exposures. Credit linked securities may embed a swap. The Fund may hold private placements, comprising those issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)) and Transferable Securities, such as loan participation securities that qualify as an eligible investment by the Fund, that reference bank loans or trade finance loans.

The Fund generally will be diversified by country, sector and issuer, but may hold positions that are concentrated from time to time. For example, the Fund may invest up to 5% of its Net Asset Value in securities traded in the Russian markets. The Fund's investments will represent a broad credit spectrum, including issues rated below investment grade. However, the Fund may only purchase securities if rated at least speculative grade i.e. B3 by Moody's, B- by S&P, or B- by Fitch, or an equivalent internal rating by the Investment Manager. The Fund may only purchase non-agency mortgage-, commercial mortgage- and asset-backed securities, as well as other structured investments linked to credit risk such as credit-linked and index-linked securities, rated at least investment grade i.e. Baa3 by Moody's, BBB- by S&P, or BBB- by Fitch, or an equivalent internal rating by the Investment Manager. In case of two different ratings, the lower rating shall be decisive. In case of three or more different ratings, the lower rating of the two best ratings shall be decisive. Any securities which fall below the minimum required rating subsequent to purchase will be sold within six months from the downgrading, unless the rating is upgraded within that period. The Fund's Net Credit Exposure to securities rated below investment grade will not represent more than 15% of net assets at the time of purchase. The Investment Manager will under no circumstances rely exclusively or automatically on external ratings in determining the credit risk of a financial instrument, and the Investment Manager will perform its own credit assessment with respect to each investment.

The Fund's Net Credit Exposure to securitized debt instruments or covered bonds will not represent more than 30% of its Net Asset Value at the time of purchase. The Fund's Net Credit Exposure to convertible debt instruments will not represent more than 15% of its Net Asset Value at the time of purchase. The Fund's Net Credit Exposure to any single issuer, other than securities issued or guaranteed by governments, government agencies or instrumentalities rated at least Aa by Moody's, AA by S&P, or AA by Fitch, will not represent more than Index +/-5% of the Fund's market value at the time of purchase. The Fund's net credit exposure to securities rated below investment-grade from any single issuer will not represent more than Index +/-2% of the Fund's market value at the time of purchase.

There is no limit on the duration of individual Fund holdings; however, duration at the Fund level will be limited to the duration of the Index from time to time, +/- 2 years. Duration indicates price sensitivity to fluctuations in interest rates. Duration is measured in years - the higher the duration, the more likely prices will drop as interest rates increase. For example, a bond with 5 year duration will likely decrease in value by 5% if interest rates rise 1% and increase in value by 5% if interest rates fall 1%. If the duration of the Fund's reference benchmark is 6 years, for example, the above statement means that the duration of the Fund will not be lower than 4 years, and will not be higher than 8 years.

Currency exposure will be taken on an opportunistic basis. Currency exposure including cross-currency positions, which are not related to the Fund's bond and cash equivalent positions, may be assumed. Net

exposure to any single currency other than the Fund's Euro base currency will not represent more than +/- 5% of the Fund's market value at the time of purchase.

The Fund may enter into derivatives agreements, both long and short, for hedging purposes or for efficient portfolio management. The Fund may invest in derivatives as more fully described in the section entitled **Types and Description of FDIs**. Typically, derivatives would be used for mitigating interest rate, currency, credit and liquidity risk that arise from the investment policy of the Fund. The Fund may buy and sell exchange-traded and over-the-counter derivative instruments, including interest rate, index (including credit index) and currency futures, currency, interest rate, total return swaps, and credit default swaps, currency, bond, and swap options, deliverable and non-deliverable currency forward contracts and "to-be-announced" (TBA) securities, as more fully described under the section entitled **Types and Description of FDIs**, to mitigate these risks.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 50% and 1200% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 700% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Funds' market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

The Fund may also invest in collective investment schemes as described in the section entitled **Investment in Other Investment Funds**.

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### ***Wellington Global Bond Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the Barclays Global Aggregate Index (the "Index"), seeking to achieve the objective through investment in a globally diversified portfolio of fixed

income securities within a rigorous risk management framework. The Index is comprised of Fixed Income securities from a broad array of geographies and sectors with a maturity of over one year.

The Fund will invest, either directly or indirectly (both long and short) through the use of FDIs, in debt securities of issuers domiciled around the world. The Fund may buy and sell bonds issued by government, agency, and supranational issuers; mortgage, commercial mortgage, and asset-backed securities; hybrid securities comprising convertible securities as more fully described in the section entitled **Types and Description of FDIs**, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event; corporate and REIT debt; credit-linked, index-linked, and capital securities (securities that combine the features of bonds and preferred stock); warrants, loan participation securities that qualify as an eligible investment by the Fund (including, but not limited to, trade finance loan participations) and, in addition, bank loan assignments that qualify as Money Market Instruments; as well as other debt securities issued by public or private issuers, both fixed and floating-rate, including forward contracts on such securities.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will typically be positive, meaning that long positions will generally be in greater proportion than synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 0% and 150% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

Currency exposure will be taken on an opportunistic basis. Currency exposure including cross-currency positions, which are not related to the Fund's bond and cash equivalent positions, may be assumed.

Investments will represent a broad credit spectrum, including issues rated below investment-grade. There is no minimum credit rating for individual securities or currencies.

The Fund generally will be diversified by country, currency and issuer relative to the global bond market. The Fund will conduct most of its trading in the United States, Canada, Europe, Japan and Australia.

It is expected that the Fund will generally incur leverage at a rate of between 50% and 800% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the Net Asset Value of the Fund due to the investment strategies being adopted by the Fund. Where FDIs are used for hedging purposes or are themselves hedged against equal and opposite trades, the sum of gross notional values of FDIs may not reflect the true economic risk of the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the

Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### ***Wellington Global Corporate Credit Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the Barclays Global Aggregate Corporate Index (the “Index”), seeking to achieve its objective by investing primarily in a diversified portfolio of investment grade corporate bonds that may comprise constituents of the Index. The Index is composed of investment grade global corporate bonds.

The Fund will invest, either directly or indirectly through the use of FDI, in debt securities of issuers domiciled around the world comprising bonds issued by commercial, governmental or supranational entities as well as residential and commercial mortgage-backed securities, asset-backed securities, corporate and real estate investment trust (REIT) debt (which are debt instruments issued by a REIT), both fixed and floating-rate, preferred securities, hybrid securities comprising convertible securities as more fully described in the section entitled **Types and Description of FDIs**, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event. The Fund may hold securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)) and bank loan assignments that qualify as Money Market Instruments.

The Fund may also buy and sell index linked bonds and credit linked notes whose interest payments and/or payment at maturity depend primarily on the performance of an underlying index or security. The underlying exposure of an index linked bond may be tied to a market index (such as a bond index or a credit default swap index) or an economic index (such as growth or inflation indices). The underlying exposure of a credit linked note is typically tied to a sovereign, quasi-sovereign or corporate bond issuer. In each case, the underlying exposure will be consistent with the Fund’s investment objective and policies. The Fund also may buy and sell structured notes. Such structured notes shall give exposure to underlying fixed income securities on an unleveraged basis.

The Fund seeks to generate consistent excess returns through a disciplined investment process that integrates top-down analysis of global investment themes, rigorous fundamental economic analysis, and specialist research on individual credit sectors with bottom-up corporate security selection.

The Fund will generally be diversified by country, currency, sector and issuer, but may hold positions that are concentrated from time to time. The Fund’s weighted average credit quality is expected to be investment grade, but investments will be drawn from a broad credit spectrum. However, the Fund may only purchase securities if rated at least speculative grade i.e. B3 by Moody’s, B- by S&P, or B- by Fitch, or an equivalent internal rating by the Investment Manager. The Fund may only purchase non-agency mortgage-, commercial mortgage- and asset-backed securities and covered bonds, as well as other structured investments linked to credit risk comprising credit-linked and index-linked bonds, rated investment grade i.e. Baa3 by Moody’s, BBB- by S&P, or BBB- by Fitch, or an equivalent internal rating by



the Investment Manager. In case of two different ratings, the lower rating shall be decisive. In case of three or more different ratings, the lower rating of the two best ratings shall be decisive. Any securities which fall below the minimum required rating subsequent to purchase will be sold within six months from the downgrading, unless the rating is upgraded within that period. The Fund's Net Credit Exposure to securities rated below investment grade (including debt issued by issuers domiciled in emerging markets) will not represent more than 5% of its Net Asset Value at the time of purchase. The Fund's Net Credit Exposure to securitized debt instruments will not represent more than 15% of its Net Asset Value at the time of purchase. For the purposes of this Fund, the Investment Manager considers an emerging market as a country that has a long-term foreign currency rating below investment grade. The Investment Manager will under no circumstances rely exclusively or automatically on external ratings in determining the credit risk of a financial instrument, and the Investment Manager will perform its own credit assessment with respect to each investment.

The Fund may buy and sell exchange-traded and over-the-counter FDIs comprising currency, interest rate, bond and index options, interest rate, bond and currency futures or options on futures, credit default swaps, index credit default swaps, interest rate, total return and currency swaps, swaptions and swaps on an index, bond and currency forwards and forward rate agreements in pursuit of the investment objective and to gain both long and short exposure to the instruments listed above, for efficient portfolio management purposes and/or in order to hedge against risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 50% and 120% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

Currency exposure, from the use of forward currency exchange contracts in multiple currencies, as more fully described in the section entitled **Forward Contracts** below, will be taken on an opportunistic basis and is not expected to deviate by more than 10% from the Index. Such currency exposure may or may not be influenced by the Fund's bond and cash equivalent positions.

The Fund may also invest in collective investment schemes as described in the section entitled **Investment in Other Investment Funds** and in exchange traded funds that invest in the types of securities listed above and which constitute an eligible investment for the Fund. These will be listed and/or traded on the markets and exchanges as set out in Appendix I and may be transferrable securities or collective investment schemes.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 500% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment

purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

The Net Asset Value of the Fund is expected to have a high level of volatility from time to time.

#### ***Wellington Global Credit Buy and Maintain Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing primarily in fixed income debt securities on a hedged interest rate duration basis. The Investment Manager will use a combination of top down and bottom up credit analysis to structure a Fund that seeks to hold securities to maturity unless their credit outlook deteriorates or securities with a better forecast return are identified.

The Fund may invest either directly or indirectly through FDI, in a diversified portfolio of debt securities of issuers domiciled around the world. These will comprise securities issued by government, agency, quasi-sovereign, supranational, commercial, and sub-national government issuers as well residential and commercial mortgage-backed securities, asset-backed securities, corporate bonds, real estate investment trust (REIT) debt (which are bonds and convertible bonds issued by a REIT), both fixed and floating rate, preferred securities, hybrid securities comprising convertible securities as more fully described in the section entitled Types and Description of FDIs, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event. The Fund may also hold securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)) and bank loan assignments that qualify as Money Market Instruments.

The Fund may also buy and sell index linked bonds and credit linked notes whose interest payments and/or payment at maturity depend on the performance of an underlying index or security. The underlying exposure of an index linked bond may be tied to a market index (such as a bond index or a credit default swap index) or an economic index (such as growth or inflation indices). The underlying exposure of a credit linked note is typically tied to a sovereign, quasi-sovereign or corporate bond issuer. In each case, the underlying exposure will be consistent with the Fund's investment objective and policies. The Fund also may buy and sell structured notes (which are synthetic securities which may have an embedded component (such as an option)). Such structured notes shall give exposure to underlying fixed income securities on either a leveraged or an unleveraged basis.

The Fund may also invest in collective investment schemes as described in the section entitled **Investment in Other Investment Funds** and in exchange traded funds that provide exposure to the types of securities listed above and which constitute an eligible investment for the Fund. Such exchange traded funds will be listed and/or traded on the markets and exchanges as set out in Appendix I and regulated as UCITS or as AIF exchange traded funds. No more than 5% of Net Asset Value of the Fund will be invested in non-listed and non-traded collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter derivative instruments, comprising currency, interest rate, bond and index options, interest rate, bond, index and currency futures, or options on futures, credit default swaps, index credit default swaps, interest rate, total return and currency swaps, swaptions and swaps on an index, deliverable and non-deliverable currency forwards, forwards on bonds or other debt securities, contracts for difference (CFD) and “to-be-announced” (TBA) securities, in pursuit of the investment objective and to gain both long and short exposure to the instruments listed above, for efficient portfolio management purposes and/or in order to hedge against risk. The Fund may engage in repurchase transactions for efficient portfolio management purposes only. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will typically be positive, meaning that long positions will generally be in greater proportion than any synthetic short positions. Whilst the Fund’s typical net market exposure may vary in time, it is expected to range between 5% and 50% of the Net Asset Value of the Fund, depending on the Investment Manager’s analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

Where the Fund invests in debt securities, these debt securities may be denominated in US Dollars or other currencies. The Fund may hold cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents** in multiple currencies without restriction.

The Fund will be denominated in US Dollars. Currency exposure, from the use of forward currency exchange contracts in multiple currencies, as more fully described in the section entitled **Forward Contracts**, is actively managed within the Fund and may include cross-currency positions which may or may not be influenced by the Fund’s bond and cash equivalent positions.

The Fund will consist of different maturities. However, the interest rate duration of the Fund will be hedged through the use of FDI. The total average interest rate duration of the Fund will typically be 0.25 years, plus or minus 0.25 years. There are no limits on the duration of individual holdings, and certain defensive investment strategies may result in negative duration positions at the individual security, country and total Fund levels.

The Fund will generally be well diversified by country, currency, industry, sector, issuer and market capitalisation but may hold positions that are concentrated in this manner from time to time. Investments will be drawn from a broad credit spectrum, including issues rated below investment grade. The Fund’s

Net Credit Exposure to securities rated below investment-grade will not represent more than 20% of its net assets at the time of purchase. Within that allocation, a maximum of 5% of the Fund net assets may be invested in below investment-grade corporate debt issued by companies domiciled in emerging markets (for the purposes of this Fund an emerging market will be those countries that the Investment Manager considers to be an emerging market, typically those with relatively low gross national product per capital but with the potential for rapid economic growth, located in Asia, Africa, the Middle East, Latin America and the developing countries of Europe). Credit ratings for issues will be the highest of Moody's, S&P's, or Fitch's long term ratings. If a security is unrated, then an implied credit rating, as deemed by the Investment Manager, may be used.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 600% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The market risk of the Fund will be assessed within the regulatory limits specified below in the section entitled **Types and Description of FDIs** using a risk management technique known as absolute VaR. The daily VaR of the Fund is calculated to ensure that it does not exceed 4.47% of the Fund's Net Asset Value calculated using a parametric approach. As specified in the section entitled **Financial Derivative Instruments (FDIs)** the Fund adopts a one-tailed 99% confidence level under normal market conditions for a one month holding horizon and considering at least three years of historical data.

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

The Net Asset Value of the Fund is expected to have a high level of volatility from time to time.

#### *Wellington Global Credit Plus Fund*

The investment objective of the Fund is to seek long-term total returns in excess of the Custom Barclays Global Aggregate Corporate (Fin 40% cap) US\$/Euro/GBP 1% Cap \$500M Min Index (ex Tier 1, Upper Tier 2, and Capital Credit securities) Index (the "Index"). The Index is composed of investment grade corporate bonds with minimum amounts outstanding denominated in US Dollars, euros, and Sterling within the industrial, utility and financial services sectors with individual issuers capped at 1%, financials capped at 40% and excluding certain subordinated debt instruments.

The Investment Manager will actively manage the Fund against the Index, seeking to achieve its objective by investing primarily in a diversified portfolio of investment grade corporate debt instruments that may comprise constituents of the Index. The Fund will also invest in debt securities of issuers domiciled around the world including securities issued by commercial, governmental or supranational entities, including residential and commercial mortgage-backed securities, asset-backed securities, corporate and real estate investment trust (REIT) debt, which are debt instruments issued by a REIT, credit-linked, index-linked, capital securities (securities that combine the features of bonds and preferred stocks), preferred stock, hybrid securities comprising convertible securities as more fully described in the section

entitled **Types and Description of FDIs**, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event, as well as other types of debt securities, both fixed and floating-rate, including forward contracts on such securities. The Fund may hold private placements, comprising those issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)) and Transferable Securities, such as loan participation securities that qualify as an eligible investment by the Fund, that reference bank loans or trade finance loans.

The Fund seeks to generate consistent excess returns through a disciplined investment process that integrates top-down analysis of global investment themes, rigorous fundamental economic analysis, and specialist research on individual credit sectors with bottom-up corporate security selection. The Fund diversifies across credit sector allocation, security selection, government duration, currency and country rotation strategies.

The Fund generally will be diversified by country, currency, sector and issuer, but may hold positions that are concentrated from time to time. The Fund's weighted average credit quality is expected to be investment grade, but investments will be drawn from a broad credit spectrum. However, the Fund may only purchase securities if rated at least B3 by Moody's, B- by S&P, or B- by Fitch, or an equivalent internal rating by the Investment Manager. Any securities which fall below the minimum required rating subsequent to purchase will be sold within six months from the downgrading, unless the rating is upgraded within that period. Credit ratings for instruments will be the lowest of Moody's, S&P, or Fitch's long-term ratings, or an equivalent internal rating by the Investment Manager. The Fund's Net Credit Exposure to securities rated below investment grade (including debt issued by issuers domiciled in emerging markets) will not represent more than 15% of its Net Asset Value at the time of purchase. The Fund's Net Credit Exposure to securitized debt instruments will not represent more than 30% of its Net Asset Value at the time of purchase. The Fund's Net Credit Exposure to convertible debt instruments will not represent more than 15% of its Net Asset Value at the time of purchase. For the purposes of this Fund, the Investment Manager considers an emerging market as a country that has a long-term foreign currency rating below investment grade. If a security is unrated, then an implied credit rating, as deemed by the Investment Manager, may be used.

The Fund may buy and sell exchange-traded and over-the-counter derivative instruments, including interest rate, index (including credit index) and currency futures, currency, interest rate, total return swaps, and credit default swaps, currency, bond, and swap options, deliverable and non-deliverable currency forward contracts and "to-be-announced" (TBA) securities, in pursuit of the investment objective and to gain both long and short exposure to the instruments listed above, for efficient portfolio management and/or in order to hedge against risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 50% and 130% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the

Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes

It is expected that the Fund will generally incur leverage at a rate of between 0% and 700% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

Currency exposure, from the use of forward currency exchange contracts in multiple currencies, as more fully described in the section of the same name below, will be taken on an opportunistic basis. Such currency exposure may or may not be influenced by the Fund's bond and cash equivalent positions.

The Fund may also invest in collective investment schemes as described in the section entitled **Investment in Other Investment Funds**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### ***Wellington Global High Yield Bond Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against taking the Bank of America Merrill Lynch Global High Yield Constrained Index ("the Index"), seeking to achieve the objective by investing primarily in debt securities worldwide which are considered by the Investment Manager to be below investment grade. The Index tracks the performance of below investment grade corporate debt publicly issued in markets around the world and is modified capitalization weighted, with the largest issuers capped at 2% percent of the weight of the total index with the excess weight redistributed equally amongst the issuers under that cap.

Total returns will be sought from two sources: a high level of current income and capital appreciation. Fund construction is primarily based upon bottom-up fundamental research conducted by the Investment Manager.

The Fund will invest, either directly or indirectly (both long and short) through the use of FDIs, in high yield (i.e., below investment grade) debt securities of issuers domiciled around the world. The Fund may invest up to 5% of its Net Asset Value in securities traded in the Russian markets. The Fund may invest in a broad range of debt securities of various types and maturities issued by commercial, governmental or

supranational entities, including, for example, debentures, loan participation securities that qualify as an eligible investment by the Fund that reference bank loans or trade finance loans, loans assignments that qualify as Money Market Instruments, hybrid securities comprising convertible securities as more fully described in the section entitled **Types and Description of FDIs**, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event,, preferred stock, warrants, floating rate and variable rate notes, collateralized debt obligations and collateralized loan obligations, collateralized securities (such as securities collateralized or backed by mortgages or credit card receivables), coupon-bearing and deferred interest instruments (such as zero coupon bonds). The Fund may also invest in debt securities of corporations issued under Rule 144A or Regulation S under the US Securities Act of 1933.

The Fund will generally invest in corporate and sovereign debt that carries a credit rating of Ba1 or lower from Moody's or BB+ or lower from Standard & Poor's. The Fund may also invest in non-rated debt instruments deemed to be of similar credit quality by the Investment Manager. Higher rated debt instruments with comparable yields may also be included. The Fund may invest in the debt instruments of issuers in default or bankruptcy. The average quality of the Fund's holdings will tend to be in the B2/B range, but is expected to fluctuate. Lower quality credits may be a focus at certain times. In the event of split ratings on a security, the Investment Manager will use the highest rating of Moody's, Standard & Poor's or Fitch. If a security is unrated, then an equivalent credit rating, as deemed by the Investment Manager, may be used. In the event that a security is downgraded after its purchase, the Investment Manager may continue to hold such security on behalf of the Fund if it determines that it is in the best interest of the Fund. The Fund may hold equity securities, up to 5% of the market value of the Fund, if such securities are received as a result of a corporate restructuring or as a result of owning equity-linked securities (e.g. convertible bond).

The Fund may also invest in collective investment schemes as described in the section entitled **Investment in Other Investment Funds**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 80% and 120% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include the use of derivatives for foreign exchange which are generally limited to hedging.

The Fund may invest in derivatives as more fully described in the section entitled **Types and Description of FDIs**. It is expected that the Fund will generally incur leverage at a rate of between 0% and 400% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the Net Asset Value of the Fund due to the investment strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Funds' market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

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

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### *Wellington Global Strategic Sovereign Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by providing investors with access to a long only, diversified portfolio of global government debt securities whilst strategically managing country and interest rate risks. Research forms the basis of the investment process whereby the Investment Manager utilizes a proprietary sovereign risk analysis framework to analyse countries based on their fiscal profile, economic performance and structural flexibility. The aim of this research is to identify sovereign issuers with three key criteria: stable to improving credit characteristics, attractive valuations and high market liquidity. Countries are assessed by the Investment Manager on this basis through both a quantitative and qualitative process aimed at providing a full picture of a country's risk profile. The Investment Manager uses this assessment to select the countries for inclusion in the Fund and purchases debt securities issued by these countries with a focus on issue diversification, liquidity and the Investment Manager's evaluation of value. Interest rate risk is strategically managed at the Fund level, with the aim of managing Fund duration throughout an interest rate cycle.

Although the Fund is not constructed relative to a benchmark, the Barclays Global Treasury Hedged to US dollar Index (the 'Index') will serve as a reference benchmark. The Index is designed to track the local currency sovereign debt of investment grade countries on a currency hedged basis.

The Fund may invest, either directly or indirectly through the use of FDI, in a diversified Fund of debt securities issued primarily by governments in countries globally with an above investment grade sovereign credit rating. The Fund may also hold securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)).

These debt securities may be denominated in US Dollars or other currencies. The Fund may hold cash and cash equivalents as described in the section below entitled Cash and Cash Equivalents in multiple currencies without restriction. The Fund will be denominated in US Dollars. Non-US Dollar exposures within the Fund will generally be hedged back to US Dollars.

The Fund may buy and sell exchange-traded and over-the-counter FDIs, both long and short, comprising interest rate and bond futures, interest rate swaps, bond and currency forwards, forward rate agreements and warrants, in pursuit of the investment objective and to gain exposure to the instruments listed above, for efficient portfolio management purposes and/or in order to hedge against risk. Full details of the types



of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled Types and Description of FDIs.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 80% and 150% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include the use of derivatives for foreign exchange which are generally limited to hedging.

The Fund generally will be diversified by country and issuer, but may hold positions that are concentrated from time to time. The Fund will not invest in collective investment schemes as described in the section entitled Investment in Other Investment Funds. The Fund's investments will primarily be investment grade and securities may only be purchased if rated at least speculative grade i.e. B3 by Moody's, B- by S&P, or B- by Fitch, or an equivalent internal rating by the Investment Manager. In the case of two different ratings, the lower rating shall be decisive. In the case of three or more different ratings, the lower rating of the two best ratings shall be decisive. Any securities which fall below the minimum required rating subsequent to purchase will be sold within six months from the downgrading, unless the rating is upgraded within that period. The Investment Manager will under no circumstances rely exclusively or automatically on external ratings in determining the credit risk of a financial instrument, and the Investment Manager will perform its own credit assessment with respect to each investment. If an issue is unrated, then an equivalent credit rating, as deemed by the Investment Manager, may be used.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 800% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled Leverage.

The market risk of the Fund will be assessed within the regulatory limits specified below in the section entitled Types and Description of FDIs using a risk management technique known as absolute VaR. The daily VaR of the Fund is calculated to ensure that it does not exceed 4.47% of the Fund's Net Asset Value calculated using a parametric approach. As specified in the section entitled Financial Derivative Instruments (FDIs) the Fund adopts a one-tailed 99% confidence level under normal market conditions for a one month holding horizon and considering at least three years of historical data.

The Net Asset Value of the Fund is expected to have a high level of volatility from time to time.

### ***Wellington Opportunistic Emerging Markets Debt Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the JP Morgan Emerging Markets Bond Index Global (the "Index"), seeking to achieve the objective primarily through investment in a diversified

portfolio of emerging markets debt securities and currency instruments. The Index tracks total returns for US Dollar-denominated debt instruments, both fixed and floating, issued by emerging market sovereign and quasi-sovereign entities.

The Fund will invest, either directly or indirectly through the types financial derivative instruments ("FDI") more fully described in the section entitled Types and Description of FDIs. FDI will primarily provide both long and short exposure to emerging markets fixed income securities, currencies and interest rates. The Fund may also invest, in the same manner, in bonds issued by sovereign, quasi-sovereign agency, supranational and sub national government issuers; mortgage-, commercial mortgage-, and asset-backed securities; hybrid securities comprising convertible securities as more fully described in the section entitled **Types and Description of FDIs**, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event; corporate debt; sukuk (financial instruments with cash flows similar to conventional bonds that are structured to comply with Islamic law), warrants, loan participation securities that qualify as an eligible investment by the Fund (including, but not limited to, trade finance loan participations) and, in addition, bank loan assignments that qualify as Money Market Instruments; and credit and index linked securities, which are debt securities of companies whose interest payments and/or payment at maturity depend primarily on the performance of one or more underlying credit exposures or market indices. A particular credit-linked security's underlying credit exposure may be to a sovereign, quasi-sovereign or corporate issuer. Underlying index exposures may be to an index tied to a country's economic exposure, debt or currency. In each case, the underlying credit or index exposure will be consistent with the Fund's investment objective and policies. The Fund also may buy and sell structured notes (which are synthetic securities with embedded components (such as an option)); as well as other debt securities issued by public or private issuers, both fixed- and floating-rate, including forward contracts on such securities.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 75% and 200% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may invest.

The Fund may invest in any country which is considered by the Investment Manager to be an emerging market. These are primarily located in Latin/Central America and the Caribbean, Central and Eastern Europe, Middle East, Africa and Asia. Developed market exposures are also permitted. The Fund may make substantial investment in securities traded on Russian markets.

Currency exposure to multiple currencies will be taken on an opportunistic basis. Currency exposure to both emerging markets and developed countries, including cross-currency positions, which are not related to the Fund's bond and cash equivalent positions, will be assumed.

The Fund generally will be diversified by country, currency and issuer but may hold concentrated positions from time to time.

Investments will be drawn from the broad credit spectrum. The Fund's weighted average credit quality, including cash and cash equivalents may be below investment grade. There will be no limitations on the credit quality of individual securities or currencies in the Fund.

The Fund will invest in both US Dollar-denominated securities and in securities denominated in currencies other than the US Dollar.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 600% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. Where FDIs are used for hedging purposes or are themselves hedged against equal and opposite trades, the sum of gross notional values of FDIs may not reflect the true economic risk of the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. If the expected level of leverage were calculated taking into account netting of equal and opposite foreign exchange forward contracts, and excluding the share class hedging, the level of leverage would be expected to be lower and generally between 0% and 150% of the Fund's Net Asset Value. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

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

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### ***Wellington Sterling Core Bond Plus Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the Bank of America Merrill Lynch Sterling Broad Market Index (the "Index"), seeking to achieve the objective by investing primarily in Sterling denominated fixed income debt securities. The Index is a measure of the total return of fixed income securities issued in Sterling. The Index includes sovereign and corporate issuance.

The Fund will invest, either directly or indirectly (both long and short) through the use of FDIs, in debt securities denominated in Sterling. The investment approach combines a base of Sterling fixed income strategies with an overlay of global best ideas from the global fixed income and currency markets. The Fund may buy and sell bonds issued by sovereign, agency, and supranational issuers; mortgage, commercial mortgage, and asset-backed securities; hybrid securities comprising convertible securities as

more fully described in the section entitled **Types and Description of FDIs**, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event; corporate and REIT debt loan participations, loan participation securities that qualify as an eligible investment by the Fund (including, but not limited to, trade finance loan participations) and, in addition, bank loan assignments that qualify as Money Market Instruments, trade finance loans, credit-linked, index-linked, and capital securities (securities that combine the features of corporate bonds and preferred stock); as well as other debt securities issued by public or private issuers, both fixed and floating-rate, including forward contracts on such securities. These debt securities may be denominated in Sterling or other currencies.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will typically be positive, meaning that long positions will generally be in greater proportion than synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 0% and 150% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

The Fund's weighted average credit quality, including cash and cash equivalents, is expected to be A3 by Moody's or A by Standard & Poor's or higher. There is no minimum credit rating for individual securities or currencies.

The Fund generally will be diversified by country, currency, issuer, and investment strategy, but may hold concentrated positions from time to time.

It is expected that the Fund will generally incur leverage at a rate of between 50% and 800% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the Net Asset Value of the Fund due to the investment strategies being adopted by the Fund. Where FDIs are used for hedging purposes or are themselves hedged against equal and opposite trades, the sum of gross notional values of FDIs may not reflect the true economic risk of the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### *Wellington US\$ Core High Yield Bond Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the Bank of America Merrill Lynch US High Yield Master II Constrained Index (the "Index"), seeking to achieve the objective by investing primarily in debt securities of US corporations which are considered by the Investment Manager to be below investment grade. The Index tracks the performance of US Dollar denominated below investment grade corporate debt publicly issued in the US domestic market. The Index is modified capitalization weighted, with the largest issuers capped at 2% percent of the weight of the total index with the excess weight redistributed equally amongst the issuers under that cap.

Total returns will be sought from two sources: a high level of current income and capital appreciation. Fund construction is primarily based upon bottom-up fundamental research conducted by the Investment Manager.

The Fund will primarily invest, either directly or indirectly (both long and short), in high yield (i.e., below investment grade) debt securities denominated in US Dollars. The Fund may invest in a broad range of debt securities of various types and maturities issued by commercial, governmental or supranational entities, including, for example, loan participation securities that qualify as an eligible investment by the Fund (including, but not limited to, trade finance loan participations), hybrid securities comprising convertible securities as more fully described in the section entitled **Types and Description of FDIs**, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event, and, in addition, bank loan assignments that qualify as Money Market Instruments, debentures, leveraged loans, convertible bonds, preferred stock, warrants, floating rate and variable rate notes, collateralized securities (such as securities collateralized or backed by mortgages or credit card receivables) coupon-bearing and deferred interest instruments (such as zero coupon bonds). The Fund may also invest in debt securities of corporations issued under Rule 144A or Regulation S under the US Securities Act of 1933. The Fund will not invest in below investment grade emerging market debt securities.

The Fund will invest primarily in securities listed or traded in United States over-the-counter markets. The Fund will not invest in securities listed or traded in emerging markets. For the purposes of this Fund, an emerging market is one that the Investment Manager considers to be an emerging market.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 80% and 120% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include the use of derivatives for foreign exchange which are generally limited to hedging.

The Fund generally will invest in debt securities that carry a credit rating of Ba1 or lower from Moody's or BB+ or lower from Standard & Poor's. The Fund may also invest in unrated debt instruments deemed to be of similar credit quality by the Investment Manager. Higher rated debt instruments may also be included. The Fund may invest in the debt instruments of issuers in default or bankruptcy. The Fund

may invest in US Treasury or agency securities and cash equivalent securities as described in the section below entitled **Cash and Cash Equivalents**. In the event of split ratings on a security, the Investment Manager will use the highest rating of Moody's, Standard & Poor's or Fitch. If a security is unrated, then an equivalent credit rating, as deemed by the Investment Manager, may be used. In the event that a security is downgraded after its purchase, the Investment Manager may continue to hold such security on behalf of the Fund if it determines that it is in the best interest of the Fund.

The Fund generally will be well-diversified by industry and issuer. Sector and quality weightings, as well as individual holdings, will vary.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 350% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the Net Asset Value of the Fund due to the investment strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

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

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

#### ***Wellington World Bond Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing in a range of fixed income assets.

The Fund allocates its assets across multiple fixed income assets, with an allocation to high quality global sovereign debt combined with opportunistic exposure to various other fixed income assets like corporate debt, securitized debt, developed and emerging market debt and currencies.

The Fund may invest, either directly or indirectly through the use of FDI, in a diversified Fund of developed and what the Investment Manager considers to be emerging market debt securities comprising bonds issued by government, agency, quasi-sovereign, supranational, commercial and sub national government issuers as well as residential and commercial mortgage-backed securities, asset-backed securities, covered bonds, corporate and real estate investment trust (REIT) debt (which are bonds and convertible bonds issued by a REIT), both fixed and floating-rate, preferred securities, hybrid securities

comprising convertible securities as more fully described in the section entitled **Types and Description of FDIs**, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event, as well as corporate bonds, and forward contracts on such securities. The Fund may also hold securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)) and bank loan assignments that qualify as Money Market Instruments.

The Fund may also buy and sell index linked bonds and credit linked notes whose interest payments and/or payment at maturity depend on the performance of an underlying index or security. The underlying exposure of an index linked bond may be tied to a market index (such as a bond index or a credit default swap index) or an economic index (such as growth or inflation indices). The underlying exposure of a credit linked note is typically tied to a sovereign, quasi-sovereign or corporate bond issuer. In each case, the underlying exposure will be consistent with the Fund's investment objective and policies. The Fund also may buy and sell structured notes. Such structured notes shall give exposure to underlying fixed income securities on an unleveraged basis.

The Fund may also invest in collective investment schemes as described in the section entitled **Investment in Other Investment Funds** and in exchange traded funds that invest in the types of securities listed above and which constitute an eligible investment for the Fund. These will be listed and/or traded on the markets and/or exchanges as set out in Appendix I and may be transferable securities or collective investment schemes. No more than 5% of Net Asset Value of the Fund will be invested in non-listed and non-traded collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs, both long and short, comprising currency, interest rate, bond, index and inflation options, interest rate, bond, index and currency futures or options on futures, credit default swaps, index credit default swaps, interest rate, total return, inflation and currency swaps, swaptions and swaps on an index, warrants, bond and currency forwards and forward rate agreements, in pursuit of the investment objective and to gain exposure to the instruments listed above, for efficient portfolio management purposes and/or in order to hedge against risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will typically be positive, meaning that long positions will generally be in greater proportion than synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 0% and 200% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

These debt securities may be denominated in US Dollars or other currencies. The Fund may hold cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents** in multiple currencies without restriction.

The Fund will be denominated in US Dollars. Currency exposure, from the use of forward currency exchange contracts in multiple currencies, as more fully described in the section entitled **Forward Contracts**, is actively managed within the Fund and may include cross-currency positions which may or may not be influenced by the Fund's bond and cash equivalent positions.

The Fund will generally be diversified by country, currency, sector and issuer, but may hold positions that are concentrated from time to time. The Fund's investments will represent a broad credit spectrum, including issues rated below investment-grade. There is no minimum credit rating for individual securities or currencies. The Fund's Net Credit Exposure to securities rated below investment grade will not represent more than 50% of its Net Asset Value at the time of purchase. Net Credit Exposure to securitized securities will not represent more than 40% of Net Asset Value at the time of purchase. Credit ratings for issues will be the lowest of Moody's, S&P's, or Fitch's long term ratings. If an issue is unrated, then an equivalent credit rating, as deemed by the Investment Manager, may be used.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 900% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The market risk of the Fund will be assessed within the regulatory limits specified below in the section entitled **Types and Description of FDIs** using a risk management technique known as absolute VaR. The daily VaR of the Fund is calculated to ensure that it does not exceed 4.47% of the Fund's Net Asset Value calculated using a parametric approach. As specified in the section entitled **Financial Derivative Instruments (FDIs)** the Fund adopts a one-tailed 99% confidence level under normal market conditions for a one month holding horizon and considering at least three years of historical data.

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

The Net Asset Value of the Fund is expected to have a high level of volatility from time to time.

## **Equity Funds**

The Wellington Emerging Markets Local Equity Fund is currently closed to further investment. Shares of this Fund are no longer offered to, and are not available for subscription by, new subscribers or existing Shareholders, except as described below.

The Directors may allow further investment in the Fund on a limited basis, as capacity arises. Any decision to allow further investment is made at the sole discretion of the Directors, on the basis of the



particular circumstances of the proposed investment and available capacity at that time. The Directors may reopen the Fund at any time without advance notice.

### ***Wellington Asia ex Japan Equity Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing primarily in companies in developed and emerging markets in the Asia ex Japan region. The management of the Fund will be driven by fundamental company research, and country and sector allocations are primarily a by-product of the bottom-up stock selection process. The Fund is expected to be reasonably diversified, generally holding 40-70 securities and may invest in companies across a broad spectrum of market capitalizations. Up to 15% of the Net Asset Value of the Fund may be invested in companies domiciled outside of Asia if the Investment Manager determines that, on the basis of the company's assets, revenues and earnings, the company conducts substantial business activities in Asia (excluding Japan). The location of a company's stock exchange listing will have no bearing on this evaluation. For the purposes of this Fund, an emerging market is one that the Investment Manager considers to be an emerging market.

Although the Fund is not constructed relative to a benchmark, the MSCI All Countries Asia ex Japan Index (the 'Index') will serve as a reference benchmark. The Index is designed to measure large and mid - cap equity market performance across Asian markets (excluding Japan).

The Fund will invest, directly or through FDIs, in equity and other securities with equity characteristics, comprising investments in Real Estate Investment Trusts ("REITs") depository receipts and market access products (comprising warrants on equities, options on equities and equity swaps). The Fund may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect").

The Fund may invest in exchange traded funds that invest in the types of securities listed above and which constitute an eligible investment for the Fund. These will be listed and/or traded on the markets and/or exchanges as set out in Appendix I and may be transferable securities or collective investment schemes. Typically no more than 5% of Net Asset Value of the Fund will be invested in non-listed and non-traded collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs, both long or short, comprising the market access products mentioned above as well as currency forwards, index futures, or options on index futures, in pursuit of the investment objective and/or to gain exposure to the instruments listed above, for efficient portfolio management purposes and in order to hedge against risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 100% and 110% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the

Fund. These figures do not include the use of derivatives for foreign exchange which are generally limited to hedging.

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

Generally less than 5% of the Fund's Net Asset Value will be invested in cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index, calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data exponentially weighted with a decay factor of 0.94.

It is expected that the Fund will generally incur leverage at a rate of between 0% - 330% of its Net Asset Value through the use of FDI. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of both the long and short strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

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

The Net Asset Value of the Fund is expected to experience a high level of volatility from time to time.

### ***Wellington Durable Companies Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective primarily by investing globally in companies that the Investment Manager considers to be durable companies. Durable companies are those that the Investment Manager considers to exhibit stability and anticipates will generate positive returns over time. Stability is defined by the Investment Manager as a profit base that is not likely to decline significantly from current levels and future value creation largely through management's ability to allocate capital effectively. The merits of stability are widely appreciated by the market and so are often reflected in the valuation of well-known stable businesses. In order to identify these businesses at more attractive valuations, the Investment Manager looks for stability in less conventional places such as a) mid and small capitalisation companies, industry sectors considered from time to time by the Investment Manager to be more volatile and geographies that are typically less favored by the investment industry and b) in companies that do not grow fast enough for growth

investors, lack the blue chip financial characteristics sought by quality investors and are not cheap enough for value investors.

The Fund will invest either directly or indirectly through Financial Derivative Instruments ('FDIs'), in equity and other securities with equity characteristics, comprising shares, preferred stock, depository receipts (such as ADRs, GDRs and European Depositary Receipts), convertible securities, warrants, investments in Real Estate Investment Trusts ("REITs") and market access products (comprising warrants on equities, options on equities and equity swaps) for securities issued by developed and emerging market companies. The Fund may also hold securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)).

The Fund may invest in collective investment schemes as described in the section entitled Investment in Other Investment Funds and in exchange traded funds ("ETFs") that provide exposure to the types of securities listed above and which constitute an eligible investment for the Fund. Such ETFs will be listed and/or traded on the markets and/or exchanges as set out in Appendix I and regulated as UCITS or as AIF ETFs. No more than 5% of Net Asset Value of the Fund will be invested in non-listed and non-traded collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs comprising the market access products mentioned above as well as index futures and currency forwards, both long and short, in pursuit of the investment objective and/or to gain exposure to the instruments listed above, for efficient portfolio management purposes and in order to hedge against risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 100% and 110% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include the use of derivatives for foreign exchange which are generally limited to hedging.

Generally less than 10% of the Fund's Net Asset Value will be invested in cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents**.

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

The Fund may invest in developed countries and any country which is considered by the Investment Manager to be an emerging market. These are primarily located in Latin/Central America and the Caribbean, Central and Eastern Europe, Middle East, Africa and Asia. The Fund may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect").

The market risk of the Fund will be assessed within the regulatory limits specified below in the section entitled Types and Description of FDIs using a risk management technique known as absolute VaR. The daily VaR of the Fund is calculated to ensure that it does not exceed 4.47% of the Fund's Net Asset Value calculated using a parametric approach. As specified in the section entitled Financial Derivative Instruments (FDIs) the Fund adopts a one-tailed 99% confidence level under normal market conditions for a one month holding horizon and considering at least three years of historical data.

It is expected that the Fund will generally incur leverage at a rate of between 0% - 330% of its Net Asset Value through the use of FDI. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of both the long and short strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

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

The Net Asset Value of the Fund is expected to experience a high level of volatility from time to time.

#### *Wellington Emerging Markets Equity Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the MSCI Emerging Markets Index (the "Index"), seeking to achieve the objective by investing primarily in equity securities of companies that are either located in emerging markets, or conduct substantial business in emerging markets as described below. The Index is designed to measure large- and mid-cap equity market performance across global emerging markets.

In managing the Fund, the Investment Manager combines country and sector analysis with stock selection in a relatively concentrated, actively managed investment mandate. The Fund generally will be well diversified across markets, sectors and companies, investing in a minimum of five countries. Typically, no one country will represent more than 35% of Fund holdings. The Fund typically will hold in excess of 80 companies. Total return, rather than income generation, will be emphasized.

The Fund may invest in any country which is considered to be a developing or emerging market, being a country classified by the World Bank as having low or middle per capita income for the last two consecutive years or a country represented in the Index. For temporary defensive purposes in case of unusual or extraordinary market conditions, the Fund may hold up to 100% of its assets in ancillary liquid assets. The Fund may make substantial investment in securities traded on Russian markets and may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect").

The Fund will invest, either directly or indirectly through the use of FDIs, in equity securities and other securities with equity characteristics, such as preferred stocks, warrants on equities, convertible securities,

as well as depository receipts for such securities (such as ADRs, GDRs and European Depository Receipts) issued by entities having their seat or exercising a predominant part of their economic activities in an emerging market as determined above. The Fund may buy and sell exchange-traded and over-the-counter FDIs both long and short in pursuit of the investment objective and to gain exposure to the instruments listed above, for efficient portfolio management purposes and in order to hedge against currency risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 100% and 110% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include the use of derivatives for foreign exchange which are generally limited to hedging.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 330% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the Net Asset Value of the Fund due to the investment strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

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

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

#### ***Wellington Emerging Markets Local Equity Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing primarily in equity securities of companies that are either located in emerging markets, or conduct substantial business in emerging markets as described below, and by focusing on companies that derive or expect to derive the majority of their total revenues or profits from such emerging market countries. In managing the Fund, the Investment Manager combines country and sector analysis with stock selection in an actively managed investment mandate. The Fund is not constrained by market capitalisation, country or sector. Typically, no one country will represent more than 35% of Fund holdings. The Fund

typically will hold in excess of 60 companies. Total return, rather than income generation, will be emphasized.

Although the Fund is not constructed relative to a benchmark, the MSCI Emerging Markets Index (the "Index") will serve as a reference benchmark. The Index is designed to measure large- and mid-cap equity market performance across global emerging markets.

The Fund may invest in any country which is considered to be a developing or emerging market, being a country classified by the World Bank as having low or middle per capita income for the last two consecutive years or a country represented in the Index. The Fund may make substantial investment in securities traded on Russian markets and may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect").

The Fund may also invest, either directly or indirectly through the use of FDIs, in equity securities and other securities with equity characteristics, such as preferred stocks, warrants on equities, convertible securities, as well as depository receipts for such securities (such as ADRs, GDRs and European Depositary Receipts) issued by entities having their seat or exercising a predominant part of their economic activities in an emerging market as determined above. Warrants and convertible securities are more fully described in the section entitled **Types and Description of FDIs**.

Indirect investment in these types of securities means that the Company, on behalf of a Fund, may buy and sell long or short exchange-traded and over-the-counter FDIs, comprising market access products (warrants on equities, options on equities and equity swaps), index futures, currency forward contracts and currency options in pursuit of the investment objective and/or to gain exposure to the instruments listed above, for efficient portfolio management purposes and in order to hedge against risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 100% and 110% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include the use of derivatives for foreign exchange which are generally limited to hedging.

Generally, less than 5% of the Fund's assets will be invested in cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents**.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 330% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the Net Asset Value of the Fund due to the investment strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data. The Index is designed to measure equity markets performance of global emerging markets.

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

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### *Wellington Emerging Markets Opportunities Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing primarily in companies that are located, and/or conduct substantial business activities, in non-developed markets, including frontier markets (as defined by MSCI). The Investment Manager will look to the location of a company's assets, revenues and earnings in determining whether a company conducts substantial business activities in non-developed markets and the location of a company's stock exchange listing will have no bearing in this evaluation.

Although the Fund is not constructed relative to a benchmark, the MSCI Emerging Markets Investable Market Index (the "Index") will serve as a reference benchmark. The Index is designed to measure large-, mid- and small-cap equity market performance across global emerging markets

In managing the Fund, the Investment Manager focuses primarily on bottom-up stock selection. The Fund's country and sector weights are not constrained and are a by-product of the bottom-up stock selection process. Therefore, country and sector exposures may be significantly overweight or underweight relative to the Index. The Fund may invest in companies across a broad spectrum of market capitalizations. Decisions on positions and their sizes within the Fund are taken independently of the composition, weighting and domicile of the components of the Index. The maximum position in an individual security is typically less than 5% of the Net Asset Value of the Fund, and the Investment Manager will seek to reduce any individual position that exceeds 7% of the Net Asset Value of the Fund.

The Fund will invest either directly or indirectly through Financial Derivative Instruments ("FDI") in equity and other securities with equity characteristics, comprising shares, preferred stocks, depository receipts (such as ADRs, GDRs and European Depository Receipts), convertible securities, investments in Real Estate Investment Trusts ("REITs") and market access products (including warrants on equities, options on equities and equity swaps). The Fund may also hold securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)). The Fund may invest up to 15% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect") and may invest in an unconstrained manner in securities traded on Russian markets and therefore such investments may be substantial at any given time.

The Fund may invest in exchange traded funds which constitute an eligible investment for the Fund. These will be listed and/or traded on the markets and exchanges as set out in Appendix I and may be transferable securities or collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs, both long and short, in pursuit of the investment objective, to gain exposure to the instruments listed above, for efficient portfolio management purposes (including to create or reduce exposures in certain countries or geographic regions) to manage cash inflows and outflows and/or in order to hedge against currency or other risks. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 50% and 150% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

Generally, less than 5% of the Fund's Net Asset Value will be invested in cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents**.

It is expected that the Fund will generally incur leverage at a rate of 0% to 350% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the Net Asset Value of the Fund due to the investment strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index, calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data exponentially weighted with a decay factor of 0.94.

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

The Net Asset Value of the Fund is expected to experience a high level of volatility from time to time.

### ***Wellington Emerging Markets Systematic Equity Fund***

The investment objective of the Fund is to seek long-term total returns.



The Investment Manager will actively manage the Fund against the MSCI Emerging Markets Index (the “Index”), seeking to achieve the objective by investing primarily in securities issued by companies domiciled in emerging market countries. Emerging markets countries are those countries included in the Index and any countries which are pending inclusion due to a reclassification by the Index provider. The Index is designed to measure large- and mid-cap equity market performance across global emerging markets.

In selecting the securities for investment, the Investment Manager will seek to capitalise on stock mispricing using a systematic risk-controlled approach. The investment model considers multiple factors for selecting stocks: a quantitative equity model to assess amongst other factors, fair value, earnings quality and short or long term momentum; a proprietary risk model; and a transaction cost model. These are used to systematically evaluate the forecasted attractiveness of individual investments. The Investment Manager combines the above outputs using a proprietary Fund construction model which automatically generates suggested trades for the Fund. All proposed trades are subject to a fiduciary review by the Investment Manager before implementation.

The Fund will invest, directly or through FDIs, in equity and other securities with equity characteristics, comprising investments in Real Estate Investment Trusts (“REITs”) convertible securities, warrants, depository receipts (such as ADRs, GDRs and European Depository Receipts) and market access products (comprising warrants on equities, options on equities and equity swaps). The Fund may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also “Risks linked with dealing in securities in China via Stock Connect”). The Fund will generally be well diversified by country, currency, industry, issuer and market capitalisation but may hold positions that are concentrated in this manner from time to time.

The Fund may invest in exchange traded funds (“ETFs”) that provide exposure to the types of securities listed above and which constitute an eligible investment for the Fund. Such ETFs will be listed and/or traded on the markets and/or exchanges as set out in Appendix I and regulated as UCITS or as AIF ETFs. No more than 5% of Net Asset Value of the Fund will be invested in non-listed and non-traded collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs comprising the market access products mentioned above as well as currency forwards, index futures, or options on index futures, both long and short, in pursuit of the investment objective and/or to gain exposure to the instruments listed above, for efficient portfolio management purposes and in order to hedge against risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. The Fund’s typical net market exposure will be 100% of the Net Asset Value of the Fund, excluding the use of derivatives for foreign exchange which are generally limited to hedging and the use of index futures for cash flow management.

The indices to which the Fund will gain exposure via such market access products will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

Generally less than 5% of the Fund's Net Asset Value will be invested in cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index, which is designed to measure equity market performance in the global emerging markets, calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data exponentially weighted with a decay factor of 0.94.

It is expected that the Fund will generally incur leverage at a rate of between 0% - 330% of its Net Asset Value through the use of FDI. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of both the long and short strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

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

The Net Asset Value of the Fund is expected to experience a high level of volatility from time to time.

### ***Wellington Emerging Market Themes Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing in companies domiciled in emerging markets, and to a lesser extent, in developed and frontier (as defined by MSCI) market countries. Investments in developed markets will be focussed on companies which conduct substantial business in emerging markets as determined by the Investment Manager, including (i) companies that have substantial assets in emerging markets; (ii) companies the Investment Manager believes will experience significant growth from business activities conducted in emerging markets; and (iii) companies that derive a substantial portion of their total revenues from either goods and services produced in, or sales made in, emerging markets.

Although the Fund is not constructed relative to a benchmark, the MSCI Emerging Markets Index (the "Index") will serve as a reference benchmark. The Index is designed to measure large- and mid-cap equity market performance across global emerging markets.

The Investment Manager seeks to identify investment themes relating to structural and economic development in emerging market and frontier market economies. Thematic experts within the Investment Manager will search across a broad set of such themes and theme selection will be based on many quantitative and qualitative considerations of the Investment Manager as well as the accessibility of

the investments. They will focus on identifying themes that are durable and enduring or those the length and duration of which have been underappreciated by the broader market. The Investment Manager will invest on an unconstrained basis in companies best positioned to take advantage of structural and economic shifts or changes within those economies. The Fund may hold concentrated positions within a theme but will generally be well diversified. The approach will differ from, but complement, traditional market capitalization-based investment approaches characterized by a balanced approach to Fund construction but with a bias towards small to mid-capitalization stocks.

The Fund will invest, directly or through FDIs (set out below), in equity and other securities with equity characteristics, comprising shares, preferred stock, investments in Real Estate Investment Trusts (“REITs”), convertible securities, warrants, depository receipts (such as ADRs, GDRs and European Depository Receipts) and market access products (comprising warrants on equities, options on equities and equity swaps). The Fund may also hold securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)).

The Fund may invest in collective investment schemes as described in the section entitled **Investment in Other Investment Funds** and in exchange traded funds (“ETFs”) that provide exposure to the types of securities listed above and which constitute an eligible investment for the Fund. Such ETFs will be listed and/or traded on the markets and/or exchanges as set out in Appendix I and regulated as UCITS or as AIF ETFs. No more than 5% of Net Asset Value of the Fund will be invested in non-listed and non-traded collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs, both long and short, comprising the market access products mentioned above, as well as swaps on indices, currency forwards and index futures, in pursuit of the investment objective and/or to gain exposure to the instruments listed above, for efficient portfolio management purposes and in order to hedge against risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund’s typical net market exposure may vary in time, it is expected to range between 90% and 120% of the Net Asset Value of the Fund, depending on the Investment Manager’s analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include the use of derivatives for foreign exchange which are generally limited to hedging.

The indices to which the Fund will gain exposure via such market access products will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

The Fund may invest in developed countries and any country which is considered by the Investment Manager to be an emerging market or a frontier market. These are primarily located in Latin/Central America and the Caribbean, Central and Eastern Europe, Middle East, Africa and Asia. The Fund may invest up to a maximum of 20% of its Net Asset Value in securities traded on Russian markets from time to time and may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also “Risks linked with dealing in securities in China via Stock Connect”).

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index, calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data exponentially weighted with a decay factor of 0.94.

It is expected that the Fund will generally incur leverage at a rate of between 0% - 400% of its Net Asset Value through the use of FDI. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

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

The Net Asset Value of the Fund is expected to experience a high level of volatility from time to time.

#### *Wellington Enduring Assets Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing globally, primarily in companies that own long-lived physical assets (such as companies in the utility, transportation, energy, real estate, and industrial sectors) that the Investment Manager believes possess an advantaged competitive position and that exhibit low levels of earnings volatility. No industry is formally excluded from the investment universe.

The Fund will invest, directly or through FDIs (set out below), in the following instruments in pursuit of the Fund's investment objective: equity securities or other FDIs or securities with equity characteristics (including securities issued through private placements as described in the section below entitled **Private Placements**) comprising preferred stocks, depository receipts (such as ADRs, GDRs and European Depository Receipts), market access products (including warrants on equities, options on equities and equity swaps) for securities issued by companies worldwide. These will be issued by developed and emerging market issuers that, while not located in an emerging market, conduct substantial business in emerging markets as determined by the Investment Manager, including (i) companies that have substantial assets in emerging markets; and (ii) companies that derive a substantial portion of their total revenues from either goods and services produced in, or sales made in, emerging markets.

The Fund may also hold bonds issued by government, agency, and supranational issuers; corporate and REIT debt; convertible bonds; capital securities (securities that combine the features of corporate bonds and preferred stock) issued by public or private issuers, both fixed and floating rate. Generally, less than 20% of the Net Asset Value of the Fund will be invested in bonds. There will be no limitations on the credit quality of individual securities in the Fund and the Fund will invest in securities denominated in multiple currencies.

The Fund may invest in companies across the market-capitalization spectrum, and may have exposure to various currencies. Generally, less than 25% of the Net Asset Value of the Fund will be invested in cash and cash equivalents as described below in the section entitled **Cash and Cash Equivalents**.

The Fund may make substantial investments in securities traded on Russian markets and may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also “Risks linked with dealing in securities in China via Stock Connect”).

The Fund may invest in exchange traded funds that invest in the types of securities listed above and which constitute an eligible investment for the Fund. These will be listed and/or traded on the markets and exchanges as set out in Appendix I and may be transferrable securities or collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs, both long and short, (such as warrants, futures contracts, options, swaps and deliverable and non-deliverable forward contracts) from time to time in pursuit of the investment objective and as a means of indirectly gaining exposure to the instruments listed above and for efficient portfolio management purposes (including to create or reduce exposures in certain countries or geographic regions), as more fully described in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. The Fund’s typical net market exposure will be 100% of the Net Asset Value of the Fund, excluding the use of derivatives for foreign exchange which are generally limited to hedging and the use of index futures for cash flow management.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 330% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the Net Asset Value of the Fund due to the investment strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The market risk of the Fund will be assessed within the regulatory limits specified below in the section entitled **Types and Description of FDIs** using a risk management technique known as absolute VaR. The daily VaR of the Fund is calculated to ensure that it does not exceed 4.47% of the Fund’s Net Asset Value calculated using a parametric approach. As specified in the section entitled **Financial Derivative Instruments (FDIs)** the Fund adopts a one-tailed 99% confidence level under normal market conditions for a one month holding horizon and considering at least three years of historical data.

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

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### *Wellington Global Health Care Equity Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing primarily in the equity securities of health care companies worldwide. The Fund's investment approach is based primarily on proprietary, bottom-up fundamental research conducted by the global health care analysts in the Investment Manager's Global Industry Analyst group. The Fund takes a long-term value approach to investing in fundamentally sound companies.

Although the Fund is not constructed relative to a benchmark, the MSCI World Health Care Index (the "Index") will serve as a reference benchmark. The Index is designed to capture the performance of Health Care sector securities in the large and mid-cap segments across developed markets.

Sub-sector weightings are primarily a residual of the stock selection process. The Fund will shift opportunistically among health care sub-sectors such as medical products, health services, major pharmaceuticals, specialty major pharmaceuticals, and specialty pharmaceuticals (e.g., genetic, biotech, animal).

The Fund will invest, either directly or indirectly through the use of FDIs, in equity securities or other securities with equity characteristics such as preferred stocks, warrants on equities, as well as depository receipts for such securities (ADRs traded in the United States markets and GDRs traded in markets in other countries), issued by companies active in the health care area worldwide.

The Fund generally will not initiate new positions in the smallest market capitalisation companies in the health care sector. The market capitalisation floor for the Fund will typically be in the range of US\$1 billion to US\$1.5 billion but may fluctuate outside this range as market conditions shift over time. The securities of some medium and small companies, and securities of companies in countries with less well-developed economies and securities markets, are likely to be less liquid than those of large companies in developed markets.

The Fund will be well diversified by issuer. The Fund will be fully invested, with cash holdings kept to a minimum and held for ancillary liquid asset purposes only. The maximum holding in any one company will be 10% of the Fund's Net Asset Value at any time. Investments in securities of companies located outside the United States will typically comprise 10% to 50% of the Fund's assets. These non-US holdings may be representative of a broad range of non-US markets. No more than 20% of the Fund's Net Asset Value will be invested in markets which the Investment Manager considers to be emerging markets. Fund turnover is expected to be low to moderate. The Fund may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect").

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. The Fund's typical net market exposure will be 100% of the Net Asset Value of the Fund, excluding the use of derivatives for foreign exchange positions (long and short) which are generally limited to hedging and the use of index futures for cash flow management.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 330% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the Net Asset Value of the Fund due to the investment strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

The Fund's variability of return is expected to be very high, well above that of a more broadly diversified, global equity Fund.

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### ***Wellington Global Perspectives Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the MSCI All Countries World Small Cap Index (the 'Index'), seeking to achieve the objective by investing globally, primarily in small to mid-capitalisation companies with a market capitalization of typically below \$10bn at the time of initial purchase. The Index is a market capitalisation weighted index designed to measure equity market performance of smaller companies in both developed and emerging markets.

The Investment Manager follows a multi-disciplinary investment process for selecting stocks. A macroeconomic assessment is used in conjunction with a quantitative model which looks at factors such as fair value, earnings quality, risks and transaction costs to narrow the investment universe. Fundamental bottom up stock picking is then used by the Investment Manager to construct the final Fund.

The Fund will invest either directly or indirectly through Financial Derivative Instruments ('FDIs'), in equity and other securities with equity characteristics, comprising shares, preferred stock, depository receipts (such as ADRs, GDRs and European Depository Receipts), convertible securities, warrants, investments in Real Estate Investment Trusts ("REITs") and market access products (comprising warrants on equities, options on equities and equity swaps) for securities issued by developed and emerging market companies. The Fund may also hold interests in master limited partnerships as described in the section below entitled Master Limited Partnerships and securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)).

The Fund may invest in developed countries and any country which is considered by the Investment Manager to be an emerging market. These are primarily located in Latin/Central America and the Caribbean, Central and Eastern Europe, Middle East, Africa and Asia. The Fund may make a limited investment in securities traded on Russian markets and may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also “Risks linked with dealing in securities in China via Stock Connect”). The Fund will be well diversified by country, currency, industry and issuer but may hold positions that are concentrated in this manner from time to time.

The Fund may also invest in collective investment schemes as described in the section entitled Investment in Other Investment Funds and in exchange traded funds (“ETFs”) that provide exposure to the types of securities listed above and which constitute an eligible investment for the Fund. Such ETFs will be listed and/or traded on the markets and/or exchanges as set out in Appendix I and regulated as UCITS or as AIF ETFs. No more than 5% of Net Asset Value of the Fund will be invested in non-listed and non-traded collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs, both long and short, comprising the market access products mentioned above as well as index futures and currency forward contracts in pursuit of the investment objective and/or to gain exposure to the instruments listed above, for efficient portfolio management purposes and in order to hedge against risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled Types and Description of FDIs.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund’s typical net market exposure may vary in time, it is expected to range between 100% and 110% of the Net Asset Value of the Fund, depending on the Investment Manager’s analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

Generally less than 5% of the Fund’s Net Asset Value will be invested in cash and cash equivalents as described in the section below entitled Cash and Cash Equivalents.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund’s market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index, calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data exponentially weighted with a decay factor of 0.94.

It is expected that the Fund will generally incur leverage at a rate of between 0% - 330% of its Net Asset Value through the use of FDI. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of both the long and short strategies being adopted by



the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

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

The Net Asset Value of the Fund is expected to experience a high level of volatility from time to time.

### *Wellington Global Property Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective through investment primarily in equities of issuers with activities in or related to the development, operation, service and/or ownership of real estate, such as homebuilders, lodging, multi-family housing, retail real estate, office properties and property service companies. The Fund may also invest in other issuers that have a significant exposure to real estate through ownership of real estate assets.

Although the Fund is not constructed relative to a benchmark, the FTSE EPRA/NAREIT Developed Index ("the Index") will serve as a reference benchmark. The Index is designed to track the performance of listed real estate companies and REITs worldwide.

The Fund will invest, directly or through FDIs, in the following instruments in pursuit of the Fund's investment objective: equity securities or securities with equity characteristics which comprise preferred stock, rights and warrants on equities issued by either Real Estate Investment Trusts ("REITs") or the issuers described above as well as depository receipts (such as ADRs, GDRs and European Depository Receipts) and market access products (including warrants on equities, options on equities and equity swaps). It is expected that the Fund will invest predominantly in securities issued by developed market issuers but may also invest in securities issued by issuers located in what the Investment Manager considers to be emerging markets. The Fund may invest in securities across the market- capitalisation spectrum, and may have exposure to various currencies. The Fund may also hold securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)). The Fund may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect").

The Fund may also hold debt securities including corporate bonds, mortgage backed securities (including "to-be-announced" (TBA) securities, as more fully described under the section entitled **Types and Description of FDIs**), commercial mortgage backed securities, REIT debt (comprising bonds and convertible bonds issued by REITs), both fixed and floating rate, preferred securities and hybrid securities comprising convertible securities as more fully described in the section entitled **Types and Description of FDIs** issued by public or private issuers. There will be no limitations on the credit quality of individual debt securities in the Fund and the Fund will invest in securities denominated in multiple currencies.

The Fund is expected to be reasonably diversified across geographic regions and real estate sub-sectors (for example retail, office, warehouse).

As an alternative means of gaining exposure to the markets and instruments listed above, the Fund may invest in exchange traded funds which constitute an eligible investment for the Fund. These will be listed and/or traded on the markets and exchanges as set out in Appendix I and may be transferable securities or collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs, both long and short, comprising equity options, index futures and options on futures and currency forwards in pursuit of the investment objective and to gain exposure to the instruments listed above, for efficient portfolio management purposes and/or in order to hedge against risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. The Fund's typical net market will be 100% of the Net Asset Value of the Fund, excluding the use of derivatives for foreign exchange which are generally limited to hedging and the use of index futures for cash flow management.

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

Generally less than 10% of the Fund's Net Asset Value will be invested in cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index, calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data exponentially weighted with a decay factor of 0.94.

It is expected that the Fund will generally incur leverage at a rate of between 0% - 330% of net asset value through the use of FDI. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDI for investment purposes and because of the potential for adverse movements of both the long and short strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### ***Wellington Global Quality Equity Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the MSCI World Index (the 'Index'), seeking to achieve the objective by investing primarily in large-cap high quality companies around the world. The Index is market capitalisation weighted and is designed to measure equity market performance of developed markets

These companies will typically exhibit a commitment to dividends and shareholder returns as well as improving or sustainable operating characteristics. The core of our philosophy is that quality companies in out-of-favor industries can generate superior returns on invested capital. In defining quality, our process seeks stocks of companies with strong balance sheets, talented management teams, and a culture of innovation. This is a fundamental bottom-up approach.

The Fund will invest either directly or indirectly through Financial Derivative Instruments ('FDIs'), in equity and other securities with equity characteristics, comprising shares, preferred stock, depository receipts (such as ADRs, GDRs and European Depositary Receipts), convertible securities, warrants, and investments in Real Estate Investment Trusts ("REITs"). The Fund may also hold interests in master limited partnerships as described in the section below entitled Master Limited Partnerships and securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)).

The Fund may invest in developed countries and any country which is considered by the Investment Manager to be an emerging market. These are primarily located in Latin/Central America and the Caribbean, Central and Eastern Europe, Middle East, Africa and Asia. The Fund may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect"). The Fund will be well diversified by country, currency, industry and issuer but may hold positions that are concentrated in this manner from time to time.

The Fund may also invest in collective investment schemes as described in the section entitled Investment in Other Investment Funds and in exchange traded funds ("ETFs") that provide exposure to the types of securities listed above and which constitute an eligible investment for the Fund. Such ETFs will be listed and/or traded on the markets and/or exchanges as set out in Appendix I and regulated as UCITS or as AIF ETFs. No more than 5% of Net Asset Value of the Fund will be invested in non-listed and non-traded collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs, both long and short, comprising index futures and currency forwards in pursuit of the investment objective, for efficient portfolio management purposes and in order to hedge against risk. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled Types and Description of FDIs.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will be positive, meaning that long positions will be in greater proportion than any synthetic short positions. The Fund's typical net market exposure will be 100% of the Net Asset Value of the Fund, excluding the use of derivatives for foreign exchange which are generally limited to hedging and the use of index futures for cash flow management.

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

Generally less than 10% of the Fund's Net Asset Value will be invested in cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index, calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data exponentially weighted with a decay factor of 0.94.

It is expected that the Fund will generally incur leverage at a rate of between 0% - 330% of its Net Asset Value through the use of FDI. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of both the long and short strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Net Asset Value of the Fund is expected to experience a high level of volatility from time to time.

#### ***Wellington Hedged Alpha Opportunities Fund***

The investment objective of the Fund is to seek long-term total returns, manage volatility and mitigate downside risk.

The Investment Manager will actively manage the Fund, combining a long only, multi manager equity portfolio, with an index based hedging strategy. The overall strategy aims to capture the outperformance generated by equity investment managers, while seeking to reduce exposure to equity market volatility, particularly in times of extreme stock market weakness. Equity strategies with different characteristics in terms of regional exposures and/or investment style are selected with the aim of improving diversification and offsetting risks. The strategy selection process incorporates an analysis of the investment universe of each equity strategy including market-capitalisation biases, outperformance potential, investment style and the potential overlap of each strategy. In combining strategies, the Investment Manager uses a number of proprietary analytical tools including market environments analysis, extreme events analysis, stress testing, and simulation analysis. Through this strategy selection process the Investment Manager will seek to construct a Fund, comprising a diversified group of long-only equity strategies with differing investment approaches, including growth, momentum and value, that gives an overall exposure comparable to the broader equity market overtime but which reduces the exposure to the risks typically associated with any single investment approach. The underlying equity investment managers have complete discretion and responsibility for security selection and Fund construction decisions within their respective strategies.

The hedging strategies which will be adopted by the Investment Manager are designed to reduce the volatility associated with general equity market movements. In addition, the Investment Manager will seek to employ a further hedging strategy to mitigate against the risk, typically associated with highly active equity strategies, that equity values decline during periods when investors are looking to significantly reduce their risk exposures, known as extreme risk off events. The Investment Manager uses exchange traded, liquid instruments, like index futures, total return swaps and exchange traded options on indices for hedging.

Over the longer term the Investment Manager expects the Fund's exposure to be primarily in developed markets, however there may be periods when the emerging markets become more significant and allocations between these types of markets may fluctuate.

Although the Fund is not constructed relative to a benchmark, a custom index comprised of 40% Russell 3000 index / 60% BofA Merrill Lynch 3-month US Treasury Bill Index (the 'Index') will serve as a reference benchmark. This blend of equities and Cash Equivalents is intended to reflect the average risk exposure to general market movements targeted by the Fund. The Russell 3000 Index is a market capitalization weighted index that is designed to measure the performance of the broad US market, the BofA Merrill Lynch 3-month US Treasury Bill Index is intended to measure the performance of 3 month US T-Bills, short term US Government securities with a remaining term to final maturity of less than 3 months.

The Fund will invest either directly or indirectly through Financial Derivative Instruments ('FDIs'), in equity and other securities with equity characteristics, comprising shares, preferred stock, depository receipts (such as ADRs, GDRs and European Depository Receipts), convertible securities, warrants, investments in Real Estate Investment Trusts ("REITs") and market access products (comprising warrants, options on equities and equity swaps) for securities issued by developed and emerging market companies. The Fund may also hold securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)).

The Fund may invest in developed countries and any country which is considered by the Investment Manager to be an emerging market. Emerging Markets are primarily located in Latin/Central America and the Caribbean, Central and Eastern Europe, Middle East, Africa and Asia. The Fund may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect").

The Fund may invest in collective investment schemes as described in the section entitled Investment in Other Investment Funds and in exchange traded funds ("ETFs") that provide exposure to the types of securities listed above and which constitute an eligible investment for the Fund. Such ETFs will be listed and/or traded on the markets and/or exchanges as set out in Appendix I and regulated as UCITS or as AIF ETFs. No more than 5% of Net Asset Value of the Fund will be invested in non-listed and non-traded collective investment schemes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs, both long and short, comprising the market access products mentioned above as well as index futures, currency forwards, total return swaps, warrants and index options in pursuit of the investment objective and/or to gain exposure to the instruments listed above, for efficient portfolio management purposes and in order to hedge against risk.

Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled Types and Description of FDIs.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 20% and 60% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include the use of derivatives for foreign exchange which are generally limited to hedging.

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

It is expected that the Fund will generally incur leverage at a rate of between 0% - 700% of its Net Asset Value through the use of FDI. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of both the long and short strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled Leverage.

The Net Asset Value of the Fund is expected to experience a high level of volatility from time to time.

### ***Wellington Opportunistic Themes Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by employing an unconstrained, non-benchmark oriented investment approach focusing on non-core asset classes and investing in both US Dollar denominated and non-US Dollar denominated equity securities within any region, sector or market capitalisation.

Although the Fund is not constructed relative to a benchmark, the MSCI All Country World Index (the "Index") will serve as a reference benchmark. The Index is market capitalization weighted and designed to measure the equity market performance of developed and emerging markets.

The Fund is an asset allocation Fund that allocates its investments across multiple underlying investment approaches managed by the Investment Manager's various investment teams.

The Fund provides opportunistic exposure to a variety of non-core investments such as non-US small capitalisation, emerging markets equity and any industry or market sector approaches that may be chosen on an opportunistic basis.

The Fund will primarily invest, directly or indirectly through the use of FDIs, in equity securities or other securities with equity characteristics, including, but not limited to, shares, preferred stocks, warrants on equities and depository receipts (such as ADRs, GDRs and European Depository Receipts)), issued by companies worldwide. The Fund will invest in securities issued by developed market issuers and may also invest in securities issued by issuers located in emerging markets, or in securities of issuers that, while not located in an emerging market, conduct substantial business in emerging markets as determined by the Investment Manager, including (i) companies which have substantial assets in emerging markets or (ii) companies which derive a substantial portion of their total revenues from either goods and services produced in, or sales made in, emerging markets.

The Fund also may buy and sell bonds issued by government, agency, and supranational issuers; mortgage, commercial mortgage, and asset-backed securities; corporate and REIT debt; credit-linked, index-linked, and capital securities (securities that combine the features of corporate bonds and preferred stock); loan participation securities that qualify as an eligible investment by the Fund (including, but not limited to, trade finance loan participations) and, in addition, bank loan assignments that qualify as Money Market Instruments; as well as other debt securities issued by public or private issuers, both fixed and floating-rate, including forward contracts on such securities.

Generally, less than 15% of the Fund's assets will be invested in asset classes other than equities, cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents**. The Fund may make substantial investment in securities traded on Russian markets, may invest more than 20% of its Net Asset Value in emerging markets and may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect").

In addition, through the use of FDIs (both long and short) as described under the section headed **Types and Description of FDIs**, the Investment Manager intends to implement an investment overlay to alter the Fund's market exposure and/or risk characteristics. The overlay may be used to hedge or alter certain market or currency exposures that arise across the underlying investment approaches or in pursuit of the Fund's investment objective.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 80% and 100% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

The level of leverage of the Fund is generally not expected to be in excess of 800% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. Where FDIs are used for hedging purposes or are themselves hedged against equal and opposite trades, the sum of gross

notional values of FDIs may not reflect the true economic risk of the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data. The Fund may engage in short-term trading. The Fund's variability of return is expected to be very high, well above that of a more broadly diversified, global equity Fund.

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

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

#### *Wellington Strategic European Equity Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing predominantly in a diversified portfolio of European-domiciled companies that the investment manager believes will enjoy earnings and cash flow growth that are greater than the average earnings and cash flow growth of constituents of the MSCI Europe Index (the "Index"). The Index is a market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe.

The Fund will generally invest in companies where (1) the Investment Manager is able to identify a structural growth driver (2) the company is able to perpetuate through a strong competitive advantage and (3) the relative valuation is attractive. The Investment Manager employs a bottom-up stock selection process that utilizes its proprietary, fundamental research to identify stocks that have the potential for significant longer-term rewards.

Although the Fund is not constructed relative to a benchmark, the Index will serve as a reference benchmark.

The Fund may invest, directly or indirectly through the use of FDIs (both long and short), in equity and other securities with equity characteristics issued by the companies described above, such as shares, preferred stock, warrants, depository receipts, dividend right certificates (i.e. equity securities that confer the right to participate in profit and liquidation proceeds and certain other rights in the issuer, but do not confer voting rights) and shares of listed REITs constituted as Closed End Funds that are considered to be Transferable Securities.

Provided such investments are deemed by the Investment Manager to be consistent with the investment objective and investment strategy described above, the Fund may also invest in other securities such as:



exchange-traded funds qualifying as collective investment schemes (such exchange-traded funds being subject to a maximum of 10% of the Net Asset Value of the Fund); and cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents**.

The Fund is expected to be reasonably diversified, generally holding 50 to 80 securities. Sector, country and region weights are a result of bottom-up security selection and are typically unconstrained. For the purposes of this Fund, an emerging market is one that the Investment Manager considers to be an emerging market. Generally the Fund will be fully invested with a normal cash level of 5% or less. The Fund may invest up to 10% of its Net Asset Value in emerging markets.

The Fund will be denominated in Euros and normally will not be hedged against currency fluctuations, although the Investment Manager may employ currency hedging to protect or enhance the Euro value of its holdings when it believes it is advisable to do so.

Not more than 10% of the Fund's Net Asset Value will be invested in any such securities which are not listed or dealt on a market which is regulated, operating regularly, recognized and open to the public and included in the list of exchanges and markets set out in Appendix I from time to time.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 100% and 110% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 330% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the Net Asset Value of the Fund due to the investment strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The market risk of the Fund, including the risk associated with the use of short opportunities, will be assessed within the regulatory limits specified below in the section entitled **Financial Derivative Instruments (FDIs)** using a risk management technique known as relative VaR. In accordance with the requirements of the Central Bank, the Fund the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data exponentially weighted with a decay factor of 0.94.

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### *Wellington US Capital Appreciation Equity Fund*

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing primarily in equity securities of US companies.

The Fund's investment approach is based primarily on proprietary, bottom-up fundamental research conducted by the Investment Manager's capital appreciation team and global industry analysts. The security selection universe shall not be constrained by market capitalisation, security valuation or seasoning, or similar characteristics. The Fund will include securities of small and mid cap companies, as well as large cap companies. Fund characteristics and turnover may vary widely as investment strategies and stock selections change.

At least 90% of such securities are expected to be traded in a country that is a member of the OECD. It is likely that the typical holding will be less marketable than the stocks of larger companies. The Fund may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect").

The Fund will be broadly diversified by issuer, and typically include 50 to 100 securities. Fund turnover may be high.

The Fund will invest, either directly or indirectly through the use of FDIs, in equity securities including depository receipts (such as ADRs) and other securities with equity characteristics, such as preferred stocks, warrants, convertible securities, as well as depository receipts for such securities (i) issued by companies headquartered in the United States or (ii) issued by companies exercising their primary economic activities in the United States. Up to 20% of the Fund's Net Asset Value may be invested in equities of other companies or depository receipts (such as GDRs) for such companies.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. The Fund's typical net market will be 100% of the Net Asset Value of the Fund, excluding the use of derivatives for foreign exchange which are generally limited to hedging and the use of index futures for cash flow management.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 400% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. Where FDIs are used for hedging purposes or are themselves hedged against equal and opposite trades, the sum of gross notional values of FDIs may not reflect the true economic risk of the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. If the expected level of leverage were calculated taking into account netting of equal and opposite foreign exchange forward contracts, and excluding the share class hedging, the level of leverage would be expected to be lower and generally between 0% and 30% of the Fund's Net Asset Value. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Fund (excluding any derivative positions) calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data.

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

### ***Wellington US Quality Equity Fund***

The investment objective of the Fund is to seek long-term total returns.

The Investment Manager will actively manage the Fund against the S&P 500 Index (the "Index"), seeking to achieve the objective by investing primarily in equity securities of US companies. The Index is a market capitalization weighted index of 500 stocks and is designed to measure the performance of the broader US economy.

The Investment Manager's security selection process emphasises bottom-up security selection based primarily on proprietary fundamental research. The approach seeks securities of companies that the Investment Manager or its researchers believes are high quality companies in out of favor industries with above average current yield and opportunity for growth of income and capital.

The Fund will invest, either directly or indirectly through the use of FDIs, in equity and other securities with equity characteristics, such as preferred stocks, warrants on equities, as well as depository receipts for such securities (such as ADRs, GDRs and European Depository Receipts), issued by companies headquartered in the United States. The Fund may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect").

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. The Fund's typical net market exposure will be 100% of the Net Asset Value of the Fund, excluding the use of derivatives for foreign exchange which are generally limited to hedging and the use of index futures for cash flow management.

No more than 10% of the Fund's assets will be invested in non-US securities, which may be denominated in currencies other than US Dollar. The Fund will be broadly diversified across economic sectors, and typically include in excess of 60 companies. Fund turnover is expected to be low.

It is expected that the Fund will generally incur leverage at a rate of between 0% and 330% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the Net Asset Value of the Fund due to the investment strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will

only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The Investment Manager uses a risk management technique known as relative VaR to assess the Fund's market risk to seek to ensure that its use of FDIs is within regulatory limits. In accordance with the requirements of the Central Bank, the daily VaR of the Fund may not exceed twice the daily VaR of the Index calculated using a parametric approach with a one-tailed 99% confidence level for a one month holding horizon and considering at least three years of historical data. The Index is a market capitalization weighted index of 500 stocks and is designed to measure the performance of the broader US economy.

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

***Global Infrastructure Equity Fund, Global Smaller Companies Equity Fund, US Mid-Cap Growth Equity Fund and US Focused Equity Fund***

These Funds are currently closed to further investment. Shares of these Funds are no longer offered to, and are not available for subscription by, new subscribers or existing Shareholders. An application has been made to the Central Bank for withdrawal of approval of these Funds.

**Multi-Asset Funds**

***Wellington Dynamic Diversified Income Fund***

The investment objective of the Fund is to seek to deliver a regular income, with a secondary focus on capital growth.

The Investment Manager will actively manage the Fund, seeking to achieve the objective through investment across a broad array of global assets as described below including equities, sovereign, corporate and inflation linked bonds to provide a diversified exposure to both income producing securities and assets with the potential to produce capital growth. The approach utilizes a dynamic asset allocation across these underlying assets that supports the income objective.

The Investment Manager will use its ability to dynamically allocate assets and actively reposition the Fund, either through direct investment or the use of FDI (listed below), to seek to control volatility and manage downside risk through active hedging strategies during adverse market environments.

The Fund may invest either directly or indirectly through FDI (set out below), in the following instruments in pursuit of the Fund's investment objective: equity and other securities with equity characteristics, comprising shares, preferred stock, investments in Real Estate Investment Trusts ("REITs"), convertible securities, warrants, depository receipts (such as ADRs, GDRs and European Depository Receipts) and market access products (comprising warrants on equities options on equities and equity swaps); fixed and floating rate debt securities of issuers around the world comprising securities issued by government, agency, quasi-sovereign, supranational, commercial, and sub-national government issuers as well residential and commercial mortgage-backed securities (including "to-be-announced" (TBA) securities), asset-backed securities, corporate bonds, real estate investment trust (REIT) debt (which are bonds and convertible bonds issued by a REIT), preferred securities, hybrid securities comprising convertible securities as more fully described in the section entitled **Types and**

**Description of FDIs**, contingent capital securities that may be automatically written down upon the occurrence of a specific event and contingent convertible securities that may be automatically converted into an equity security upon the occurrence of a specific event; loan participation securities that qualify as an eligible investment by the Fund and may be securitised or unsecuritised; interests in master limited partnerships as described in the section below entitled **Master Limited Partnerships**; securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)) and bank loan assignments that qualify as Money Market Instruments; cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents**. There will be no limitations on the credit quality of individual securities in the Fund and the Fund will invest in securities denominated in multiple currencies. As a result of investments in high yield or sub-investment grade bonds, the Fund's weighted average credit quality may be below investment grade.

The Fund may also buy and sell index linked bonds and credit linked notes whose interest payments and/or payment at maturity depend on the performance of an underlying index or security. The underlying exposure of an index linked bond may be tied to a market index (such as a bond index or a credit default swap index) or an economic index (such as growth or inflation indices). The underlying exposure of a credit linked note is typically tied to a sovereign, quasi-sovereign or corporate bond issuer. In each case, the underlying exposure will be consistent with the Fund's investment objective and policies. The Fund also may buy and sell structured notes (which are synthetic securities which may have an embedded component (such as an option)). Such structured notes shall comprise equity linked notes, fixed income linked notes or index linked notes and will be listed or otherwise comprise securities issued pursuant to Rule 144A and/or Regulation S (as described above) and will give unleveraged (1:1) exposure to underlying fixed income securities, equity securities or indices on an unleveraged basis.

The Fund may also invest in collective investment schemes as described in the section entitled **Investment in Other Investment Funds** and in exchange traded funds that provide exposure to the types of securities listed above and which constitute an eligible investment for the Fund. Such exchange traded funds will be listed and/or traded on the markets and exchanges as set out in Appendix I and regulated as UCITS or as AIF exchange traded funds.

Insofar as the Fund seeks to gain exposure to commodities, such exposure shall be achieved through investing in swaps, options and futures as more fully described in the section entitled **Types and Description of FDIs**. These may reference UCITS eligible commodity assets comprising UCITS eligible exchange traded commodities or notes and UCITS eligible commodities indices. In addition, the Fund may invest in exchange-traded securities and both UCITS and AIF exchange traded funds which are listed and/or traded on the markets and exchanges as set out in Appendix I. Such exchange-traded securities may include debt instruments issued by financial institutions such as notes, certificates, and UCITS eligible exchange traded commodities that may reference and therefore be used to gain indirect exposure to the performance of commodities or commodity indices. Furthermore, any commodity indices utilized by the Fund shall be in compliance with the requirements of the Central Bank.

The Fund may buy and sell exchange-traded and over-the-counter derivative instruments, both long and short, across all asset classes, comprising currency, interest rate, bond, equity and index options, interest rate, bond, index, credit, equity and currency futures, or options on futures, credit default swaps, index credit default swaps, interest rate, inflation, total return and currency swaps, equity swaps, swaptions and swaps on an index, deliverable and non-deliverable currency forwards, forwards on bonds or other debt securities and forward rate agreements in pursuit of the investment objective and to gain exposure

to the instruments listed above, for efficient portfolio management purposes and/or in order to hedge against risk. The Fund may engage in repurchase transactions for efficient portfolio management purposes only. Full details of the types of FDIs and the ways in which the Fund may utilize them are further detailed in the section entitled **Types and Description of FDIs**.

The net market exposure (sum of long and synthetic short positions including cash) of the Fund will always be positive, meaning that long positions will be in greater proportion than any synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 75% and 150% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes

The indices to which the Fund will gain exposure will be eligible indices according to the Central Bank requirements and will comprise indices the constituents of which include the types of securities described above in which the Fund may directly invest.

The Fund will be denominated in US Dollars. Currency exposure, from the use of forward currency exchange contracts in multiple currencies, as more fully described in the section entitled **Forward Contracts**, is actively managed within the Fund and may include cross-currency positions which may or may not be influenced by the Fund's positions.

The Fund will generally be well diversified by country, currency, industry, sector, issuer and market capitalisation but may hold positions that are concentrated in this manner from time to time. The Fund may invest in both developed and emerging markets. Emerging markets are any country which is considered by the Investment Manager to be an emerging market, these are primarily located in Latin/Central America and the Caribbean, Central and Eastern Europe, Middle East, Africa and Asia. The Fund may invest up to a maximum of 5% of its Net Asset Value in securities traded on Russian markets from time to time and may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect").

It is expected that the Fund will generally incur leverage up to a maximum rate of 1800% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. Further information on leverage can be found in the section entitled **Leverage**.

The market risk of the Fund will be assessed within the regulatory limits specified below in the section entitled **Types and Description of FDIs** using a risk management technique known as absolute VaR. The daily VaR of the Fund is calculated to ensure that it does not exceed 4.47% of the Fund's Net Asset Value calculated using a parametric approach. As specified in the section entitled **Financial Derivative Instruments (FDIs)** the Fund adopts a one-tailed 99% confidence level under normal market conditions for a one month holding horizon and considering at least three years of historical data.

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

As set out in the section entitled **Dividend Policy** dividends may be declared out of the capital of the Fund.

The Net Asset Value of the Fund is expected to have a high level of volatility from time to time.

#### ***Wellington Multi-Asset Absolute Return Fund***

The investment objective of the Fund is to seek absolute returns above a cash benchmark over the medium to long term and systematically manage downside risk.

The Investment Manager will actively manage the Fund, seeking to achieve the objective through investing on a long and/or short basis, as further detailed below, in a broad range of asset classes and geographies.

The Bank of America Merrill Lynch USD LIBOR 3-Month Constant Maturity Total Return Index (the "Index") will serve as the cash benchmark. The Index is based on the assumed purchase of a synthetic instrument having 3 months to maturity and with a coupon equal to the closing quote for 3-Month LIBOR. That issue is sold the following day (priced at a yield equal to the current day closing 3-Month LIBOR rate) and is rolled into a new 3-Month instrument. The index, therefore, will always have a constant maturity equal to exactly 3 months. A similar cash benchmark may be used for non-USD currency share classes. For example, for EUR share classes this would be EURIBOR instead of USD LIBOR.

The Investment Manager may cause the Fund to invest, directly or through FDIs (set out below and more fully described in the section entitled **Types and Description of FDIs**), in the following instruments in pursuit of the Fund's investment objective: equity securities or other securities with equity characteristics, including preferred stocks, warrants on equities, investments in Real Estate investment Trusts ("REITs") and depository receipts for such securities (such as ADRs, GDRs and European Depository Receipts), issued by companies worldwide; securities issued by developed and emerging market issuers and securities of issuers that, while not located in an emerging market, conduct substantial business in emerging markets as determined by the Investment Manager, including (i) companies which have substantial assets in emerging markets; or (ii) companies which derive a substantial portion of their total revenues from either goods and services produced in, or sales made in, emerging markets; investment grade and high yield (i.e., below investment grade) fixed or floating rate debt securities (for example, bonds) issued by government, agency, supranational or corporate issuers with no sectoral, geographic or industry focus; mortgage-backed securities (including "to-be-announced" (TBA) securities, as more fully described under the section entitled **Types and Description of FDIs**; hybrid securities such as convertible bonds, contingent capital securities (which may be automatically written down upon the occurrence of a specific event) and contingent convertible securities (which may be automatically converted into an equity security upon the occurrence of a particular event), sukuk (financial instruments with cash flows similar to conventional bonds that are structured to comply with Islamic law; commercial mortgage-backed securities and asset-backed securities which qualify as Transferable Securities; REIT debt securities; credit-linked securities (such as credit linked notes); Structured Notes, and as more fully described under the section entitled **Structured Notes**, which give exposure to underlying assets such as fixed income securities, equity prices, and UCITS eligible exchange traded commodities and exchange

traded notes which give exposure to and commodity, equity and fixed income indices on an unleveraged basis; capital securities (securities that combine the features of corporate bonds and preferred stock) that pay a coupon and include a final maturity; loan participation securities that qualify as an eligible investment by the Fund (including, but not limited to, trade finance loan participations); interests in master limited partnerships as described in the section below entitled **Master Limited Partnerships**, securities issued pursuant to Rule 144A and/or Regulation S securities (Regulation S securities are those offered outside the United States without registration under the United States Securities Act of 1933 (as amended)); bank loan assignments that qualify as Money Market Instruments; cash and cash equivalents as described in the section below entitled **Cash and Cash Equivalents**. There will be no limitations on the credit quality of individual securities in the Fund and the Fund will invest in securities denominated in multiple currencies. As a result of investments in high yield or sub-investment grade bonds, the Fund's weighted average credit quality may be below investment grade. The Investment Manager may engage in currency hedging strategies to protect or enhance the value of the Fund holdings, further information on which is set out under the sections entitled **Currency Transactions**.

The Fund may gain exposure to the performance of commodities indirectly using swaps and options as more fully described in the section entitled **Types and Description of FDIs**. These swaps and options may reference UCITS eligible commodity assets comprising UCITS eligible exchange traded commodities or notes and UCITS eligible commodities indices. In addition, the Fund may invest in exchange-traded securities and both UCITS and AIF exchange traded funds. Such exchange-traded securities may include debt instruments issued by financial institutions such as notes, certificates, and UCITS eligible exchange traded commodities that may reference and therefore be used to gain indirect exposure to the performance of commodities or commodity indices. Furthermore, such AIF exchange traded funds may reference and therefore be used to gain indirect exposure to the performance of commodities or commodity indices. Such exchange-traded securities and AIF exchange traded funds will be listed and/or traded on the markets and exchanges as set out in Appendix I. Furthermore, any commodity indices utilized by the Fund shall be in compliance with the requirements and cleared by the Central Bank.

The Fund may make investments in securities traded on Russian markets and may invest more than 20% of its Net Asset Value in emerging markets and may invest up to 10% of its Net Asset Value in China A Shares traded via Stock Connect (see also "Risks linked with dealing in securities in China via Stock Connect"). In addition, the Fund may invest in excess of 30% of its Net Asset Value in below investment grade securities. As a result of the foregoing, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Fund may invest in collective investment schemes as described in the section entitled **Investment in Other Investment Funds** and in exchange traded funds that provide exposure to the types of securities listed above and which constitute an eligible investment for the Fund. Such exchange traded funds will be listed and/or traded on the markets and exchanges as set out in Appendix I and regulated as UCITS or as AIF exchange traded funds.

As set out above, the Fund may invest in FDIs, both long and short, across all asset classes, in order to achieve the investment objective. Such FDIs may include options, futures, swaps, forwards, warrants and convertible securities. FDIs may also be used for efficient portfolio management or for hedging purposes in order to hedge against, among other risks, exchange rate risk, interest rate risk, market risk and credit risk associated with investments in the Fund. Full details of the types of FDIs the ways in which the Fund may utilize them are set out below and are further detailed in the section entitled **Types and Description of FDIs**.



The net market exposure (sum of long and synthetic short positions including cash) of the Fund will typically be positive, meaning that long positions will generally be in greater proportion than synthetic short positions. Whilst the Fund's typical net market exposure may vary in time, it is expected to range between 0% and 300% of the Net Asset Value of the Fund, depending on the Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These figures do not include derivatives relating to foreign exchange which may be used for hedging or investment purposes.

The Fund may buy and sell exchange-traded and over-the-counter FDIs, including (but not limited to) futures (including interest rate, index (including credit index) and currency futures); swaps (including currency, interest rate, total return and credit default swaps under which the Fund may exchange one stream of cash flows or other asset attributes for another, such as paying the total return of one equity index and receiving the total return of another equity index); warrants; options (including currency and bond options); deliverable and non-deliverable forward contracts and "to-be-announced" (TBA) securities, as more fully described in the section entitled **Types and Description of FDIs**.

In allocating and managing risk within the Fund, the Investment Manager will review relevant historical data that demonstrates how markets and sources of positive risk-adjusted returns ("**alpha**") have behaved in the past. The Investment Manager will also consider market analysis and predictions regarding future economic environments and how markets and alpha sources are likely to behave based on these predictions. Based on the results of the foregoing, the Investment Manager will allocate the Net Asset Value of the Fund among the various asset classes and instruments listed above, investing either directly in those instruments or using FDIs to gain the desired exposures.

Furthermore, the Investment Manager will decide whether to take long exposure or short exposure to the relevant instrument or security, and any short exposure will be achieved indirectly through FDIs. The percentage of the net asset of the Fund that will be invested in each of the above-listed asset classes, as well as the decision to invest on a long, short, direct and/or indirect basis in such asset classes, will depend on the global economic and prevailing market conditions in the relevant markets. In addition, the following key principles will be taken into account by the Investment Manager when deciding to take long exposure or short exposure to the relevant instrument or security within the Fund:

- **Capital Preservation.** In order to manage downside risks, the Investment Manager will seek to diversify the Fund's sources of alpha, maintain Fund liquidity, and limit the Fund's volatility and systematic market risks. The Investment Manager will seek to manage the Fund's market exposure to an overall volatility range of 4-7% and in so doing, exposure to each asset class will be systematically reduced as the volatility of the asset class rises. Since losses tend to occur when volatility levels rise, this process should reduce the likelihood of losses in many instances. In addition, the Investment Manager may opportunistically use FDIs (e.g., options) to protect the Fund's exposures from adverse movements in markets or interest rates.
- **Diversification.** In managing the Fund, the Investment Manager will seek consistent diversification (including investment horizon and asset class), and will seek to do so within an overall targeted volatility range of 4-7%, although the Fund's actual volatility may fall outside this range.
- **Capital Growth.** The Investment Manager will use a combination of diversified market exposures across the various asset classes in pursuit of the Fund's objective. Each market exposure tends to

produce an attractive return and volatility profile in a distinct economic environment, so holding diversified market exposures should allow the Fund to consistently seek capital growth as economic environments change.

As set out above, the Fund seeks to provide investors with absolute returns and in so doing may use FDIs to gain “short” exposure to particular asset classes. The result of this investment approach is that the Fund may be leveraged through the use of FDIs.

The level of leverage of the Fund is generally not expected to be in excess of 3300% of its Net Asset Value through the use of FDIs. Leverage is calculated as the sum of the notional values of the FDIs. The Fund could incur the higher level of leverage because of its use of FDIs for investment purposes and because of the potential for adverse movements of the strategies being adopted by the Fund. Where FDIs are used for hedging purposes or are themselves hedged against equal and opposite trades, the sum of gross notional values of FDIs may not reflect the true economic risk of the Fund. The above maximum figure includes 300% for Share Class related hedging, which is comprised of 100% for the hedging itself and 200% to allow for FDI roll overs involving positions being closed out against equal and opposite trades. This is included at a Fund level but will only concern holders of currency Hedged Share Classes. If the expected level of leverage were calculated taking into account netting of equal and opposite foreign exchange forward contracts, and excluding share class hedging, the level of leverage would be expected to be lower and generally between 0% and 800% of the Fund’s Net Asset Value. Further information on leverage can be found in the section entitled **Leverage**.

As set out above, the leverage of the Fund (being the sum of the notional values of the long and the short positions) is generally not expected to exceed 3000% of its Net Asset Value and of that percentage amount, the short positions within the Fund (when calculated on the basis of the sum of the notional values thereof) will not generally exceed 1500% of its Net Asset Value and the long positions within the Fund (when calculated on the basis of the sum of the notional values thereof) will not generally exceed 3000% of its Net Asset Value.

The market risk of the Fund, including the risk associated with the use of short opportunities, will be assessed within the regulatory limits specified below in the section entitled **Financial Derivative Instruments (FDIs)** using a risk management technique known as absolute VaR. The VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The daily VaR of the Fund is calculated to ensure that it does not exceed 4.47% of the Fund’s Net Asset Value calculated using a parametric approach.

As specified in the section entitled **Financial Derivative Instruments (FDIs)** the Fund adopts a one-tailed 99% confidence level under normal market conditions for a one month holding horizon and considering at least three years of historical data. This is equivalent to saying that there is a 1% probability that the potential loss could be greater than the VaR amount. This is most likely to arise in abnormal market conditions or at times of extraordinary high impact events. In that instance the VaR approach does not measure the maximum potential loss and the Fund and Shareholders could likely suffer serious financial consequences as a result. Stress testing is performed on the Funds to monitor the impact of potential losses as a result of low probability events. These use a range of historical or hypothetical events which may be unrepresentative of actual abnormal market conditions or high impact events. The Company has in place procedures to limit the risks and protect Shareholder interests especially under abnormal market conditions. These may include reducing the use of the FDIs by the Fund, adopting stop-losses and undergoing more representative and more frequent stress testing.

The Net Asset Value of the Fund is expected to have a high volatility from time to time.

## **ALL FUNDS**

### **Borrowing and Lending Powers**

The Company may borrow up to 10% of a Fund's Net Asset Value at any time for the account of such Fund and may charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes such as securities settlement or meeting a redemption, and not for leverage. Without prejudice to the powers of the Company to invest in Transferable Securities, the Company may not lend to, or act as guarantor on behalf of, third parties. A Fund may acquire debt securities and securities which are not fully paid.

### **Cash and Cash Equivalents**

Each Fund may also hold ancillary liquid assets and may invest in ancillary liquid assets such as bank deposits, fixed or floating rate instruments including but not limited to commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes, debentures, asset backed securities and government or corporate bonds. All such investments shall be of investment grade or, if unrated, be deemed to be of investment grade by the Investment Manager and may be denominated in any currency.

### **Credit Rating**

The Investment Manager will under no circumstances rely exclusively or automatically on external ratings in determining the credit risk of a financial instrument, and in addition the Investment Manager will perform its own credit assessment with respect to each investment.

### **Hedging Share Class Transactions**

A Fund may invest in securities denominated both in its Base Currency and other currencies and may establish Classes in currencies other than the Base Currency of a Fund. Currency may be hedged on an opportunistic basis. A Fund or its constituents may also be sensitive to changes in interest rates. For example, the value of a Fund's investments, in particular fixed income securities, may change due to changes in the level of interest rates (known as interest rate risk). For example, if interest rates rise the price of fixed income securities may fall. The Investment Manager will seek to hedge the entirety of this interest rate risk within the Hedged Share Classes created for the purpose of effecting interest rate hedging at a share class level as described below.

Hedged Share Classes may be created for the purpose of (i) effecting currency and/or interest rate hedging at the share class level; (ii) hedging the denomination of the assets of a Fund; (iii) providing different levels of participation in the performance of the underlying portfolio of assets; (iv) providing different levels of capital protection; and (v) other arrangements similar to these which will be considered on a case-by-case basis by the Central Bank.

Subject to the Central Bank's Rulebook and interpretations promulgated by the Central Bank from time to time, the appropriate use of derivatives will be at the discretion of the Investment Manager in accordance

with the investment style of the Fund. This may include hedging (i) the Dealing Currency against the Base Currency of the Fund; (ii) the Dealing Currency against the other currencies in which the assets of the relevant Fund may be denominated (based on either actual exposure or benchmark weights); and (iii) the risk that the value of Fund investments will change due to changes in the level of interest rates (known as interest rate risk). There can be no assurance that the hedging strategy chosen by the Investment Manager will be successful.

Where the Company creates Hedged Share Classes for the purpose of (i) and (ii) in the second paragraph above, over-hedged or under-hedged positions may occur due to factors outside the control of the Fund. Over-hedged positions will not exceed 105% of the Net Asset Value of each Hedged Share Class and hedged positions will be kept under review to ensure that positions materially in excess of 100% of the Net Asset Value of the relevant Hedged Share Class will not be carried forward from month to month.

To the extent that currency hedging is successful for a particular Hedged Share Class, the performance of the Hedged Share Class is likely to move in line with the performance of the underlying assets.

The Shareholders in the Hedged Share Classes may not benefit from circumstances (such as changes in relative currency values or changes in interest rates) from which other Shareholders benefit if (i) the Class currency falls against the Base Currency, (ii) the Class currency falls against the currency in which the Fund's assets are denominated, or (iii) interest rates fall.

All Hedged Share Classes outlined above will comply with the requirements of the Central Bank. As such, the class level transactions will be clearly attributable to the relevant Hedged Share Class and gains, losses and costs of the relevant transactions will accrue solely to the relevant Share Class. Hedged Share Classes will only be created where the Investment Manager believes that they will not prejudice the interests of the holders of other shares classes. Furthermore, the derivative transactions to which the Share Class relates will not result in a leveraged return per Share Class.

### **Other Share Class Transactions**

Currency hedging transactions will also be executed at a share class level for the SC Share Classes in the Emerging Local Debt Advanced Beta Fund. These transactions will hedge the Dealing Currency against the Base Currency as described above. However the objective of these transactions, in combination with the currency derivatives put in place by the Investment Manager within the portfolio itself, is to ensure that the Shareholders in the SC Share Class, being the non-US\$ Share classes, have substantially the same currency exposures as the Shareholders in the SB Share Classes, being the US\$ Share classes, and therefore receive similar investment returns. The investment returns will differ to the extent of the costs of these currency hedging transactions at share class level and also the difference in interest rates between the Dealing Currency and the Base Currency which may have a positive or negative impact on returns.

These share class currency hedging transactions will comply with the requirements of the Central Bank (including the limits regarding overhedging described in the **Hedged Share Class Transactions** section above). The class level transactions will be clearly attributable to the relevant SC Share Class and gains, losses and costs of the relevant transactions will accrue solely to the relevant Share Class. SC Share Classes will only be created where the Investment Manager believes that they will not prejudice the interests of the holders of other shares classes. Furthermore, the derivative transactions to which the Share Class relates will not result in a leveraged return per Share Class.

Shareholders in the SC Share Classes should be aware that the above share class hedging transactions in combination with the currency hedging transactions referred to in the section titled **Emerging Local Debt Advanced Beta** may result in those Share Classes not benefiting fully from changes in relative currency values.

There can be no assurance that the above strategy will be successful.

### **Financial Derivative Instruments (FDIs)**

The investment policy of a Fund may state that it can invest “indirectly” in various asset classes. This means that, subject to the specific investment policies and restrictions for a Fund, the Company, on behalf of a Fund, may enter into FDI transactions to gain exposure to those asset classes and may also hold outright short positions synthetically through the use of FDIs for investment and efficient portfolio management purposes. A Fund may be leveraged through the use of FDIs.

The Investment Manager uses a risk management technique known as absolute VaR in respect of the Global Credit Buy and Maintain Fund, the Emerging and Sovereign Opportunities Fund, the Global Strategic Sovereign Fund, the World Bond Fund, the Durable Companies Fund, the Enduring Assets Fund, the Dynamic Diversified Income Fund and the Multi-Asset Absolute Return Fund to assess market risk and to seek to ensure that their use of FDIs is within regulatory limits. For all other Funds, the Investment Manager uses a risk management technique known as relative VaR for the same purpose.

### **Types and Description of FDIs**

Below are examples of some of the types of FDIs that the Funds may enter into from time to time:

**Options.** Subject to the requirements laid down by the Central Bank, each Fund may purchase or sell options contracts (including currency, interest rate, bond, equity, index, inflation, futures, swap options and options on UCITS eligible exchange traded commodities and notes and commodity indices). A call option on a security is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. The writer (seller) of the call option, who receives the premium, has the obligation, upon exercise of the option, to deliver the underlying securities against payment of the exercise price. A put option is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. The writer of the put, who receives the premium, has the obligation to buy the underlying securities, upon exercise, at the exercise price. A swap option is an option to enter into an interest rate swap.

Each Fund may also enter into options traded over-the-counter (or OTC options). Unlike exchange traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options are generally established through negotiation with the other party to the option contract. While this type of arrangement allows a Fund great flexibility to tailor the option to its needs, OTC options generally involve greater risk than exchange-traded options, which are guaranteed by clearing organisations of the exchanges where they are traded.

**Futures.** Subject to the requirements laid down by the Central Bank, each Fund may also enter into certain types of futures contracts (including interest rate, index (including credit index), bond and

currency futures). The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. A contract for difference is an arrangement made in a futures contract whereby differences in settlement are made through cash payments, rather than the delivery of physical securities. The purchase or sale of a futures contract differs from the purchase or sale of a security or option in that no price or premium is paid or received. Instead, an amount of cash, U.S. Government Securities or other liquid assets must be deposited with the broker. This amount is known as initial margin. Subsequent payments to and from the broker, known as variation margin, are made on a daily basis as the price of the underlying futures contract fluctuates making the long and short positions in the futures contract more or less valuable, a process known as "marking to market." In most cases futures contracts are closed out before the settlement date without the making or taking of delivery. Closing out a futures contract sale is effected by purchasing a futures contract for the same aggregate amount of the specific type of financial instrument or commodity and the same delivery date. If the price of the initial sale of the futures contract exceeds the price of the offsetting purchase, the seller is paid the difference and realises a gain. Conversely, if the price of the offsetting purchase exceeds the price of the initial sale, the seller realises a loss. Similarly, the closing out of a futures contract purchase is effected by the purchaser entering into a futures contract sale. If the offsetting sale price exceeds the purchase price, the purchaser realises a gain, and if the purchase price exceeds the offsetting sale price, a loss will be realized.

**Swaps.** Subject to the requirements laid down by the Central Bank, each Fund may enter into transactions in swaps or options on swaps (including credit default swaps, interest rate swaps, total return swaps, inflation swaps, currency swaps, equity swaps, swaps on an index, contracts for difference and swaps on UCITS eligible exchange traded commodities and notes and commodities indices). The purchase of a cap entitles the purchaser, to the extent that a specified index exceeds a predetermined value, to receive payments on a notional principal amount from the party selling the cap. The purchase of a floor entitles the purchaser, to the extent that a specified index falls below a predetermined value, to receive payments on a notional principal amount from the party selling the floor. A collar combines elements of buying a cap and selling a floor. A total return swap is a bilateral financial contract, which allows a Fund to enjoy all of the cash flow benefits of an asset without actually owning this asset (the Reference Asset). A Fund will have to pay a periodic fee (fixed or floating payment) in exchange for its right to receive the total return of the Reference Asset (coupons or capital gains or losses). The Reference Asset can be almost any asset, index or basket of assets, which constitute an eligible investment for a Fund.

A Fund may enter into credit default swap agreements. A Fund may be either the buyer or seller in a credit default swap transaction. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If a Fund is a buyer and no event of default occurs, the Fund will lose its investment and recover nothing. On the other hand, if the Fund is a buyer and an event of default does occur, the Fund (the buyer) will receive the full notional value of the reference obligation that may have little or no value. Conversely, if the Fund is a seller and an event of default occurs, the Fund (the seller) must pay the buyer the full notional value, or "par value", of the reference obligation in exchange for the reference obligation. As a seller, a Fund receives a fixed rate of income throughout the term of the contract, which typically is between six months and three years, provided that there is no default event. If an event of default occurs, the seller must pay the buyer the full notional value of the reference obligation. A credit-linked note is a security that is structured by embedding a credit default swap agreement in a funded asset to form an investment that has credit risk and cash flow characteristics

resembling a bond or a loan. An inflation swap transfers inflation risk from one party to another through an exchange of cash flows. An interest rate swap involves the exchange by a Fund with another party of their respective commitments to pay or receive cash flows (e.g., an exchange of floating rate payments for fixed-rate payments). A contract for difference (CFD) is an arrangement made between two parties to exchange the difference between the opening and closing prices of specified financial instruments. The differences in settlement are made through cash payments, rather than the delivery of physical securities. Purchases of CFDs may be used to gain exposure to a wide range of assets and indices. Leverage is created as the payment of a low margin or premium can provide a Fund with a large exposure relative to its outlay and a small change in the price of the underlying security can produce a disproportionately larger profit or loss. CFDs are usually traded OTC and carry counterparty risk.

Swap agreements, including caps, floors and collars, can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the overall volatility of a Fund's investments and its share price and yield because, and to the extent, these agreements affect the Fund's exposure to long- or short-term interest rates, foreign currency values, mortgage-backed securities values, corporate borrowing rates or other factors such as security prices or inflation rates. Swap agreements will tend to shift a Fund's investment exposure from one type of investment to another. For example, if a Fund agrees to exchange payments in US Dollars for payments in the currency of another country, the swap agreement would tend to decrease the Fund's exposure to U.S. interest rates and increase its exposure to the other country's currency and interest rates. Caps and floors have an effect similar to buying or writing options.

**Forward Contracts.** A forward currency exchange contract or a bond forward, which involves an obligation to purchase or sell a specific currency or bond at a future date at a price set at the time of the contract, reduces a Fund's exposure to changes in the value of the currency or bond it will deliver and increases its exposure to changes in the value of the currency or bond it will receive for the duration of the contract. Such forwards may also be non-deliverable and structured so as to be cash settled, usually on a thinly traded currency or bond or non-convertible currency.

A Fund may enter into these contracts to hedge against exchange risk, to increase exposure to a currency or bond or to shift exposure to currency fluctuations from one currency to another.

Each Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates, as well as to enhance the return of a Fund by gaining an exposure to a particular foreign currency. The effect on the value of a Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that a Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for a Fund to benefit from favorable fluctuations in relevant foreign currencies. A Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

Bond forwards are used in the same manner as interest rate futures in markets or where futures contracts are not available or lack suitable liquidity. Bond forwards have the same duration risk as the bond as it is simply a forward settlement of a purchase or sale.

A contract to sell currency or a bond would limit any potential gain, which might be realized if the value of the hedged currency or bond increases.

Forward rate agreements are over the counter contracts used to limit or manage exposure to an interest rate at a future start date for a determined amount and maturity. These contracts carry a single payment based on the difference between the agreed interest rate and the market rate prevailing at that future date.

**To-be-Announced Securities.** A “to-be-announced” (TBA) security is structured so that the actual security that will be delivered to fulfill a TBA trade is not designated at the time the trade is made. The securities are “to be announced” prior to the actual trade settlement date. To that extent they are deemed to have a forward element.

**Warrants.** A warrant is a contract which gives the contract holder the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). Another feature of a warrant may be to enhance the return of a sovereign debt security according to a specific trigger such as country GDP. The ‘writer’ (seller) has the obligation to honour the specified feature of the contract. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions and are usually of little value. Warrants are longer-dated options and are generally traded over the counter. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security.

**Convertible Securities.** These include bonds or other convertible securities that can be converted into a predetermined amount of shares of common stock in the issuing company at certain times during its life, usually at the discretion of the bond holder or on the occurrence of a specific event. A convertible security may be viewed as a security with an embedded option to exchange the security for equity. A Fund may receive convertible securities from time to time through corporate actions.

**Structured Notes.** In order to gain access to certain markets where direct investment may not be possible, a Fund may invest in securities issued by a financial institution or special purpose entity, the performance of which depends on the performance of a corresponding asset. Typically the redemptions or repayment proceeds from the Structured Notes replicate the underlying asset. However, such Structured Notes may embed a derivative which has the effect of adjusting the proceeds received. As a result, the note’s coupon, average life, and/or redemption values can become exposed to the forward movement in various indices, equity prices, foreign exchange rates or mortgage backed security prepayment speeds.

The Company employs a risk-management process which enables it to accurately measure, monitor and manage at any time the risk of each Fund’s financial derivatives positions and their contribution to the overall risk profile of the Fund. Market risk and leverage is measured using an advanced risk management method in accordance with the Central Bank’s requirements. Counterparty risk exposure to any OTC derivative transactions never exceeds the limits permitted under the Central Bank’s Rulebook. Before investing in any financial derivative instruments on behalf of a Fund, the Company must file a risk management process statement with the Central Bank and in accordance with particular requirements of the Central Bank and shall specify, for that purpose, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated



with transactions in any derivative instruments applicable to a Fund. This statement is available to Shareholders upon request to the Company.

Use of techniques and instruments which relate to Transferable Securities and Money Market Instruments and which are used for the purposes of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (i) they are economically appropriate in that they are realized in a cost effective way;
- (ii) they are entered into for one or more of the following specific aims:
  - (a) the reduction of risk;
  - (b) the reduction of cost; or
  - (c) the generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the Central Bank's Rulebook.
- (iii) their risks are adequately captured in the risk management process; or
- (iv) they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

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

FDIs used for efficient portfolio management must also comply with the Central Bank's Rulebook. Any FDIs not included in the risk management process will not be utilized by a Fund until such time as a revision of the risk management process is provided to the Central Bank for review.

## **Leverage**

Funds using a VaR approach to calculate their global exposure also disclose the expected range of their levels of leverage. This range is an indicative range and not a regulatory limit. A Fund's level of leverage may exceed the top end of the range from time to time as long as the Fund remains within its risk profile and complies with the applicable VaR limit. The actual level of leverage over the previous financial year for any Fund is disclosed in the annual report of the Funds.

Leverage is a measure of FDI usage and the reinvestment of collateral in relation to efficient portfolio management transactions. It is calculated at the sum of notionals of all FDI contracts entered into by the Fund expressed as a percentage of the Fund's net asset value and any additional leverage generated by the reinvestment of collateral in relation to efficient portfolio management transactions.

The leverage calculation methodology neither distinguishes between FDIs used for investment or hedging purposes such that strategies aiming to reduce risk will contribute to an increased level of leverage for the Fund; nor does the methodology allow netting of FDI positions such that FDI roll-overs

and combinations of long-short positions contribute to a significant increase in the level of leverage even though they do not increase or only cause a moderate increase in risk to the Fund; and nor does the methodology take into account the underlying assets' volatility or draw a distinction between long-dated and short-dated assets such that a Fund that has a high level of leverage may not necessarily be riskier than a Fund that has a lower level of leverage. Each of the Fund descriptions above provide for a maximum figure in respect of such leverage. That maximum figure includes 300% percentage for Share Class related hedging. Whilst these percentage amounts are included at a Fund level such higher rates of leverage will only concern holders of currency Hedged Share Classes and SC Share Classes in the Wellington Emerging Local Debt Advanced Beta Fund.

### **Master Limited Partnerships**

A Fund may invest in Master Limited Partnerships that are eligible for investment by the Fund. Master Limited Partnerships are limited partnerships that will be listed/traded on the exchanges and markets listed in Appendix I to the Prospectus. As a result they offer the day to day tradability of common stock. They engage in certain businesses, mostly pertaining to the use of natural resources, such as petroleum and natural gas extraction and transportation. They combine the tax advantages of a partnership and higher dividend yields with the day to day tradability of common stock. The limited partners are responsible for paying taxes on their individual portfolios of the Partnership's income (even if the Partnership does not pay a cash distribution), gains, losses and deductions. They issue distributions that will form part of the Net Asset Value of the Fund. These may be classified as a return of the capital of the Partnership which may have the effect of reducing the value of Fund's investment in the Partnership. They consist of a general partner who manages the operations and limited partners who own the units of the Partnership and contribute capital to the Partnership.

### **Investment in Other Investment Funds**

Each Fund may invest in investment funds managed or sponsored by the Investment Managers or their affiliates, which meet the conditions laid down by the Central Bank, and which have investment objectives consistent with the relevant Fund's investment objective, provided, where a Fund invests in other investment funds managed or sponsored by the Investment Managers or its affiliates, that there is no duplication of investment management fees due to such investments.

### **Private Placements**

Each Fund may hold private placements of freely Transferable Securities and restricted or unregistered freely Transferable Securities, the liquidity of which is deemed by the relevant Investment Manager to be appropriate.

### **Transferable Securities and Money Market Instruments**

Transferable securities and money market instruments in which a Fund will invest will (save for permitted unlisted investments) be either admitted to official listing on a stock exchange or dealt on a market listed in Appendix 1.

## **Cluster Munitions**

Ireland ratified the Oslo Treaty on Cluster Bombs through the Cluster Munitions and Anti-Personnel Mines Act (the “Act”) of 3 December 2008. The Act does not cover private investments but expressly prohibits direct and indirect investment of public moneys in companies in the manufacture of prohibited munitions or the components thereof. Accordingly the Company prohibits the investment by the Company in such companies.

## **Securities Lending and Other Transactions**

The Directors reserve the right to enter into collateralized securities lending transactions on behalf of the Funds from time to time which will be carried out in accordance with and subject to the condition and with the limit laid down by the Central Bank from time to time. Repurchase, reverse repurchase, and dollar roll transactions are permitted subject to the conditions and within the limits set out in the Central Bank’s Rulebook. These may only be used for efficient portfolio management purposes.

The Company may deduct direct and indirect operational costs and fees incurred in the use of these techniques from the revenue delivered to the relevant Fund from the use of such techniques. These costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Investment Managers do not receive reimbursements for costs or fees for techniques of this types. The entities to which such costs and fees are paid (including whether such entities are related to the Company or the Depositary) will be disclosed in the annual report.

## **Collateral**

### **Permitted Types of Collateral**

#### **Non-Cash Collateral**

Non-cash collateral must at all times meet with the following requirements:

- (i) **Liquidity:** Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of the Central Bank's Rulebook;
- (ii) **Valuation:** Collateral must be capable of being valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) **Issuer credit quality:** Collateral received should be of high quality. Where the issuer was subject to a credit rating by an agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment process. Where an issuer is downgraded below the two highest short-term credit ratings by this credit rating agency this shall result in a new credit assessment being conducted of the issuer without delay;

- (iv) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- (v) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When Funds are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;
- (vi) Immediately available: Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the relevant counterparty; and
- (vii) Non-cash collateral received cannot be sold, pledged or reinvested by the Company.

The Company will derogate from the diversification requirement at paragraph (v) and may receive collateral up to 100% of the relevant Fund's Net Asset Value where the collateral received is either transferable securities or money market instruments issued or guaranteed by an EU Member State, one or more local authorities, a third country or a public international body to which one or more EU Member States belong. The permitted issuers for these purposes are listed at paragraph 2.11 of Appendix II. Where the Company relies on this derogation it should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the relevant Fund's Net Asset Value.

### Cash collateral

Reinvestment of cash collateral must at all times, meet with the following requirements:

- (i) Cash received as collateral may only be invested in the following:
  - (a) deposits with an EU credit institution, a bank authorized in the remaining Member States of the European Economic Area (EEA) (Norway, Iceland, Liechtenstein), a bank authorized by a signatory state, other than an EU Member State or a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or a credit institution authorized in Jersey, Guernsey, the Isle of Man, Australia or New Zealand (the **Relevant Institutions**);
  - (b) high quality government bonds;
  - (c) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on an accrued basis;
  - (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049);
- (ii) meet the requirements in section (v) under **Non-Cash Collateral** above, where applicable;
- (iii) Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

### **Level of collateral required**

In respect of OTC derivative contracts such collateral to ensure that counterparty exposure is managed within the limits set out in Appendix II.

Otherwise the Funds will require collateral where the exposure to a counterparty has reached a minimum threshold level. That minimum threshold level will be determined by the relevant Investment Manager on a counterparty by counterparty basis and will depend on many factors including the credit quality of the counterparty.

### **Haircuts**

The Company typically only accepts non-cash collateral that does not exhibit high price volatility and therefore a haircut policy is not required. If any of the Funds did hold non-cash collateral that exhibited high price volatility, then the relevant Investment Manager would negotiate appropriate haircuts taking into account such factors as the issuer credit quality and price volatility of the collateral and, where relevant, the outcome of any stress tests.

### **Other**

Any investment by a Fund in REITs will not affect that Fund's ability to meet its redemption obligations. Any common stock received in exchange for debt will be sold within six months, unless the Investment Manager believes it to be in the client's best interests to retain the holding.

## **RISK FACTORS**

**AN INVESTMENT IN A FUND INVOLVES A NUMBER OF RISKS INCLUDING A POSSIBLE LOSS OF THE AMOUNT INVESTED. MOREOVER, THERE CAN BE NO GUARANTEE OR ASSURANCE THAT A FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVE.**

**THE DISCUSSION BELOW IS OF GENERAL NATURE AND IS INTENDED TO DESCRIBE VARIOUS RISK FACTORS WHICH MAY BE ASSOCIATED WITH AN INVESTMENT IN THE SHARES OF A FUND. THE FOLLOWING ARE A NUMBER OF RISK FACTORS WHICH MAY BE ASSOCIATED WITH AN INVESTMENT IN THE SHARES OF A FUND TO WHICH THE ATTENTION OF INVESTORS IS DRAWN. HOWEVER, THESE ARE NOT INTENDED TO BE EXHAUSTIVE AND THERE MAY BE OTHER CONSIDERATIONS THAT SHOULD BE TAKEN INTO ACCOUNT IN RELATION TO AN INVESTMENT. INVESTORS SHOULD CONSULT THEIR OWN ADVISERS BEFORE CONSIDERING AN INVESTMENT IN THE SHARES OF A PARTICULAR FUND. WHAT FACTORS WILL BE OF RELEVANCE TO THE SHARES OF A PARTICULAR FUND WILL DEPEND UPON A NUMBER OF INTERRELATED MATTERS INCLUDING, BUT NOT LIMITED TO, THE NATURE OF THE SHARES AND THE UNDERLYING INVESTMENTS AND ASSETS OF EACH FUND.**

**NO INVESTMENT SHOULD BE MADE IN THE SHARES OF A PARTICULAR FUND UNTIL CAREFUL CONSIDERATION OF ALL THOSE FACTORS HAS BEEN MADE.**

### **Concentration Risk**

Concentration of investments in a relatively small number of securities, certain sectors or specific regions or countries will make a Fund susceptible to higher volatility since the value of the Fund will vary more in response to changes in the market value of these securities, sectors, regions or countries.

### **Contractual Settlement**

The Investment Manager will on behalf of all investors and Shareholders place orders for the purchase of securities for the account of the relevant Fund before receipt of payment of the relevant purchase proceeds, as a means to reduce the impact of subscriptions on the performance of the Fund. While this protocol is made available equally to benefit all Shareholders, there is a possibility that a particular subscriber may settle his purchase order late, or fail to settle it entirely. In that case, the relevant Fund will be exposed to interest costs and/or possible market losses. Although the Company on behalf of the relevant Fund should in that case have a valid claim to recoup any damages from the defaulting subscriber, there is no guarantee that such a claim will either be successful or enforceable in judgment, which could result in a Fund (and its Shareholders) suffering a loss on their investment.

### **Convertibles, including Contingent Convertible and Contingent Capital Securities (CoCos)**

The market value of convertible bonds tends to decline as interest rates rise. Because of the conversion feature the market value of convertible bonds also tends to vary with fluctuations in the market value of the underlying common or preferred security.

Due to contingent write-down, write-off and conversion features of contingent convertible securities, such high-yielding instruments may have substantially greater risk than other forms of securities in times of credit stress. This means that, if a trigger level is breached, depending on the terms, the security may be automatically written-down, written-off or converted. This action could have an adverse effect on a Fund's ability to achieve its investment objective because a conversion may occur before the Fund might otherwise prefer. The Fund may even suffer a complete loss with no chance of recovery even if the issuer remains in existence.

CoCos have terms which vary from issuer to issuer and may expose investors to additional risks. Coupon payment risk is where coupon payments may be indefinitely deferred or cancelled with no interest accumulation and potentially no restriction on the issuer to pay dividends to equity holders or coupons to bond holders which rank *pari passu* or junior to the CoCo bond holders. Coupon cancellation may be at the option of the issuer or its regulator but may also be mandatory under the European Capital Requirements Directive (CRD IV) and related applicable laws and regulation. This mandatory deferral may be at the same time that equity dividends and bonuses may also be restricted, but some CoCo structures allow the bank at least in theory to keep on paying dividends whilst not paying CoCo holders. Mandatory deferral is dependent on the amount of required capital buffers a bank is asked to hold by regulators. In addition it is possible in certain circumstances, e.g., issuer discretion not to pay and / or insufficient distributable profits to pay interest in full or in part, for interest payments on certain CoCos to be cancelled in full or in part by the issuer, without prior notice to bondholders. Therefore, there can be no assurances that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter, and bondholders shall accordingly have no right, whether in a liquidation, dissolution or winding-up or otherwise, to claim the payment of any foregone interest which may impact the value of the Fund.

Issuers of CoCos operate within the financial services sector so investment in such instruments may entail concentration risk as described above.

### **Counterparty Risk**

The institutions, including brokerage firms and banks, with which a Fund (directly or indirectly) will trade or invest, or to which its assets will be entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of a Fund.

### **Credit and Index Linked Securities**

Credit and index linked securities are derivative instruments which may entail substantial risks. Such instruments may be subject to significant price volatility. The company issuing the instrument may fail to pay the amount on maturity. The underlying investment or security may not perform as expected by the Investment Manager. Markets, underlying securities and indexes may move in a direction that was not anticipated by the Investment Manager.

### **Cross Liability Risk**

The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, the Company is a single entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation of liability.

### **Currency Risk**

Because a Fund may invest in securities and hold active currency positions that are denominated in currencies other than its Base and/or Dealing Currency, each Fund may be exposed to currency exchange risk. For example, changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Fund's investments to diminish or increase. Currency exchange rates may fluctuate over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can be affected unpredictably by intervention (or the failure to intervene) by government or central banks, or by currency controls or political developments. Certain Funds, but not all, have placed limits on the percentage of such Funds' Net Asset Value that may be exposed to currencies other than the Base Currency of the relevant Fund.

Subject to the Central Bank's Rulebook and interpretations promulgated by the Central Bank from time to time, the appropriate hedging strategy used will be at the discretion of the Investment Manager in accordance with the investment style of the Fund. This may include hedging the Dealing Currency against the Base Currency of the Fund or against the other currencies in which the assets of the relevant Fund may be denominated (based on either actual exposure or benchmark weights). There can be no assurance that the strategy chosen by the Investment Manager will be successful.

### **Cyber Security Risk**

The Company and its 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 unauthorised 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 unauthorised 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 Company, the Administrator or the 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 ability to calculate the Net Asset Value of the Company; impediments to trading for the Company's portfolio; the inability of Shareholders to transact business with the Company; 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 Company invests, counterparties with which the Company engages 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 cannot be and/or have not been identified.

### **Duration Risk**

Duration is a measure of the expected life of a debt obligation on a present value basis. Duration takes the length of the time intervals between the present time and the time that the interest and principal payments are scheduled or, in the case of a callable bond, the time the principal payments are expected to be received, and weights them by the present values of the cash to be received at each future point in time. For debt obligations with interest payments occurring prior to the payment of principal, duration will usually be less than maturity. In general, all else being equal, the lower the stated or coupon rate of the interest of a fixed income security, the longer the duration of the security; conversely, the higher the stated or coupon rate of a fixed income security, the shorter the duration of the security.

Holding long futures or call option positions will lengthen the duration of a Fund's portfolio. Holding short futures or put options will shorten the duration of a Fund's portfolio.

A swap agreement on an asset or group of assets may affect the duration of the Fund depending on the attributes of the swap. For example, if the swap agreement provides a Fund with a floating rate of return in exchange for a fixed rate of return, the duration of the Fund would be modified to reflect the duration attributes of a similar security that the fund is permitted to buy.

There are some situations where even the standard duration calculation does not properly reflect the interest rate exposure of a security. For example, floating- and variable-rate securities often have final maturities of ten or more years; however, their interest rate exposure corresponds to the frequency of the coupon reset. Another example where the interest rate exposure is not properly captured by maturity is mortgage pass-through securities. The stated final maturity of such securities is generally 30 years, but current prepayment rates are more critical in determining the securities' interest rate exposure. Finally,



the duration of the debt obligation may vary over time in response to changes in interest rates and other market factors.

### **Emerging Markets Risk**

A Fund faces a number of additional risks because of any investments in securities of companies located in emerging markets, including:

**Investment and repatriation restrictions:** A number of emerging markets restrict, to varying degrees, foreign investment in securities. Restrictions may include maximum amounts foreigners can hold of certain securities, and registration requirements for investment and repatriation of capital and income. New or additional restrictions may be imposed subsequent to a Fund's investment in a given market.

**Currency fluctuations** can be severe in emerging markets that have both floating and/or “fixed” exchange rate regimes. The latter can undergo sharp one-time devaluations.

**Potential market volatility:** Many emerging markets are relatively small, have low trading volumes, suffer periods of illiquidity and are characterized by significant price volatility. Regulation and oversight of trading activity may not be up to the standards of developed countries.

**Political instability and government interference in the private sector:** This varies country by country, and may evolve to the detriment of Fund holdings. In particular, some emerging markets have no legal tradition of protecting shareholder rights.

**Financial disclosure and accounting standards:** Potential investments may be difficult to evaluate given lack of information as well as the use in emerging markets of accounting, auditing and financial reporting standards that differ from country to country and from those of developed countries.

**Settlement:** The trading and settlement practices of some of the stock exchanges or markets on which a Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by a Fund.

**Custodial risk:** Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of, legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in “book-entry” form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of a Fund’s holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Fund in investing and holding investments in such markets will generally be higher than in organized securities markets.

**Taxation:** Taxation of dividends and capital gains varies among countries and, in some cases, is comparatively high. In addition, emerging markets typically have less-well-defined tax laws and procedures and such laws may permit retroactive taxation, so that a Fund could in the future become subject to local tax liability that had not been reasonably anticipated when an investment was made.

**Where a Fund invests more than 20% of its Net Asset Value in emerging markets an investment in that Fund should not constitute a substantial proportion of an investment Fund and may not be appropriate for all investors.**

### **Risks linked with dealing in securities in China via Stock Connect**

Some of the Funds may seek exposure to stocks issued by companies listed on China stock exchanges via Stock Connect. Stock Connect is a new trading programme that links the stock markets in Shanghai and Hong Kong and may be subject to additional risk factors. Investors in Hong Kong and Mainland China can trade and settle shares listed on the other market via the exchange and clearing house in their home market. Stock Connect is subject to quota limitations, which may restrict a Fund's ability to deal via Stock Connect on a timely basis. This may impact that Fund's ability to implement its investment strategy effectively. Initially, the scope of Stock Connect includes all constituent stocks of the SSE 180 Index and the SSE 380 Index and all China A Shares dual-listed on the SSE and SEHK. Investors should note that a security may be recalled from the scope of Stock Connect. This may adversely affect the Fund's ability to meet its investment objective, e.g. when it wishes to purchase a security which is recalled from the scope of Stock Connect.

Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices. Foreign shareholding restrictions and disclosure obligations are also applicable to China A Shares.

The Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares. The Investment Manager is solely responsible for compliance with all notifications, reports and relevant requirements in connection with their interests in China A Shares.

Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on the SSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland China rules.

According to existing Mainland China practices, the Fund as a beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf.

### **Investment in Russia**

If a Fund invests in Russia, investors should note that Russia has weaker corporate governance, auditing and financial reporting standards than those in developed markets, which could result in a less thorough understanding of the financial condition, results of operations and cash flow of companies in which the Funds invest. Accordingly, an investment in a Russian corporate will not afford the same level of investor protection as would apply in more developed jurisdictions.

### **Equity Risk**

Equity shares of companies will fluctuate in value due to market, economic, political and other factors. Such fluctuations may be substantial, and the fluctuation of small and mid-cap companies may be greater than would occur in similar market conditions for the equity shares of larger capitalisation companies. There is frequently less market liquidity for the shares of small and mid-cap companies than for larger capitalisation companies. In the case of companies located in or deriving substantial revenue from emerging markets, fluctuations in value due to market, economic, political and other factors may be substantial, and may be greater than would occur in similar market conditions for the equity shares of companies domiciled in OECD countries. Shares purchased in an initial public offering will relate to a company that has no track record operating as a public company. Such shares may be more volatile than those issued by more seasoned companies.

### **Exchange Traded Funds**

A Fund may invest in the securities of Exchange Traded Funds (ETFs) in different asset classes and sectors. Shares or units in ETFs represent interests in (i) fixed Funds of equity shares or debt securities designed to track the price and dividend yield performance of broad-based securities indices (such as the S&P 500 or NASDAQ 100); (ii) "baskets" of industry-specific securities; or (iii) commodities. Shares or units in ETFs are traded on an exchange like shares of equity shares, and the value of such shares or units fluctuate in relation to changes in the value of the underlying asset of the ETF. However, the market price of shares or units in ETFs may not be equivalent to the pro rata value of the underlying asset of the ETF. Shares and units of ETFs are subject to the risks of an investment in a broad-based Fund of equity shares or to the risks of a concentrated, industry-specific investment in equity shares. Furthermore, certain ETFs in which the Funds may invest may leverage their assets, thereby significantly increasing the potential volatility of such ETFs.

### **Financial Derivatives Instruments**

Certain risks may be associated with the use by a Fund of derivative instruments as follows:

**Market Risk:** This is a general risk that the value of a particular derivative may change in a way which may be detrimental to a Fund's interests and the use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, a Fund's investment objective.

**Control and Monitoring:** Derivative instruments are highly specialized and require specific techniques and risk analysis. In particular, the use and complexity of derivative instruments require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative instrument may add to a Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

**Liquidity Risk:** Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction to liquidate a position at an advantageous price, to assess or value a position or to assess the exposure to risk. An adverse price movement in a derivative position may also require a cash payment to counterparties that might in turn require, if there is insufficient cash available in a Fund, the sale of investments under disadvantageous conditions.

**Counterparty Risk:** A Fund may enter into derivative transactions in over-the-counter markets, which will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. A Fund may be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position as well as significant losses, including declines in value during the period in which the Fund seeks to enforce its rights, the inability to realise any gains during such period and fees and expenses incurred in enforcing its rights.

**Legal Risk:** There is a possibility that the agreements governing the derivative techniques may be terminated due, for instance, to supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. There is also a risk if such agreements are not legally enforceable or if the derivative transactions are not documented correctly.

**Leverage Risk:** Leverage may be employed as part of the investment strategy when using derivatives. Derivatives may contain a leverage component and consequently any adverse changes in the value or level of the underlying asset can result in a loss greater than the amount invested in the derivative itself.

**Other Risks:** Other risks in using derivative instruments include the risk of differing valuations of derivative instruments arising out of different permitted valuation methods and the inability of derivative instruments to correlate perfectly with underlying securities, rates and indices. Many derivative instruments, in particular over-the-counter derivative instruments, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in an increased cash payment to counterparties or a loss of value to a Fund. Derivative instruments do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track.

The swaps market is a relatively new market and is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect a Fund's ability to terminate existing swap agreements or to realise amounts to be received under such agreements. Whether a Fund's use of swap agreements will be successful will depend on the Investment Manager's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. A Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The risk arising to a Fund in a total return swap is credit risk in the event that the counterparty is unable to meet its payment obligations to the Fund under the terms of the total return swap. Further as noted under "General" below, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the European Markets and Infrastructure Regulation ("EMIR") include provisions that require increased regulation of derivatives markets. Notably in relation to swaps the Dodd-Frank Act and EMIR have introduced mandatory execution and clearing of certain swaps, as well as new record keeping and reporting requirements. This increased regulation may increase the costs of entering into certain transactions.

**Derivatives Generally:** There has been an international effort to increase the stability of the over-the-counter derivatives market in response to the recent financial crisis. In the United States, the Dodd-Frank Act includes provisions that comprehensively regulate the over-the-counter derivatives markets. In Europe, the European Parliament has adopted EMIR, a regulation on over-the-counter derivatives, central counterparties and trade repositories, which also comprehensively regulates the over-the-counter

derivatives markets. These regulations will impose compliance costs on the Company. They will also increase the dealers' costs, which are expected to be passed through to other market participants in the form of higher fees and less favorable dealer marks. They may also render certain strategies in which the Company might otherwise engage impossible or so costly that they will no longer be economical to implement. The overall impact of these regulations on the Company is highly uncertain and it is unclear how the over-the-counter derivatives markets will adapt to this new regulatory regime.

Central clearing risk: A central clearing counterparty (CCP) stands between over-the-counter (OTC) derivatives counterparties, insulating them from each other's default. Effective clearing seeks to mitigate systemic risk by lowering the risk that defaults propagate from counterparty to counterparty. However, the extent to which CCPs mitigate the likelihood and severity of knock-on defaults that propagate from the failure of a large counterparty is unclear.

### **Fixed Income and Other Debt Securities**

Fixed income securities and other debt securities are subject to many risk factors, including economic conditions, government regulations, market sentiment, and local and international political events. The market value of these securities in which a Fund invests will fluctuate in response to changes in creditworthiness of the issuer, interest rates, currency values, and other economic, political and market factors. Such fluctuations may be substantial. There is a risk that one or more issuers of securities held by a Fund may default in payment of interest and/or principal. That portion of any Fund invested in securities which are rated below investment grade, or are deemed equivalent thereto by the Investment Manager, are subject to significantly greater risk of such defaults. Pass through instruments such as mortgage related and asset backed securities are subject to prepayment risk, which is the possibility that the principal of the loans underlying the securities may be prepaid at any time. As a general rule, prepayments increase during a period of falling interest rates and decrease during a period of rising interest rates.

A Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured by substantially all of that issuer's assets. The Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. This would expose the Fund to credit and liquidity risks. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. Investment in a debt instrument will normally involve the assumption of interest rate risk.

A substantial number of the securities which a Fund holds may be debt securities rated below "investment grade" (Baa3 by Moody's and BBB- by Standard & Poor's) or unrated securities of comparable quality, sometimes known as "junk bonds" or high yield bonds. **Where a Fund invests more than 30% of its Net Asset Value in below investment grade securities an investment in that Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** These lower rated bonds are considered by credit rating agencies to be speculative and to carry a high level of risk. The lower rated securities in which a Fund will invest will have a significantly greater risk of default in payments of interest, principal, or both, than the risk of default for investment grade bonds. Issuers of below investment grade securities present a higher risk of bankruptcy or reorganisation than issuers of investment grade bonds, or may have recently been in bankruptcy or reorganisation proceedings.

The secondary market for lower rated securities is typically much less liquid than the market for investment grade bonds, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading. The market price of lower rated securities will be affected by the bond market's perception of credit quality and the effect of stronger or weaker economic growth as well as political developments.

The market price of lower rated securities will also be affected by general changes in interest rates (decreasing as rates rise, and increasing as rates fall) that affect the market price of all bonds, although lower rated securities may be less sensitive to interest rate changes than investment grade bonds. The below investment grade security market at times will be very illiquid. Market prices of lower rated securities may be affected by imbalances in sell and buy orders among institutional investors and dealers. In addition to credit risk and liquidity risk concerns, the market price of lower rated securities in particular may be adversely impacted by legislative or regulatory developments, such as determinations that certain categories of institutional investors must divest their below investment grade holdings, or changes in rules regarding taxation or corporate reorganisations.

A Fund may also have to sell holdings of below investment grade securities at unfavorable prices in order to raise proceeds to pay for redemptions of Shares.

Any default in the payment of interest by an issuer to below investment grade securities will adversely affect a Fund if a distribution has already been made by the Fund on the basis of such interest being due and payable to the Fund.

The Investment Manager seeks to mitigate the risk of high yield investing by carefully selecting below investment grade securities which it believes offer an investment return that reasonably compensates a Fund for the investment risk assumed, and by diversifying the Fund to minimise the adverse effect of default or substantial reduction in the market price of any below investment grade security in the Fund. The Investment Manager will actively manage the Funds, and will buy and sell portfolio securities based upon economic, financial, political and issuer credit analysis. There is no assurance that the Investment Manager will succeed in avoiding or mitigating the risks associated with below investment grade security investing.

A Fund's net income may decline or increase, based upon changes in the prevailing interest rates in the bond market at the times that it purchases bonds with proceeds from additional net investments in the Fund, or the proceeds from the sale of other portfolio securities in the Fund.

### **High Turnover**

The investment strategy of a Fund may involve the taking of frequent trading positions, as well as investment positions. As a result of portfolio turnover and brokerage commissions, expenses of that Fund may significantly exceed those of other Funds of comparable size that trade less frequently.

### **Investment in Other Collective investment Schemes**

A Fund may invest in other collective investment schemes. By investing in the relevant collective investment scheme, an investor will indirectly bear fees and expenses charged by the underlying collective investment schemes in addition to the Fund's direct fees and expenses. Investments in other collective investment schemes shall be valued at the latest available net asset value per unit as published

by the scheme; the latest bid prices as published by the scheme or if the scheme is listed on a Market, the latest market prices as described in the section entitled **Issue and Redemption Prices/Calculation of Net Asset Value/ Valuation of Assets**. The Funds investing in other collective investment schemes may be subject to the risk that (i) the valuations of the Fund may not reflect the true value of the underlying collective investment schemes at a specific time which could result in significant losses or inaccurate pricing for the Fund and/or (ii) the valuation may not be available as at the relevant Valuation Point for the Fund. In such circumstances, the Investment Manager, with the consent of the Depositary, may adjust the value of any such investment or permit such other method of valuation if the Investment Manager considers that such adjustment or other method of valuation is required to reflect more fairly the value of the underlying collective investment scheme.

### **Liquidity Risk**

Liquidity is an indicator of how easily an investment may be converted into cash. An investment may be less liquid if it is not widely traded or if there are restrictions imposed by the exchange where the trading takes place or by the issuer. The sale of any thinly traded or illiquid investments may be possible only at substantial discounts or at discounts to the values at which a Fund is carrying them. If a Fund is forced to sell thinly traded or illiquid securities in order to meet redemption requests and/or its ongoing objective, such sales may result in a reduction in the Fund's Net Asset Value.

### **Loans**

An investment in bank loans may be in the form of participations in loans or of assignments of all or a portion of loans from third parties. Participations and assignments involve additional risks, including the risk of non-payment of principal and interest by the borrower, the risk that any loan collateral may become impaired and, particularly where the borrower is in financial distress, that the investor may obtain less than the full value for the loan interests sold because the bank loans have become illiquid. Purchasers of bank loans depend primarily upon the creditworthiness of the borrower for payment of interest and repayment of principal. If scheduled interest or principal payments are not made, the value of the instrument may be adversely affected.

Interests in bank loans are also subject to additional liquidity risks. Bank loans are not currently listed on any securities exchange or automatic quotation system, but are traded by banks and other institutional investors engaged in loan syndication. As a result, secondary markets may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Consequently, the Fund may have difficulty disposing of assignments or participations in response to a specific economic event such as deterioration in the creditworthiness of the borrower, which can result in a loss. In such market situations, it may be more difficult for a value to be assigned to bank loans for the purposes of calculating a Fund's Net Asset Value.

### **Market Risk**

The success of any investment activity is affected by general economic conditions which affect the level and volatility of prices as well as the liquidity of the markets. The prices of many securities and derivative instruments are highly volatile. The prices of investments and the income from them, and therefore the value of, and income from, Shares can fall as well as rise. The price movements of the

instruments which a Fund will acquire or sell are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events. Governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rates, disrupting strategies focusing on these sectors.

### **Real Estate Investment Trusts**

A Fund may invest in real estate securities, including REITs. REITs in which a Fund may invest may be affected by changes in underlying real estate values, which may have an exaggerated effect to the extent that REITs in which a Fund invests may concentrate investments in particular geographic regions or property types. Additionally, rising interest rates may cause investors in REITs to demand a higher annual yield from future distributions, which may in turn decrease market prices for equity securities issued by REITs. Rising interest rates also generally increase the costs of obtaining financing, which could cause the value of a Fund's investments to decline. During periods of declining interest rates, certain mortgage REITs may hold mortgages that the mortgagors elect to prepay, which prepayment may diminish the yield on securities issued by such mortgage REITs. In addition, mortgage REITs may be affected by the ability of borrowers to repay when due the debt extended by the REIT and equity REITs may be affected by the ability of tenants to pay rent.

Certain REITs have relatively small market capitalizations, which may tend to increase the volatility of the market price of securities issued by such REITs. Furthermore, REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in operating and financing a limited number of projects. REITs depend generally on their ability to generate cash flow to make distributions to investors.

### **Reliance on the Investment Managers**

The profitability of a significant portion of a Fund's investment program will depend upon the Investment Manager correctly assessing future price movements in securities. There can be no assurance that the Investment Manager will be able accurately to predict these price movements, even during market periods which are favorable to most other managers. Each strategy selected for a Fund will be unlikely to achieve its objectives under certain market conditions which may prevail for substantial periods of time after a Fund begins operating or allocates assets to a particular strategy.

The success of an investment manager in the past is not necessarily a reliable indicator of its prospects for future profitability. Speculative trading and investment strategies involve substantial risks, and the outcomes are uncertain.

### **Repurchase Agreements**

The Company may engage in repurchase agreements with banks or broker-dealers. A repurchase agreement is an investment in which the purchaser (i.e., the Company) acquires ownership of a security and the seller agrees to repurchase the obligations at a future time and set price, thereby determining the yield during the holding period. Repurchase agreements involve certain risks in the event of default by the other party. In the event of the bankruptcy or other default of a seller of a repurchase agreement, the Company could experience both delays in liquidating the underlying securities and losses, including (i) possible decline in the value of the underlying security during the period while it seeks to enforce its



rights thereto; (ii) possible lack of access to income on the underlying security during this period; and (iii) expenses of enforcing its rights.

### **Reverse Repurchase Agreements**

The Company may enter into reverse repurchase agreements. Reverse repurchase agreements involve sales by the Company of Fund assets concurrently with an agreement by the Company to repurchase the same assets at a later date at a fixed price. During the reverse repurchase agreement period, the Company continues to receive principal and interest payments on these securities.

Reverse repurchase agreements involve the risk that the market value of the securities retained by the Company may decline below the price of the securities the Company has sold but is obligated to repurchase under the agreement. In the event the buyer of securities under a reverse repurchase agreement filed for bankruptcy or becomes insolvent, the Company's use of the proceeds of the agreement may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Company's obligation to repurchase the securities.

### **Securities Lending**

Where a Fund enters into securities lending arrangements there are risks in the exposure to market movements if recourse has to be had to collateral, or if there is fraud or negligence on the part of the Depository, the Investment Managers or lending agent. In addition there is an operational risk associated with marking to market daily valuations and there are the potential stability risks of providers of collateral. The principal risk in such securities lending arrangements is the insolvency of the counterparty. In this event the Company could experience delays in recovering its securities and such event could possibly result in capital losses. A derogation has been obtained from the requirements of the Central Bank in relation to investment of cash collateral received regarding securities lending to allow each Fund when investing cash collateral obtained under any securities lending agreement to invest up to 50% of its Net Asset Value in units of the State Street Global Securities Lending Trust and the State Street Global Securities Lending Euro Trust (the **Trusts**), which are money market funds operated by affiliates of the Company's Administrator and Depository, which offers a securities lending facility to the Company. In the event of a material change in the management of the Trusts the use of the investment by each Fund will cease. The Trusts are neither rated nor regulated and accordingly are considered to pose a greater credit and counterparty risk to each Fund than would be the case if the collateral was to be invested in Aaa rated daily dealing money market funds to which the 50% limit would not apply.

### **Structured Notes**

Structured Notes are used to gain access to certain markets where direct investment may not be possible. Structured Notes are securities issued by a financial institution or special purpose entity, the performance of which depends on the performance of a corresponding asset. Typically the redemptions or repayment proceeds from the Structured Notes replicate the underlying asset. However, such Structured Notes may embed a derivative such as an option, swap, forward or future as described in the section entitled **Types and Description of FDIs**, which has the effect of adjusting the proceeds received. As a result, the note's coupon, average life, and/or redemption values can become exposed to the forward movement in various indices, equity prices, foreign exchange rates or mortgage backed security prepayment speeds. Leverage is created as the payment of a low purchase price can provide a Fund with a larger exposure than its

outlay and a small change in the price of the underlying asset can produce a disproportionately larger profit or loss. Structured Notes are generally subject to the same risks as direct holdings of securities of foreign issuers. Moreover, Structured Notes are also subject to the default risk of the issuer of the Structured Notes. Structured Notes are also subject to the liquidity risks.

### **Tax and Other Regulatory Considerations**

Certain prospective Shareholders may be subject to laws, rules and regulations which may regulate their participation in the Fund or their engaging directly, or indirectly through an investment in the Fund, in investment strategies of the types which the Fund may utilize from time to time (e.g., short selling). Prospective Shareholders should consult with their own advisors as to the advisability and tax consequences of an investment in the Fund. Prospective Shareholders should also be aware that the tax treatment of the Fund, as well as their investment, may change over time.

### **Technology and Data Risk**

The Company and its service providers rely heavily on the use technology, including proprietary and third-party software and data, to run substantially all aspects of the management of the Fund. For example, the majority of trade instructions are entered by Fund managers and executed by traders utilizing electronic systems, some of the Funds use quantitative equity models to assess the attractiveness of investments or Fund construction models to generate suggested trades or investment weightings. Compliance with investment guidelines is monitored utilizing electronic systems and data provided by various proprietary and third-party sources.

Processes reasonably designed for developing, selecting and overseeing these technology systems and databases, in particular controls designed to assure that technology systems are sound and the systems suppliers that are relied on are reputable and competent and risk based controls around the use of data which include diligence of third party service providers, monitoring data sources for inaccurate or missing data, and escalation procedures may not be successful in completing mitigating the risk of system defects and/or inaccurate or missing data.

Systems flaws and inaccurate data may go undetected for long periods of time, or avoid detection altogether. These issues could have a negative (or positive) impact on the investment performance of a Fund.

### **Valuation Risk**

The Administrator may consult the Investment Managers with respect to the valuation of investments which are (i) unlisted, or (ii) listed or traded on a Market but where the market price is unrepresentative or not available. There is a possible conflict of interest because of an Investment Managers' role in determining the valuation of the Funds' investments and the fact that the Investment Managers receive a fee which increases as the value of the Fund increases.

**The Net Asset Value of the Shares will fluctuate and may be worth more or less than the acquisition price when redeemed or sold. There is no assurance that a Fund's investment objective will be achieved.**

## **DEALING IN SHARES**

### **Available Share Classes**

Shares in each Fund may be issued with different characteristics relating to (i) target investor profile, (ii) currency of denomination, (iii) any related hedging strategy and (iv) distribution policy. Complete details of these characteristics of each available Share class are set out in Appendix III. These are summarized as follows:

Class S Shares are available only for Institutional Investors.

Class N Shares are reserved for investors acting as financial intermediaries on behalf of underlying beneficial holders who, for example, have separate fee arrangements with their clients and in respect of whom no separate distribution fee is payable.

Class D Shares are reserved for investors acting as financial intermediaries on behalf of underlying beneficial holders and in respect of whom a distribution fee of up to 1.00% of the Net Asset Value attributable to the Class D Shares is payable.

### **Other Share Classes**

Class R Shares are reserved for investors acting as financial intermediaries on behalf of underlying beneficial holders invested as at 30 September 2013 and in respect of whom a distribution fee of up to 1.10% of the Net Asset Value attributable to the Class R Shares is payable. This Share class is closed to investors from outside the class.

Class G Shares (including the Class GN and Class GR Shares) are reserved for existing Shareholders whose previous Shares have been changed, and serves as a “grandfathered” class enabling the Shareholders to remain invested without undergoing those changes. This Share Class is closed to investors from outside the Class, and the Company also reserves the right to close the Class to additional subscriptions from existing G, GN and GR Class Shareholders in any particular Fund. A distribution fee of 0.75% is payable in respect of the Class GR Shares.

Class NI and NR Shares are reserved for certain investors, acting as financial intermediaries on behalf of underlying beneficial holders, investing in the Wellington Emerging Local Debt Fund.

Class P Shares are reserved for certain investors investing in the Wellington Global Bond Fund via investment platforms, wrapped accounts or other intermediary arrangements.

Class E Shares are reserved for investors investing in the Wellington Emerging and Sovereign Opportunities Fund at or near the time of its launch.

Class J Shares are reserved exclusively for certain Japanese institutional clients of a discretionary investment manager who has separate fee arrangements with such clients.

Class K Shares are reserved exclusively for certain Korean investors, acting as financial intermediaries on behalf of underlying institutional beneficial holders.

Class T Shares are reserved for investors that have a direct investment advisory or other relationship with the Investment Managers or an affiliate, and for investment by the Investment Managers and/or their affiliates (including affiliated pension plans).

Class SB and SC are reserved for Institutional Investors in the Wellington Emerging Local Debt Advanced Beta Fund.

In addition, Shares in each Fund may be denominated in either the Fund's Base Currency or in another Dealing Currency, they may be either hedged or unhedged and either Distributing Shares or Accumulating Shares. With respect to unhedged Share classes not in Base Currency, a currency conversion at the prevailing spot currency exchange rate of the relevant Base Currency for the currency of the relevant Share class will take place with respect to subscriptions, redemptions and dividend distributions and the value of the unhedged Shares expressed in the Dealing Currency will be subject to exchange rate risk in relation to the Base Currency. The value of the Share Classes in the Wellington Emerging Local Debt Advanced Beta Fund will be subject to exchange rate risk in relation to a basket of developed market currencies.

### **Application for Shares**

It is intended that Shares normally will be issued on the Dealing Day for which an application is received in good order by the relevant Dealing Deadline.

Accounts must be opened by submission of an Account Opening Agreement sent by mail or by facsimile to the Transfer Agent at the address/facsimile number indicated in the Investor Guide. If sent by facsimile, the original signed Account Opening Agreement (and supporting documentation in relation to money laundering prevention checks) must be promptly sent by courier or air mail to the Transfer Agent and no redemption payments will be made until these documents have been received and the actual money laundering prevention checks have been completed. Upon acceptance of the Account Opening Agreement by the Transfer Agent, applications for Shares should be made to the Transfer Agent as specified in the Investor Guide. Valid applications made in accordance with the requirements set out in the Investor Guide will be treated by the Company as definitive orders and will not be capable of withdrawal after acceptance by or on behalf of the Company. Full details on subscription and payment requirements are available from the Transfer Agent. In addition, prospective investors should consult the current version of the Investor Guide, which may be obtained from the Transfer Agent or the Investment Managers, for the current dealing procedures.

Payment is due in the relevant Dealing Currency on or before the Settlement Date. A Fund's current settlement cut-off times and policies are included in the Investor Guide. If an application is received after the relevant Dealing Deadline or relevant payment received after the relevant Settlement Date, the application and/or payment, as the case may be, shall, unless otherwise determined by the Directors or their delegate, be deemed to have been received by the following relevant Dealing Deadline or Settlement Date.

Should prospective investors or Shareholders wish to receive or make payments in an alternative currency to the Dealing Currency or exchange between Shares with different Dealing Currencies then this must be clearly noted on the application and the associated foreign exchange trade undertaken for such investors or Shareholders will be executed with Brown Brothers Harriman & Co., the parent company of the Transfer Agent, as principal counterparty at the commercial rate available from the counterparty on

the relevant Dealing Day. This foreign exchange transaction will be at the cost and risk of the investor or Shareholder (as applicable) and details of the associated costs are available on request. Payments relating to any instruction received to process an exchange of any Shares will be made directly between the relevant Funds in the currency of each relevant Share. Where a foreign exchange trade is required to facilitate this, such trade will be processed as described above. All related bank charges are to be borne by the investor or the Shareholder (as applicable).

Shares of each class shall be, or were, offered at the Initial Issue Price set out in Appendix III during the Initial Offer Period for such class of Shares. Thereafter Shares of such class will be available for subscription at the Net Asset Value per Share of the relevant class.

The Minimum Initial Subscription, Minimum Subsequent Subscription and Minimum Holding Amounts are set out in Appendix III. Such amounts and any other eligibility criteria applicable to the relevant class of Shares may be waived by the Directors or Investment Manager, at its discretion.

Payment by wire transfer should quote the information precisely as specified in the Investor Guide. Any charges incurred in making payment by wire transfer will be payable by the applicant.

Securities transactions may be made in respect of subscriptions prior to settlement, and as agreed in the Account Opening Agreement, investors will be liable for any interest, losses or other costs incurred as a result of failing to settle an order within the time frames agreed to in the Investor Guide. The Directors or their delegate reserve the right to require other settlement procedures (such as shortened settlement period) for large orders or in other circumstances that, in the Investment Manager's judgment, present settlement risk.

The Directors may in their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholders and subject to the provisions of the Companies Act 2014 (the **Companies Act**), allot Shares of any class of a Fund against the vesting in the Company of investments which would form part of the assets of the relevant Fund. The number of Shares of a Fund to be issued in this way shall be the number which would on the day the investments are vested in the relevant Fund of the Company have been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated on such basis as the Directors may decide and as described under the section entitled **Issue and Redemption Prices/Calculation of Net Asset Value/Valuation of Assets** below.

The Company may decline any application for Shares in whole or in part without assigning any reason therefor and will not accept an initial subscription for Shares of any amount (exclusive of the preliminary charge, if any) which is less than the Minimum Initial Subscription unless the Minimum Initial Subscription is waived by the Directors or their delegate. In particular, the Directors may close any Share class or Fund to additional investment on such terms as they determine if they believe any Fund has reached a size that could impact on the ability of the Fund to find suitable investments, and may reopen a Share class or Fund without advance notice at any time. If an application is rejected, the Company, at the risk of the applicant, will return application monies or the balance thereof by wire transfer at the cost of the applicant, within 5 Business Days of the rejection. No interest will be paid on subscription amounts.

Applications for Shares must be made for specified amounts in value or specified numbers of Shares. Fractional shares of not less than 0.001 of a Share may be issued. Subscription monies representing smaller portions of Shares will not be returned to the applicant but will be retained as part of the assets of

the relevant Fund. Shares will be issued in registered form. Written confirmations of entry in the register of Shareholders will be issued within five Business Days after the Dealing Day on which Shares are allotted and paid for.

The Account Opening Agreement contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favor of the Company, the Investment Managers, the Administrator, the Transfer Agent, the Depositary and the other Shareholders for any loss suffered by them as a result of such applicant or applicants acquiring or holding Shares in the Company.

Shares may not be issued or sold by the Company during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under the section entitled **Suspension of Calculation of Net Asset Value** below. Applicants for Shares will be notified of such suspension and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

### **Redemption of Shares**

Requests for the redemption of Shares should be made to the Transfer Agent in accordance with the requirements set out in the Investor Guide and will be treated as definitive orders and requests received by or on behalf of the Company on or prior to the Dealing Deadline will normally be dealt with on the relevant Dealing Day. The Directors may at their discretion require greater notice to be given to the Transfer Agent in respect of redemption requests of a significant size so as to facilitate an orderly disposition of securities in the interests of the remaining Shareholders. Amendments to a Shareholder's registration details and payment instructions will only be effected on receipt of original documentation. Any communication of amendments related to such items where the original documentation has not been received may delay the settlement of a redemption. Redemption requests received after the Dealing Deadline shall be treated as having been received by the following Dealing Deadline unless otherwise determined by the Directors or the Investment Manager of the relevant Fund. A redemption request will not be capable of withdrawal after the relevant Dealing Deadline, unless such withdrawal is approved by the Directors, acting in their absolute discretion. The Company may, in its absolute discretion and subject to the prior approval of the Depositary, agree to designate additional Dealing Days and Valuation Points for the redemption of Shares relating to any Fund which has not designated every Business Day as a Dealing Day.

Payment of redemption proceeds will be made to the registered Shareholder or in favor of the joint registered Shareholders, as appropriate, unless the Transfer Agent is otherwise instructed in writing by the registered Shareholder or joint registered Shareholders.

The amount due on redemption of Shares will be paid by wire transfer at the Shareholder's expense or by negotiable instrument in the Dealing Currency of the relevant class of Shares (or in such other currency as may be approved by the Directors from time to time) on or before the Settlement Date.

The Company is entitled to limit the number of Shares of any Fund redeemed on any Dealing Day to 10% of the total number of Shares of that Fund in issue. In this event, the limitation will apply pro rata so that all Shareholders wishing to have Shares of that Fund redeemed on that Dealing Day realise the same proportion of redeemed Shares. Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day and will be dealt with in priority (on a

pro rata basis) to redemption requests received subsequently. If requests for redemption are so carried forward, the Transfer Agent will inform the Shareholders affected.

If a Shareholder submits a redemption request which would have the effect of reducing the value of the Shareholder's remaining holdings below the Minimum Holding Amount for the Fund, the Company may treat the redemption request as a request to redeem the Shareholder's entire holdings.

The Articles contain special provisions with respect to a redemption request received from a Shareholder which would result in more than 5% of the Net Asset Value of Shares of any Fund being redeemed by the Company on any Dealing Day. In such a case, the Company may satisfy the redemption request in whole or in part by a distribution of investments of the relevant Fund in specie, provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. The allocation of the investments of the relevant Fund is subject to the approval of the Depositary. Where a Shareholder requesting such redemption receives notice of the Company's intention to elect to satisfy the redemption request by such a distribution of assets, the Shareholder may require that the Company, instead of transferring those assets, arrange for their sale and the payment of the net proceeds of sale to that Shareholder.

When a repurchase request has been submitted by an investor who is or is deemed to be or is acting on behalf of a Taxable Irish Person, the Company shall deduct from the repurchase proceeds an amount which is equal to the tax payable by the Company to the Revenue Commissioners in Ireland in respect of the relevant transaction.

The Company may redeem all the Shares of any Fund if, at any time after the initial issue of such Shares, the Net Asset Value of the relevant Fund is less than such amount as the Directors determine, in their sole discretion, is adequate to maintain a Fund of sufficient size to serve the best interests of its Shareholders.

### **Exchange of Shares**

Shareholders of each Share class will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any class (the "Source Class") for Shares of another class which are being offered at that time whether in relation to the same Fund or in another Fund of the Company as specified in the Investor Guide (the "Target Class"), provided that all criteria for subscription into the Target Class have been met, by giving notice to the Transfer Agent on behalf of the Company on or prior to the Dealing Deadline for the relevant Dealing Day. The general provisions and procedures relating to redemptions will apply equally to exchanges. All exchanges will be treated as a redemption of the Shares of the Source Class and application of the net proceeds to the purchase of Shares of the Target Class, based upon the then current sales and redemption prices of Shares in each Fund. There is presently no fee charged for any exchange. The Articles allow for an exchange fee of up to 1% of the total sales price of the Shares of the Target Class purchased to be charged, and the Directors reserve the right to impose such a fee, upon giving at least 30 days written notice to Shareholders.

### **Market Timing**

The Company, at its discretion, reserves the right to refuse to accept any application for initial or subsequent subscription or to compulsorily redeem Shares held by any Shareholder, without giving any reason where the Company suspects market timing. Without limiting the foregoing, and as further described below, the Company may not be used as a vehicle for frequent trading in response to short

term market fluctuations (so called “market timing”). Accordingly, the Company may reject any subscriptions (or compulsorily redeem Shares) from any investor that it determines is engaged in market timing or other activity which it believes is harmful to the Company or any Fund. If a subscription is rejected, subscription proceeds will be returned without interest to the subscriber, as soon as practicable. There is no guarantee that the Company or its agents will be able to recognise Shareholders engaged in this activity or curtail their trading practices.

### **Excessive Trading Policies**

The Company emphasises that all investors and Shareholders are bound to place their subscription, redemption or exchange order(s) no later than the relevant Dealing Deadline for transactions in the Fund’s Shares. Late trading is not accepted.

Excessive trading into and out of a Fund can disrupt portfolio investment strategies and increase the Fund’s operating expenses. The Funds are not designed to accommodate excessive trading practices. The Directors reserve the right to restrict, reject or cancel purchase, redemption and exchange orders as described above, which represent, in their sole judgment, excessive trading.

Shareholders seeking to engage in excessive trading practices may deploy a variety of strategies to avoid detection, and there is no guarantee that the Company or its agents will be able to recognise such Shareholders or curtail their trading practices. The ability of the Company and its agents to detect and curtail excessive trading practices may also be limited by operational systems and technological limitations.

To the extent that the Company or its agents are unable to curtail excessive trading practices in a Fund, these practices may interfere with the efficient management of the Fund’s portfolio, and may result in the Fund engaging in certain activities to a greater extent than it otherwise would, such as maintaining higher cash balances, using a line of credit and engaging in portfolio transactions. Increased portfolio transactions and the use of a line of credit would correspondingly increase a Fund’s operating costs and decrease the Fund’s investment performance, and maintenance of a higher level of cash balances would likewise result in lower Fund investment performance during periods of rising markets.

### **Issue and Redemption Prices / Calculation of Net Asset Value / Valuation of Assets**

During the Initial Offer Period of the relevant Fund, the issue price for Shares of such a Fund shall be, or was, the amount(s) set out in Appendix III. The issue price at which Shares of any Fund will normally be issued on a Dealing Day, after the Initial Offer Period, is calculated by ascertaining the Net Asset Value of the relevant Fund as at the Valuation Point for that Fund for the relevant Dealing Day and may include an adjustment for swing pricing as fully described in the section entitled **Swing Pricing Procedure**.

The Net Asset Value of the relevant Fund is equal to the value of the assets of the relevant Fund as at the relevant Valuation Point less its liabilities (including specific charges, if any, applicable to a particular class of Shares). The Net Asset Value per Share of the relevant Fund is calculated by dividing the Net Asset Value of the relevant Fund, by the total number of Shares in issue at the relevant Valuation Point. If a Fund has more than one class of Shares, additional fees may be charged against certain classes, and details of such fees will be set forth in the table under the section entitled **Charges and Expenses**, for the relevant Fund. This may result in the Net Asset Value per Share of each class being different. The Valuation Point for a Fund is as of the close of business of the New York Stock Exchange on the relevant



Dealing Day. Where each Fund has more than one class of Shares, the Net Asset Value per Share of each class will be calculated by dividing the net assets attributable to the relevant class, by the total number of Shares in issue in the relevant class at the relevant Valuation Point. The Net Asset Value per Share in each case is the resulting sum rounded to the nearest unit of the relevant Dealing Currency. For Hedged Share Classes and the SC Share Classes in the Wellington Emerging Local Debt Advanced Beta Fund, the Net Asset Value also reflects the general costs and either gains or losses of the derivative transaction which will accrue solely to the relevant Share Class as individual derivative transactions are attributed specifically to the relevant Share Class.

The Articles provide for the method of valuation of the assets and liabilities of each Fund for the purpose of calculating the Net Asset Value of each Fund.

Securities which are listed or traded on a Market may be valued at last traded prices; where a security is listed on several exchanges, the relevant market shall be the one which constitutes the main market or the one which the Directors determine provides the fairest criteria in a value for the security. Securities listed or traded on a Market, but acquired at a premium or at a discount outside or off the relevant market may be valued taking into account the level of premium or discount at the date of valuation and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

Securities which are listed or traded on a Market where the market price is unrepresentative or not available and unlisted securities shall be valued at the probable realisation value estimated with care and in good faith by the Directors; a competent person appointed by the Directors and approved for the purpose by the Depositary; or any other means provided the value is approved by the Depositary.

Fixed income securities may be valued using matrix pricing (i.e. valuing securities by reference to the valuation of other securities which are considered comparable in rating, yield, due date and other characteristics) where reliable market quotations are not available. The use of the matrix methodology will be determined by the Directors.

Units of collective investment schemes shall be valued at the latest available net asset value per unit as published by the collective investment scheme; the latest bid prices as published by the collective investment scheme; or if the scheme is listed on a Market, the latest market prices.

Cash (in hand or deposit) is valued at face/nominal value plus accrued interest.

Exchange traded futures and options contracts (including index futures) and other derivatives shall be valued based on the settlement price as determined by the market in question, provided that if a settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by the Directors or a competent person appointed by the Directors and approved for the purpose by the Depositary; or they will be valued by any other means provided the value is approved by the Depositary.

Over-the-counter derivative contracts will be valued on a daily basis. This may be done using the counterparty valuation provided that the valuation will 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 will be carried out at least weekly. An alternative valuation may be used provided that the Fund follows international best practice and adheres to the principles on valuation of

OTC instruments established by industry bodies; the alternative valuation is that provided by a competent person appointed by the Directors 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 reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained.

Forward foreign exchange and interest rate swap contracts will be valued according the same method set out for over the counter derivatives above or by reference to freely available market quotations.

A particular/specific asset may be valued using an alternative method of valuation if the Directors deem it necessary and the alternative method must be approved by the Depositary. For example fixed income securities may be valued using an evaluation methodology, that may include matrix pricing described above, where such method provides a more reliable price. Any such evaluation methodology will be based on the Company's Valuation Policy and Procedures.

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

The amortized cost method of valuation may only be used in relation to Funds which comply with the Central Bank's requirements for short-term money market funds and where a review of the amortized cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines.

Money market instruments in a money-market or a non-money-market Fund may be valued on an amortized basis in accordance with the Central Bank's requirements.

The Net Asset Value per Share of each class will be available from the Administrator on request and in addition is published daily on Bloomberg's website, [www.bloomberg.com](http://www.bloomberg.com).

The Company may, in calculating the issue price, include in the issue price in respect of each Fund, for its own account, a charge sufficient to cover stamp duties and taxation (if any) in respect of the issue of Shares or certificates and delivery and insurance costs in respect of certificates.

The price at which Shares will be redeemed on a Dealing Day is calculated by ascertaining the Net Asset Value per Share or per Share in the relevant class (as the case may be), in the manner outlined above. In addition, the Company may, in calculating the redemption price, deduct such sum as the Directors consider fair, in respect of redemption or exchange requests which will necessitate the Company breaking deposits at a penalty or realising investments at a discount, in order to realise assets to provide moneys to meet such redemption or exchange requests or, in the event that the Company borrows funds to meet any such redemption or exchange request, a sum to meet the cost of such borrowing.

In order to mitigate transaction costs for existing Shareholders, the Company may also impose an Anti-Dilution Levy per Share purchased or redeemed (to be retained by a Fund) in respect of fiscal and purchase or redemption charges on investments purchased with subscription proceeds or on investments sold to fund a redemption request as applicable. Where an Anti-Dilution Levy is imposed, the issue or redemption price may be adjusted by the addition or deduction of the Anti-Dilution Levy, or the Anti-Dilution Levy may be imposed as a separate charge in which case no adjustment would need to be made

to the issue or redemption price. In either case, the purpose of the Anti-Dilution Levy would be to cover the costs and preserve the value of the underlying assets of the Company.

### **Swing Pricing Procedure**

Funds may suffer dilution of the Net Asset Value per Share due to investors buying or selling Shares at a price that does not take into account dealing and other costs arising when the Investment Manager makes or sells investments to accommodate cash inflows or outflows. To counteract this, a partial swing pricing mechanism may be adopted to protect Shareholders' interests. If on any Valuation Date, the aggregate net transactions in Shares for a Fund exceeds a pre-determined threshold, as determined by the Company from time to time, the Net Asset Value may be adjusted upwards or downwards to reflect net inflows and net outflows respectively. The extent of the price adjustment will be set by the Company to reflect dealing and other costs. Such adjustment is not expected to exceed 3% of the Net Asset Value per share. Any performance fee payable will be calculated on the basis of the unswung Net Asset Value.

### **Suspension of Calculation of Net Asset Value**

The Company may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the right of Shareholders to require the redemption or exchange of Shares of any class during (i) any period when any of the principal markets or stock exchanges on which a substantial part of the investments of the relevant Fund are quoted is closed, otherwise than for ordinary holidays, or days during which dealings therein are restricted or suspended; (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant class or if, in the opinion of the Directors, redemption prices cannot fairly be calculated; (iii) any breakdown in the means of communication normally employed in determining the price of any of the Company's investments and other assets or when for any other reason the current prices on any market or stock exchange of any assets of the relevant Fund cannot be promptly and accurately ascertained; or (iv) any period during which the Company is unable to repatriate funds required for the purpose of making payments due on redemption of Shares of any class or during which the transfer of funds involved in the acquisition or realisation of investments or payments due on redemption of Shares cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange. The Central Bank may also require the suspension of redemption of Shares of any class in the interests of the Shareholders or the public. The Company will, whenever possible, take all reasonable steps to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or redemptions of Shares of any class or exchanges of Shares of one class to another will be notified of any such suspension in such manner as may be directed by the Directors and their requests will be dealt with on the first Dealing Day after the suspension is lifted. The Central Bank and the Irish Stock Exchange shall be notified immediately and in any event within the same business day, of any such suspension.

### **Restriction on Ownership and Transfer of Shares**

The Articles of Association of the Company give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to redeem Shares held by), or the transfer of Shares to, United States Persons or by any person who appears to be in breach of the laws or requirements of any country

or government authority or by 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 persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary or regulatory disadvantages which the Company might not otherwise have incurred or suffered. In the absence of express approval by the Directors, Shares may not be beneficially held by any Restricted Person or Covered Person. The Articles of Association also permit the Directors where necessary to repurchase and cancel Shares held by a person who is or is deemed to be or is acting on behalf of a Taxable Irish Person on the occurrence of a chargeable event for taxation purposes.

## CHARGES AND EXPENSES

### Investment Management Fees

The Company shall pay from the assets attributable to each class of Shares of a Fund, a fee based on a percentage of net assets attributable to such class of Shares, which is accrued daily and paid quarterly in arrears to the Investment Manager of that Fund at an annual rate set forth in the table below. In addition a performance fee will be payable to the Investment Manager in respect of the Emerging and Sovereign Opportunities Fund, the Enduring Assets Fund and the Durable Companies Fund each as further described below. Each Investment Manager shall be responsible for its own out-of-pocket expenses.

Fund Name	Share Class	Investment Management Fee
Wellington Emerging Local Debt Fund	Class S, D and N Shares	0.60%
	Class NI Shares	0.65%
	Class NR Shares	1.20%
	Class G, GN and GR Shares <sup>1</sup>	0.45%
Wellington Emerging Local Debt Advanced Beta Fund	Class SB and SC Shares	0.30%
Wellington Emerging Markets Corporate Debt Fund	Class S, D and N Shares	0.65%
Wellington Emerging and Sovereign Opportunities Fund	Class S, D and N Shares	1.00%
	Class E Shares	0.50%
Wellington Euro Corporate Bond Fund	Class S, D and N Shares	0.30%
Wellington Global Bond Fund	Class S and G <sup>2</sup> Shares	0.35%
	Class D, R and N Shares	0.45%
	Class P Shares	0.50%

<sup>1</sup> The G, GN and GR Classes in the Emerging Local Debt Fund are only available to those investors that were holding S, N and R Shares in the Fund as at 19 May, 2015.

<sup>2</sup> The G Class in the Global Bond Fund is only available to those investors that were holding B Shares in the Fund as at 17 January 2012.

Wellington Global Corporate Credit Fund	Class S, D and N Shares	0.30%
Wellington Global Credit Buy and Maintain Fund	Class S, D and N Shares	0.20%
Wellington Global Credit Plus Fund	Class S, D and N Shares Class G Shares <sup>3</sup>	0.35% 0.30%
Wellington Global High Yield Bond Fund	Class S, D and N Shares	0.50%
Wellington Global Strategic Sovereign Fund	Class S, D and N Shares	0.15%
Wellington Opportunistic Emerging Markets Debt Fund	Class S, D and N Shares	0.55%
Wellington Sterling Core Bond Plus Fund	Class S, D and N Shares	0.30%
Wellington US\$ Core High Yield Bond Fund	Class S, D and N Shares	0.45%
Wellington World Bond Fund	Class S, D and N Shares	0.45%
Wellington Asia ex Japan Equity Fund	Class S, D and N Shares	0.80%
Wellington Durable Companies Fund	Class S, D and N Shares	0.60%
Wellington Emerging Markets Equity Fund	Class S, D and N Shares	1.00%
Wellington Emerging Markets Local Equity Fund	Class S, D and N Shares	1.00%
Wellington Emerging Markets Opportunities Fund	Class S, D and N Shares	1.00%
Wellington Emerging Markets Systematic Equity Fund	Class S, D and N Shares	0.80%
Wellington Emerging Market Themes Fund	Class S, D and N Shares	0.90%
Wellington Enduring Assets Fund	Class S, D and N Shares	0.60%
Wellington Global Health Care Equity Fund	Class S, D, K and N Shares Class G Shares <sup>4</sup>	1.25% 0.75%
Wellington Global Perspectives Fund	Class S, D and N Shares	0.90%
Wellington Global Property Fund	Class S, D and N Shares	0.75%
Wellington Global Quality Equity Fund	Class S, D and N Shares Class J Shares	0.75% 0.50%

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<sup>3</sup> The G Class in the Wellington Global Credit Plus Fund is only available to those investors that were holding Shares in the Fund as at 17 April 2013.

<sup>4</sup> The G Class in the Wellington Global Health Care Equity Fund is only available to those investors that were holding Shares in the Fund as at 31 December 2005.

Wellington Hedged Alpha Opportunities Fund	Class S, D and N Shares	0.65%
Wellington Opportunistic Themes Fund	Class S, D and N Shares	1.25%
Wellington Strategic European Equity Fund	Class S, D and N Shares	0.70%
Wellington US Capital Appreciation Equity Fund	Class S, D, R and N Shares	1.25%
Wellington US Quality Equity Fund	Class S, D and N Shares	0.60%
Wellington Dynamic Diversified Income Fund	Class S, D and N Shares	0.60%
Wellington Multi-Asset Absolute Return Fund	Class S, D and N Shares	0.70%

### ***Performance Fee – Wellington Emerging and Sovereign Opportunities Fund***

In addition to the base investment management fee, all Class S, Class D and Class N Shareholders of the Wellington Emerging and Sovereign Opportunities Fund also are assessed a performance fee equal to 20% of the Fund's annual performance in excess of the Bank of America Merrill Lynch 3-month US Treasury Bill Index expressed in the denomination currency of the relevant Class or hedged (with respect to non-US Dollar currency Hedged Share classes only to the denomination currency of the relevant Share class (the *Performance Benchmark*)).

The performance fee applicable to each class is calculated based on the class's net return (net of the Fund's base investment management fee and operating expenses (but gross of any distribution fee) applicable to Class S, Class D or Class N Shares in excess of the Performance Benchmark, generally over the Fund's fiscal year (1 January — 31 December)) subject to a High Water Mark (as defined below). The performance fee is accrued daily in the Net Asset Value of each relevant Share classes, is crystallized at the Fund's fiscal year end subject to achieving a new high water mark and outperforming the Performance benchmark as described in the paragraph below (or upon the date the relevant Fund or Share class closes, if that date occurs other than on the Fund's fiscal year end) and is payable on or prior to April following each fiscal year end.

At the launch of the class, the High Water Mark means the initial Net Asset Value per share. The Initial Issue Price is therefore taken as the starting point for the calculation and the initial performance fee was calculated over the period from the launch of the class to the 31 December 2011. If the Net Asset Value per share on the last valuation day of a subsequent fiscal year is higher than the previous High Water Mark and the class's net return in the current fiscal year is higher than the Performance Benchmark, the High Water Mark is set to the Net Asset Value calculated on the last valuation day of the fiscal year. The High Water Mark will be adjusted for any distributions in the case of a Distributing Share class.

Due to differences in timing between their date(s) of investment and the Fund's performance fee calculation period, Shareholders of the Fund should be aware that their own individual performance experience as a Shareholder may not be equivalent to the actual performance of the Fund on which the performance fee is calculated and paid, and the performance fee paid to the Fund may be higher or lower than the actual performance they experience as a Shareholder. Although a daily accrual of a portion of the performance fee in the Fund's Net Asset Value mitigates some of these timing differences, the

performance fee is calculated and paid based on the Fund's fiscal year assets and performance, not on the basis of a Shareholder's specific assets or performance.

The performance fee is based on net realized and net unrealized gains and losses as at the end of each calculation period and as a result, a performance fee may be paid on unrealized gains which may subsequently never be realized.

The calculation of the performance fee is verified by the Depositary.

In addition to the base investment management fee, all Class E Shareholders of the Emerging and Sovereign Opportunities Fund also are assessed a performance fee equal to 10% of the Fund's annual performance in excess of the Performance Benchmark in the denomination currency of the Share class.

The performance fee applicable to the Class E Shares is calculated based on the Class's net return net of the Fund's base investment management fee and operating expenses applicable to Class E Shares in excess of the Performance Benchmark, generally over the Fund's fiscal year (1 January — 31 December)) subject to a High Water Mark (as defined below). The performance fee is accrued daily in the Net Asset Value of the Share class, is crystallized at the Fund's fiscal year end subject to achieving a new High Water Mark and outperforming the Performance Benchmark as described in the paragraph below (or upon the date the Share class closes, if that date occurs other than on the Fund's fiscal year end) and is payable on or prior to April following each fiscal year end.

At the launch of the class, the High Water Mark means the initial Net Asset Value per Share. The Initial Issue Price is therefore taken as the starting point for the calculation and the initial performance fee was calculated over the period from the launch of the class to the 31 December 2012. If the Net Asset Value per Share on the last valuation day of a subsequent fiscal year is higher than the previous High Water Mark and the class's net return in the current fiscal year is higher than the Performance Benchmark, the High Water Mark is set to the Net Asset Value calculated on the last valuation day of the fiscal year. The High Water Mark will be adjusted for any distributions in the case of a Distributing Share class.

Due to differences in timing between their date(s) of investment and the Fund's performance fee calculation period, Shareholders of the Fund should be aware that their own individual performance experience as a Shareholder may not be equivalent to the actual performance of the Fund on which the performance fee is calculated and paid, and the performance fee paid to the Fund may be higher or lower than the actual performance they experience as a Shareholder. Although a daily accrual of a portion of the performance fee in the Fund's Net Asset Value mitigates some of these timing differences, the performance fee is calculated and paid based on the Fund's fiscal year assets and performance, not on the basis of a Shareholder's specific assets or performance.

The performance fee is based on net realized and net unrealized gains and losses as at the end of each calculation period and as a result, a performance fee may be paid on unrealized gains which may subsequently never be realized.

The calculation of the performance fee is verified by the Depositary.

### *Performance Fee – Wellington Enduring Assets Fund and Wellington Durable Companies Fund*

In addition to the base investment management fee, all Class S, Class D and Class N Shareholders of each of the Wellington Enduring Assets Fund and Wellington Durable Companies Fund also are assessed a performance fee equal to 10% of such Share classes' performance in excess of their respective Hurdles (as defined below).

The performance fee applicable to each class is calculated based on the class's net return (net of the Fund's base investment management fee and operating expenses (but gross of any distribution fee and performance fee) applicable to Class S, Class D or Class N Shares in excess of the "hurdle return", generally over the Fund's fiscal year (1 January – 31 December)). The performance fee is accrued daily in the Net Asset Value of each relevant Share class, is crystallized at the Fund's fiscal year end subject to the Net Asset Values of the relevant Share classes exceeding their respective Hurdles as described in the paragraphs below (or upon the date the relevant Fund or Share class closes, if that date occurs other than on the Fund's fiscal year end) and is payable on or prior to April following each fiscal year end.

At the launch of a Share class, the High Water Mark means the initial Net Asset Value per Share of that Share class. The Initial Issue Price is therefore taken as the starting point for the calculation of the initial performance fee for each class, and the initial performance fee will be calculated over the period from the launch of each class to the last valuation date of that fiscal year or the next subsequent fiscal year in which the Net Asset Value per Share on such date is higher than the Hurdle. If the Net Asset Value per Share calculated on the last valuation day of a Share class's fiscal year is higher than the Hurdle for that Share class, the High Water Mark for that Share class is set to the Net Asset Value per Share calculated on the last valuation day of that fiscal year.

The Hurdle is a value per Share of each Share class calculated by applying a cumulative "hurdle rate" of return of 8% per annum, expressed in terms of the Net Asset Value per Share (excluding any performance fees payable) at the beginning of the current fiscal year, to the relevant High Water Mark, and will be equal to the High Water Mark for the relevant Share, plus a daily rate equal to 8% when annualized, of that High Water Mark. The Hurdle for Distributing Share classes will be reduced for any distributions made with respect to such Share classes.

Due to differences in timing between their date(s) of investment and the Fund's performance fee calculation period, Shareholders of the Fund should be aware that their own individual performance experience as a Shareholder may not be equivalent to the actual performance of the Fund on which the performance fee is calculated and paid, and the performance fee paid to the Fund may be higher or lower than the actual performance they experience as a Shareholder. Although a daily accrual of a portion of the performance fee in the Fund's Net Asset Value mitigates some of these timing differences, the performance fee is calculated and paid based on the Fund's fiscal year assets and performance, not on the basis of a Shareholder's specific assets or performance.

The performance fee is based on net realized and net unrealized gains and losses as at the end of each calculation period and as a result, a performance fee may be paid on unrealized gains which may subsequently never be realized.

The calculation of the performance fee is verified by the Depositary.



## Distribution Fees

With respect to the Class D and R Shares of each Fund and in addition the G Shares of the Global Bond Fund and GR Shares of the Emerging Local Debt Fund, the Company shall pay to financial intermediaries a distribution fee ranging from 0.25% to 1.10% per annum of the net assets attributable to those Shares, as set forth in the table below. With respect to the Class K Shares of each relevant Fund, the Company shall pay to financial intermediaries a distribution fee of 0.25% per annum of the net assets attributable to those Shares as set forth in the table below.

The distribution fee is paid to intermediaries to compensate the intermediary for distribution and shareholder services provided to underlying beneficial owners of Fund Shares. The distribution fee is accrued daily and paid in arrears. Investors considering investing via an intermediary should be aware of these fees and the potential for conflict of interest that they create where, for example, an intermediary might be incentivized to recommend a particular Fund, or class of Shares within a Fund, that has a higher distribution fee.

From time to time, the Company may transfer payments of the distribution fee through the Distributor and the Distributor may transfer these payments to the financial intermediary in order to aggregate multiple fees due to the financial intermediary into a single payment. Such transfers are executed for the administrative convenience of the financial intermediary and have no impact on the fees paid by the Company.

Fund Name	Share Class	Distribution Fee
Wellington Emerging Local Debt Fund	Class D Shares	0.60%
	Class GR <sup>5</sup> Shares	0.75%
Wellington Emerging Markets Corporate Debt Fund	Class D Shares	0.50%
Wellington Emerging and Sovereign Opportunities Fund	Class D Shares	1.00%
Wellington Euro Corporate Bond Fund	Class D Shares	0.30%
Wellington Global Bond Fund	Class D Shares	0.50%
	Class R Shares	0.75%
	Class G Shares <sup>6</sup>	0.30%
Wellington Global Corporate Credit Fund	Class D Shares	0.30%
Wellington Global Credit Buy and Maintain Fund	Class D Shares	0.25%
Wellington Global Credit Plus Fund	Class D Shares	0.35%
Wellington Global High Yield Bond Fund	Class D Shares	0.50%

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<sup>5</sup> The GR Class in the Wellington Emerging Local Debt Fund are only available to those investors that were holding R Shares in the Fund as at 19 May, 2015

<sup>6</sup> The G Class in the Wellington Global Bond Fund is only available to those investors that were holding B Shares in the Fund as at 17 January 2012.

Wellington Global Strategic Sovereign Fund	Class D Shares	0.25%
Wellington Opportunistic Emerging Markets Debt Fund	Class D Shares	0.55%
Wellington Sterling Core Bond Plus Fund	Class D Shares	0.30%
Wellington US\$ Core High Yield Bond Fund	Class D Shares	0.45%
Wellington World Bond Fund	Class D Shares	0.50%
Wellington Asia ex Japan Equity Fund	Class D Shares	0.80%
Wellington Durable Companies Fund	Class D Shares	0.75%
Wellington Emerging Markets Equity Fund	Class D Shares	0.75%
Wellington Emerging Markets Local Equity Fund	Class D Shares	1.00%
Wellington Emerging Markets Opportunities Fund	Class D Shares	1.00%
Wellington Emerging Markets Systematic Equity Fund	Class D Shares	0.80%
Wellington Emerging Market Themes Fund	Class D Shares	0.90%
Wellington Enduring Assets Fund	Class D Shares	0.75%
Wellington Global Health Care Equity Fund	Class D Shares Class K Shares	0.65% 0.25%
Wellington Global Perspectives Fund	Class D Shares	0.90%
Wellington Global Property Fund	Class D Shares	0.75%
Wellington Global Quality Equity Fund	Class D Shares	0.75%
Wellington Hedged Alpha Opportunities Fund	Class D Shares	0.65%
Wellington Opportunistic Themes Fund	Class D Shares	1.00%
Wellington Strategic European Equity Fund	Class D Shares	0.75%
Wellington US Capital Appreciation Equity Fund	Class D Shares Class R Shares	0.75% 1.10%
Wellington US Quality Equity Fund	Class D Shares	0.60%
Wellington Dynamic Diversified Income Fund	Class D Shares	0.60%
Wellington Multi-Asset Absolute Return Fund	Class D Shares	0.70%

### **Administrator, Transfer Agent and Depositary Fees**

The Company shall pay from the assets of the Funds the following fees to the Depositary, the Administrator and the Transfer Agent together with value added tax thereon, if applicable. The Depositary shall be entitled to a fee which is accrued daily and paid monthly in arrears at an annual rate of 0.0075% of net assets for US assets, subject to a minimum monthly fee of US \$2,000 in respect of such US assets, and ranging from 0.024% to 0.32% of net assets for non US assets. In addition, the Depositary will also be entitled to receive transaction charges at normal commercial rates. The Administrator shall be entitled to a fee which is accrued daily and paid monthly in arrears at an annual rate of up to 0.07% of net assets, subject to a minimum monthly fee of US\$4,000 per Fund if combined assets of the Company fall below US\$800 million as well as a fee for financial statement preparation at normal commercial rates. The Depositary, Administrator and Transfer Agent will be entitled to be reimbursed their properly vouched reasonable out-of-pocket expenses, from the assets of the relevant Funds. The Transfer Agent will be entitled to receive shareholder account opening, maintenance and transaction charges, which include but are not limited to charges relating to share class maintenance and the processing of distribution fees and rebates of the investment management fees.

### **Directors' Fees**

The Directors who are not partners, officers or employees of the Investment Managers or any of its affiliates will be entitled to remuneration by the Company for their services as directors, provided however that the aggregate emoluments of the Directors in respect of any twelve month accounting period shall not exceed Euro 100,000 or such higher amount as may be approved by the Company in general meeting. In addition, the Directors will also be entitled to be reimbursed for their reasonable and vouched out of pocket expenses incurred in discharging their duties as Directors.

### **Preliminary, Redemption and Exchange Charges**

No preliminary, redemption or exchange charge will be made on subscriptions for Shares or requests for redemption of Shares or exchange of Shares in a Fund. The Directors reserve the right to add such fees in the future. The Company may also impose an Anti-Dilution Levy on purchases and redemptions of Shares of any Fund, as further described under the section entitled **Issue and Redemption Prices/Calculation of Net Asset Value/Valuation of Assets**.

### **Soft Commissions**

In the selection of broker-dealers and other counterparties and in the execution of transactions in portfolio securities for a Fund, the Investment Managers seek to achieve the most favorable price and best execution available under the circumstances. In assessing the terms of a particular transaction, consideration may be given to various relevant factors, including the market for the security and difficulty of executing the transaction, the price of the security, the financial condition and execution expertise of the intermediary, the reasonableness of the commission, if any, and the brokerage or research services provided by the intermediary to the Investment Manager. Subject always to the requirement of most favorable price and best execution, the Investment Manager may pay a higher commission than might be otherwise available in consideration of such brokerage and research services which assist the Investment Manager in providing investment services to the Company, provided that the Investment Manager determines in good faith that such commission is reasonable in relation to the value of brokerage and research services. Such brokerage and research services may apply to the Investment

Manager's services to a Fund or to its other clients. Disclosure of the fact that soft commissions have been paid in respect of a Fund will be set forth in the Company's semi-annual and annual accounts.

### **Other Operating Expenses**

The Company will pay out of the assets of each Fund (or the relevant class), all other operating expenses of the relevant Fund (or the relevant class), including but not limited to any fees in respect of circulating details of the Net Asset Value, stamp duties, insurance, taxes, company secretarial fees, brokerage or other expenses of acquiring and disposing of investments, costs associated with execution / trading or settlement platforms, costs associated with derivative use, the fees and expenses of the auditors, tax, legal advisers and directors (as described above), the fees connected with the filing of class action lawsuits and any fees connected with listing on the Irish Stock Exchange or any other stock exchange. The costs of printing and distributing reports, accounts and any explanatory memoranda, any necessary translation fees, publishing prices and any costs incurred as a result of periodic updates of the Prospectus, registration of shares in any country, including the costs of any agent or representative whose fees will be at normal commercial rates or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) will also be paid by the Company.

All material costs (as well as any gains or losses) associated with derivative use by Hedged Share Classes and SC Share Classes specific transactions will be allocated to the Share Classes engaging in such transactions, with the exception of the Wellington Emerging Local Debt Advanced Beta Fund, where fees for services related to managing currency at the share class level will not be charged to the Fund.

The Company will pay to the Distributor out of the assets of the Class N, GN, D and Class K Shares a distribution co-ordination fee of 0.15% per annum of net asset attributable to such Shares. This fee will accrue daily and be payable quarterly in arrears. This fee is charged in consideration of the services provided by the Distributor (and its affiliates) in establishing, servicing on an ongoing basis and administering relationships with financial intermediaries and distributors and the costs incurred, including the costs of performing diligence on financial intermediaries/distributors, the additional oversight of third party service providers and the provision of additional marketing support. The distribution co-ordination fee is waivable in full or part by the Distributor.

Such fees, duties and charges will be charged to a Fund or share class in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund, the expense will be allocated by the Directors with the approval of the Depositary, in such manner and on such basis as the Directors in their discretion deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period. The ongoing cost and expenses of this offer, which include the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it, and costs associated with ratings and/or rankings of the Funds, will be borne by the Company and charged as a current expense among each Fund on such terms and in such manner as may be agreed between the Company and the Investment Manager.

Subject to the provisions of the Articles and the requirements of the Central Bank, the Directors may determine that certain fees and expenses incurred by the Company and/or its Funds including, without

limitation, formation costs and expenses and investment management fees and expenses (including any performance fee payable) will be charged to capital.

The initial costs and expenses related to establishing the Emerging Local Debt Advanced Beta Fund, Global Credit Buy and Maintain Fund, Global Corporate Credit Fund, Durable Companies Fund, Global Perspectives Fund, Global Property Fund, Global Quality Equity Fund, Emerging Markets Systematic Equity Fund, Emerging Market Themes Fund, Dynamic Diversified Income Fund, Global Strategic Sovereign Fund and Hedged Alpha Opportunities Fund (together the “New Funds”), including the fees and expenses in relation to the approval of the New Funds, are each not expected to exceed €20,000, and are being borne by each New Fund and treated as an expense of the New Funds in the first financial year after the closure of the initial offer period of the New Fund.

Each Investment Manager may, in its sole discretion, agree to cap its fees or reimburse a particular Fund or class of Shares an amount in respect of charges and expenses payable out of the assets of that Fund. The level of any such cap or reimbursement is subject to the discretion of the Investment Manager, it may be temporary and may be introduced and removed without prior notice to the Shareholders.

## **MANAGEMENT AND ADMINISTRATION**

### **The Board of Directors**

The Board of Directors is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator, the Transfer agent, the Investment Managers and other parties, subject to supervision and direction by the Directors.

The Directors of the Company are described below. The following Directors may also be directors, partners or employees of the Investment Managers and/or the Distributor.

#### ***Alan J. Brody***

Mr. Brody is a Vice President and Director of the Wellington Management Funds business. Prior to joining the firm in 2006, Mr. Brody was the Asia regional business director at Union Bancaire Privée (2005-2006), and the director of the Europe, Middle East and Asia wealth management business at Prudential Financial (1996-2004). Before that, Mr. Brody held a variety of positions at Lehman Brothers (1990-1996), was the president and chief executive officer of Commodity Exchange, Inc. (1980-1990), and in the private practice of law (1977-1980). Mr. Brody received his JD from Rutgers School of Law - Newark (1977), and his BA from Northwestern University (1974).

#### ***Michael McKenna***

Mr McKenna heads the International Tax function for the Wellington Management group business. Prior to joining Wellington Management International Ltd in 2011, Mr. McKenna was a Partner at international law firm Berwin Leighton Paisner LLP. Prior to that, he worked as legal counsel at Goldman Sachs International and Goldman Sachs Asset Management. He joined Goldman Sachs from Clifford Chance, where he had worked in the firm’s London and Paris offices. Mr. McKenna earned his BA (joint hon) in French and Linguistics at the University of Leeds and completed his legal studies at Nottingham Law School.

### ***Christophe Y. Orly***

Mr. Orly is an Investment Director and heads the EMEA Equity and Asset Allocation Product Management Group of the Wellington Management group business. Prior to joining the firm in 2006, Mr. Orly was an Executive Director of European Equities at Morgan Stanley Investment Management, London (2001 – 2006). Before that, he was a fund manager at Lombard Odier in Geneva and London (1996 – 2001). He also worked as a consultant at The Boston Consulting Group, Chicago (1993 – 1995) and as a principal investment analyst at Transport Development Group, Paris (1987 – 1990). Mr. Orly earned his MBA from the University of Pennsylvania (Wharton, 1992) and his MS from the London School of Economics (1987).

### ***Neil A. Medugno***

Mr. Medugno, CPA, is a Senior Vice President, Partner and Director of Client and Fund Administration of the Wellington Management group business. Prior to joining the firm in 1994, Mr. Medugno worked for Mutual Funds Service Company, an affiliate of U.S. Trust Company of New York, where he served as treasurer of various clients' mutual funds (1992-1994). Mr. Medugno received his BS in Accounting from Boston College (1985).

The following directors are not affiliated with the Investment Managers.

### ***Gerald Brady***

Gerald Brady is an independent, non-executive director and consultant in the regulated, international financial services industry. Mr. Brady has over 25 years' experience of the funds industry, both as a director and full-time executive, and has held senior executive management positions in Bank of Bermuda, Capita Financial Group and Northern Trust. Mr. Brady has worked both abroad and in Ireland and is a past Council member of the Irish Funds Industry Association (IFIA) and former Executive Board member of Financial Services Ireland/Irish Business and Employers Confederation (FSI/IBEC). Mr. Brady has a First Class Honours degree in Economics and is a Fellow of the Institute of Chartered Accountants of Ireland (FCA) and a Chartered Financial Analyst (CFA).

### ***William Manahan***

William "Liam" Manahan is an independent, non-executive director in the funds industry. Mr. Manahan has over thirty years' experience in the financial services sector, including as a director and full-time executive. Mr. Manahan was one of the founding directors (April 1993 to November 2004) and Chief Executive Officer (November 2004 to December 2009) of Bank of Ireland Securities Services Limited. He was employed as a risk adviser to the Central Bank of Ireland (June 2010 to May 2012). Mr. Manahan was also Chairman of the Irish Funds Industry Association from 2006-2007.

For the purposes of this Prospectus, the address of all the Directors is the registered office of the Company.

The Company has delegated the day to day management and running of the Company to the Administrator, the Transfer Agent and the Investment Managers and has appointed the Depositary as depositary in relation to its assets. Consequently, all Directors of the Company are non-executive.

## The Investment Managers

Wellington Management Company LLP has been appointed Investment Manager of all the Funds except for the Wellington Emerging Markets Opportunities Fund, Wellington Emerging and Sovereign Opportunities Fund and Wellington Strategic European Equity Fund for which Wellington Management International Limited has been appointed Investment Manager and the Wellington Asia Ex Japan Equity Fund and Wellington Emerging Market Themes Fund for which Wellington Management Singapore Pte Ltd has been appointed Investment Manager.

Pursuant to investment management agreements (summarized under the section entitled **General Information** below) each Investment Manager also provides or arranges for shareholder liaison matters, performs liaison functions with the Depository, the Administrator and the Transfer Agent, and may act in such other capacities as the Directors may approve. All or a portion of the investment management services for a Fund may be carried out by personnel who are employed by Affiliates of the Investment Manager appointed to that Fund. Furthermore, an Investment Manager may choose to delegate the discretionary investment management of a Fund or a portion of a Fund to an Affiliate by way of a sub-investment management arrangement. In such instance, the Affiliate will be paid out of the fee payable to the relevant Investment Manager in respect of the relevant Fund and information in respect of the relevant Affiliates will be provided to the Shareholders on request and will be disclosed in the periodic reports of the Company. In all cases the relevant Investment Manager remains responsible for all investment management services under its agreement with the Company.

Wellington Management Company LLP is a limited liability partnership organized in 2014 under the laws of the State of Delaware, U.S.A., and is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended.

Wellington Management International Limited is a limited liability company incorporated in 2001 under the laws of England and Wales, and is authorized and regulated by the Financial Conduct Authority in the United Kingdom. Wellington Management International Limited is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended.

Wellington Management Singapore Pte Ltd is a limited liability company incorporated in 2014 under the laws of Singapore, and is authorized and regulated in Singapore by the Monetary Authority of Singapore.

The Wellington Management group provides discretionary portfolio management services and financial advisory services related to portfolio management to a range of institutional clients and CISs. As of 30 September 2015, the amount of assets under discretionary management by the Wellington Management group was approximately US\$ 898 billion.

## Depository

The Company has appointed State Street Custodial Services (Ireland) Limited (the “Depository”) to act as depository in relation to the assets of the Company pursuant to a Depository Agreement (summarized under the section entitled **General Information** below).

The principal activity of the Depositary is to act as depositary in relation to the assets of CISs. The Depositary is regulated by the Central Bank.

The Depositary is a private limited company incorporated in Ireland on 22 May 1991.

The Depositary is responsible for the safe-keeping of all of the assets of the Company. The Depositary may appoint any person or persons to be the sub-custodian of the assets of the Company, however the liability of the Depositary shall not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary has appointed State Street Bank and Trust Company as its global sub-custodian. The Company and the Depositary acknowledge that the Central Bank considers that in order to discharge its responsibility the Depositary must exercise care and diligence in choosing and appointing a sub-custodian so as to ensure that the sub-custodian has, and maintains, the expertise, competence and standing appropriate to discharge its responsibilities. In this regard, the Depositary must maintain an appropriate level of supervision over the sub-custodian and make enquiries from time to time to confirm that the obligations of the sub-custodian continue to be competently discharged. This does not purport to be a legal interpretation by the Central Bank of the Regulations and the corresponding provisions of the UCITS Directive.

### **Administrator**

The Company has delegated responsibility for the administration of each Fund to State Street Fund Services (Ireland) Limited (the "Administrator").

The Administrator is responsible for performing the day to day administration of the Company and for providing fund accounting for the Company, including the calculation of the Net Asset Value and the Net Asset Value per Share.

The Administrator is a private limited company incorporated in Ireland on 23 March 1992.

In addition, the Company has appointed an affiliate of the Depositary and Administrator, State Street Bank Europe Limited ("SSBE"), to manage currency hedging for certain of the Funds' Hedged Share Classes and SC Share Classes of Wellington Emerging Local Debt Advanced Beta Fund. SSBE acts pursuant to an agreement to carry out passive currency hedging transactions for certain of the Fund's Share Classes.

SSBE is a limited company incorporated in the U.K.

Each of the Depositary, the Administrator and SSBE ultimately are owned by State Street Corporation. State Street Corporation is a leading world-wide specialist in providing global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S.A.

### **Transfer Agent**

The Company has appointed Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Transfer Agent") to act as registrar and transfer agent under a Registrar and Transfer Agency Agreement dated 30 November 2012. The Transfer Agent is a private limited company incorporated in Ireland.



The Transfer Agent is responsible for providing registration, transfer agency and related services to the Company but may delegate such services to an affiliate.

The Transfer Agent was incorporated in Ireland on 29 March 1995 and is ultimately a wholly owned subsidiary of Brown Brothers Harriman & Co.

### **Distributor**

The Company has appointed Wellington Global Administrator, Ltd (the “Distributor”) to act as distributor under a Distribution Agreement dated 14 November 2013.

The Distributor receives a distribution co-ordination fee as described under “Charges and Expenses” above.

The Distributor will coordinate, provide for and supervise the distribution of Shares indirectly through various sub-distributors or other financial intermediaries pursuant to terms and conditions set out in an appropriate agreement with such intermediaries.

The Distributor is an exempted company organized under the laws of Bermuda and is within the Wellington Management group.

### **TAXATION**

**The following sections do not purport to deal with all of the tax consequences applicable to the Company or to all categories of Shareholders, some of whom may be subject to special rules, and do not constitute tax advice. Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, residence, or domicile, and in the light of their particular circumstances.**

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force at the date of this Document. There is no guarantee that tax laws and practices will not change, so that the following general discussion of tax matters is no longer accurate. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

#### **Irish Taxation**

*Tax on income and capital gains*

#### **The Company**

The Company will only be subject to tax on chargeable events in respect of Shareholders who are Taxable Irish Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes – refer to Irish Residence and Ordinary Residence for Tax Purposes section for more detail).

A chargeable event occurs on:

- (i) a payment of any kind to a Shareholder by the Company;
- (ii) a transfer of Shares; and
- (iii) on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary.

but does not include any transaction in relation to Shares held in a clearing system recognized by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses.

If a Shareholder is not a Taxable Irish Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Shareholder.

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the Company which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Shares from the relevant Shareholders. In certain circumstances, and only after notification by the Company to a Shareholder, the tax payable on the eight year rolling chargeable event can at the election of the Company become a liability of the Shareholder rather than the Company. In such circumstances the Shareholder must file an Irish tax return and pay the appropriate tax (at the rate set out below) to the Irish Revenue Commissioners.

In the absence of the appropriate declaration being received by the Company that a Shareholder is not a Taxable Irish Person or if the Company has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Company will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Shareholder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution tax will be deducted at the rate of 41%, or at the rate of 25% where the Shareholder is a company and the appropriate declaration has been made, on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, not being a company which has made the appropriate declaration, on a transfer of Shares and on the eight year rolling chargeable event, tax will be deducted at the rate of 41% on the increase in value of the shares since their acquisition. Tax will be deducted at the rate of 25% on such transfers where the Shareholder is a company and the appropriate declaration has been made. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

An anti-avoidance provision increases the 41% rate of tax to 60% (80% where details of the payment/disposal are not correctly included in the individual's tax return) if, under the terms of an investment in a fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the Company.

Other than in the instances described above, the Company should have no liability to Irish taxation on income or chargeable gains.

### ***Shareholders***

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Company to the effect that the requirement to have been provided with such declaration from that Shareholder or class of shareholders to which the Shareholder belongs is deemed to have been complied with) will not be subject to tax on any distributions from the Company or any gain arising on redemption, repurchase or transfer of their shares provided the shares are not held through a branch or agency in Ireland and the shares, if unlisted, do not derive the greater part of their value from Irish land or mineral rights. No tax will be deducted from any payments made by the Company to those Shareholders who are not Taxable Irish Persons.

Shareholders who are Irish resident or ordinarily resident or who hold their shares through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Shares. In particular where the Company has elected to not deduct tax at the occasion of the eight year rolling chargeable event a Shareholder will have an obligation to file a self-assessment tax return and pay the appropriate amount of tax to the Irish Revenue Commissioners.

Refunds of tax where a relevant declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

### **Stamp Duty**

No Irish stamp duty will be payable on the subscription, transfer or redemption of Shares provided that no application for Shares or repurchase or redemption of Shares is satisfied by an in specie transfer of any Irish situated property.

### ***Capital Acquisitions Tax***

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that:

- (i) at the date of the disposition the transferor is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- (ii) the Shares are comprised in the disposition at the date of the gift or inheritance and the valuation date.

### ***Irish Residence and Ordinary Residence for Tax Purposes***

#### ***Residence - Company***

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

- (i) the company or a related company carries on a trade in the State, and either the company is ultimately controlled by persons resident in EU Member States or, resident in countries with which the Republic of Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognized Stock Exchange in the EU or in a tax treaty country; or
- (ii) the company is regarded as not resident in the State under a double taxation treaty between the Republic of 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 declarants are referred to the specific legislative provisions which are contained in section 23A Taxes Consolidation Act 1997.

#### *Residence - Individual*

An individual will be regarded as being resident in Ireland for a tax year if s/he:

- (i) spends 183 days or more in the State in that tax year; or
- (ii) has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. Presence in the State for a day means the personal presence of an individual at any time during the day.

#### *Ordinary Residence - Individual*

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in the State for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2010 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2013.

#### *Intermediary*

This means a person who:

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

### ***Common Reporting Standard (CRS)***

The Organisation for Economic Co-operation and Development has developed a new global standard for the automatic exchange of financial information between tax authorities (the CRS). Ireland is a signatory jurisdiction to the CRS and intends to conduct its first exchange of information with tax authorities of other signatory jurisdictions in September 2017. Legislation to implement the CRS in Ireland was introduced in the Finance Act 2014 by inserting Section 891F in the Taxes Consolidation Act 1997 (as part of the implementation of the Council Directive 2014/107/EU amending the Council Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation and approval of the multilateral competent authority agreement on automatic exchange of financial account information, signed on 29 October 2014). The requirements, when finalised, will impose obligations on the Company and Shareholders, as the Company will be required to conduct due diligence and obtain (among other things) confirmation of the tax residency, tax identification number and CRS classification of Shareholders in order to fulfil its own legal obligations from 1 January 2016. Further, the Shareholders will be required to permit the Issuer to share such information with the relevant taxing authority. It is intended that the Company will fully comply with CRS regulations when implemented.

### ***Austrian Taxation***

The Budget Concomitant Act 2011 (“Budgetbegleitgesetz 2011”), the Tax Amendment Act 2011 (“Abgabenänderungsgesetz 2011”) and the “Investmentfondsgesetz 2011” provide for some significant changes to the taxation of foreign investment funds. The changes became effective on 1 April 2012.

The following information gives a general overview of the principles of Austrian taxation on income derived from investment funds for investors subject to unlimited tax liability in Austria. The discussion is generic, and specific cases are not considered.

### ***General Information***

Investment funds are transparent according to Austrian tax law. This means that income from a fund is not taxed at the Company level but at the investor level.

According to Austrian tax law, interest, dividends and other income less expenses received by the Company (“Net Investment Income”) as well as certain portions of the realized capital gains are considered as taxable income, regardless of whether they are distributed to the investor or accumulated (“Deemed Distributed Income – DDI”) by the Company.

The “Investmentfondsgesetz 2011” generally provides for two tax categories for foreign investment funds:

- Investment funds, which have a tax representative who calculates the 25% withholding tax on distributions and DDI and reports the tax figures to the Oesterreichische Kontrollbank (“OeKB”) (“reporting funds”); and
- Investment funds, which do not have a tax representative and which are therefore subject to lump-sum taxation (“black funds”).

## ***Shareholders: Private Investors***

### *Taxation of DDI*

Accumulated income generated within an investment fund is taxable as DDI once a year. The taxable DDI is subject to 25% tax. For private investors having Shares on Austrian deposit the 25% tax is deducted by the Austrian depository bank. Where the Shares are held on foreign deposit the taxable DDI has to be included in the individual's personal income tax return. This applies regardless of whether the Shares are held as a private asset or business asset.

The taxable DDI consists of the ordinary income (interest income, dividend income and other ordinary income) minus the Company's expenses.

Note that dividend income received by the Company from low tax countries will not be subject to the 25% tax. As these portions of the income are not subject to a comparable tax burden, they are subject to taxation according to the personal progressive tax rate; 60% of the realized capital gains from the sale of securities and of the income from derivative instruments (the tax base will increase from 20% of the realized capital gains derived from equities and derivatives linked to equities in early 2011, to 60% of all realized capital gains in 2014). In this case, the foreign tax can be credited against the Austrian tax liability. The Austrian Ministry of Finance is entitled to issue a list of low-tax countries or investments, but has not yet issued such a list.

Realized capital losses (after netting with realized capital gains) can be credited against ordinary income (interest income, dividend income and other ordinary income, minus expenses) of the Company. If capital losses exceed ordinary income, the excess can be carried forward at share class level.

If foreign withholding tax was withheld on distributions to the Company, it can be credited against Austrian withholding tax to the extent of 15% of the net investment income.

Generally, taxable income is deemed to be distributed to the investor four months after the financial year-end of the Company.

### *Taxation of distributions*

Distributed ordinary income and 100% of the distributed realized capital gains are subject to 25% tax. If the Shares are held on Austrian deposit, the 25% tax is deducted by the Austrian depository bank. Where the Shares are held on foreign deposit, the distribution has to be included into the individual's personal income tax return.

### *Sale of Shares*

When individuals sell their Shares, the difference between the purchase price and the sale price plus the already taxed DDI is subject to 25% tax irrespective of the holding period. If the Shares are held on Austrian deposit, the 25% tax is deducted by the Austrian depository bank. The sales (preliminary) charges are generally not considered as incidental acquisition costs. In order to avoid double taxation of the realized capital gain, the Shares acquisition cost is increased by the annually taxed DDI.

### *Proof of taxable income*

The tax amount on distributions and on the DDI has to be calculated and reported to the OeKB by an Austrian tax representative in order for the Company to be a reporting fund. Investment funds for which no tax figures are reported by the Austrian tax representative are considered to be black funds and are subject to lump-sum taxation.

The Company will, in relation to a relevant share class, and if it considers appropriate, instruct its Austrian tax representative to calculate and report such amounts to the OeKB.

### ***Shareholders: Private Investors Holding Shares as Business Property***

If Shares are held by individuals as business property, the taxation rules for private investors, as described above, are generally applicable with the following exemptions:

- 100% of the accumulated realized capital gains are taxable at 25%.
- 
- Realized capital gains always have to be included in the income tax return and are subject to 25% tax. Any tax withheld on capital gains by the Austrian depositary bank will be credited on the individual's income tax return.
- Incidental acquisition costs, e.g. sales (preliminary) charges, can be considered as operating expenditure and therefore reduce the realized capital gain. Incidental acquisition costs can only be considered in the course of tax assessment.

### ***Shareholders: Corporate Investors***

Net Investment Income and all realized capital gains are subject to 25% Corporate Income Tax and must be included in the corporate income tax return of the corporation. To avoid double taxation in the event of redemption, the difference between the purchase price (plus already taxed DDI) and the sale price, is subject to 25% Austrian withholding tax. This procedure ensures that the taxable capital gain in the case of redemption is reduced by the DDI which has already been taxed in previous years.

Corporate investors can avoid the withholding tax deduction by providing the Austrian depositary bank with a certificate of exemption. If no certificate of exemption is provided, the deducted withholding tax can be credited against Corporate Income Tax.

The DDI is deemed to be received by corporate investors at the financial year-end of the Company.

If the corporate investor sells Shares, the difference between the purchase price and the sales price, less already taxed DDI, is subject to 25% Corporate Income Tax (irrespective of the holding period) and must be included in the Corporate Income Tax return of the corporation.

### **German Taxation**

The following provisions apply only in respect of certain share classes (each referred to as a Relevant Share Class) of Funds for which the Company has elected to publish the relevant tax information pursuant to the German Investment Tax Act (GITA).

Where a Relevant Share Class is publicly distributed in Germany (and it is considered appropriate in the circumstances), and in certain circumstances where the Relevant Share Class is not publicly distributed (e.g. private placement), the Company intends to retain the services of qualified tax experts and intermediaries to prepare and publish, as appropriate, all tax information required to be published under the German Investment Tax Act in order to allow for optimal taxation of German tax-resident investors in respect of such Relevant Share Class.

The Company will inform shareholders who maintain an account for the holding of shares in the Relevant Share Class and who have indicated an address in Germany in the Account Opening Agreement prior to any decision to waive the right of public distribution in Germany for any such Relevant Share Class or any decision to no longer maintain the services of qualified tax experts and intermediaries in order to prepare and publish tax information pursuant to the German Investment Tax Act. Such notification will be made either directly by letter or by publication in the *Börsenzeitung*.

Neither the Company nor the Investment Managers guarantee that all information required to ensure optimal taxation under the German Investment Tax Act will be obtained or published. In particular, neither the Company nor the Investment Managers can guarantee the publication of the required tax information to the extent underlying funds in which the Company may be invested do not provide the required tax information themselves. Prospective investors are therefore advised to seek independent professional advice concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of shares.

### **Taxation in Germany**

The statements regarding the tax regulations are not to be considered exhaustive. They are not a complete analysis of all tax considerations relating to the holding of a Relevant Share Class. They do not constitute legal or tax advice. The comments are limited to certain aspects of current German tax law and practice and may not apply to certain classes of investors. The statements with respect to the tax consequences at the Shareholder level only apply if the necessary publication requirements, within the meaning of the GITA, have been met.

According to the flat rate tax, introduced by the Corporate Tax Reform Act 2008 and which came into effect on 1st January 2009, all capital income within the meaning of § 20 German Income Tax Act of private German Shareholders will be subject to the flat rate tax independent of the duration of holding periods which is levied at a rate of 25% as well as the solidarity surcharge of (5.5% thereof) and the church tax, if applicable.

### ***The Shareholder***

The following statements are based on the law in effect after the introduction of the Flat Rate Tax on 1 January 2009. The statements do not address the tax consequences which could be relevant to the taxation of an individual Shareholder based upon his personal circumstances.

In principle, the distributed income, the deemed distribution income, the capital gains upon sale or redemption (as well as equivalent transactions) and the interim profit upon sale or redemption of a Relevant Share Class are capital income according to §20 German Income Tax Act of a German Shareholder and subject to the flat rate tax.



The flat rate tax will satisfy any income tax liability of a private German Shareholder in respect of capital investment income (distributed income) or private capital gains. For shares of an accumulating Relevant Share Class or shares which will be held in a non-German custody account, the flat rate tax cannot be withheld by the bank and therefore the German private Shareholders have to include the capital income of the Relevant Share Class in their tax return.

For a Shareholder that holds their shares of a Relevant Share Class as business assets, any taxable income received from the Company is subject to German income tax or, if applicable, German corporate income tax at their individual tax rate. The withholding tax will not satisfy the income tax liability of Shareholders which hold their shares as business assets and therefore the Shareholders have to include all income from shares in their tax return.

In the case of a distribution, the distributed and deemed distributed income is subject to capital income withholding tax of 25 % (plus solidarity surcharge and church tax, if applicable). Due to the fact that no German withholding tax will be withheld on the basis of the deemed distribution income of a foreign fund at the time of the deemed distribution, the (German) custodian banks are obliged to withhold the 25% capital income withholding tax (plus solidarity surcharge and, if applicable, church tax) based on the accumulated deemed distributed income (ADDI) at the time of sale or redemption provided that the Shareholder holds his shares of a Relevant Share Class in a German custodian account. The withholding tax based on the ADDI will be withheld even if the German Shareholder filed the deemed distribution income in his tax return correctly. To avoid double taxation in this case the German shareholder can reclaim the withholding tax on the ADDI. Upon the sale or redemption (or equivalent transaction) of shares of private individuals capital income withholding tax of 25% (plus solidarity surcharge and, if applicable, church tax) are applicable to the amount of the Zwischengewinn (interim profit) as well.

Capital gains from the sale or redemption of shares held as private assets which were acquired before 1 January 2009, are tax exempt, whereas capital gains from the sale or redemption (or an equivalent transaction) of shares acquired after 31 December 2008 are subject to the capital income withholding tax of 25% (plus solidarity surcharge and, if applicable, church tax).

In principle, capital gains from the sale or redemption of shares held as business assets are taxable.

### **Tax Risk**

The legal and fiscal treatment of funds may change in a way that is unforeseeable and beyond the reasonable control of the Company.

If the German tax authorities undertake field audits there could be a change of incorrect tax bases of the Funds for previous business years. The change can impact the tax base of the Shareholder in an unfavorable way as a German Shareholder must bear the tax burden resulting from the correction made for previous fiscal years, even if the German Shareholder was not invested in the Company at the relevant period. Further, a German Shareholder may not be able to benefit from a favorable tax correction for the holding period due to the sale or redemption prior to the relevant correction.

For the purposes of Section 1(b) of the GITA, the Company meets the following criteria: The Company is subject to investment supervision by the Central Bank of Ireland. The objective business purpose of the Company is limited to the passive investment and administration of its assets for the joint account of the investors and active entrepreneurial management of the assets or an entrepreneurial influence is not permitted. The capital of the Company will be invested according to the principle of risk spreading, thus

the Company will invest in more than three different assets with different risk profiles. The Company will invest at least 90% of its value into qualified assets defined as follows: securities, money market instruments, derivatives, deposits, real property, rights equivalent to real property and comparable rights under foreign law, participants in real estate companies, business fixtures and other items to manage the property, shares or participations in domestic and foreign investment funds, participations in PPP – project companies provided that the current market price can be determined, precious metals, non-securitized loans and participations in corporate entities provided the current market price can be determined. The Company does not invest more than 10% of the capital in corporations which are neither traded on a stock exchange nor in another regulated market under the UCITS directive, therefore meeting the requirement that the Company does not invest more than 20% of the capital in participations in corporations which are neither traded on a stock exchange nor in another regulated market under the GITA. The capital ownership percentage of participation into a corporation, excluding real estate corporations, will remain below 10% of the corporation's capital. The Company can borrow up to 10% of its net asset value. The Company will use reasonable methods to monitor compliance and ensure continued eligibility for German tax reporting which is beneficial to certain German investors.

Where the requirements of the GITA are not met, the German Shareholder will be taxed on a lump sum basis according to the GITA during the holding period as well as upon sale or redemption of the Company and will not benefit from certain favorable tax rules.

## **United Kingdom Taxation**

### **The Company**

The shares shall be widely available and shall be marketed and made available sufficiently widely to reach the intended categories of sophisticated investors and in a manner appropriate to attract those investors.

The Board of Directors intends, as far as possible, to conduct the affairs of the Company so as to minimise any liability of the Company to UK taxation. Accordingly, and provided that the Company is not trading in the UK through a fixed place of business or agent situated therein that constitutes a "permanent establishment" for UK taxation purposes and that all the trading transactions in the UK of the Fund are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the Company will not be subject to UK corporation tax on income or chargeable gains arising to it, other than certain UK source income. The Board of Directors intends that the affairs of the Company are conducted so that these requirements are met, insofar as this is within the Board's control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

The Company may be liable to transfer taxes on acquisitions and disposals of investments. In the UK, stamp duty or Stamp Duty Reserve Tax at a rate of 0.5% will be payable by the Company on the acquisition of shares in companies that are either incorporated in the UK or that maintain a share register in the UK. This could also apply to UK shares contributed into the Company by Shareholders.

### **The UK Offshore Funds Regime**

The Offshore Funds (Tax) Regulations 2009, as amended by the Offshore Funds (Tax) (Amendment) Regulations (the 'Offshore Funds Regulations') introduced a regime for the taxation of investments in

offshore funds (as defined in Part 8 of the Taxation (International and other Provisions) Act 2010 (“TIOPA”) which operates by reference to whether a fund opts into a reporting regime (“reporting funds”) or not (“non-reporting funds”). In broad terms, a “reporting fund” is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and its Shareholders.

If an individual Shareholder who is resident or ordinarily resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is a “non-reporting fund” for all periods of account for which the Shareholder holds that interest, any gain accruing to the Shareholder upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income (“offshore income gains”) and not as a capital gain.

Alternatively, where an individual Shareholder who is resident or ordinarily resident in the UK holds an interest in an offshore fund that has been a reporting fund for all periods of account for which they hold an interest, any gain accruing upon sale or other disposal of their holding would be subject to tax as a capital gain rather than income, with relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income (even where such profits are exempt from UK corporation tax). Shareholders in non-reporting funds would be subject to tax on income distributed by a non-reporting fund, but not on income retained but not distributed by a non-reporting fund.

The Board of Directors have been advised that the shareholdings in the Company will likely constitute interests in an offshore fund, as defined for the purposes of TIOPA, with each Class of Shares treated as a separate “offshore fund” for these purposes.

Certain classes of shares have already applied for and obtained “reporting status.” The reporting status obtained from HMRC for the relevant classes of shares will remain in place permanently so long as the annual requirements are undertaken. A list of the classes of shares which currently have reporting status is available at: <http://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds.htm>.

Investors should refer to their tax advisors in relation to the implications of the Company obtaining such status in respect of certain Classes of Shares.

## **Taxes on Income**

Subject to their personal circumstances, Shareholders who are resident in the UK for UK taxation purposes will be liable to UK corporation tax or income tax annually in respect of dividends or other distributions of an income nature made by the Company, whether or not such dividends or distributions are reinvested. The nature of the charge to tax and any entitlement to a tax credit in respect of such dividends or distributions will depend upon a number of factors which may include the composition of the relevant assets of the Company and the extent of the Shareholder’s interest in the Company.

Individual Shareholders resident or ordinarily resident in the UK may under certain circumstances benefit from a non-refundable tax credit in respect of dividends received from corporate offshore funds invested largely in equities.

Dividend distributions from an offshore fund made to corporate Shareholders resident in the UK are likely to fall within one of a number of exemptions from UK corporation tax. In addition, distributions to non- UK companies carrying on a trade in the UK through a permanent establishment in the UK should

also fall within the exemption from UK corporation tax on dividends to the extent that the shares held by that company are used by, or held for, that permanent establishment.

### **UK Corporation Tax – Loan Relationships**

Shareholders within the charge to UK corporation tax should note that the regime for the taxation of most corporate debt contained in the UK Corporation Tax Act 2009 (the “loan relationships regime”) provides that, if at any time in an accounting period of such a person, that person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Fund Regulations and TIOPA, and there is a time in that period when that fund fails to satisfy the “qualifying investments” test, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. Shareholders should note that the loan relationship rules are currently under review as part of a wider HMRC consultation process. An offshore fund fails to satisfy the qualifying investments test at any time when more than 60% of its assets by market value (excluding cash awaiting investment) comprise “qualifying investments”. Qualifying investments include government and corporate debt securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test.

In the eventuality that the “qualifying investments test” is failed at any time during the life of the Company, the relevant Class of Shares will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on that Class of Shares in respect of such a corporate Shareholder’s accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “fair value accounting” basis. Accordingly, in such eventuality, a corporate Shareholder who acquires Shares may, depending on its own circumstances, incur a charge to corporation tax on an unrealized increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealized reduction in the value of its holding of Shares).

### **UK Income Tax – Distributions Treated as Interest**

Where an offshore fund invests more than 60% of its assets in interest-bearing (or economically similar) assets that are qualifying investments as defined above, distributions will not be treated as dividends but as interest in the hands of the individual Shareholder. This means that no tax credit will be available and the relevant tax rates will be those applying to interest.

### **Other UK Tax Matters**

The attention of Shareholders subject to UK income tax is drawn to the anti-avoidance provisions of Section 714 of the Income Taxes Act 2007. These provisions deal with the transfer of assets outside the UK which may render certain resident persons liable to income tax in respect of undistributed income profits of the Fund on an annual basis. The legislation is not directed towards the taxation of capital gains.

Corporate Shareholders resident in the UK for taxation purposes should note that “controlled foreign companies” legislation contained in Part 9A of TIOPA 2010 could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25% or more of any chargeable profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and meets certain other criteria

(broadly that it is resident in a low tax jurisdiction). “Control” is defined in Chapter 18, Part 9A of TIOPA 2010. A non-UK resident company is controlled by persons (whether companies, individuals or others) who are resident in the UK for taxation purposes or is controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40% of the interests, rights and powers by which those persons control the non-UK resident company, and the other of whom has at least 40% and not more than 55% of such interests, rights and powers. The effect of these provisions could be to render such Shareholders liable to UK corporation tax in respect of the income of the Company.

The attention of Shareholders (including individuals, companies and trusts) resident in the UK (and who are, if individuals, also ordinary resident or domiciled in the UK) for taxation purposes is drawn to the provisions of section 13 of the TCGA 1992 (“section 13”). Section 13 could be material to any such Shareholder who has an interest in the Company as a “participator” for UK taxation purposes (which term includes a shareholder) at a time when any gain accrues to the Fund (such as on a disposal of any of their investments) which constitutes a chargeable gain or an offshore income gain if, at the same time, the Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the UK for taxation purposes, be a “close” company for those purposes. The provisions of section 13 could, if applied, result in a Shareholder with such an interest in the Fund being treated for the purposes of UK taxation of chargeable gains as if a proportionate part of any capital gain or offshore income gain accruing to the Fund had accrued to that person directly; that part being equal to the proportion of the gain that corresponds to that Shareholder’s proportionate interest in the Fund. No liability under section 13 could be incurred by such a Shareholder, however, in respect of a chargeable gain or an offshore income gain accruing to the Fund if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for UK taxation purposes does not exceed one quarter of the gain. In the case of Shareholders who are individuals domiciled outside the UK, section 13 applies subject to the remittance basis in particular circumstances.

### **Stamp Duties**

UK stamp duty, or stamp duty reserve tax, will not be payable on the issue, transfer or redemption of the Shares provided that the register of Shareholders is kept outside the UK. UK stamp duty at the rate of 0.5% of the value of the consideration for the transfer of any Shares is payable on any instrument of transfer of the Shares executed in, or in certain cases brought into, the UK.

### **Inheritance Tax**

An individual Shareholder domiciled or deemed for United Kingdom tax purposes domiciled in the United Kingdom may be liable to United Kingdom Inheritance Tax on a gift of their Shares in the event of death or on making certain categories of lifetime transfer. For these purposes, a transfer of Shares at less than their full market value may be treated as a gift.

### **United States Taxation**

Shareholders are hereby notified, in compliance with requirements imposed by the US Internal Revenue Service (the “IRS”), that the US tax advice contained herein (i) is written in connection with the promotion or marketing by the Company and the Investment Managers of the transaction or matters addressed herein, and (ii) is not intended or written to be used, and cannot be used by any taxpayer, for

the purpose of avoiding US tax penalties. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The summary is based on Internal Revenue Code of 1986, as amended (the "Code"), applicable statutes and regulations, administrative pronouncements and judicial decisions as currently in effect. There can be no assurance (i) that changes in such authorities or their application or interpretation will not be made in the future, possibly with retroactive effect, or (ii) that the IRS will agree with the interpretation described below as applied to the operation of the Company.

### *Taxation of the Company*

For US federal income tax purposes, the Company expects to be treated as a corporation. The remainder of this discussion assumes that the Company will be so treated.

There are specific exemptions from US federal income tax for non-US persons (including entities and individuals) who restrict their activities in the US to trading in stocks, securities and commodities (including currencies) for their own account. These exemptions may apply regardless of whether the non-US person or their employees conduct such trading through a broker, commission agent, custodian or other agent in the US. These particular exemptions do not apply to a non-US person that is engaged in business activities in the US, other than trading in stocks, securities and commodities (including currencies) for its own account, or if the person is considered a dealer in stocks or securities. The Company intends to conduct its affairs so that it will not be deemed to be engaged in a trade or business in the US and, therefore, none of its income (other than certain income from investments in US real property interests, if any) should be treated as "effectively connected" with a US trade or business carried on by the Company. However, in the event that the Company is deemed to be deriving income which is effectively connected with a US trade or business carried on by the Company, such income could be subject to US federal income tax at the graduated rates applicable to US persons, and the Company could also be subject to a branch profits tax on amounts deemed repatriated from the US based on a statutorily calculated dividend equivalent amount.

Certain categories of income (including dividend income and certain types of interest income) that are not effectively connected with a US trade or business but that are derived from US sources will be subject to US withholding taxes. It is anticipated that under current US tax law rules, substantially all of the US source interest income to be earned by any Fund will be exempt from US withholding tax. Provided certain documentation requirements are satisfied, the Company will not be subject to any US withholding tax on capital gains or proceeds arising from the sale or exchange of the Company's securities, commodities or other assets that are not effectively connected with a US trade or business of the Company (other than withholding on certain income and/or gains from investments in U.S. real property interest, if any).

### *Taxation of Non-U.S. Shareholders*

The rules described in this section apply to any Shareholder of the Company who is a non-resident alien individual, a foreign corporation, a foreign partnership, or a foreign estate or trust (hereafter a "non-US investor").

Non-US investors who are not engaged in a trade or business within the US and, if individuals, do not have a "tax home" in the US, generally will not be subject to any U.S. federal income, withholding, capital

gains, estate or inheritance taxes with respect to the Shares owned by them or any dividends received by them on such Shares.

### ***Foreign Account Tax Compliance Act Provisions (“FATCA”)***

The final regulations for the Foreign Account Tax Compliance Act that was enacted on 18 March 2010 by United States Congress as part of the Hiring Incentives to Restore Employment (“HIRE”) Act were issued on 17 January 2013. FATCA is generally effective for payments made after 30 June 2014. The FATCA provisions impose new tax documentation requirements on both a Fund and its Shareholders. If the tax documentation requirements are not satisfied, FATCA imposes a 30% withholding tax on certain payments (including dividends, interest and proceeds from the sale of securities) that may be received by a Fund or that may be made to a Shareholder on redemption of Shares in the Company.

In order to comply with FATCA, the Company may request additional tax-related documentation from its Shareholders. A Shareholder that fails to comply with such documentation requests may be charged with any taxes imposed on the Company attributable to such investor’s noncompliance under the FATCA Provisions. The Company may, in its sole discretion, redeem such Shareholder’s shares. While the Company will make reasonable efforts to seek documentation from Shareholders to comply with these rules and to allocate any taxes imposed or required to be deducted under FATCA to Shareholders whose noncompliance caused the imposition or deduction of the tax, it is possible that complying Shareholders in the Company may be affected by the presence of such non-complying Shareholders.

The Company may find itself subject to an Intergovernmental Agreement (“IGA”) that was entered into between the jurisdiction in which the Company is located and the U.S. Internal Revenue Service, that supersedes certain provisions under FATCA. If the Company is subject to an IGA, the Company will apply the appropriate documentation requirements under the terms of the IGA and will make reasonable efforts to assure that the Company complies with the terms of the applicable IGA.

PURSUANT TO US TREASURY DEPARTMENT CIRCULAR 230, THE COMPANY IS INFORMING THE PROSPECTIVE INVESTORS THAT (A) THE SUMMARY SET FORTH ABOVE IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE US FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) THE SUMMARY SET FORTH ABOVE WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE COMPANY AND THE DISTRIBUTOR OF THE SHARES, AND (C) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

### ***EU Savings Tax Directive***

The Council of the European Union adopted a directive regarding the taxation of interest income known as the “European Union Directive on the Taxation of Savings Income (Directive 2003/48/EC)”. Each EU Member State must implement the directive by enacting legislation that requires paying agents (within the meaning of the directive) established within its territory to provide to the relevant competent authority details of interest payments (which includes certain payments made by collective investment undertakings such as the Company) made to any individual and certain intermediate entities resident in another EU Member State or a territory being a dependent or associated territory of an EU Member State (Relevant Territory). The competent authority of the EU Member State of the paying agent (within the

meaning of the directive) is then required to communicate this information to the competent authority of the Relevant Territory of which the beneficial owner of the interest is a resident.

Austria and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive for a transitional period. The Luxembourg government has announced its intentions to elect out of the withholding system in favor of an automatic exchange of information effective 1 January 2015.

Ireland has implemented the directive into national law. Any Irish paying agent making an interest payment on behalf of the Company to an individual, and certain residual entities defined in the TCA, resident in another Relevant Territory may have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the Relevant Territory of residence of the individual or residual entity concerned.

Broadly speaking, for income distributions, it is only if the Company has invested more than 15% of its assets directly or indirectly in interest bearing securities and for capital distributions it is only if the Company has invested more than 25% of its assets directly or indirectly in interest bearing securities, that payments received from the Company would be subject to reporting obligations.

In November 2008 the European Commission proposed that a number of changes be made to the directive following a report on its operation since adoption. If any of these proposed changes are adopted they are likely to broaden the scope of the directive and in particular bring within its ambit a wider category of investment funds.

### **Taxation of Investments Generally**

The Company invests on exchanges, and in securities issued by entities which are virtually all domiciled in countries other than Ireland. Many of these countries have laws that tax non-resident investors, such as the Company, on income or gains arising from that country. While many of these countries have withholding or other mechanisms that clarify the application and payment of tax, in certain countries there can be uncertainty about how tax law is applied to income earned by the Company and as a result, uncertainty as to the amount, if any, that will ultimately be payable by the Company. While the Company monitors the tax position from its investment activities, there remains a risk that any one, or several, foreign tax authorities will attempt to collect taxes on investment income earned by the Company, or under financial accounting standards, the Company may be required to accrue for such uncertain taxes. This could happen without any prior warning, possibly on a retrospective basis, and could result in a material loss to the Company's Net Asset Value per share.

The income and/or gains of the Company from the investments may suffer withholding tax in the countries where such income and/or gains arise. The Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. The rate of withholding tax therefore, may vary from the rate applied to the benchmark against which Fund performance is measured where a net of tax benchmark is used. If this position changes in the future and the application of a lower rate results in repayment to the Fund(s), the Net Asset Value of the Fund(s) will not be restated and the benefit will be allocated to the existing Shareholders ratably at the time of repayment.

Generally, Shareholders must include in computing their income for tax purposes the amount of the net income, and the taxable portion of the net realized capital gains, paid or made payable to them in the year



by the Company, even if such amount is reinvested in additional shares. Generally, Shareholders must report in their tax returns any capital gains realized on the disposition of shares which may include a switch among Funds, a switch between different funds and / or a liquidation of the Fund or the Company.

Shareholders should consult their own tax advisors concerning the deductibility of management fees paid directly to the Manager.

The above statements are only intended as a general summary of the current position under current tax law and practice of Shareholders who are the absolute beneficial owners of Shares who hold such shares as an investment and their applicability will depend upon the particular circumstances of each Shareholder. In particular, these statements may not apply to certain Classes of Shareholder (such as financial institutions). The summary is not exhaustive and does not generally consider tax relief or exemptions.

Prospective Shareholders are advised to consult their own tax advisors on the tax implications for them of investing, holding and disposing of Shares and receiving distributions in respect of Shares.

## **GENERAL INFORMATION**

### **Fund Transactions and Conflicts of Interest**

Subject to the provisions of this section, the Investment Managers, the Administrator, the Transfer Agent, the Depositary, the Distributor, any Shareholder, and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a "Connected Person"), may contract or enter into any Subject to the provisions of this section, the Investment Managers, the Administrator, the Transfer Agent, the Depositary, the Distributor, any Shareholder, and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a "Connected Person"), may contract or enter into any financial, banking or other transaction with one another or with the Company, including without limitation, investment by the Company in securities of a Shareholder, or investment by any Connected Persons in any company or body any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions.

In addition, any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 1998, as amended by the Central Bank and Financial Services Authority of Ireland Act, 2003 to 2004, with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments to or from the Company or through the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof. There will be no obligation on the part of any such Connected Person to account to Shareholders for any benefits so arising, and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, are consistent with the best interests of Shareholders, and

- (a) a certified valuation of such transaction by a person approved by the Depositary as independent and competent has been obtained; or

- (b) such transaction has been executed on best terms reasonably available on an organized investment exchange under its rules; or

where neither (a) nor (b) are practicable,

- (c) such transaction has been executed on terms which the Depositary is satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length.

Prospective investors and Shareholders should be aware that the Investment Managers, their affiliates, or their personnel individually may invest their own assets in any of the Funds. In that regard, certain terms of investing in a Fund (e.g., the Minimum Initial Subscription for a Class of Shares) may be waived for the Investment Managers, its affiliates or its personnel. In addition, the Investment Managers, their affiliates or its personnel may have access to information about a Fund that is not available to other Shareholders in the Funds, or may have access to information on a more timely basis than other Shareholders. If a Fund were considered a proprietary account of the Investment Managers, the Fund may be subject to restrictions or limitations in its trading or investment under the Investment Managers' policies and procedures designed to comply with applicable law and its obligations to their clients. The Investment Managers may seek to hedge or otherwise offset the market risk that arises from their investments in a Fund.

The Investment Managers may also, in the course of their business, have potential conflicts of interest with the Company in circumstances other than those referred to above. The Investment Managers will, however, have regard in such event to their obligations under the Investment Management Services Agreements and, in particular, to their obligations to act in the best interests of the Company and the Shareholders so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise. In the event that a conflict of interest does arise the Directors will endeavour to ensure that such conflicts are resolved fairly, and that investment opportunities are allocated fairly.

The Directors may act as directors of other collective investment vehicles.

#### **Directors' Interests**

There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.

At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

At the date of this Prospectus neither the Directors nor any Associated Person have any beneficial interest in the share capital of the Company or any options in respect of such capital.

The Directors of the Company, with the exception of Messrs. Manahan and Brady are partners or employees of entities within the Wellington Management group. Their biographical details are set out above.

### **Share Capital**

At the date hereof the authorized share capital of the Company is 30,000 subscriber shares of Euro 1.27 each and 500,000,000,000 shares of no par value initially designated as unclassified shares.

### **Dividend Policy**

Under the Articles, dividends may be paid out of the profits being interest and dividends earned by a Fund less all expenses of that Fund and/or realized profits less realized losses on the disposal of investments in the Fund and unrealized profits less unrealized losses on the valuation of investments of that Fund. The Directors at such times as they deem appropriate may also declare such dividends on any class of Share out of the capital of the relevant Fund.

The dividend policy relating to each Fund will be decided by the Directors at the time of the creation of the relevant Fund.

Where it is not the intention of the Directors to declare a dividend, any distributable profits will remain in the relevant Fund's assets and be reflected in the Net Asset Value of the relevant class of Shares.

Where it is the intention of the Directors to declare a dividend it shall ordinarily be declared from net operating income, represented by the dividends and interest received by the relevant Fund, after charging expenses and various other items as set out under "Charges and Expenses", attributable to the relevant Shares. Where a Fund charges a Performance Fee this fee is paid from the unrealized and realized capital gains of the Fund, and therefore will not be deducted from operating income for the purposes of calculating the dividend.

In respect of the Wellington Dynamic Diversified Income Fund the amount payable for the non-Base Currency hedged Distributing Shares will also reflect the addition or deduction of the interest rate differential (depending on whether such differential is positive or negative respectively between the Dealing Currency of the relevant Share Class and the Base Currency of the Fund). The interest rate differential used to calculate the dividend for each distribution period may not necessarily equal the actual interest rate differential resulting from the any currency hedging transactions carried out by the relevant Investment Manager.

### **Dividends on the Distributing Shares of the Fixed Income Funds and Wellington Multi-Asset Absolute Return Fund**

Dividends will generally be declared and paid quarterly on or about the last Business Day of the relevant quarter.

### **Dividends on the Distributing Shares of the Wellington Dynamic Diversified Income Fund**

Dividends will generally be declared and paid monthly on or about the last Business Day of the relevant month. Dividends will be paid based on a pro-rata amount of the total net assets relating to the projected yield.

At the Directors' discretion, where there is insufficient income in a given month, dividends may be declared and paid from realized profits less realized losses on the disposal of investments in the Fund and unrealized profits less unrealized losses on the valuation of investments of that Fund. The Directors at such times as they deem appropriate may also declare such dividends on any class of Share out of the capital of the relevant Fund.

### **Dividends on the Distributing Shares of the Equity Funds**

Dividends will generally be declared and paid annually.

Shareholders can elect to reinvest the dividend proceeds into additional Shares of the same class or will receive dividend payments in cash by way of wire transfer or otherwise in accordance with the terms of the Account Opening Agreement and the Investor Guide. Distributions not claimed within six years from their due date will lapse and revert to the relevant Fund.

The Directors may, at their discretion, declare and pay additional dividends in any year, including but not limited to, an annual dividend which may be declared out of the realized and unrealized capital gains of a particular Fund, net of realized and unrealized losses, if any attributable to such Share classes may also be paid. Annual dividends are expected to be declared on or about 31 December of each year and paid within seven days of the dividend declaration.

The Company will be obliged and is entitled to deduct an amount in respect of Irish tax from any dividend payable to an investor who is or is deemed to be or is acting on behalf of a Taxable Irish Person and pay such sum to the Revenue Commissioners in Ireland.

### **Memorandum and Articles of Association**

All holders of Shares will be entitled to the benefit of, will be bound by and deemed to have notice of the provisions of the Memorandum and Articles of Association of the Company summarized below, copies of which are available as detailed under "Documents for Inspection".

The Articles contain provisions to the following effect:

- (i) **Voting Rights.** The Articles provide that on a show of hands at a general meeting of the Company every holder of Shares present in person or by proxy shall have one vote and the holder or holders of the subscriber shares shall only have one vote in respect of all the subscriber shares; on a poll at a general meeting every holder of Shares who is present in person or by proxy shall have one vote in respect of each whole Share held by him and every holder of subscriber shares shall have one vote in respect of his holding of such shares.

The Articles further provide that, on a poll of all of the holders of Shares of more than one class for the time being, the voting rights of holders shall be adjusted in a manner determined by the

Directors so as to reflect the latest calculated redemption price per Share of each of the classes in question.

- (ii) Compulsory redemption. The Directors have power to impose such restrictions as they think necessary for the purpose of ensuring that no Shares are acquired or held directly or beneficially by certain categories of investors as described in the Articles. They may also request the redemption of certain Shares for the reasons described in the Articles.
- (iii) Winding up. The Articles contain provisions to the following effect:
  - (a) If the Company shall be wound up a liquidator shall, subject to the provisions of the Companies Act, be appointed and shall apply the assets of each Fund in satisfaction of creditors' claims relating to that Fund.

The assets available for distribution among the members shall then be applied in the following priority:

- (a) First, in the payment to the holder of the Shares of each Fund of a sum in the currency in which that Fund or the relevant class of shares is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had:
  - (1) First, to the assets of the Company not comprised within any of the Funds; and
  - (2) Secondly, to the assets remaining in the Funds for the other classes of Shares (after payment to the holders of the Shares of the classes to which they relate of the amounts to which they are respectively entitled under this paragraph (1)) pro rata to the total value of such assets remaining within each such Fund.
- (b) Secondly, in the payment to the holders of the subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under sub paragraph (1)(A) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds.
- (c) Thirdly, in the payment to the holders of each class of Shares of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares held.
- (d) Fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the number of Shares held.

If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the holders of Shares in the

relevant Fund and any other sanction required by the Companies Act, divide among the holders of Shares of any class or classes within a Fund in specie the whole or any part of the assets of the Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the holders or different classes of holders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is liability.

### **Income Equalisation**

The Directors may determine that the Company, on behalf of one of more of the Funds, use an accounting technique known as income equalisation to prevent dilution of current shareholders' earnings. This is accomplished by applying a portion of the proceeds from shares issued and redeemed, equivalent on a per Share basis to the amount of undistributed net investment income on the date of the transaction. Apportioned amounts are credited or charged to undistributed income. As a result distributions of the Share class will be protected from the potential distortions caused by issues or redemptions of Shares.

Special rules may apply when a Fund operates income equalisation and Investors should seek their own professional advice as to the tax consequences of investing in Shares of the Company.

### **Reports and Accounts**

The Company's year end is December 31 in each year and the Company's annual report and audited account will be published within 4 months of each 31 December. The annual report and audited accounts of the Company will be sent to Shareholders and the Companies Announcement Office of the Irish Stock Exchange within four months after the conclusion of each accounting year and at least twenty one days before the general meeting of the Company at which they are to be submitted for approval. The Company will also send a semi-annual report and unaudited accounts to Shareholders and the Companies Announcement Office of the Irish Stock Exchange within 2 months after the end of each semi-annual period. The semi-annual report of the Company will be published within 2 months of each June 30.

Copies of the then latest audited report and annual accounts of the Company, and any subsequent semi-annual report and unaudited accounts of the Company, will also be sent free of charge to any Shareholder on request and are available on request to potential investors free of charge before the conclusion of any contract.

Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the investments comprised therein as at the year end or the end of such semi-annual period.

### **Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Company and are or may be material:

- (a) the Investment Management Services Agreements between the Company and each of the Investment Managers listed in the section above entitled **Directory** regarding the Funds, as amended. Each Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by either party giving to the other not less than sixty days prior written notice. The Agreements oblige the Investment Manager at all times to exercise reasonable care and diligence and act in good faith in the performance of its duties and provides that the Investment Manager shall not be responsible and shall be without liability for any loss, liability, claim or expense suffered or incurred by the relevant Fund or the Company unless caused by the Investment Manager's own fraud, wilful default, negligence or wilful misconduct or that of its agents and employees.
- (b) the Depositary Agreement between the Company and the Depositary. As detailed in the Depositary Agreement, the appointment of the Depositary shall continue until terminated by either party on not less than ninety days' notice or earlier upon certain breaches or the insolvency of either party. The Depositary Agreement contains provisions governing the responsibility and limitations on the responsibility of the Depositary and provides for its indemnification in certain circumstances.
- (c) the Administration Agreement dated 2 July 1997 between the Company and the Administrator in relation to the Company, as novated by a novation agreement dated 31 October 2003. As detailed in the Administration Agreement, the appointment of the Administrator shall continue until terminated by either party on not less than ninety days' notice or earlier upon certain breaches or the insolvency of either party. In the absence of fraud, negligence, bad faith or wilful misconduct, the Administrator will not be liable for any loss arising as a result of the performance by the Administrator of its obligations and duties under the Administration Agreement. The Company has agreed to indemnify the Administrator against losses suffered by the Administrator in the performance of its duties and obligations under the Administration Agreement, except for losses arising out of the fraud, negligence, bad faith or wilful misconduct of the Administrator in the performance of its duties under the Administration Agreement.
- (d) the Registrar and Transfer Agency Agreement dated 30 November 2012 between the Company and the Transfer Agent. As detailed in the Registrar and Transfer Agency Agreement, the appointment of the Transfer Agent shall continue until terminated by either party on not less than ninety days' notice or earlier upon certain breaches or the insolvency or equivalent event arising of either party. The Registrar and Transfer Agency Agreement contains indemnities in favor of the Transfer Agent excluding matters arising by reasons of the Transfer Agent (its directors, officers, employees or agents) acting with wilful malfeasance, bad faith, fraud or negligence in the performance of duties and obligations under the Registrar and Transfer Agency Agreement.
- (e) the Distribution Agreement dated 14 November 2013 between the Company and the Distributor. As detailed in the Distribution Agreement, the appointment of the Distributor shall continue indefinitely and may be terminated by either party on not less than ninety days' notice. Under the terms of the Distribution Agreement, the Distributor also may enter in dealer or sub-distributor arrangements with intermediaries who purchase or distribute the Company's Shares. The Distributor will indemnify and hold harmless the Company against any loss, liability, damages, claim or expense (including the reasonable cost of investigating or defending any alleged loss, liability, damages, claim or expense and reasonable counsel fees incurred in

connection therewith), arising by reason of any person's acquiring any Shares, on account of any wrongful act of the Distributor or any of its employees or agents (including any dealer it may have appointed), including any failure to conform with any requirement of applicable law relating to the offer or sale of Shares.

### **Strategy for the Exercise of Voting Rights**

The Company has a strategy for determining when and how voting rights attached to ownership of each Fund's investments are to be exercised for the exclusive benefit of the Fund. A summary of this strategy as well as the details of the actions taken on the basis of this strategy in relation to each Fund may be obtained free of charge during normal office hours at the registered office of the Company.

### **Documents for Inspection**

Copies of the Memorandum and Articles of Association of the Company, Prospectus, Key Investor Information Documents and, after publication thereof, the periodic reports and accounts may be obtained free of charge on request from the registered office of the Company or the Investment Managers. Copies of the Memorandum and Articles of Association of the Company are also available on [http://www.finesti.com/application?\\_flowId=DocumentsFlow&idInstr=137492](http://www.finesti.com/application?_flowId=DocumentsFlow&idInstr=137492) and copies of the Key Investor Information Documents, Prospectus, and after publication thereof, the periodic reports and accounts are also available on <http://www.wellington.com/KIIDS/>.

A list of all past and present directorships and partnerships held by each Director over the last five years may be inspected at the registered office of the Company during usual business hours on weekdays, except public holidays.



## DEFINITIONS

<b>Accumulating Shares</b>	means Shares that accumulate income and pay no dividend.
<b>ADRs and GDRs</b>	means American Depository Receipts and Global Depository Receipts.
<b>Administrator</b>	means State Street Fund Services (Ireland) Limited and any other person or persons for the time being duly appointed administrator in succession to the said State Street Fund Services (Ireland) Limited.
<b>Anti-Dilution Levy</b>	means the amount added to a subscription amount, or deducted from redemption proceeds, and in each case payable to a Fund, representing an estimate of fiscal and purchase or sale charges on investments.
<b>Account Opening Agreement</b>	means the Account Opening Agreement in respect of each Fund.
<b>Articles</b>	means the Articles of Association of the Company as may be amended from time to time.
<b>Associated Person</b>	<p>a person is associated with a Director if, and only if, he is;</p> <ol style="list-style-type: none"><li>1. that Director's spouse, parent, brother, sister or child;</li><li>2. a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls;</li><li>3. a partner of that Director.</li></ol> <p>A company will be deemed to be connected with a director of a company if it is controlled by that director.</p>
<b>Base Currency</b>	means in relation to any Fund such currency used for accounting purposes or to measure the profits and losses of the Shares. The Base Currency for all Funds except the Wellington Emerging Markets Equity Fund, the Wellington Sterling Core Bond Plus Fund, the Wellington Strategic European Equity Fund and the Wellington Euro Corporate Bond Fund is the US Dollar. The Base Currency for the Wellington Emerging Markets Equity Fund and the Wellington Sterling Core Bond Plus Fund is GBP and the Base Currency for the Wellington Euro Corporate Bond Fund and the Wellington Strategic European Equity Fund is the Euro.
<b>Business Day</b>	means every day on which banks are open for business in Ireland and New York, and securities exchanges are open for

business in New York, except for the Wellington Emerging and Sovereign Opportunities Fund, the Wellington Emerging Markets Opportunities Fund, the Wellington Strategic European Equity Fund and the Wellington Euro Corporate Bond Fund where a Business Day means every day on which banks are open for business in Ireland, New York and England and securities exchanges are open for business in New York and for the Wellington Emerging Markets Corporate Debt Fund means every day on which banks are open for business in Ireland, New York and Hong Kong (and securities exchanges are open for business in New York) or such other days as the Directors may from time to time determine.

<b>Central Bank</b>	means the Central Bank of Ireland or any successor authority.
<b>Central Bank's Rulebook</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations and guidance notes and guidelines issued by the Central Bank, as may be amended, supplemented or consolidated from time to time.
<b>China A Shares</b>	means Renminbi denominated "A" shares in mainland China based companies that trade on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange.
<b>CIS</b>	means collective investment scheme.
<b>Company</b>	means Wellington Management Funds (Ireland) plc
<b>Connected Person</b>	means the persons defined as such in the section entitled <b>Fund Transactions and Conflicts of Interest</b> .
<b>Covered Person</b>	means (i) any person who is an executive officer or director of (a) a company that is registered under Section 12 of the US Securities Exchange Act or files periodic reports pursuant to Section 15(d) thereof or (b) a "covered non-public company" as defined in Rule 5131 of the Conduct Rules of the US Financial Industry Regulatory Authority, (ii) any person materially supported by a person described in (i) above, or (iii) any entity in which a persons described in (i) and (ii) above have aggregate beneficial interests in excess of 25%.
<b>Depository</b>	means State Street Custodial Services (Ireland) Limited or any other person or persons for the time being duly appointed Depository hereof in succession to State Street Custodial Services (Ireland) Limited.

**Dealing Currency**

means in relation to any class of Shares such currency as is used for subscription and redemption purposes.

**Dealing Day**

means each Business Day for all Funds except:

Dealing Day means one Business Day after the Dealing Deadline for the:

Wellington Asia Ex Japan Equity Fund  
Wellington Emerging Local Debt Advanced Beta Fund  
Wellington Emerging Markets Equity Fund  
Wellington Emerging Markets Systematic Equity Fund  
Wellington Global Perspectives Fund  
Wellington Global Property Fund  
Wellington Opportunistic Themes Fund;

Dealing Day means two Business Days after the Dealing Deadline for the Wellington Emerging Markets Local Equity Fund;

Dealing Day means the Tuesday of the week following the Dealing Deadline for the Wellington Emerging Markets Opportunities Fund. If the Tuesday of that week is not a Business Day, then the Dealing Day will be the next Business Day;

Dealing Day means the Wednesday of the week following the Dealing Deadline for:

Wellington Durable Companies Fund  
Wellington Emerging Market Themes Fund  
Wellington Emerging and Sovereign Opportunities Fund  
If the Wednesday of that week is not a Business Day, then the Dealing Day will be the prior Business Day;

or such other days as the Directors may from time to time determine.

**Dealing Deadline**

means the deadline for subscription and redemption orders to be received by the Transfer Agent, which is 2.00 p.m. Dublin time on any Business Day for all Funds (if this is not a Business Day then the Dealing Deadline will be 2:00 p.m. Dublin time on the prior Business Day) except;

Dealing Deadline means 2:00 p.m. Dublin time on a Thursday for the Wellington Emerging Markets Opportunities Fund (if any Thursday is not a Business Day, then the Dealing Deadline will be 2:00 p.m. Dublin time on the next Business Day);

Dealing Deadline means 2:00 p.m. Dublin time on a Wednesday (if any Wednesday is not a Business Day, then the Dealing

Deadline will be 2:00 p.m. Dublin time on the prior Business Day) for:

Wellington Durable Companies Fund

Wellington Emerging Market Themes Fund

Wellington Emerging and Sovereign Opportunities Fund;

The Directors reserve the right to change the Dealing Deadline for all Funds as long as it is not after the Valuation Point.

**Directors**

means the directors of the Company.

**Distributing Shares**

means Shares in respect of which dividends may be declared and paid in accordance with the Dividend Policy section above.

**Distributor**

means Wellington Global Administrator, Ltd.

**EEA**

means the European Economic Area.

**EU**

means the European Union.

**EU Member State**

means a member of the EU.

**Fitch**

means Fitch ratings, the international rating agency.

**Foreign Person**

means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Company with the appropriate declaration under Schedule 2B TCA and the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect or (ii) the company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of shareholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject to have been satisfied.

**Group Companies**

means companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with international accounting rules.

**Hedged Share Class and  
SC Share Classes**

means a Share class in respect of which the Company will enter into derivative transactions, the benefits and costs of which will accrue solely to Shareholders in that Share class.

<b>Initial Issue Price</b>	means the price per Share at which Shares are or were initially offered in a Fund during the Initial Offer Period specified in Appendix III for the relevant Fund.
<b>Initial Offer Period</b>	<p>means the period during which Shares in a Fund are offered at the Initial Issue Price, which period may be extended or shortened at the discretion of the Directors.</p> <p>The Investor Guide includes a list of all the Share Classes whose Initial Offer Period has closed.</p> <p>The Initial Offer Period for the remaining Share Classes has commenced and will close on 18 August 2016 or on such other date as the Directors may determine and notify periodically to the Central Bank.</p>
<b>Institutional Investor</b>	Institutional investor means any institution investing for its own account or for its own beneficial interest. The term institutional investor does not include a financial intermediary subscribing on behalf of or for the beneficial interest of underlying clients of the financial intermediary.
<b>Investment Manager</b>	means either Wellington Management Company LLP, Wellington Management International Limited or Wellington Management Singapore Pte Ltd or any other person or persons for the time being duly appointed investment manager of the Company in succession to one of the above.
<b>Investor Guide</b>	means the guide to dealing procedures for the Funds.
<b>Irish Stock Exchange</b>	means the Irish Stock Exchange Limited, and any successor thereto.
<b>Key Investor Information Document</b>	means any Key Investor Information Document issued by the Company in respect of the Funds from time to time.
<b>Minimum Holding Amount</b>	means such minimum holding amount for Shares in a class as may be specified in Appendix III for the relevant class of Shares from time to time.
<b>Minimum Initial Subscription</b>	means such minimum amount (excluding any preliminary charge) in the relevant Dealing Currency initially subscribed for by each Shareholder for Shares in a class as is specified in Appendix III for the relevant class of Shares.
<b>Minimum Subsequent Subscription</b>	means such minimum amount (excluding any preliminary charge) in the relevant Dealing Currency subsequently

	subscribed for by each Shareholder for Shares in a class as is specified in Appendix III for the relevant class of Shares.
<b>Money Market Instruments</b>	shall have meaning prescribed to them in the Central Bank's Rulebook.
<b>Moody's</b>	means Moody's Investor Services, Inc.
<b>Net Asset Value</b>	means in respect of the assets of a Fund, the amount determined in accordance with the principles set out above.
<b>Net Credit Exposure</b>	means the net loss a Fund would experience from an immediate, no recovery, default by a particular issuer or group of issuers, including any gains or losses on derivative positions, according to the Investment Manager's standard calculation, applied in good faith and in accordance with accepted industry practice.
<b>OECD</b>	means the Organisation for Economic Co-operation and Development.
<b>Fund(s)</b>	means each of the Funds details of which are set out in the Prospectus and any other Funds which may be established from time to time by the Company.
<b>Redemption or Redeem</b>	means the repurchase of Shares by the Company.
<b>Regulations</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352) as may be amended, supplemented or consolidated from time to time, and includes any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the Company.
<b>Restricted Person</b>	means any person or entity defined as such in Rule 5130 of the Conduct Rules of the US Financial Industry Regulatory Authority.
<b>Settlement Date</b>	for payment of Shares subscribed for, means no later than 4:00 p.m. New York time on the third Business Day following the Dealing Day on which the Shares were purchased, or such other earlier time as will be established by the Directors from time to time, except for the following Funds where payment will be no later than the second Business Day following the Dealing Day on which the Shares were purchased:  Wellington Asia ex Japan Equity Fund Wellington Emerging Markets Opportunities Fund Wellington Emerging Markets Systematic Equity Fund

Wellington Emerging Market Themes Fund  
Wellington Global Perspectives Equity Fund

For payment of redemption proceeds, Settlement Date means a date usually within three Business Days, but not more than ten Business Days, from the trade date in respect of a redemption request.

<b>Shares</b>	means participating shares in the Company and includes, where the context so permits or requires, the Shares in a Fund.
<b>Shareholders</b>	means holders of Shares, and each a "Shareholder".
<b>Standard &amp; Poor's</b>	means Standard & Poor's Ratings Services.
<b>Stock Connect</b>	means Shanghai-Hong Kong Connect, the mutual market access program through which foreign investors can deal in select China A Shares listed on the Shanghai Stock Exchange (SSE) through the Stock Exchange of Hong Kong (SEHK).
<b>Taxable Irish Person</b>	<p>means any person, other than:</p> <ul style="list-style-type: none"><li>(i) a Foreign Person;</li><li>(ii) an intermediary, including a nominee, for a Foreign Person;</li><li>(iii) a qualifying management company within the meaning of section 739B TCA;</li><li>(iv) a specified company within the meaning of section 734 TCA;</li><li>(v) an investment undertaking within the meaning of section 739(B) of the TCA;</li><li>(vi) an investment limited partnership within the meaning of section 739J of the TCA;</li><li>(vii) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;</li><li>(viii) a company carrying on life business within the meaning of section 706 TCA;</li><li>(ix) a special investment scheme within the meaning of section 737 TCA;</li></ul>

- (x) a unit trust to which section 731(5)(a) TCA applies;
- (xi) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
- (xii) a person entitled to exemption from income tax and capital gains tax under section 784A(2) of the TCA, section 787I of the TCA or section 848E of the TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal savings retirement savings account (as defined in section 787A of the TCA);
- (xiii) the Courts Service within the meaning of section 4 of the Courts Service Act, 1998;
- (xiv) a Credit Union within the meaning of section 2 of the Credit Union Act, 1997;
- (xv) an Irish resident company within the charge to corporation tax under section 739G(2) TCA, but only where the Fund is a money market fund;
- (xvi) a company within the charge to corporation tax under section 110(2) TCA;
- (xvii) the National Asset Management Agency;
- (xviii) the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by Section 2 of the National Pensions Reserve Fund Act of 2000 (as amended)); and
- (xix) the State acting through the National Pensions Reserve Fund Commission or any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under section 739 TCA

in respect of each of which the appropriate declaration set out in Schedule 2B TCA or otherwise and such other information evidencing such status is in the possession of the Company on the appropriate date.

**TCA**

means the Taxes Consolidation Act, 1997, as amended.



<b>Transferable Securities</b>	Transferable Securities shall have the meaning prescribed to them in the Central Bank's Rulebook.
<b>Transfer Agent</b>	means Brown Brothers Harriman Fund Administration Services (Ireland) Limited and any other person or persons for the time being duly appointed registrar and transfer agent in succession to the said Brown Brothers Harriman Fund Administration Services (Ireland) Limited.
<b>UCITS</b>	means an Undertaking for Collective Investment in Transferable Securities.
<b>UCITS Directive</b>	means the EC Council Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the Co-ordination of Laws, Regulations and Administrative Provisions relating to UCITS, as amended, supplemented or replaced from time to time.
<b>United Kingdom or UK</b>	means the United Kingdom of Great Britain and Northern Ireland.
<b>United States</b>	means the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).
<b>United States Person or US Person</b>	means, unless otherwise determined by the Directors, any citizen or resident of the United States, any corporation, trust, partnership or other entity created or organized in or under the laws of the United States or any state thereof or having its principal place of business in the United States, any legal entity (other than an entity where all of the owners of the entity have limited liability) that is directly or indirectly majority owned by United States Persons and in which such persons bear unlimited responsibility for the obligations and liabilities of such entity, any collective investment vehicle that is majority owned by United States Persons, or any estate or trust the income of which is subject to United States federal income tax, regardless of source.
<b>US Dollars or US\$</b>	means the currency of the United States.
<b>Valuation Point</b>	means the close of business on the New York Stock Exchange on the relevant Business Day.

## APPENDIX I

### MARKETS

The markets set out below are listed in accordance with the requirements of the Central Bank. The Central Bank does not issue a list of approved markets.

With the exception of permitted investment in unlisted securities or in units of open-ended collective investment schemes, investment will be limited to the following stock exchanges and regulated markets  
**(Market):-**

1.

(i) any stock exchange which is:

- located in any Member State; or
- located in a member state of the European Economic Area (Norway, Iceland and Liechtenstein); or
- located in any of the following countries:-
  - Australia
  - Canada
  - Hong Kong
  - Japan
  - New Zealand
  - Switzerland
  - United States of America; or

(ii) any stock exchange included in the following list of countries:

Abu Dhabi	-	Abu Dhabi Securities Exchange
Albania	-	Tirana Stock Exchange;
Algeria	-	Algiers Stock Exchange;
Argentina	-	Bolsa de Comercio de Buenos Aires, Cordoba, Mendoza, Rosario and La Plata Stock Exchange;
Armenia	-	Yerevan Stock Exchange;
Bahamas	-	Nassau Stock Exchange;
Bahrain	-	Bahrain Stock Exchange;
Bangladesh	-	Chittagong Stock Exchange and Dhaka Stock Exchange;
Barbados	-	Securities Exchange of Barbados;
Belarus	-	Belarusian Stock Exchange;
Bolivia	-	Mercada La Paz Stock Exchange and Santa Cruz Stock Exchange;

Botswana	-	Botswana Stock Exchange;
Brazil	-	Bolsa de Valores de Sao Paulo, Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia- Sergipe - Alagoas, Bolsa de Valores de Extremo Sul, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba, Bolsa de Valores de Rio de Janeiro, Extremo Sul Porto Alegro, Parana Curitiba, Regional Fortazela, Pernambuco e Bahia Recife, Bolsa de Mercadoria and Futuros;
Bulgaria	-	Sofia Stock Exchange;
Channel Islands	-	Channel Islands Stock Exchange;
Chile	-	Santiago Stock Exchange and Valparaiso Stock Exchange;
China	-	Shanghai Stock Exchange, Fujian Stock Exchange, Hainan Stock Exchange and Shenzhen Stock Exchange;
Colombia	-	Bolsa de Bogota and Bolsa de Medellin;
Costa Rica	-	Bolsa Nacional de Valores;
Cyprus	-	Larnaca Stock Exchange;
The Czech Republic	-	Prague Stock Exchange;
Dubai	-	Dubai Financial Market and NASDAQ Dubai Limited
Ecuador	-	Quito Stock Exchange and Guayaquil Stock Exchange;
Egypt	-	Cairo Stock Exchange and Alexandria Stock Exchange;
El Salvador	-	San Salvador Stock Exchange;
Estonia	-	Tallinn Stock Exchange;
Ghana	-	Ghana Stock Exchange;
Guatemala	-	Bolsa de Valores Nacional SA Guatemala;
Hungary	-	Budapest Stock Exchange;
Iceland	-	Reykjavik Stock Exchange;
India	-	Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabad Stock Exchange, Bangalore Stock Exchange, Cochin Stock

		Exchange, Guwahati Stock
		Exchange, Magadh Stock
		Exchange, Pune Stock
		Exchange, Hyderabad Stock
		Exchange, Ludhiana Stock
		Exchange, Uttar Pradesh Stock
		Exchange, Calcutta Stock
		Exchange and the National
		Stock Exchange of India;
Indonesia	-	Jakarta Stock Exchange and
		Surabaya Stock Exchange;
Israel	-	Tel Aviv Stock Exchange;
Ivory Coast	-	Abidjan Stock Exchange;
Jamaica	-	Jamaica Stock Exchange;
Jordan	-	Amman Stock Exchange;
Kazakhstan	-	Kazakhstan Stock Exchange;
Kenya	-	Nairobi Stock Exchange;
Korea	-	Korean Stock Exchange;
Kuwait	-	Kuwait Stock Exchange;
Kyrgystan	-	Bishkek Stock Exchange;
Latvia	-	Riga Stock Exchange;
Lebanon	-	Beirut Stock Exchange;
Macedonia	-	Macedonian Stock Exchange;
Malaysia	-	Kuala Lumpur Stock Exchange;
Malawi	-	Malawi Stock Exchange;
Mauritius	-	Stock Exchange of Mauritius;
Mexico	-	Bolsa Mexicana de Valores;
Moldova	-	Moldova Stock Exchange;
Mongolia	-	Mongolian Stock Exchange;
Morocco	-	Casablanca Stock Exchange;
Namibia	-	Namibian Stock Exchange;
New Guinea	-	Lae Stock Exchange;
Nigeria	-	Lagos Stock Exchange, Kaduna
		Stock Exchange and Port
		Harcourt Stock Exchange;
Oman	-	Muscat Securities Market;
Pakistan	-	Lahore Stock Exchange and
		Karachi Stock Exchange;
Papua New Guinea	-	Lae Stock Exchange;
Palestine	-	Palestine Stock Exchange;
Panama	-	Panama Stock Exchange;
Peru	-	Bolsa de Valores de Lima ;
Philippines	-	Philippines Stock Exchange;
Poland	-	Warsaw Stock Exchange;
Puerto Rico	-	San Juan Stock Exchange;
Qatar	-	Doha Stock Exchange;
Romania	-	Bucharest Stock Exchange;
Russia	-	Moscow Stock Exchange;

Saudi Arabia	-	Riyadh Stock Exchange;
Singapore	-	The Stock Exchange of Singapore;
Slovak Republic	-	Bratislava Stock Exchange;
Slovenia	-	Ljubljana Stock Exchange;
South Africa	-	Johannesburg Stock Exchange;
Sudan	-	Khartoum Stock Exchange;
Swaziland	-	Swaziland Stock Exchange;
Sri Lanka	-	Colombo Stock Exchange;
Taiwan	-	Taipei Stock Exchange Corporation;
Tanzania	-	Dar-es-Salaam Stock Exchange;
Thailand	-	The Stock Exchange of Thailand;
Trinidad & Tobago	-	The Trinidad & Tobago Stock Exchange;
Tunisia	-	Tunis Stock Exchange;
Turkey	-	Istanbul Stock Exchange;
Uganda	-	Uganda Securities Exchange;
Ukraine	-	Ukrainian Stock Exchange;
United Arab Emirates	-	Dubai Stock Exchange
Uruguay	-	Montevideo Stock Exchange;
Vietnam	-	Ho Chi Minh Exchange and Hanoi Stock Exchange;
Venezuela	-	Caracas Stock Exchange and Maracaibo Stock Exchange;
Zambia	-	Lusaka Stock Exchange;
Zimbabwe	-	Zimbabwe Stock Exchange;

(iii) any of the following:

The market organized by the International Capital Markets Association;

The UK market (i) conducted by banks and other institutions regulated by the UK Financial Conduct Authority (the FCA) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook; and (ii) in non-investment products which is subject to the guidance contained in the "Non-Investment Products Code" drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as the Grey Paper);

The "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Market in Sterling, Foreign Currency and Bullion" dated April, 1988 (as amended from time to time);

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 conducted by primary and secondary dealers regulated by the Securities and Exchange 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);

NYSE Euronext;

NASDAQ in the United States;

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

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;

The French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments); and

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

2. In relation to any derivatives contract used, any market or exchange on which such contract may be acquired or sold which is referred to in clause 1 (i), (ii) or (iii) above or which is in the European Economic Area, and/or is regulated, recognized, operates regularly, and is open to the public including the Korean Futures Exchange, the Singapore Monetary Exchange, MEFF, South Africa Futures Exchange (SAFEX) and TSX Group Exchange.

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## APPENDIX II

### INVESTMENT RESTRICTIONS APPLICABLE TO THE FUNDS

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The particular investment restrictions for each Fund will be formulated by the Directors at the time of the creation of the Fund and are set out in the section headed “Investment Objectives and Policies of the Funds” above.

Details of the investment restrictions laid down in accordance with the Central Bank's Rulebook, in respect of each Fund are set out below:

#### 1. Permitted Investments

Investments of a Fund are confined to:

- 1.1 Transferable Securities and Money Market Instruments which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognized and open to the public in an EU Member State or non-EU Member State.
- 1.2 recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money Market Instruments other than those dealt on a regulated market.
- 1.4 shares of UCITS.
- 1.5 shares of AIFs as set out in the Central Bank's Rulebook.
- 1.6 deposits with credit institutions as prescribed in the Central Bank's Rulebook.
- 1.7 financial derivative instruments as prescribed in the Central Bank's Rulebook.

#### 2. Investment Limits

- 2.1 A Fund may invest no more than 10% of net assets in Transferable Securities and Money Market Instruments other than those referred to in paragraph 1.
- 2.2 A Fund may invest no more than 10% of net assets in recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that:

- 2.2.1 the securities are issued with an undertaking to register with the US Securities and Exchange Commission within one year of issue; and
- 2.2.2 the securities are not illiquid securities i.e. they may be realized by a Fund within seven days at the price, or approximately at the price, at which they are valued by a Fund.
- 2.3 A Fund may invest no more than 10% of net assets in Transferable Securities or Money Market Instruments issued by the same body provided that the total value of Transferable Securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bondholders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
- 2.5 The limit of 10% (in 2.3) is raised to 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- 2.6 The Transferable Securities and Money Market Instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.6 A Fund may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than

- a credit institution authorized in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
- a credit institution authorized within a signatory state (other than an EEA Member State) to the Basel Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- a credit institution authorized in Jersey, Guernsey, the Isle of Man, Australia or New Zealand

held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the Depositary.

- 2.7 The risk exposure of a UCITS to a counterparty to an over-the-counter (OTC) derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorized in the EEA; a credit institution authorized within a signatory state (other than an EEA Member State) to the Basel



Capital Convergence Agreement of July 1988; or a credit institution authorized in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

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

2.8.1 investments in Transferable Securities or Money Market Instruments;

2.8.2 deposits, and/or

2.8.3 risk exposures arising from OTC derivatives transactions.

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

2.10 Group Companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in Transferable Securities and Money Market Instruments within the same group.

2.11 A Fund may invest up to 100% of net assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international bodies of which one or more EU Member States are members. The following are permitted issuers for the purposes of this investment restriction:

An OECD member country (provided it is of investment grade),  
Government of Brazil (provided the issues are of investment grade),  
Government of India (provided the issues are of investment grade),  
Government of Singapore,  
European Investment Bank,  
European Bank for Reconstruction and Development,  
International Finance Corporation,  
International Monetary Fund,  
Euratom,  
The Asian Development Bank,  
European Central Bank,  
Council of Europe,  
Eurofima,  
African Development Bank,  
International Bank for Reconstruction and Development (The World Bank),  
The Inter American Development Bank,  
European Union,  
Federal National Mortgage Association (Fannie Mae),  
Federal Home Loan Mortgage Corporation (Freddie Mac),  
Government National Mortgage Association (Ginnie Mae),  
Student Loan Marketing Association (Sallie Mae),  
Federal Home Loan Bank,  
Federal Farm Credit Bank,

Tennessee Valley Authority,  
Straight-A Funding LLC,  
Export-Import Bank.

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

### **3. Investment in Collective Investment Schemes (CIS)**

- 3.1 A Fund may not invest more than 10% of net assets in aggregate in shares or units of any other CIS.
- 3.2 The CIS must be prohibited from investing more than 10% of net assets in other CIS.
- 3.3 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Investment Managers or by any other company with which the Investment Managers or the Company is linked by common management or control, or by a substantial direct or indirect holding of more than 10% of the capital or votes, the Investment Managers or other company may not charge subscription, exchange or redemption fees on account of the Fund investment in the units of such other CIS. Moreover, in such a case, no management fee may be charged to the Fund's assets.
- 3.4 Where a commission (including a rebated commission) is received by the Investment Managers by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

### **4. Index Tracking UCITS**

- 4.1 A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of a Fund is to replicate an index which satisfies the criteria set out in the Central Bank's Rulebook and is recognized by the Central Bank.
- 4.2 The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

### **5. General Provisions**

- 5.1 The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Fund may acquire no more than:
  - 5.2.1 10% of the non-voting shares of any single issuing body;
  - 5.2.2 10% of the debt securities of any single issuing body;
  - 5.2.3 25% of the units of any single CIS;

5.2.4 10% of the Money Market Instruments of any single issuing body.

The limits laid down in 5.2.2, 5.2.3 and 5.2.4 above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

5.3 5.1 and 5.2 shall not be applicable to:

5.3.1 Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State or its local authorities;

5.3.2 Transferable Securities and Money Market Instruments issued or guaranteed by a non-EU Member State;

5.3.3 Transferable Securities and Money Market Instruments issued by public international bodies of which one or more EU Member States are members;

5.3.4 shares held by a UCITS in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;

5.3.5 shares held by an investment company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at shareholders' request exclusively on their behalf.

5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of their assets.

5.5 The Central Bank may allow recently authorized UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6 A Fund may not carry out uncovered sales or physical shorting of:

5.6.1 Transferable Securities;

5.6.2 Money Market Instruments;

5.6.3 units of CIS; or

5.6.4 financial derivative instruments.

5.7 A Fund may hold ancillary liquid assets.

**6. Financial Derivative Instruments (FDIs)**

6.1 A Fund may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to the OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.2 Position exposure to the underlying assets of FDIs, including embedded FDIs in Transferable Securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank's Rulebook. (This provision does not apply in the case of index-based FDIs provided the underlying index is one which meets with the criteria set out in the Central Bank's Rulebook.)

6.3 The UCITS global exposure (as prescribed in the Central Bank's Rulebook) relating to FDI must not exceed its total Net Asset Value.

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

It is intended that the Company should have the power to avail of any change in the law, regulations or guidelines which would permit investment in assets and securities on a wider basis.

The Company will not amend such investment restrictions except with the prior approval of the Irish Stock Exchange for as long as the Shares are listed on the Irish Stock Exchange.

Compliance with the investment restrictions noted above is measured at the time of purchase.

If the limits set forth above are exceeded for reasons beyond the control of the Investment Managers (such as market movements) or as a result of the exercise of subscription rights, the Company shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of Shareholders.

### APPENDIX III

<b>Fund</b>	<b>Share Class</b>
All Funds (except Wellington Emerging Local Debt Advanced Beta)	S
	D & N
	T
Wellington Global Bond, Wellington US Capital Appreciation Equity	R
Wellington Emerging Local Debt	NI
	NR
Wellington Emerging Local Debt, Wellington Global Health Care Equity, Wellington Global Credit Plus, Wellington Global Bond	G
Wellington Emerging Local Debt	GN
	GR
Wellington Global Bond	P
Wellington Emerging and Sovereign Opportunities	E
Wellington Global Quality Equity	J
Wellington Global Health Care Equity	K
Wellington Emerging Local Debt Advanced Beta	SB, SC

Each Share Class is available in each of the following Dealing Currencies:

US\$, Euro, GBP, CHF, JPY, A\$, NZ\$, S\$, C\$, NOK and SEK

Each Share Class in each Dealing Currency is available as both a Distributing Share Class and an Accumulating Share Class.

Each Share Class in each Dealing Currency in each Fund (save for Wellington Emerging Local Debt Advanced Beta) is available as both a Hedged Share Class and an unhedged Share Class. For Emerging Local Debt Advanced Beta the SB Share Class is only available as an unhedged US\$ Share Class and the SC Share Classes are only available in the above non US\$ Dealing Currencies with the share class level currency hedging transactions described in the section title “**Other Share Class Transactions**”.

Each Share Class in each Dealing Currency in each of the Fixed Income Funds (save for Wellington Emerging Local Debt Advanced Beta) of the Company is available as a Hedged Share Class established for the purposes of effecting interest rate risk hedging at the Share Class level.

The Minimum Initial Subscription and Minimum Holding Amounts are the following US\$ amounts or the equivalent to the US\$ amount in the Dealing Currency of the relevant Share Class.

S, T, NI, NR, G, E, J, K, SB, SC Share Classes – US\$ 5 million

D, N, GN, GR, R, P Share Classes – US\$ 5,000

The Initial Issue Price for each Share Class is 10 of the relevant Dealing Currency of that Share Class save for JPY Share Classes where the Initial Issue Price is JPY 10,000.

The Minimum Subsequent Subscription for each Share Class is US\$ 1,000 or the US\$ equivalent in the relevant Dealing Currency of that Share Class.