

# HEREFORD FUNDS

**Société d'investissement à capital variable incorporated in  
Luxembourg**

**PROSPECTUS**

**April 2019**

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No person is authorised to give any information other than that contained in the Prospectus and in documents referred to herein. The original English text of this Prospectus is the legal and binding version.

## HEREFORD FUNDS

### NOTE TO THE READERS

The main part of the Prospectus describes the nature of Hereford Funds (the "Fund"), presents its general terms and conditions and sets out its management and investment parameters which apply to the Fund as well as to the different Compartments that compose the Fund.

The investment policy of each Compartment, as well as its specific features, is described in the Appendix attached to this Prospectus.

The Directors of the Fund, whose names appear hereafter, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts as of the date of this Prospectus and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

The Shares are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or the Directors. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Fund, copies of which may be obtained free of charge from the registered office of the Fund.

The Fund is an open-ended investment company organised as a *Société d'Investissement à Capital Variable* (SICAV). The Fund is registered under Part I of the Law (as defined hereafter). The above registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Fund. Any representation to the contrary is unauthorised and unlawful.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Fund to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

**United States:** The Shares have not been registered under the United States Securities Act of 1933 (the "Securities Act"), and the Fund has not been registered under the United States Investment Company Act of 1940 (the "Investment Company Act"). The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to U.S. Persons (as defined in Regulation S under the Securities Act), nor to any U.S. Specified Person (as defined in the Foreign Account Tax Compliance Act of 2010 ("FATCA")). Neither the Shares nor any interest therein may be beneficially owned by any other U.S. Person or, if appropriate, by any other U.S. Specified Person. The Fund's articles of incorporation (the "Articles of Incorporation") restrict the sale and transfer of Shares to U.S. Persons or

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to U.S. Specified Persons and the Fund may repurchase Shares held by a U.S. Person or by a U.S. Specified Person or refuse to register any transfer to a U.S. Person or to a U.S. Specified Person as it deems appropriate to assure compliance with the Securities Act and the Investment Company Act (see under "SUBSCRIPTIONS" below).

**Generally:** the above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

For further information, please refer to the Table of Contents on page 5 of this Prospectus. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant or other professional adviser.

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general Shareholders' meetings if the investor is registered himself and in his own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

### **Data Protection**

The Fund (the "Controller") processes information relating to several categories of identified or identifiable natural persons (including, in particular but not only, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) who are hereby referred to as the "Data Subjects". This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controller directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "Data".

Detailed and updated information regarding this processing of Data by the Controller is contained in a privacy notice (the "Privacy Notice"). All persons contacting, or otherwise dealing directly or indirectly with, any of the Controller or its service providers are invited to obtain and take the time to carefully consider and read the Privacy Notice.

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to the registered office of the Fund for the attention of the Board.

### **Obtaining and accessing the Privacy Notice**

The Privacy Notice is available on the website [www.herefordfunds.com](http://www.herefordfunds.com) (a paper copy shall be made available free of charge upon request).

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The Privacy Notice notably sets out and describes in more detail:

- the legal basis for processing; and where applicable the categories of Data processed, from which source the Data originate, and the existence of automated decision-making, including profiling;
- that Data will be disclosed to several categories of recipients; that certain of these recipients (the “Processors”) are processing the Data on behalf of the Controller; that the Processors include the majority of the service providers of the Controllers; and that Processors shall act as processors on behalf of the Controller and may also process Data as controllers for their own purposes;
- that Data will be processed by the Controller and the Processors for several purposes (the “Purposes”) and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investment and interest in the Fund, (ii) enabling the Processors to perform their services for the Fund, and (iii) complying with legal, regulatory and/or tax (including FATCA/CRS) obligations;
- that Data may, and where appropriate will, be transferred outside of the European Economic Area, including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;
- that any communication (including telephone conversations) (i) may be recorded by the Controller and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- that failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the Fund;
- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;
- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

All persons contacting, or otherwise dealing directly or indirectly with, any of the Controller or its service providers, will likely be requested to formally acknowledge, agree, accept, represent, warrant and/or undertake (where applicable) that they have obtained and/or have been able to access the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controller; that they may be notified of any change to or update of the Privacy Notice by any means that the Controller deem appropriate, including by public announcement; that they have authority to provide, or to cause or allow the provision, to the Controller any Data relating to third-party natural persons that they provide, or cause or allow the provision, to the Controller; that, if necessary and appropriate, they are required to obtain the (explicit) consent of the relevant third-party natural persons to such processing; that these third-party natural persons have been informed of the processing by the Controller of the Data as described herein and their related rights; that these third-party natural persons have been informed of, and provided with, easy access to the Privacy Notice; that when notified of a change or update of the Privacy Notice they will continue this change or

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update to these third-party natural persons; that they and each of these third-party natural persons shall abide by any limitation of liability provision contained in the Privacy Notice; and that they shall indemnify and hold the Controller harmless for and against adverse consequences arising from any breach of the foregoing.

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## HEREFORD FUNDS

### MANAGEMENT AND ADMINISTRATION

**Registered Office:** 15, Avenue John F Kennedy, L-1855 Luxembourg

**Board of Directors:**

**Chairman** Mr Anthony Galliers-Pratt  
Managing Partner  
Hereford Funds Advisory S.à r.l.  
8, Boulevard Royal, L-2449 Luxembourg

**Directors** Mr Jérôme Wigny  
Partner  
Elvinger Hoss Prussen, *société anonyme*  
2, Place Winston Churchill, L-2014 Luxembourg

Mr Yves de Vos  
Chairman VHC Capital Management S.A.  
25, Op der Heckmill, L-6783 Grevenmacher

Mr Mark Henderson  
Managing Partner  
Hereford Funds Advisory S.à r.l.  
8, Boulevard Royal, L-2449 Luxembourg

Mr Enrico Mela  
Independent Director  
79, rue du Kiem, L-8030 Strassen

**Management Company:** FundPartner Solutions (Europe) S.A.  
15, Avenue John F Kennedy, L-1855 Luxembourg

**Advisory Company:** Hereford Funds Advisory S.à r.l.  
8, Boulevard Royal, L-2449 Luxembourg

**Depositary Bank:** Pictet & Cie (Europe) S.A.  
15A, Avenue John F Kennedy, L-1855 Luxembourg

**Central Administration:** FundPartner Solutions (Europe) S.A.  
15, Avenue John F Kennedy, L-1855 Luxembourg

**Investment Managers:** DSM Capital Partners LLC  
7111 Fairway Drive, Suite 350, Palm Beach  
Gardens, FL 33418

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Dalton, Greiner, Hartman, Maher & Co., LLC  
565 Fifth Avenue, Suite 2101, New York  
NY 10017

Firth Investment Management Pte. Ltd  
160 Robinson Road  
#10-06 SBF Center  
Singapore 068914

Bin Yuan Capital  
Room 907, Bldg. A,  
No. 2389 Zhangyang Road,  
Pudong District, Shanghai, 200135, China

**Auditor of the Fund:**

Deloitte Audit S.à r.l.  
560, route de Neudorf, L-2220 Luxembourg

**Legal Advisers in Luxembourg:**

Elvinger Hoss Prussen, *société anonyme*  
2, Place Winston Churchill, L-1340 Luxembourg

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### LEGAL STATUS

Hereford Funds is an open-end investment fund with multiple compartments ("*société d'investissement à capital variable*" (SICAV) *à compartiments multiples*) governed by Part I of the law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time (the "Law").

The Fund was incorporated for an indefinite period on 23 November 2007, with an initial capital of USD 50,000. Any amendments to its Articles of Incorporation will be deposited with the *Registre de Commerce et des Sociétés* of Luxembourg and published in the RESA. The Fund is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 134375.

The Fund's capital shall at all times be equal to the value of its total net assets. The minimum capital required by law (EUR 1,250,000 or its equivalent) must be reached within a period of six months following registration of the Fund by the supervisory authorities on the official list of undertakings for collective investment.

### INVESTMENT OBJECTIVES AND FUND STRUCTURE

The purpose of the Fund is to offer investors access to a world-wide selection of markets and a variety of investment techniques via a range of specialised products divided into several compartments ("Compartments") included under a same and single structural umbrella.

The investment policy implemented in the various Compartments shall be laid down by the Board of Directors. A broad spread of risks will be achieved by diversifying investments over a large number of securities. The selection of securities will not be limited - except under the terms of the restrictions specified in the section "Investment Restrictions" below - as regards geographical area or economic consideration, nor as regards the type of investment of securities.

The Board of Directors is entitled to create new Compartments. A list of those Compartments in existence at present, together with a description of their investment policy and main features, is attached as an Appendix to this Prospectus.

This Appendix forms an integral part of this Prospectus and will be updated whenever new Compartments are created.

Each time that the word "primarily" is used in the description of the investment objective of a Compartment of the Fund, this means that at least two thirds of the assets of the relevant Compartment are directly invested in the currency, the country, the type of security or other material element set out in the Compartment's investment objective.

### ORGANISATION OF MANAGEMENT AND ADMINISTRATION

#### Directors

Mr Anthony Galliers-Pratt, Managing Partner, Hereford Funds Advisory S.à r.l.

Mr Jérôme Wigny, Partner, Elvinger Hoss Prussen, *société anonyme*

Mr Yves de Vos, President, VHC Capital Management S.A.

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Mr Mark Henderson, Managing Partner, Hereford Funds Advisory S.à r.l.  
Mr Enrico Mela, Independent Director

The Board of Directors is responsible for the overall management and control of the Fund.

### **Management Company**

FundPartner Solutions (Europe) S.A. was appointed by the Board of Directors as the Management Company of the Fund in accordance with the provisions of the management company agreement effective as of 15 January 2018 for an undetermined period and pursuant to which the Board of Directors delegates, under its sole control, the investment management, administration and marketing functions to the Management Company. This agreement may be terminated by each party by a three months' prior notice.

FundPartner Solutions (Europe) S.A. was incorporated as a *société anonyme* (limited company) under Luxembourg law for an indefinite period on 17 July 2008, under the former denomination Funds Management Company S.A. Its fully paid-up capital is CHF 6,250,000 at the date of this Prospectus. FundPartner Solutions (Europe) S.A. is fully owned by the partners of Pictet & Cie, Geneva.

The corporate object of the Management Company consists, inter alia, in the management (within the meaning of Article 101 of the 2010 Law) of one or several undertakings for collective investment in transferable securities authorised according to the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended (the "UCITS Directive") as well as, as the case may be, of one or more undertakings for collective investment not subject to such directive.

The Management Company has adopted various procedures and policies in accordance with Luxembourg laws and regulations (including but not limited to CSSF regulation 10-04 and CSSF circular 12/546). Shareholders may, in accordance with Luxembourg laws and regulations, obtain a summary and/or more detailed information on such procedures and policies upon request and free of charge.

For its services, the Fund will pay an annual management company fee to the Management Company, amounting to a maximum percentage of the net asset value (the "Net Asset Value") of the Classes of Shares of the Compartments, as agreed from time to time separately in writing between the Fund and the Management Company.

The Management Company has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Fund, that are consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company or with the Articles of Incorporation and which do not interfere with the obligation of the Management Company to act in the best interests of the Fund.

The Management Company remuneration policy, procedures and practices are designed to be consistent and promote sound and effective risk management. It is designed to be consistent with the Management Company's business strategy, values and interests, and long-term integrity of its clients, as well as those of the wider Pictet Group.

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The Management Company remuneration policy, procedures and practices also (i) include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and (ii) appropriately balance fixed and variable components of total remuneration.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, individuals responsible for awarding the remuneration and benefits, including, as the case may be, the composition of the remuneration committee, are available at <https://www.group.pictet/fr/asset-services/fundpartner-solutions>. A paper copy is made available free of charge upon request at the Management Company's registered office.

FundPartner Solutions (Europe) S.A. also performs the functions and duties of administrative agent, paying agent, registrar and transfer agent and domiciliary agent for the Fund.

As registrar and transfer agent, FundPartner Solutions (Europe) S.A. is primarily responsible for ensuring the issue, conversion and redemption of shares and maintaining the register of shareholders of the Fund.

As administrative agent and paying agent, FundPartner Solutions (Europe) S.A. is responsible for calculating and publishing the Net Asset Value of the Fund pursuant to the law and the Articles of Incorporation and for performing administrative and accounting services for the Fund as necessary.

As Domiciliary Agent, FundPartner Solutions (Europe) S.A. is primarily responsible for receiving and keeping safely any and all notices, correspondence, telephonic advice or other representations and communications received for the account of the Fund, as well as for providing such other facilities as may from time to time be necessary in the course of the day-to-day administration of the Fund.

The administrative agent, registrar and transfer agent, paying agent and domiciliary agent is remunerated in accordance with customary practice in the Luxembourg financial market. Such remuneration is expressed as a percentage of the Fund's net assets and paid on a quarterly basis.

### **Advisory Company**

The Management Company has appointed Hereford Funds Advisory S.à r.l. as its adviser (the "Advisory Company") to be responsible for providing advisory and administration services to the Fund.

The Advisory Company was organised as a *société à responsabilité limitée* under the laws of the Grand-Duchy of Luxembourg by notarial deed dated 11 October 2007, published in the *Mémorial* on 27 November 2007. The Articles of the Advisory Company are deposited with the *Registre de Commerce et des Sociétés* of Luxembourg (where they may be inspected and copies may be obtained). The Advisory Company has been incorporated for an undetermined period. Its registered and principal office is at 8, boulevard Royal, L-2449 Luxembourg. The Advisory Company is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 133051.

The issued and fully paid capital of the Advisory Company is EUR 12,500 represented by 1,250 Shares of a par value of EUR 10 each.

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### **Depository Bank**

Pictet & Cie (Europe) S.A. has been designated as depository for the Fund pursuant to a depository agreement entered into as from 15 January 2018 for an indefinite period.

Pictet & Cie (Europe) S.A. is a credit institution established in Luxembourg, whose registered office is situated at 15A, avenue J.F. Kennedy, L-1855 Luxembourg, and which is registered with the Luxembourg register of commerce and companies under number B 32060. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended.

On behalf of and in the interests of the Fund's shareholders, as depository agent (hereinafter the "Depository Bank"), Pictet & Cie (Europe) S.A. is in charge of (i) the safekeeping of cash and securities comprising the Fund's assets, (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as agreed from time to time and reflected in the depository agreement.

### **Duties of the Depository Bank**

The Depository Bank is entrusted with the safekeeping of the Fund's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depository Bank or, to the extent permitted by applicable laws and regulations, through every third-party custodian/sub-custodian providing, in principle, the same guarantees as the Depository Bank itself, i.e. for Luxembourg institutions to be a credit institution within the meaning of the law of 5 April 1993 on the financial sector or for foreign institutions, to be a financial institution subject to the rules of prudential supervision considered as equivalent to those provided by EU legislation. The Depository Bank also ensures that the Fund's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Fund has been booked in the cash account in the name of (i) the Fund, (ii) the Management Company on behalf of the Fund or (iii) the Depository Bank on behalf of the Fund.

The Depository Bank must notably:

- (i) perform all operations concerning the day-to-day administration of the Fund's securities and liquid assets, e.g. pay for securities acquired against delivery, deliver securities sold against collection of their price, collect dividends and coupons and exercise subscription and allocation rights;
- (ii) ensure that the value of the shares of the Fund is calculated in accordance with Luxembourg law and the Articles of Incorporation;
- (iii) to carry out the instructions of the Management Company, unless they conflict with Luxembourg law or the Articles of Incorporation;
- (iv) ensure that proceeds are remitted within the usual time limits for transactions relating to the Fund's assets;
- (v) ensure that shares are sold, issued, redeemed or cancelled by the Fund or on its behalf in accordance with Luxembourg law in force and the Articles of Incorporation;

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- (vi) ensure that the Fund's income is allocated in accordance with Luxembourg law and the Articles of Incorporation.

The Depositary Bank regularly provides the Fund and its Management Company with a complete inventory of all assets of the Fund.

### **Delegation of functions**

Pursuant to the provisions of the depositary agreement the Depositary Bank may, subject to certain conditions and in order to more efficiently conduct its duties, delegates part or all of its safekeeping duties over the Fund's assets including but not limited to holding assets in custody or, where assets are of such a nature that they cannot be held in custody, verification of the ownership of those assets as well as record-keeping for those assets, to one or more third-party delegates appointed by the Depositary Bank from time to time.

The Depositary Bank shall exercise care and diligence in choosing and appointing the third-party delegates so as to ensure that each third-party delegate has and maintains the required expertise and competence. The Depositary and Paying Agent Services Agreement shall also periodically assess whether the third-party delegates fulfil applicable legal and regulatory requirements and will exercise ongoing supervision over each third-party delegate to ensure that the obligations of the third-party delegates continue to be competently discharged. The fees of any third-party delegate appointed by the Depositary Bank shall be paid by the Company.

The liability of the Depositary Bank shall not be affected by the fact that it has entrusted all or some of the Fund's assets in its safekeeping to such third-party delegates.

In case of a loss of a financial instrument held in custody, the Depositary Bank shall return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay, except if such loss results from an external event beyond the Depositary Bank's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

An up-to-date list of the appointed third-party delegates is available upon request at the registered office of the Depositary Bank and is available at the website of the Depositary Bank:

[http://www.pictet.com/corporate/fr/home/asset\\_services/custody\\_services/sub-custodians.html](http://www.pictet.com/corporate/fr/home/asset_services/custody_services/sub-custodians.html).

### **Conflicts of interests**

In carrying out its functions, the Depositary Bank shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and the investors of the Fund.

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary Bank and/or its delegates of other services to the Fund, the Management Company and/or other parties. As indicated above, Depositary Bank's affiliates are also appointed as third-party delegates of the Depositary Bank. Potential conflicts of interest which have been identified between the Depositary Bank and its delegates are mainly fraud (unreported irregularities to the competent authorities to avoid bad reputation), legal recourse risk (reluctance or avoidance to take legal steps against the depositary), selection bias (the

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choice of the depositary not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the depositary's solvency) or single group exposure risk (intragroup investments).

The Depositary Bank (or any of its delegates) may in the course of its business have conflicts or potential conflicts of interest with those of the Fund and/or other funds for which the Depositary Bank (or any of its delegates) acts.

The Depositary Bank has pre-defined all kind of situations which could potentially lead to a conflict of interest and has accordingly carried out a screening exercise on all activities provided to the Fund either by the Depositary Bank itself or by its delegates. Such exercise resulted in the identification of potential conflicts of interest that are however adequately managed. The details of potential conflicts of interest listed above are available free of charge from the registered office of the Depositary Bank and on the following website:

[https://www.group.pictet/corporate/fr/home/asset\\_services/custody\\_services/sub-custodians.html](https://www.group.pictet/corporate/fr/home/asset_services/custody_services/sub-custodians.html).

On a regular basis, the Depositary Bank re-assesses those services and delegations to and from delegates with which conflicts of interest may arise and will update such list accordingly.

Where a conflict or potential conflict of interest arises, the Depositary Bank will have regard to its obligations to the Fund and will treat the Fund and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which shall be based on objective pre-defined criteria and meet the sole interest of the Fund and the investors of the Fund. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of Depositary Bank's depositary functions from its other potentially conflicting tasks and by the Depositary Bank adhering to its own conflicts of interest policy.

The Depositary Bank or the Fund may terminate the Depositary's duties at any time, by giving at least three months' written notice to the other party; provided, however, that any decision by the Company to end the Depositary's appointment is subject to another custodian bank taking on the duties and responsibilities of the Depositary, and provided further that, if the Company terminates the Depositary's duties, the Depositary will continue to perform its duties until Depositary has been relieved of all the Company's assets that it held or had arranged to be held on behalf of the Company. Should the Depositary itself give notice to terminate the contract, the Company will be required to appoint a new custodian bank to take over the duties and responsibilities of the Depositary; provided, however, that, as of the date when the notice of termination expires and until a new depositary bank is appointed by the Company, the Depositary will only be required to take any necessary measures to safeguard the best interests of shareholders.

Up-to-date information regarding the description of the Depositary's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation will be made available to investors on request at the Depositary's registered office.

The Depositary is remunerated in accordance with customary practice in the Luxembourg financial market. Such remuneration is expressed as a percentage of the Company's net assets and paid on a quarterly basis.

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### **Investment Managers**

The Board of Directors of the Fund is responsible for the determination of the investment policy of the Fund and of the different Compartments.

The Investment Managers appointed by the Management Company with the consent of the Board of Directors for the day-to-day management of the Compartments' assets are indicated in the Appendix.

The ultimate responsibility of the management of each Compartment belongs to the Board of Directors of the Fund.

The Investment Managers may, subject to applicable rules and regulations, enter with broker-dealers that are entities and not individuals into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including the Compartment, and where the Investment Managers are satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interest of the Compartment. Any such arrangement must be made by the Investment Managers on terms commensurate with best market practice. The use of soft commissions shall be disclosed in the periodic reports.

## **RIGHTS OF THE SHAREHOLDERS**

### **Shares**

The Shares in each Compartment are only issued in registered form, with no par value and fully paid-up. The issuance of fractions of Shares to a maximum of three decimal places is permitted. No certificates will be issued. All owners of the Shares will have their names entered into the shareholders' register (the "Shareholders' Register"). Shares repurchased by the Fund shall be cancelled.

Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Compartment to which they pertain.

Each Share gives right to one vote. Fractional Shares do not, however, possess voting rights. Shareholders are also entitled to the general Shareholder rights as described in the Luxembourg law dated 10 August 1915 and its subsequent amendments, with the exception of pre-emption rights to subscribe to new Shares.

Shareholders will only receive confirmation that their names have been recorded in the Shareholders' Register.

### **Classes of Shares**

The Appendix to this Prospectus lists the available Classes of Shares. The Board of Directors may, at any time, decide to create additional Classes. Investors should consult the Fund in order to ascertain if a given Class of Shares is open to subscriptions.

The rules relating to the calculation of a Net Asset Value per Compartment apply, *mutatis mutandis*, to the calculation of a Net Asset Value per Class.

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The subscription price for Shares in each Class is invested in the assets of the relevant Compartment. In principle, all assets and liabilities related to a specific Class of Shares are allocated to that Class. To the extent that costs and expenses are not directly chargeable to a specific Class, they shall be shared out proportionally among the various Compartments according to their Net Asset Values or, if circumstances warrant it, allocated on an equal footing to each Compartment. The assets of a specific Compartment will only meet the liabilities, commitments and obligations relating to such Compartment.

### **Minimum Subscription and Minimum holding**

The Board of Directors may impose a minimum subscription and minimum holding requirement for each registered Shareholder in the different Compartments and/or different Classes within each Compartment as set out in the Appendix. The Board of Directors may also impose subsequent minimum subscription requirements. It may decide to waive at its discretion any minimum subscription, minimum holding and subsequent minimum subscription amounts.

The Board of Directors shall not give effect to any transfer of Shares in the register as a consequence of which an investor will not meet the minimum holding requirement referred to in the Appendix.

If, as a result of a redemption request, the value of any holding decreases below the minimum set out in the Appendix, then such request may be treated as a request for redemption of the entire holding.

### **General Meetings of Shareholders**

The Annual General Meeting of Shareholders shall be held each year at the Fund's registered office or at any other location in Luxembourg which will be specified in the convening notice to the meeting.

The Annual General Meeting shall be held on the third Wednesday of January or, if this happens to be an official holiday in Luxembourg, on the next working day thereafter.

If permitted by and under the conditions set forth in Luxembourg laws and regulations, the Annual General Meeting of Shareholders may be held at a date, time or place other than those set forth in the preceding paragraphs, that date, time or place to be decided by the Board of Directors.

Convening notices shall be sent to all registered Shareholders at least 8 days prior to the Annual General Meeting. These notices shall include details of the time and place of the Meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as laid down by Luxembourg law.

In accordance with the Fund's Articles of Incorporation and Luxembourg law, all decisions taken by the Shareholders pertaining to the Fund shall be taken at the General Meeting of all Shareholders. Any decisions affecting Shareholders in one or several Compartments may be taken by just those Shareholders in the relevant Compartments to the extent that this is allowed by law. In this particular instance, the requirements on quorum and majority voting rules as laid down in the Articles of Incorporation shall apply.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any General Meeting of Shareholders may provide that the quorum and the majority at this General Meeting shall be determined according to the Shares issued and outstanding at midnight the fifth day preceding the General Meeting (the

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"Record Date"), whereas the right of a Shareholder to attend a General Meeting of Shareholders and to exercise the voting rights attaching to his/her/its Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

### SUBSCRIPTIONS

Subscriptions for Shares in each Compartment shall be accepted at the issue price, as defined hereunder in the paragraph "Issue Price", at the office of the Central Administration as well as at any other intermediaries authorised to do so by the Fund.

The Board of Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Compartment pursuant to its investment policy and restrictions. Any such contribution in kind will be valued in an auditor's report drawn up in accordance with the requirements of Luxembourg law and the costs of which shall be borne by the investor.

Subscription requests must be received by the Central Administration by no later than such time as specified in the relevant Appendix. At the time of placement of the order by the investor, the Net Asset Value per share of the relevant Compartment or Class of Shares will thus be unknown ("forward pricing"). At the level of the sales agencies or intermediaries, whether in Luxembourg or abroad, earlier cut-off times for receipt of orders may be applied to ensure timely forwarding of the orders to the Central Administration of the Fund. These earlier cut-off times can be obtained from the respective sales agencies or intermediaries.

For any subscription received by the Central Administration after the time specified in the relevant Appendix, the Net Asset Value applicable will be the Net Asset Value as calculated as of the following Valuation Day (as defined for each Compartment in the relevant Appendix).

The amount for the issue price shall be paid or transferred into the account of the Depositary Bank, to the order of Hereford Funds with reference to the Compartment(s) or Class(es) of Shares concerned no later than in the period of time specified in the relevant Appendix. If the issue price is not paid or transferred in the reference currency of the relevant Class of Shares of the Compartment but in any another freely convertible currency, the Depositary will, at the risks and cost of the investor, proceed to the foreign exchange transaction in order to convert the monies received in the reference currency of the relevant Class of Shares being subscribed.

#### Institutional Investors

As detailed in the Appendix, the sale of Shares of certain Classes of Shares may be restricted to institutional investors within the meaning of the Law, as interpreted by guidelines or recommendations issued by Luxembourg supervisory authorities ("Institutional Investors") and the Fund will not issue or give effect to any transfer of Shares of such Classes to any investor who may not be considered an Institutional Investor.

The Fund may, at its discretion, delay the acceptance of any subscription for Shares of a Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor.

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### Ineligible Applicants

The Fund requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, he is able to acquire and hold Shares without violating applicable laws and that he fulfils any eligibility requirements in relation to such Shares as detailed in the Appendix for each Compartment.

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

Subject as mentioned above, Shares are freely transferable. The Directors may refuse to register a transfer which would result in (i) a breach of the applicable sale and transfer restrictions (including not fulfilling the relevant eligibility requirements of a Class of Shares), or (ii) either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares in a Compartment valued at less than the minimum holding requirement.

The Fund will require from each registered Shareholder acting on behalf of other investors that any assignment of rights to Shares be made in compliance with applicable securities laws in the jurisdictions where such assignment is made and that in unregulated jurisdictions such assignment be made in compliance with the applicable sale and transfer restrictions and minimum holding requirement.

### Legislation against money laundering

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, and circulars of the supervising authority, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556 and 15/609 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from occurrences of money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the register and transfer agent, as delegate of the Fund, may request any other information that the Fund may require in order to comply with its legal and regulatory obligations, including but not limited to the above mentioned laws and regulations, the CRS Law and the FATCA Law.

In case of delay or failure by an applicant to provide the documents required, the subscription request will not be accepted and in the event of redemption, payment or redemption proceeds delayed. Neither the undertakings for collective investment nor the registrar agent will be held responsible for said delay or for failure to process deals resulting from not providing documentation or providing incomplete documentation.

From time to time, Shareholders may be asked to supply additional or updated identification documents in accordance with clients' ongoing due diligence obligations according to the relevant laws and regulations.

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### ISSUE PRICE

The issue price for Shares in each Compartment is based on the Net Asset Value of each Share in that Compartment, calculated on the relevant Valuation Day, rounded to the second decimal.

In relation to Class D, a subscription fee of up to 5% of the subscription proceeds (representing up to 5.26% of the net assets value of the Shares being subscribed) may be charged for the benefit of distributors and other financial intermediaries.

This issue price may also be increased to cover any duties, taxes and stamp duties, which may have to be paid.

### REDEMPTIONS

Shareholders are entitled at any time to redeem all or part of their Shares at the redemption price as defined in paragraph "Redemption Price" below, by addressing an irrevocable application for redemption to the Central Administration, or other authorized intermediaries.

Redemption requests must be received by the Central Administration by no later than such time as specified in the relevant Appendix. At the time of placement of the order by the investor, the Net Asset Value per share of the relevant Compartment or Class of Shares will thus be unknown ("forward pricing"). At the level of the sales agencies or intermediaries, whether in Luxembourg or abroad, earlier cut-off times for receipt of orders may be applied to ensure timely forwarding of the orders to the Central Administration of the Fund. These earlier cut-off times can be obtained from the respective sales agencies or intermediaries.

For any request for redemption received by the Central Administration after the time specified in the relevant Appendix, the Net Asset Value applicable will be the Net Asset Value as calculated as of the following Valuation Day.

If, because of applications for redemption or conversion, it is necessary on a given Valuation Day to repurchase or convert more than 10% of the Shares issued in a particular Compartment, the Board of Directors may decide that redemptions or conversions have to be postponed to the next Valuation Day for that Compartment. On that Valuation Day, applications for redemption or conversion which had been postponed (and not withdrawn) shall be given priority over applications for redemption or conversion received in relation to that Valuation Day (and which had not been postponed).

The proceeds from the Shares presented for redemption shall be paid by transfer in the currency indicated by the investors no later than in the period of time specified in the relevant Appendix (see paragraph "Redemption Price" below). If the currency indicated by the investor is different from the reference currency of the Compartment concerned, the Depositary will at risks and cost of the investor, proceed to the foreign exchange transaction in order to convert the redemption proceeds into the reference currency requested by the investor.

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### Compulsory Redemptions

The Directors have the right to require the compulsory redemption of all Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under "Subscriptions". The Fund also reserves the right to require compulsory redemption of all Shares held by a Shareholder in a Compartment if the Net Asset Value of the Shares held in such Compartment by the Shareholder is less than the applicable minimum holding requirement, as specified in the Appendix.

Shareholders are required to notify the Management Company immediately if at any time they become US Persons or hold Shares for the account or benefit of US Persons.

When the Directors become aware that a Shareholder (A) is a US Person or is holding Shares for the account or benefit of a US Person; (B) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Fund or its Shareholders; or (C) has failed to provide any information or declaration required by the Directors within ten days of being requested to do so, the Directors will either (i) direct such Shareholders to redeem or to transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares.

If it appears at any time that a holder of Shares of a Class restricted to Institutional Investors is not an Institutional Investor or that a holder of Shares does not fulfil the eligibility requirements for the relevant Class of Shares, the Fund will either redeem the relevant Shares in accordance with the above provisions or convert such Shares into Shares of a Class which is not restricted to Institutional Investors or into a Class of Shares for which the holder of Shares fulfils the eligibility requirements (provided there exists such a Class with similar characteristics) and notify the relevant Shareholder of such conversion.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem his Shares pursuant to the above provisions shall indemnify and hold harmless the Management Company, each of the Directors, the Fund, the Depositary Bank, the Central Administration Agent, the Advisory Company, the Investment Managers and the Shareholders of the Fund (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

### **REDEMPTION PRICE**

The redemption price for Shares in each Compartment is based on the Net Asset Value of each Share in that Compartment as calculated on the first Valuation Day after the application for redemption has been received by the Fund, rounded to the second decimal.

No redemption fee shall be charged.

The repurchase price may also be reduced to cover any duties, taxes and stamp duties which might have to be paid.

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The redemption price could be higher or lower than the subscription price paid, depending on the variation of the Net Asset Value during that interval.

### CONVERSION

Any Shareholder may request the conversion of all or part of his Shares in one Compartment into Shares of another Compartment, subject to the restrictions defined in the Appendix, on the basis of the respective Net Asset Values as calculated on the Valuation Day of the Compartments. A conversion fee of up to 1% may be charged for the benefit of distributors and other financial intermediaries.

Conversion requests must be received by the Central Administration by no later than such time as specified in the relevant Appendix. At the time of placement of the order by the investor, the Net Asset Value per share of the relevant Compartments or Classes of Shares will thus be unknown ("forward pricing"). On the level of the sales agencies or intermediaries, whether in Luxembourg or abroad, earlier cut-off times for receipt of orders may be applied to ensure timely forwarding of the orders to the Central Administration of the Fund. These earlier cut-off times can be obtained from the respective sales agencies or intermediaries.

For any conversion requests received by the Central Administration after the time indicated in the relevant Appendix, the Net Asset Value applicable will be the Net Asset Value as calculated as of the following Valuation Day.

The above provisions apply, *mutatis mutandis*, to conversions between Classes of Shares.

### MARKET TIMING & LATE TRADING

Investors are informed that the Board of Directors is entitled to take adequate measures in order to prevent practices known as "Market-Timing" in relation to investments in the Fund. The Board of Directors of the Fund will also ensure that the relevant cut-off time for requests for subscription, redemption and conversion are strictly complied with and will therefore take adequate measures to prevent practices known as "Late Trading".

The Board of Directors of the Fund is entitled to reject requests for subscription and conversion in the event that it has knowledge or suspicions of the existence of Market Timing practices. In addition, the Board of Directors is authorised to take any further measures deemed appropriate to prevent Market Timing to take place.

### CALCULATION OF THE NET ASSET VALUE

The Net Asset Value as well as issue, redemption and conversion prices for Shares are calculated by the Central Administration for each Compartment in the reference currency of the Compartment on the basis of the latest available prices, at intervals which may vary for each Compartment and are specified in the Appendix.

The Net Asset Value of a Share in each Compartment will be calculated by dividing the net assets of that Compartment by the total number of Shares outstanding of that Compartment. The net assets of a Compartment correspond to the difference between the total assets and the total liabilities of the Compartment.

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The Fund's total net assets will be expressed in US Dollars and correspond to the difference between the total assets and the total liabilities of the Fund. In order to calculate this value, the net assets of each Compartment will, unless they are already expressed in US Dollars, be converted into US Dollars, and added together.

The assets of the Fund shall be valued as follows:

- Securities and/or financial derivative instruments admitted to official listing on an official stock exchange or traded on any other organised market will be valued at the last available price, unless such a price is not deemed to be representative of their fair market value;
- Securities not listed on stock exchanges or not traded on any regulated market and securities with an official listing for which the last available price is not representative of a fair market value will be valued, prudently and in good faith, on the basis of their estimated sale prices;
- Cash and other liquid assets will be valued at their face value with interest accrued;
- Financial derivative instruments which are not listed on a regulated market will be valued in a reliable and verifiable manner on a daily basis, in accordance with market practice;
- Swaps are valued at their fair value based on the underlying securities (at close of business or intraday) as well as on the characteristics of the underlying commitments, interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve;
- Liquid assets and money market instruments may be valued at market value plus any accrued interest or on an amortised cost basis as determined by the board of directors. All other assets, where practice allows, may be valued in the same manner;
- The units/shares of undertakings for collective investment will be valued on the basis of the last known Net Asset Value.

In the event that the above mentioned calculation methods are inappropriate or misleading, the board of directors may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Fund if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments.

For each Compartment, securities whose value is expressed in a currency other than the reference currency of that Compartment will be converted into that reference currency at the average rate between the last available buy/sell rate in Luxembourg or, failing that, in a financial centre, which is most representative for those securities.

The Board of Directors is entitled to adopt any other appropriate principles for valuing the Fund's assets in the event that extraordinary circumstances make it impracticable or inappropriate to determine the values according to the criteria specified above.

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In cases when applications for subscription or redemption are sizeable, the Board of Directors may assess the value of the Share on the basis of rates during the trading session on the stock exchanges or markets during which it was able to buy or sell the necessary securities for the Fund. In such cases, a single method of calculation will be applied to all applications for subscription or redemption received at the same time.

### **SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES**

The calculation of the Net Asset Value or the issue, redemption and conversion prices of Shares in one or more Compartments may be suspended in the following circumstances:

- During any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Compartment for the time being are quoted, is closed, or during which dealings are substantially restricted or suspended;
- During the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Compartment by the Fund is not possible;
- During any period when the determination of the net asset value per share of the underlying funds or the dealing of their shares/units in which a Compartment is a materially invested is suspended or restricted;
- During any breakdown in the means of communication normally employed in determining the price of any of the relevant Compartment's investments or the current prices on any market or stock exchange;
- During any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Compartment's investments is not possible;
- From the date on which the Board of Directors decides to liquidate or merge one or more Compartment(s) or Class of Shares or in the event of the publication of the convening notice to a general meeting of Shareholders at which a resolution to wind up or merge the Fund or one or more Compartment (s) or Class of Shares is to be proposed; or
- During any period when in the opinion of the Board of Directors of the Fund there exist circumstances outside the control of the Fund where it would be impracticable or unfair towards the Shareholders to continue dealing in Shares of any Compartment of the Fund.
- When foreseen by the Law.

In such cases of suspension, Shareholders who have submitted applications to subscribe to, redeem or convert Shares in Compartments affected by the suspensions shall be notified in the event that the suspension period is extended.

The Fund may, at any time and at its discretion, temporarily discontinue, cease permanently or limit the issue of Shares in one or more Compartments to persons or corporate bodies resident or domiciled in some

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countries or territories. The Fund may also prohibit them from acquiring Shares if such a measure is necessary to protect the Shareholders as a whole and the Fund.

In addition, the Fund is entitled to:

- reject, at its discretion, any application to subscribe to Shares;
- repurchase, at any time, Shares which have been acquired in violation of a measure of exclusion taken by virtue of the Fund.

## INCOME DISTRIBUTION

It is the policy of the Fund that dividends will not be distributed and income will be capitalized.

The Board of Directors reserves the right to introduce a distribution policy, which may vary according to each Compartment.

## FUND EXPENSES

The Advisory Company is entitled to fees, payable on a quarterly basis at a total annual rate which could vary for each Compartment, but which shall not exceed 2.5% of the average Net Asset Value of the relevant Compartment, as determined during the relevant quarter.

The Advisory Company may also be entitled to a performance fee to the extent described in the Appendix.

The Investment Manager(s) shall be remunerated by the Advisory Company out of the fees that it receives from the Fund.

The Depositary Bank, the Central Administration and the Management Company are entitled to fees in line with current practice in Luxembourg, payable on a monthly basis, which shall in aggregate not exceed 0.5% of the average Net Asset Value of the Fund.

For more details on such fees for each Compartment, please refer to the Appendix.

Other costs charged to the Fund include:

- All taxes (such as any financial transaction tax) and duties which might be due on the Fund's assets or income earned by the Fund, in particular the subscription tax (see paragraph Tax Status below) charged on the Fund's net assets.
- Brokerage fees and charges on transactions involving securities in portfolio as well as any cash payments.
- Remuneration of the Depositary Bank's correspondents.
- Extraordinary costs incurred, particularly for any verification procedures or legal proceedings undertaken to protect the Shareholders' interests.

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- The cost of preparing, printing and filing of administrative documents, prospectuses and explanatory memoranda with all authorities, the rights payable for the registration and maintenance of the Fund with all authorities and official stock exchanges, the cost of preparing, translating, printing and distributing periodical reports and other documents required by law or regulations, the cost of accounting and calculating the Net Asset Value, the cost of preparing, distributing and publishing notifications to Shareholders, fees for legal consultants, experts and independent auditors, and all similar operating costs.
- The fees associated with the creation of a new Compartment will be, in principle, exclusively borne by this new Compartment. Nevertheless, the Board of Directors of the Fund may decide, in circumstances where it would appear to be fairer to the Compartments concerned, that the initial setting up costs of the Fund, not yet amortised at the time the new Compartment is launched, will be equally borne by all existing Compartments including the new Compartment. The Board of Directors may also decide that the costs associated with the opening of new Compartments be borne by the existing Compartments.
- Each of the Directors will be entitled to remuneration for his services at the rate determined by the general meeting of Shareholders from time to time. In addition, each Director and Delegate may be paid reasonable travelling, hotel and other incidental expenses for attending and returning from board meetings or general meetings of Shareholders as well as for visiting the Investment Manager(s). All recurring expenditure is paid when incurred or invoiced from the net assets of the Compartment. Other expenditure may be amortised over a period not exceeding five years.

Charges involved in the calculation of the Net Asset Values of the various Compartments shall be spread between the Compartments in proportion to their net assets, except in cases where charges specifically relate to one Compartment, in which case they will be charged to that Compartment.

## TAX STATUS

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### **Taxation of the Fund**

The Fund is not subject to taxation in Luxembourg on its income, profits or gains.

The Fund is not subject to net wealth tax in Luxembourg.

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No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Fund.

The Compartments are nevertheless, subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on their Net Asset Value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% *per annum* is applicable to any Compartment whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both and to any Compartment or Classes of Shares provided that their shares are only held by one or more Institutional Investor(s).

Subscription tax exemption applies to:

- the portion of any Compartment's assets (pro rata) invested in a Luxembourg UCI, as well as individual compartments thereof, subject itself to the subscription tax;
- UCITS, as well as individual compartments thereof, (i) whose securities are reserved for institutional investors, and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Classes of Shares are in issue in the relevant Compartment meeting (ii) to (iv) above, only those Classes of Shares meeting (i) above will benefit from the exemption;
- UCITS, as well as individual compartments thereof, whose main objective is the investment in microfinance institutions; and
- UCITS, as well as individual compartments thereof, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Classes of Shares are in issue in the relevant Compartment meeting (ii) above, only those Classes of Shares meeting (i) above will benefit from its exemption.

To the extent that the Fund would only be held by pension funds and assimilated vehicles, the Fund as a whole would benefit from the subscription tax exemption.

### **Withholding tax**

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Fund may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Fund as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

### Taxation of the Shareholders

#### Luxembourg-resident individuals

Capital gains realised on the sale of the Shares by Luxembourg-resident individual investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the Fund.

Distributions received from the Fund will be subject to Luxembourg personal income tax.

Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*).

#### Luxembourg-resident corporate

Luxembourg-resident corporate investors will be subject to corporate taxation on capital gains realised upon disposal of Shares and on the distributions received from the Fund.

Luxembourg-resident corporate investors who benefit from a special tax regime, such as, for example, (i) an undertaking for collective investment (UCI) subject to the Law, (ii) a specialised investment funds subject to the law of 13 February 2007 on specialised investment funds, as amended, (iii) a reserved alternative investment funds subject to the law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes) or (iv) a family wealth management company subject to the law of 11 May 2007 related to family wealth management companies, as amended, are exempt from income tax in Luxembourg, but are instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg-resident corporate investors except if the holder of the Shares is (i) a UCI subject to the Law, (ii) a vehicle governed by the law of 22 March 2004 on securitisation, as amended, (iii) an investment company in risk capital subject to the law of 15 June 2004 on the investment company in risk capital, as amended, (iv) a specialised investment fund subject to the law of 13 February 2007 on specialised investment funds, as amended, (v) a reserved alternative investment fund subject to the law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the law of 11 May 2007 on family wealth management companies, as amended. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

### **Non-Luxembourg residents**

Non-resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the Shares nor on the distribution received from the Fund and the Shares will not be subject to net wealth tax.

### **Automatic Exchange of Information**

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

Accordingly, the Fund may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law or such other purposes indicated by the Fund in accordance with applicable data protection law and in the data protection section as well as in the subscription form. Information regarding an Investor and his/her/its account will be reported to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis, if such an account is deemed a CRS reportable account under the CRS Law. The Fund is responsible for the treatment of the personal data provided for in the CRS Law. The Investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) which can be exercised by contacting the Fund at its registered office.

The Fund reserves the right to refuse any application for Shares if the information, whether provided or not, does not satisfy the requirements under the CRS Law.

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to exchange information automatically under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

**Investors should consult their professional advisers on the possible tax and other consequences with respect to the implementation of the CRS.**

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### FATCA

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the Convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Fund may:

- a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain that shareholder's FATCA status;
- b. report information concerning a shareholder and his/her/its account holding in the Fund to the Luxembourg tax authorities if such an account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to investors with FATCA status of a non-participating foreign financial institution;
- d. deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and

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- e. divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

### **UK Reporting Fund Status**

The Board of Directors may apply for reporting fund status for certain Classes of Shares. A Fund, once granted reporting fund status, may rely on that status going forward subject to confirmed compliance with the requirements of the reporting funds rules. Details of reporting fund status having been granted will be highlighted in the annual reports.

Investors and shareholders may find the status of each Class of Shares and the relevant tax figures in relation to classes of shares having received reporting fund status on [www.herefordfunds.com](http://www.herefordfunds.com).

### **German Investment Tax Act (InvStG 2018)**

The Investment Manager aims to manage the Compartments in accordance with the so-called partial exemption regime for equity funds under Sec. 20 of the German Investment Tax Act (having come into effect on 1 January 2018). Accordingly, as of the date of this Prospectus and notwithstanding any other provisions in this Prospectus each of the Compartments invests at least 51% of its Net Asset Value on a continuous basis directly into equities of corporations which are admitted for trading at a recognised stock exchange or are listed on an organised market.

## **BUSINESS YEAR**

The business year of the Fund runs from 1 October until 30 September of the next year.

## **PERIODICAL REPORTS AND PUBLICATIONS**

The Fund will publish an audited Annual Report within 4 months after the end of the business year and an unaudited Semi-annual Report within 2 months after the end of the period to which it refers.

The Annual Report includes accounts of the Fund and of each Compartment.

The Net Asset Value per Share of each Compartment as well as the issue and redemption prices will be made public at the registered office of the Fund. The Net Asset Value per Share and the issue and redemption price will also be published on the website of the Fund ([www.herefordfunds.com](http://www.herefordfunds.com)) and may, in addition, be published in any such other media as determined by the Board of Directors. The Fund cannot accept responsibility for any errors or delays in the publication or non-publication of prices and reserve the right to discontinue or change publication in any media without notice.

Any amendments to the Articles of Incorporation will be published in the RESA of the Grand-Duchy of Luxembourg.

## **LIFETIME, MERGER AND LIQUIDATION OF THE FUND AND COMPARTMENTS**

### **The Fund**

The Fund is formed for an indefinite period. The Fund may be dissolved at any time by decision of the General Meeting of Shareholders deciding with the same quorum and majority requirements as for the amendment of the Articles of Incorporation.

If the Fund's Share capital falls below two-thirds of the minimum capital required by law, the Board of Directors must refer the matter of the dissolution to the General Meeting, deliberating without any quorum and deciding by a simple majority of the Shares represented at the meeting.

If the Fund's Share capital is less than a quarter of the minimum capital required, the directors must refer the matter of dissolution of the Fund to the General Meeting, deliberating without any quorum; the dissolution may be decided by Shareholders holding a quarter of the Shares represented at the meeting.

Such General Meeting of Shareholders shall be convened so that it is held within 40 days from the ascertainment that the net assets of the Fund have fallen below two-thirds or one quarter of the minimum share capital, as the case may be.

### **Merger of Compartments**

The Board of Directors may decide to merge a Compartment with another Compartment. Furthermore, the Board of Directors may decide to merge a Compartment with another UCITS if it considers this to be in the best interests of the Shareholders of the Compartments in question.

Any such merger shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger to a meeting of Shareholders of the Compartment concerned. No quorum is required for such a meeting and decisions are taken by a simple majority of the votes cast. In case of a merger of a Compartment where, as a result, the Fund ceases to exist, the merger shall be decided by a meeting of Shareholders resolving in accordance with the quorum and majority requirements for changing the Articles of Incorporation.

Any such merger will be undertaken in accordance with the 2010 Law which provides, inter alia, that Shareholders will be informed of such mergers and have the possibility to redeem their shares free of charge during 30 days prior to the last day on which such redemptions will be accepted.

### **Liquidation of Compartments**

The Board of Directors may decide to close one or more Compartments in the interests of the Shareholders, if, in the opinion of the Board of Directors, significant changes in the political or economic situation render this decision necessary or if for any reason the value of the net assets of one or more Compartments falls below an amount considered by the Board of Directors to be the minimum threshold for the Compartment to be managed properly.

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The Board of Directors may also decide to convene a General Meeting of Shareholders for a Compartment for the purpose of deciding its dissolution. This General Meeting will deliberate without any quorum requirement and the decision to dissolve the Compartment will be taken by a majority of the votes cast.

In the event of the dissolution of a Compartment or the Fund, the liquidation will be carried out pursuant to the provisions of the Law, governing undertakings for collective investment, which sets out the procedures to enable Shareholders to benefit from liquidation dividends and in this context provides for the depositing of any amount that could not be distributed to Shareholders when the liquidation is complete with the *Caisse de Consignation* in Luxembourg. Any amounts so deposited that are not claimed will be forfeited in accordance with Luxembourg law. The net proceeds from the liquidation of each Compartment will be distributed to holders of Shares in the Compartment in question in proportion to the number of Shares they hold in that Compartment.

### **Consolidations/Splits**

The Board of Directors may also decide to split or consolidate different Classes of Shares within a Compartment. Such decision will be published in accordance with applicable laws and regulations.

The Board of Directors may decide the reorganisation of a Compartment, by means of a division into two or more Compartments. Such decision will be published in accordance with applicable laws and regulations. Such publication will normally be made one month before the date on which the reorganisation becomes effective in order to enable the Shareholders to request redemption of their Shares, free of charge, before the operation involving division into two or more Compartments becomes effective.

## **BENCHMARK REGULATION**

### **EU Benchmark Regulation**

In accordance with the provisions of the Regulation (EU) 2016/1011 (the "Benchmark Regulation"), supervised entities may use benchmarks in the European Union ("EU") if the benchmark is provided by an administrator which is included in the register of administrators and benchmarks maintained by the European Securities and Markets Authority (ESMA) pursuant to Article 36 of the Benchmark Regulation (the "ESMA Register"). Benchmark administrators located in the EU whose indices are used by the Fund benefit from the transitional provisions under the Benchmark Regulation and accordingly may not yet appear on the ESMA Register. Benchmark administrators located in the EU should apply for authorisation or registration as an administrator under the Benchmark Regulation and be inscribed in the ESMA Register by 1 January 2020. Benchmark administrators located in a third country whose indices are used by the Fund benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear on the ESMA Register. Benchmark administrators whose indices are used by the Fund are detailed in the description of the Compartments.

The Management Company maintains a written plan setting out the actions that will be taken in the event that an index materially changes or ceases to be provided. The written plan is available upon request and free of charge at the registered office of the Management Company.

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### DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are deposited and kept available for inspection at the offices of the Central Administration and the Fund's registered office:

The Fund's Articles of Incorporation.

The Depositary Bank Agreement effective as of 15 January 2018 between Pictet & Cie (Europe) S.A. and the Fund.

The Management Company Services Agreement effective as of 15 January 2018 between the Management Company and the Fund.

The Investment Advisory Agreement effective as of 15 January 2018 between the Fund, the Management Company and the Advisory Company.

The Investment Management Agreement effective as of 15 January 2018 between the Fund, the Management Company, the Advisory Company and DSM Capital Partners LLC.

The Investment Management Agreement effective as of 15 January 2018 between the Fund, the Advisory Company, the Management Company and Dalton, Greiner, Hartman, Maher & Co., LLC.

The Investment Management Agreement effective as of 15 January 2018 between the Fund, the Management Company, the Advisory Company and Firth Investment Management Pte. Ltd.

The Investment Management Agreement effective as of 15 January 2018 between the Fund, the Management Company and Bin Yuan Capital.

### INVESTMENT RESTRICTIONS

The Board of Directors has adopted the following restrictions relating to the investment of the Fund's assets and its activities. These restrictions and policies may be amended from time to time by the Board of Directors if and as it shall deem it to be in the best interests of the Fund, in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Compartment. Those restrictions contained in paragraph 1. (D) below are applicable to the Fund as a whole.

#### 1. INVESTMENT IN ELIGIBLE ASSETS

(A) (1) The Fund will exclusively invest in:

- a) transferable securities and money market instruments admitted to or dealt in an official listing on a stock exchange in an Eligible State<sup>1</sup>;

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<sup>1</sup> "Eligible State" includes any member state of the European Union ("EU"), any member state of the Organisation for Economic Co-operation and Development ("OECD"), and any other state which the Board of Directors deems

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- b) transferable securities and money market instruments dealt in on another Regulated Market<sup>2</sup>;
- c) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market<sup>3</sup> and such admission is achieved within one year of the issue;
- d) units of UCITS<sup>4</sup> and/or other UCIs<sup>5</sup>, whether situated in a Member State<sup>6</sup> or not, provided that:
  - such other UCIs are authorised under (a) laws of any member country of the European Union or (b) under the laws of Canada, Hong Kong, Singapore, Japan, Norway, Switzerland or the United States, or under other laws which provide that such other UCIs are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law and that co-operation between authorities is sufficiently ensured,
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of directive 2009/65/EC,
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- e) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in Community law;
- f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in points a), b), and c) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
  - the underlying consists of instruments covered by this section (A) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Compartments may invest according to their investment objective;

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appropriate with regard to the investment objectives of each Compartment. Eligible states include in this category countries in Africa, America, Asia, Australasia and Europe.

<sup>2</sup> "Regulated Market" a market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.

<sup>3</sup> "Eligible Market" an official stock exchange or another Regulated Market.

<sup>4</sup> "UCITS" an undertaking for collective investment in transferable securities authorised according to Council Directive 2009/65/EC of 13 July, 2009.

<sup>5</sup> "UCIs" within the meaning of Article 1, paragraph (2), points a) and b) of Council Directive 2009/65/EC of 13 July, 2009.

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- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

Furthermore, the Fund shall ensure for each Compartment that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Compartment. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs. If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in above. When a Transferable Security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this section f).

**Unless specifically provided otherwise in the Appendix for any specific Compartment, the Fund will invest in financial derivative instruments only for currency hedging purposes as more fully described in the section "3. Currency Hedging" below;**

and/or

- g) money market instruments other than those dealt in on a Regulated Market and which fall under Article 1 of the Law, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
  - issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the European Union or the European Investment Bank, a non-EU member state or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU member states belong, or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by Community law, or
  - issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the

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<sup>6</sup> "Member State" as defined in the Law.

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issuer is a company whose capital and reserves amount to at least ten million Euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

In addition, the Fund may invest a maximum of 10% of the Net Asset Value of any Compartment in transferable securities and money market instruments other than those referred to under (1) above.

(B) Each Compartment may hold ancillary liquid assets.

(C) (i) Each Compartment may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body.

Each Compartment may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of a Compartment in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in (A) (1) (f) above or 5% of its net assets in other cases.

(ii) Furthermore, where any Compartment holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the Net Asset Value of such Compartment, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Compartment.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C) (i), a Compartment may not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by,
- deposits made with, and/or
- exposures arising from OTC derivative transactions undertaken with a single body.

(iii) The limit of 10% laid down in paragraph (C)(i) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities or by an Eligible State or by public international bodies of which one or more Member States are members, and such securities and money market instruments shall not be included in the calculation of the limit of 40% under (C)(ii) above.

(iv) The limits set out in paragraphs (C)(i), (C)(ii) and (C) (iii) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or derivative instruments made with this body, effected in accordance with

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paragraphs (C)(i), (C)(ii) and (C) (iii) may not, in any event, exceed a total of 35% of each Compartment's Net Asset Value.

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 recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

A Compartment may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

**(v) Where any Compartment has invested in accordance with the principle of risk spreading in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or a non Member State as acceptable by the Luxembourg supervisory authority (including but not limited to OECD member states, Singapore, Brazil Indonesia, Russia, China or India), or by public international bodies of which one or more member states of the European Union are members, the Fund may invest 100% of the Net Asset Value of any Compartment in such securities and money market instruments provided that such Compartment must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the Net Asset Value of the Compartment.**

Subject to having due regard to the principle of risk spreading, a Compartment need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its authorisation and launch.

(D) (i) The Fund may not acquire shares carrying voting rights which would enable the Fund to exercise significant influence over the management of the issuing body.

(ii) The Fund may acquire no more than (a) 10% of the non-voting shares of the same issuer, (b) 10% of the debt securities of the same issuer, and/or (c) 10% of the money market instruments of the same issuer. However, the limits laid down in (b) and (c) 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 instruments in issue cannot be calculated.

The limits set out in paragraph (D)(i) and (ii) above shall not apply to:

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

(ii) transferable securities and money market instruments issued or guaranteed by any other Eligible State;

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

(iv) shares held in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such

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Compartment's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law relating to undertakings for collective investment.

(E) (i) Each Compartment may acquire units of the UCITS and/or other UCIs referred to in paragraph (A) (d), provided that no more than 20% of a Compartment's net assets be invested in the units of a single UCITS or other UCI.

For the purpose of the application of investment limit, each Compartment of a UCI with multiple Compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various Compartments vis-à-vis third parties is ensured.

(ii) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net asset of a Compartment.

(iii) When a Compartment invests in the units of other UCITS and/or other UCIs linked to the Fund by common management or control, or by a substantial direct or indirect holding, or managed by a management company linked to the relevant Investment Manager, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs.

In respect of a Compartment's investments in UCITS and other UCIs linked to the Fund as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Compartment and each of the UCITS or other UCIs concerned shall not exceed 2% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Compartment and to the UCITS and other UCIs in which such Compartment has invested during the relevant period.

(iv) The Fund may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated.

(v) The underlying investments held by the UCITS or other UCIs in which the Compartments invest do not have to be considered for the purpose of the investment restrictions set forth under 1. (C) above.

(vi) Unless otherwise decided by the Board of Directors and specifically disclosed in the Appendix in relation to a given Compartment, the Fund will not invest more than 10% of its net assets in units of UCITS or other UCIs.

## 2. INVESTMENT IN OTHER ASSETS

The Fund will not make investments in precious metals or certificates representing these.

The Fund may not enter into transactions involving commodities or commodity contracts, except that the Fund may employ techniques and instruments relating to transferable securities within the limits set out in paragraph 3. below.

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The Fund will not purchase or sell real estate or any option, right or interest therein, provided the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in 1. (A) (1) d), f) and g).

The Fund may not borrow for the account of any Compartment amounts in excess of 10% of the net assets of that Compartment, any such borrowings (i) to be effected only on a temporary basis or (ii) to enable the acquisition of immovable property essential for the direct pursuit of its business.

Where the Fund is authorised to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its net assets in total.

However, the Fund may acquire foreign currencies by means of back to back loans.

The Fund will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Compartment, except as may be necessary in connection with the borrowings mentioned in (E) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the Net Asset Value of each Compartment. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.

The Fund will not underwrite or sub-underwrite securities of other issuers.

### 3. CURRENCY HEDGING

The Fund may for the purposes of hedging currency risks have outstanding commitments in respect of forward currency contracts, currency futures or currency swap agreements or currency options (sales of call options or purchases of put options) provided that:

- the total amount of such transactions does not exceed the level necessary to cover the risk of the fluctuation of the value of the assets of the Compartment concerned denominated in a particular currency or any other currency which will be deemed to have a sufficient correlation with that particular currency. The hedging of currency risk may involve the use of cross-currency contracts to alter the currency exposure of the Compartment in case it is more advantageous to the Compartment; and
- the commitments deriving therefrom do not exceed the value of the relevant assets to be hedged and the duration of these transactions do not exceed the period for which the respective assets are held.

Currency futures and currency options must either be quoted on an exchange or dealt in on a regulated market. The Fund may, however, enter into currency forward contracts, option arrangements or swap arrangements with highly rated financial institutions specialised in this type of transaction.

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### **Hedged Classes of Shares**

Currency hedging techniques may also be used at Class of Shares level. In this context, the Investment Manager will limit hedging to the extent of the relevant hedged Class of Shares currency exposure. Over-hedged positions will not normally exceed 105% of the Net Asset Value of the relevant hedged Class of Shares and under-hedged positions shall not normally fall short of 95% of the portion of the Net Asset Value of the relevant hedged Class of Shares which is to be hedged against currency risk. Hedged positions will be reviewed on an on-going basis by the Investment Manager, at least at the same valuation frequency as the applicable Compartment, to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and to ensure that positions materially in excess of 100% of the Net Asset Value of the relevant hedged Class of Shares will not be carried forward from month to month. In the event that the hedging in respect of a hedged Class of Shares exceeds 105% of the Net Asset Value of the relevant hedged Class of Shares due to market movements or redemptions of Shares, the Investment Manager shall reduce such hedging appropriately as soon as possible thereafter.

Shareholders should also note that generally there is no segregation of assets and liabilities between Classes of Shares in a Compartment and therefore a counterparty to a derivative overlay entered into in respect of a hedged Class of Shares may have recourse to the assets of the relevant Compartment attributable to other Classes of Shares of that Compartment where there is insufficient assets attributable to the hedged Class of Shares to discharge its liabilities. While the Fund has taken steps to ensure that the risk of contagion between Classes of Shares is mitigated in order to ensure that the additional risk introduced to the Compartment through the use of a derivative overlay is only borne by the Shareholders in the relevant Class of Shares, this risk cannot be fully eliminated.

An up-to-date list of the Classes with a contagion risk is available upon request at the registered office of the Fund.

### **4. RISK-MANAGEMENT PROCESS**

The Management Company, on behalf of the Fund, will employ a risk-management process which enables it with the Investment Managers to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Compartment, in accordance with CSSF Circular 11/512 or any other applicable circular of the Luxembourg supervisory authority. The Management Company or the relevant Investment Manager, on behalf of the Fund, will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Unless otherwise indicated for a Compartment, the Management Company will apply a commitment risk management approach.

### **5. MISCELLANEOUS**

The Fund may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraph 1. (A) (1) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Fund shall not be prevented from acquiring such securities above which are not fully paid.

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The Fund need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets.

The Fund may invest in depository receipts or shares (such as "American Depositary Receipts" or "ADR", or "Global Depositary Receipts" or "GDR", or "American Depositary Shares" or "ADS") that qualify as Eligible Assets under section Investment Restrictions, item 1.(A).(1).

### 6. EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

For the avoidance of doubt, the Fund will not, unless otherwise disclosed in the Appendix for a Compartment, make use of efficient portfolio management techniques as foreseen by article 42 (2) of the 2010 Law. The Fund will furthermore not enter into total return swaps or invest in other financial derivative instruments with similar characteristics unless otherwise disclosed in the Appendix for a Compartment. Finally, the Fund will not enter into any transaction (such as OTC derivatives, securities lending, repurchase/reverse repurchase agreements or other efficient portfolio management techniques) that would require receipt of collateral from a counterparty to such transaction unless otherwise disclosed in the Appendix for a Compartment. As at the date of this Prospectus, no Compartment has entered into such transactions.

Investors should note that the investment policy of the Compartments do currently not provide for the possibility to enter into securities lending, and/or repurchase transactions and/or reverse repurchase transactions and to invest in total return swaps. Should the Board of Directors decide to provide for such possibility, the Prospectus will be updated prior to the entry into force of such decision in order for the Fund to comply with the disclosure requirements of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

\* \* \* \* \*

If the limits referred to in the paragraphs in this section and in the Appendix are exceeded for reasons beyond the control of the Fund, or as a result of the exercise of subscription rights, the Board of Directors must, as a priority, take all steps as necessary within a reasonable period of time to rectify that situation, taking due account of the interests of its Shareholders.

### RISKS OF INVESTMENT

The nature of the Fund's investments involves certain risks and the Fund may utilise investment techniques which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors before subscribing for Shares:

#### **Suspension of Share dealings**

Investors are reminded that in certain circumstances their right to redeem or convert Shares may be suspended (see "SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES").

### **Business Risk**

There can be no assurance that the Fund or any Compartment will achieve its investment objective. There is no operating history by which to evaluate their likely future performance. The investment results of the Fund or any Compartment are reliant upon the success of the Investment Managers and the performance of the markets the Compartments invest in.

### **Concentration of Investments**

Although it will be the policy of the Fund to diversify its investment portfolio, the Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

### **Liquidity and Market Characteristics**

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. This is particularly the case if the Fund invests in companies with smaller capitalisations, such as micro-cap companies. Settlement of transactions may be subject to delay and administrative uncertainties.

### **Counterparty Risk**

The Fund will be subject to the risk of the inability of any counterparty (including the Clearing Broker) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

### **Net Asset Value Considerations**

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder. It should be remembered that the value of the Shares and the income (if any) derived from them can go down as well as up.

### **Currency Exposure**

The Shares may be denominated in different currencies and Shares will be issued and redeemed in those currencies. Certain of the assets of the Fund may, however, be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Fund will be subject to foreign exchange risks. The Fund may engage in currency hedging but there can be no guarantee that such a strategy will prevent losses. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the USD and such other currencies.

### **Profit Sharing**

In addition to receiving management and advisory fees, the Investment Managers may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the performance fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a performance fee may be paid on unrealised gains, which may subsequently never be realised.

### **Potential Conflicts of Interest**

The Investment Managers may effect transactions in which the Investment Managers have, directly or indirectly, an interest, which may involve a potential conflict with the Investment Manager's duty to the Fund. The Investment Manager shall not be liable to account to the Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Managers' fees, unless otherwise provided, be abated.

### **Regulatory Risk**

The Fund is domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, Compartments may be registered in non-EU jurisdictions. As a result of such registrations these Compartments may be subject to more restrictive regulatory regimes. In such cases these Compartments will abide by these more restrictive requirements. This may prevent these Compartments from making the fullest possible use of the investment limits.

### **Credit Risk**

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Compartment owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the Compartment's Investment Manager may consider the highest rating for the purposes of determining whether the security is investment grade. A Compartment will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Compartment's Investment Manager will consider whether the security continues to be an appropriate investment for the Compartment. Some of the Compartments will invest in securities which will not be rated by a nationally recognised statistical rating organisation, but the credit quality will be determined by the Investment Manager.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated

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investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

### **Futures, Options and Forward Transactions Risk**

The Compartments may use options, futures and forward contracts on currencies securities, indices, volatility, inflation and interest rates for hedging.

Transactions in futures may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Compartment. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options may also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the Compartment is fixed, the Compartment may sustain a loss well in excess of that amount. The Compartment will also be exposed to the risk of the purchaser exercising the option and the Compartment will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the Compartment holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Forward transactions, in particular those traded over-the-counter, have an increased counterparty risk. If a counterparty defaults, the Compartment may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

### **Warrant Risk**

Warrants are considered as financial derivative instruments. When a Compartment invests in warrants, the value of these warrants is likely to fluctuate more than the prices of the underlying securities because of the greater volatility of warrant prices.

### **Market and Settlement Risks**

The securities markets in some countries lack the liquidity, efficiency and regulatory controls of more developed markets. Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Compartment may make it difficult to assess reliably the market value of assets. The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected. Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.

The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Compartments. Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

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Limitations may exist with respect to the Compartments ability to repatriate investment income, capital or the proceeds from the sale of securities by foreign investors. The Compartment can be adversely affected by delays in, or refusal to grant, any required governmental approval for such repatriation.

### **Risks related to investment in China A Shares through Shanghai Shenzhen Hong Kong Stock Connect**

A Compartment may invest and have direct access to certain eligible China A Shares via the Shanghai-Shenzhen-Hong Kong Stock Connect ("Stock Connect").

#### **Dependence upon Trading Market for China A Shares**

The existence of a liquid trading market for China A Shares may depend on whether there is supply of, and demand for, China A Shares. Investors should note that the Shanghai Stock Exchange and Shenzhen Stock Exchange on which China A Shares are traded are undergoing development and the market capitalisation of, and trading volumes on, those exchanges may be lower than those in more developed financial markets. Market volatility and settlement difficulties in the China A Share markets may result in significant fluctuation in the prices of the securities traded on such markets and thereby changes in the Net Asset Value of the Compartment.

#### **China A Shares Investment Risks**

Because restrictions continue to exist and capital cannot therefore flow freely into the China A Share market, it is possible that in the event of a market disruption, the liquidity of the China A Share market and trading prices of China A Shares could be more severely affected than the liquidity and trading prices of markets where securities are freely tradable and capital therefore flows more freely. In addition, the repatriation of the sale price of China A Shares may be subject to restrictions that can change at the behest of Chinese authorities.

#### **Shanghai-Shenzhen-Hong Kong Stock Connect Risks**

A Compartment may invest and have direct access to certain eligible China A Shares via the Stock Connect upon approval by the relevant regulatory authority. Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear") and Shenzhen Stock Exchange ("SZE"), with an aim to achieve mutual stock market access between the mainland China and Hong Kong.

Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Hong Kong and overseas investors (including the Compartments), through their Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited ("SEHK"), may be able to place orders to trade eligible shares listed on SSE/SZE by routing orders to SSE/SZE.

Under Stock Connect, overseas investors (including the Compartments) may be allowed, subject to rules and regulations issued/amended from time to time, to trade certain China A Shares listed on the SSE/SZE (the "SSE/SZE Securities") through the Northbound Trading Link. Initially, the eligible SSE/SZE Securities under Stock Connect include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE/SZE -listed China A Shares that are not included as constituent stocks of the relevant

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indices but which have corresponding H-Shares listed on SEHK, except (i) those SSE/SZE -listed shares which are not traded in Renminbi and (ii) those SSE/SZE -listed shares which are included in the "risk alert board". The list of eligible securities may be changed subject to the review and approval by the relevant Chinese regulators from time to time.

Hong Kong and overseas investors (including the Compartments) may only trade and settle SSE/SZE Securities in RMB (CNH).

Further information about Stock Connect is available online at the website: [http://www.hkex.com.hk/eng/market/sec\\_tradinfra/chinaconnect/chinaconnect.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm).

### **Quota Limitations Risk**

Stock Connect is subject to both a daily quota and an "aggregate" quota measuring total purchases and sales of securities via Stock Connect. Buy orders and sell orders offset each other for purposes of the quota. If either the daily or aggregate quota is exceeded, further buy orders will be rejected, either until the next trading day (in the case of the daily quota) or until the next trading day when sufficient aggregate quota is available. These quotas are not particular to either the Compartments or the Investment Manager; instead, they apply to all market participants generally. Thus, the Investment Manager of the Compartments will not be able to control the use or availability of the quota. If the Investment Manager is unable to purchase additional Stock Connect securities, it may affect the Investment Manager's ability to implement the Compartments' respective investment strategies.

### **Suspension Risk**

Both SEHK and SSE/SZE reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which could adversely affect the relevant Compartments' ability to access the mainland China market.

### **Differences in Trading Day**

Stock Connect only operates on days when both the mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the mainland China market but Hong Kong and overseas investors (such as the Compartments) cannot carry out any China A Shares trading because it is not a day when the Hong Kong market is open for trading. The Compartments may be subject to a risk of price fluctuations in China A Shares during the time when Stock Connect is not trading as a result.

### **Clearing and Settlement and Custody Risks**

The Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx ("HKSCC") and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of China's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission ("CSRC"). The chances of ChinaClear default are considered to be remote.

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Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant Compartment(s) may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

The China A Shares traded through Stock Connect are issued in scripless form, so investors such as the Compartment will not hold any physical China A Shares. Hong Kong and overseas investors, such as the Compartment, who have acquired SSE/SZE Securities through the Northbound Trading Link, should maintain the SSE/SZE Securities with their brokers' or Depositary Banks' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to Stock Connect is available upon request at the registered office of the Management Company.

### **Operational Risk**

Stock Connect provides a new channel for investors from Hong Kong and overseas, such as the Compartments, to access the China stock market directly.

Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Compartment's ability to access the China A Share market (and hence to pursue their investment strategy) will be adversely affected.

### **Recalling Risk and Trading Restrictions**

A stock may be recalled from the scope of eligible SSE/SZE Securities for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. The Investment Manager's ability to implement the Compartments' investment strategies may be adversely affected.

### **Nominee Arrangements in Holding China A Shares**

HKSCC is the "nominee holder" of the SSE/SZE securities acquired by overseas investors (including the relevant Compartment(s)) through Stock Connect. The CSRC Stock Connect rules expressly provided that investors enjoy the rights and benefits of the SSE/SZE securities acquired through Stock Connect in accordance with applicable laws. However, the courts in China may consider that any nominee or Depositary Bank as registered holder of SSE/SZE securities would have full ownership thereof, and that even if the concept of beneficial owner is recognized under Chinese law those SSE/SZE securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Compartment and the Depositary Bank cannot ensure that the Compartment's ownership of these securities or title thereto is assured in all circumstances.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE/SZE securities in China or elsewhere. Therefore, although the relevant Compartments' ownership may be ultimately recognised, these Compartments may suffer difficulties or delays in enforcing their rights in China A Shares.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary Bank and the Compartment will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Compartment suffers losses resulting from the performance or insolvency of HKSCC.

### **Investor Compensation**

Investments of the Compartment through Northbound trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the Compartment is carrying out Northbound trading through securities brokers in Hong Kong but not mainland Chinese brokers, therefore they are not protected by the China Securities Investor Protection Fund in China.

### **Local Market Rules, Foreign Shareholding Restrictions and Disclosure Obligations**

Under Stock Connect, China listed companies and trading of China A Shares are subject to market rules and disclosure requirements in the China stock 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. The Investment Manager should also take note of the foreign shareholding restrictions and disclosure obligations applicable to China A Shares.

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The Compartments 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 its interests in China A Shares.

Under the current mainland China rules, once an investor holds more than 5% of the shares of a company listed on the SSE/SZE, 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 Compartments as beneficial owners of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf.

### **Regulatory Risk**

The CSRC Stock Connect rules are departmental regulations having legal effect in China. However, the application of such rules is untested, and there is no assurance that Chinese courts will recognise such rules, e.g. in liquidation proceedings of Chinese companies.

Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Stock Connect.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that Stock Connect will not be abolished. The relevant Compartments which may invest in mainland China markets through Stock Connect may be adversely affected as a result of such changes.

### **PRC tax consideration**

The Management Company and/or Investment Managers reserve the right to provide for tax on gains of the relevant Compartment that invests in PRC securities thus impacting the valuation of the relevant Compartments. With the uncertainty of whether and how certain gains on PRC securities are to be taxed, the possibility of the laws, regulations and practice in the PRC changing, and the possibility of taxes being applied retrospectively, any provision for taxation made by the Management Company and/or the Investment Managers may be excessive or inadequate to meet final PRC tax liabilities on gains derived from the disposal of PRC securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they purchased and/or sold their shares in/from the relevant Fund.

On 14 November 2014, the Ministry of Finance, State of Administration of Taxation and CSRC jointly issued a notice in relation to the taxation rule on the Stock Connect under Caishui 2014 No.81 ("Notice No.81"). Under Notice No.81, Corporate income tax, individual income tax and Business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (such as the Funds) on the trading of China A-Shares through the Stock Connect with effect from 17 November 2014. However, Hong Kong and overseas investors (such as the Funds) are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies.

### **Brexit Risk**

On 23 June 2016 the United Kingdom (the "UK") voted to leave the EU in a referendum (the "UK Referendum"). At the date of this Prospectus, it is intended that the UK will leave the EU. However, the nature of the relationship of the UK with the remaining Member States after that date, and whether any transitional period or arrangements will apply, is unclear. In particular, it is uncertain whether residents of the UK will be able to purchase and/or continue to hold shares in UCITS funds constituted in Luxembourg, such as the Fund. Prospective shareholders should therefore carefully consider how changes to the EU, including those occasioned by the result of the UK Referendum, may affect their investment in the Fund.

### **CONFLICT OF INTEREST**

Any investment adviser, investment manager, the Management Company and their affiliated entities may from time to time act as investment adviser, investment manager or as management company to other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that any investment adviser, investment manager, the Management Company and their affiliated entities may, in the course of their business, have potential conflicts of interest with the Fund.

The Directors of the Fund, the Management Company, any investment manager and/or any investment adviser will (in the event that any conflict of interest actually arises) endeavour to ensure that such conflict is resolved fairly and in the best interests of the Fund.

The Fund may also invest in other investment funds which are managed by the Management Company, any investment manager, any Investment Adviser or any of their affiliated entities. The directors of the Management Company may also be directors of investment funds and the interest of such investment funds and of the Fund could result in conflicts. Generally, there may be conflicts between the best interests of the Fund and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Fund or investment funds. In the event where such a conflict arises, the directors of the Management Company will endeavour to ensure that it is resolved in a fair manner and in the best interests of the Fund.

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### APPENDIX: COMPARTMENTS IN OPERATION

#### **Hereford Funds – DSM US Large Cap Growth Fund**

##### **Objectives and investment policy**

The investment objective of the Compartment is to provide capital appreciation primarily through investments in US-based growing corporations with market capitalizations generally above USD 10 billion.

In general, the Compartment will invest in US equity securities of large capitalization issuers. US equity securities, include, but are not limited to, common stocks, preferred stocks, securities convertible into common stocks, rights and warrants. The Compartment may invest up to 15% of its net assets in equity securities of non-US issuers. The Compartment may also invest in equity securities of issuers that have a market capitalization below USD 10 billion at the time of purchase. The Compartment will typically contain 25 to 35 positions. The Compartment may invest in American Depositary Receipts and American Depositary Shares.

The Compartment may hold liquid assets on an ancillary basis. Under normal market conditions, investment in liquid assets and debt instruments (including money market instruments) of any kind will not exceed 15% of the Compartment's net assets. In exceptional market circumstances and on a temporary basis only, this limit may be increased to 100% with due regard to the principle of risk spreading.

For the avoidance of doubt, the Compartment will not invest more than 10% of its net asset in UCITS and other UCIs (including open-ended exchange traded funds whose underlying belong to the Compartment's investment universe) (as defined under "Investment Restrictions" 1. (A) (1) d)).

##### **Investment Manager**

DSM Capital Partners LLC ("DSM") has been appointed as Investment Manager to manage the investment and reinvestment of the assets of the Compartment.

DSM Capital Partners LLC was founded by Daniel B. Strickberger and Stephen E. Memishian in February 2001 and became an SEC registered advisor in August 2001. The firm is located in Palm Beach Gardens, Florida.

DSM is a bottom-up, idea driven, growth stock firm, with an intermediate to long-term investment horizon.

DSM seeks to invest in growing businesses with attractive returns, solid business fundamentals, and intelligent management. DSM combines new idea generation, with thorough company research and proprietary valuation system, to create portfolio holdings. Normally these businesses will have projected revenue and earnings growth of at least 10% annually and will frequently have higher returns on equity and assets than the average S&P 500 business.

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### Classes of Shares

The Compartment currently contains the following Classes of Shares available in the currencies ("Class Currencies") indicated. Classes of Shares not denominated in USD may hedge their currency exposure to the US Dollar in the forward currency market.

Share Class	Category	Available Class Currencies	Eligibility requirements	Minimum initial subscription amount	Minimum holding	Advisory fee
AI	Clean	EUR, USD, GBP	Institutional <sup>1</sup>	100,000	100,000	1.25% Per annum
AR	Clean	EUR, USD, GBP	Retail <sup>2</sup>	100,000	100,000	1.25% Per annum
BI	Clean	EUR, USD, GBP	Institutional <sup>1</sup>	10,000,000	10,000,000	0.70% Per annum
D	Non clean	EUR, USD, GBP	Retail <sup>3</sup>	10,000	10,000	1.75% Per annum
EI	Clean	EUR, USD, GBP	Institutional <sup>1</sup>	1,000,000	1,000,000	0.90% Per annum
ER	Clean	EUR, USD, GBP	Retail <sup>2</sup>	1,000,000	1,000,000	0.90% Per annum
U	Clean	EUR, USD, GBP	Institutional <sup>1</sup>	100,000	100,000	1.25% Per annum

<sup>1</sup> This Class of Shares is available to:

- 1) Investors which qualify as professional clients ("Professional Clients") as defined in Annex II, Section I of Directive 2014/65/EU on markets in financial instruments ("MiFID II") investing:
  - (i) on their own behalf; or
  - (ii) in their own name but on behalf of any of their clients on the basis of a discretionary management mandate;
- 2) Financial intermediaries which, under the relevant legal and/or regulatory requirements, are prohibited from accepting and retaining inducements from third parties, and which:
  - (i) invest in their own name but on behalf of any of their Professional Clients; or
  - (ii) invest on behalf of Professional Clients;
- 3) Financial intermediaries which, under the contractual arrangements they have entered into, are not entitled to accept and retain inducements from third parties and which:
  - (i) invest in their own name but on behalf of any of their Professional Clients; or
  - (ii) invest on behalf of Professional Clients;
  - (iii) and which a) qualify as Institutional Investors within the meaning of Luxembourg regulations and b) have been approved by the Management Company.

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<sup>2</sup> This Class of Shares is only available to or through:

- 1) Such financial intermediaries which, under the relevant legal and/or regulatory requirements, are not allowed to accept and retain inducements from third parties;
- 2) Such financial intermediaries which, under contractual arrangements they have entered into, are not allowed to accept and retain inducements from third parties,

and which have been approved by the Management Company.

<sup>3</sup> These Shares shall be normally available in accordance with the provisions of the Prospectus and this Appendix.

### **Profile of the typical investor**

The Portfolio is suitable for investors seeking long-term growth through capital appreciation and who want to participate in the long-term growth of the US economy. It is also suitable for investors wishing to diversify their investment portfolios, who are comfortable with and understand the risks of investing in the stock market, who have a medium term investment horizon, and who seek investment opportunities in the US equity markets.

### **Income distribution policy**

This Compartment pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out.

### **Reference currency**

The reference currency of the Compartment is the US Dollar.

Cut-off	<p>Subscription: prior to 4 p.m. (CET) on the Luxembourg bank business day prior to a Valuation Day.</p> <p>For any subscription received by the Central Administration after 4 p.m. (CET) on a Luxembourg bank business day prior to a Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Day.</p> <p>Redemption: by 4 p.m. (CET) on the Luxembourg bank business day prior to a Valuation Day.</p> <p>For any redemption received by the Central Administration after 4 p.m. (CET) on a Luxembourg bank business day prior to a Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Day.</p>
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## HEREFORD FUNDS

	<p>Conversion: by 4 p.m. (CET) on the Luxembourg bank business day prior to a Valuation Day.</p> <p>For any conversion requests received by the Central Administration after 4 p.m. (CET) on a Luxembourg bank business day prior to a Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Day.</p>
Valuation Day (Pricing Day)	<p>Each day that is a bank business day in Luxembourg and on which the New York Stock Exchange (NYSE) is open for trading.</p> <p>24<sup>th</sup> December is not a Valuation Day.</p>
Settlement Day	<p>Subscription: within 2 Luxembourg bank business days following the relevant Valuation Day.</p> <p>Redemption: within 5 Luxembourg bank business days following the relevant Valuation Day.</p> <p>Conversion: within 2 Luxembourg bank business days following the relevant Valuation Day.</p>

## HEREFORD FUNDS

### **Hereford Funds – DGHM US All-Cap Value Fund**

#### **Objectives and Investment Policy**

The investment objective of the Compartment is to provide long-term capital appreciation over a multi-year investment horizon by investing primarily in a diversified portfolio of publicly traded equity securities of US based companies, which the Investment Manager believes to be undervalued. The companies will generally have a market capitalization of more than USD 750 Million.

The Compartment may, on an ancillary basis, invest in US-based companies with higher or lower market capitalizations as well as in non-US based companies. The Compartment may invest in American Depositary Receipts and American Depositary Shares.

The Compartment will invest, under normal circumstances, at least 85% of its net assets in publicly traded equity securities, including common stocks, preferred stocks, convertible securities, and similar instruments of various issuers.

On an ancillary basis, the Compartment has the flexibility to invest in other types of securities when the Investment Manager believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. Under normal market conditions, investment in liquid assets and debt instruments (including money market instruments) of any kind will not exceed 15% of the Compartment's net assets. In exceptional market circumstances and on a temporary basis only, this limit may be increased to 100% with due regard to the principle of risk spreading.

For the avoidance of doubt, the Compartment will not invest more than 10% of its net asset in UCITS and other UCIs (including open-ended exchange traded funds whose underlyings belong to the Compartment's investment universe) (as defined under "Investment Restrictions" 1. (A) (1) d)).

#### **Investment Process**

In identifying securities to be held by the Compartment, the Investment Manager uses the following methods:

The Investment Manager uses a bottom-up selection process to attempt to identify equity securities of companies that appear to be selling at a discount relative to the Investment Manager's assessment of their potential value. The Investment Manager focuses on cash flows, historical profitability, projected future earnings, and financial conditions of individual companies in identifying which securities the Compartment may purchase. The Investment Manager may weigh other factors against a company's valuation in deciding which companies may appear attractive for investment. These factors may include the following:

- quality of the business franchise
- competitive advantage
- economic or market conditions
- deployment of capital
- reputation, experience, and competence of the company's management

## HEREFORD FUNDS

The Investment Manager believes that equity securities purchased at prices below their potential value not only protect capital, but offer significant price appreciation once the market recognizes the particular security's potential value.

Generally, securities are sold when the characteristics and factors used to select the security change or the security has appreciated to the point where it is no longer attractive for the Compartment to hold the security in its portfolio of investments.

In pursuit of its investment objective, the Compartment may invest a significant portion of its assets in one or more sectors of the equity securities market, such as healthcare, technology, natural resources, etc.

### Investment Manager

Dalton, Greiner, Hartman, Maher & Co., LLC ("DGHM") has been appointed as Investment Manager to manage the investment and reinvestment of the assets of the Compartment.

DGHM was founded in 1982 as Dillon Read Capital, the money management subsidiary of the investment bank, Dillon Read by Tim Dalton, CFA, Ken Greiner, CFA, Jim Hartman, CFA and Kevin Maher, CFA. In 1990, the four founding principals purchased the business from Dillon Read and formed DGHM, receiving SEC registration in April 1990.

In February 2004, an 80% interest in the firm was sold to Boston Private Financial Holdings, Inc., which is organized as a bank holding company focusing on wealth management through private banking and investment services. The remaining 20% is owned by DGHM employees with the largest shareholders being key professionals involved in the investment process and management of the firm.

### Classes of Shares

The Compartment currently contains the following Classes of Shares available in the currencies ("Class Currencies") indicated. Classes of Shares not denominated in USD may hedge their currency exposure to the US Dollar in the forward currency market.

Share Class	Category	Available Class Currencies	Eligibility requirements	Minimum initial subscription amount	Minimum holding	Advisory fee
AI	Clean	EUR, USD, GBP	Institutional <sup>1</sup>	100,000	100,000	1.25% Per annum
AR	Clean	EUR, USD, GBP	Retail <sup>2</sup>	100,000	100,000	1.25% Per annum
BI	Clean	EUR, USD, GBP	Institutional <sup>1</sup>	10,000,000	10,000,000	0.70% Per annum
D	Non clean	EUR, USD, GBP	Retail <sup>3</sup>	10,000	10,000	1.75% Per annum

## HEREFORD FUNDS

<sup>1</sup> This Class of Shares is available to:

- 1) Investors which qualify as Professional Clients as defined in Annex II, Section I of MiFID II investing:
  - (i) on their own behalf; or
  - (ii) in their own name but on behalf of any of their clients on the basis of a discretionary management mandate;
- 2) Financial intermediaries which, under the relevant legal and/or regulatory requirements, are prohibited from accepting and retaining inducements from third parties, and which:
  - (i) invest in their own name but on behalf of any of their Professional Clients; or
  - (ii) invest on behalf of Professional Clients;
- 3) Financial intermediaries which, under the contractual arrangements they have entered into, are not entitled to accept and retain inducements from third parties and which:
  - (i) invest in their own name but on behalf of any of their Professional Clients; or
  - (ii) invest on behalf of Professional Clients;
  - (iii) and which a) qualify as Institutional Investors within the meaning of Luxembourg regulations and b) have been approved by the Management Company.

<sup>2</sup> This Class of Shares is only available to or through:

- 1) Such financial intermediaries which, under the relevant legal and/or regulatory requirements, are not allowed to accept and retain inducements from third parties;
- 2) Such financial intermediaries which, under contractual arrangements they have entered into, are not allowed to accept and retain inducements from third parties.

and which have been approved by the Management Company.

<sup>3</sup> These Shares shall be normally available in accordance with the provisions of the Prospectus and this Appendix.

### **Profile of the typical investor**

The Compartment is suitable for investors seeking long-term growth over a multi-year investment horizon through capital appreciation and who want to participate in the long-term growth of the US economy. It is also suitable for investors wishing to diversify their investment portfolios who are comfortable with and understand the risks of investing in the stock market and who seek investment opportunities in the US equity markets.

### **Income distribution policy**

This Compartment pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out.

## HEREFORD FUNDS

### Reference currency

The reference currency of the Compartment is the US Dollar.

Cut-off	<p>Subscription: prior to 4 p.m. (CET) on the Luxembourg bank business day prior to a Valuation Day.</p> <p>For any subscription received by the Central Administration after 4 p.m. (CET) on a Luxembourg bank business day prior to a Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Day.</p> <p>Redemption: by 4 p.m. (CET) on the Luxembourg bank business day prior to a Valuation Day.</p> <p>For any redemption received by the Central Administration after 4 p.m. (CET) on a Luxembourg bank business day prior to a Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Day.</p> <p>Conversion: by 4 p.m. (CET) on the Luxembourg bank business day prior to a Valuation Day.</p> <p>For any conversion requests received by the Central Administration after 4 p.m. (CET) on a Luxembourg bank business day prior to a Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Day.</p>
Valuation Day (Pricing Day)	<p>Each day that is a bank business day in Luxembourg and on which the New York Stock Exchange (NYSE) is open for trading.</p> <p>24<sup>th</sup> December is not a Valuation Day.</p>
Settlement Day	<p>Subscription: within 2 Luxembourg bank business days following the relevant Valuation Day.</p> <p>Redemption: within 5 Luxembourg bank business days following the relevant Valuation Day.</p> <p>Conversion: within 2 Luxembourg bank business days following the relevant Valuation Day.</p>

## HEREFORD FUNDS

### **Hereford Funds – DGHM US MicroCap Value Fund**

#### **Objectives and Investment Policy**

The investment objective of the Compartment is to provide long-term capital appreciation over a multi-year investment horizon by investing primarily in a diversified portfolio of publicly traded micro-cap equity securities of US based companies, which the Investment Manager believes to be undervalued. The Compartment's portfolio will generally be comprised of approximately 60 to 90 positions of companies with a market capitalisation at the time of investment of between USD 50 million and USD 1 billion.

The Compartment may, on an ancillary basis, invest in US-based companies with higher or lower market capitalizations as well as in non-US based companies. The Compartment may invest in American Depository Receipts and American Depository Shares.

The Compartment will invest, under normal circumstances, at least 90% of its net assets in publicly traded equity securities, including common stocks, preferred stocks, convertible securities, and similar instruments of various issuers.

On an ancillary basis, the Compartment has the flexibility to invest in other types of securities when the Investment Manager believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. Under normal market conditions, investment in liquid assets and debt instruments (including money market instruments) of any kind will not exceed 10% of the Compartment's net assets. In exceptional market circumstances and on a temporary basis only, this limit may be increased to 100% with due regard to the principle of risk spreading.

For the avoidance of doubt, the Compartment will not invest more than 10% of its net asset in UCITS and other UCIs (including open-ended exchange traded funds whose underlyings belong to the Compartment's investment universe) (as defined under "Investment Restrictions" 1. (A) (1) d)).

#### **Investment Process**

In identifying securities to be held by the Compartment, the Investment Manager uses the following methods:

The Investment Manager uses a bottom-up selection process to attempt to identify equity securities of companies that appear to be selling at a discount relative to the Investment Manager's assessment of their potential value. The Investment Manager focuses on cash flows, historical profitability, projected future earnings, and financial condition of individual companies in identifying which securities the Compartment may purchase. The Investment Manager may weigh other factors against a company's valuation in deciding which companies may appear attractive for investment. These factors may include the following:

- quality of the business franchise
- competitive advantage
- economic or market conditions
- deployment of capital
- reputation, experience, and competence of the company's management

## HEREFORD FUNDS

The Investment Manager believes that equity securities purchased at prices below their potential value not only protect capital, but offer significant price appreciation once the market recognizes the particular security's potential value.

Generally, securities are sold when the characteristics and factors used to select the security change or the security has appreciated to the point where it is no longer attractive for the Compartment to hold the security in its portfolio of investments.

In pursuit of its investment objective, the Compartment may invest a significant portion of its assets in one or more sectors of the equity securities market, such as healthcare, technology, natural resources, etc.

### Investment Manager

Dalton, Greiner, Hartman, Maher & Co., LLC ("DGHM") has been appointed as Investment Manager to manage the investment and reinvestment of the assets of the Compartment.

DGHM was founded in 1982 as Dillon Read Capital, the money management subsidiary of the investment bank, Dillon Read by Tim Dalton, CFA, Ken Greiner, CFA, Jim Hartman, CFA and Kevin Maher, CFA. In 1990, the four founding principals purchased the business from Dillon Read and formed DGHM, receiving SEC registration in April 1990.

In February 2004, an 80% interest in the firm was sold to Boston Private Financial Holdings, Inc., which is organized as a bank holding company focusing on wealth management through private banking and investment services. The remaining 20% is owned by DGHM employees with the largest shareholders being key professionals involved in the investment process and management of the firm.

### Classes of Shares

The Compartment currently contains the following Classes of Shares available in the currencies ("Class Currencies") indicated. Classes of Shares not denominated in USD may hedge their currency exposure to the US Dollar in the forward currency market.

Share Class	Category	Available Class Currencies	Eligibility requirements	Minimum initial subscription amount	Minimum holding	Advisory fee
AI	Clean	EUR, USD, GBP	Institutional <sup>1</sup>	100,000	100,000	1.50% Per annum
AR	Clean	EUR, USD, GBP	Retail <sup>2</sup>	100,000	100,000	1.50% Per annum

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BI	Clean	EUR, USD, GBP	Institutional <sup>1</sup>	100,000 <sup>4</sup>	100,000 <sup>4</sup>	1.20% Per annum
				2,000,000 <sup>5</sup>	2,000,000	
				5,000,000 <sup>6</sup>	5,000,000 <sup>6</sup>	
				10,000,000 <sup>7</sup>	10,000,000 <sup>7</sup>	
L		EUR, USD, GBP	Institutional <sup>3</sup>	100,000	100,000	0.80% Per annum

<sup>1</sup> This Class of Shares is available to:

- 1) Investors which qualify as Professional Clients as defined in Annex II, Section I of MiFID II investing:
  - (i) on their own behalf; or
  - (ii) in their own name but on behalf of any of their clients on the basis of a discretionary management mandate;
- 2) Financial intermediaries which, under the relevant legal and/or regulatory requirements, are prohibited from accepting and retaining inducements from third parties, and which:
  - (i) invest in their own name but on behalf of any of their Professional Clients; or
  - (ii) invest on behalf of Professional Clients;
- 3) Financial intermediaries which, under the contractual arrangements they have entered into, are not entitled to accept and retain inducements from third parties and which:
  - (i) invest in their own name but on behalf of any of their Professional Clients; or
  - (ii) invest on behalf of Professional Clients;
  - (iii) and which a) qualify as Institutional Investors within the meaning of Luxembourg regulations and b) have been approved by the Management Company.

<sup>2</sup> This Class of Shares is only available to or through:

- 1) Such financial intermediaries which, under the relevant legal and/or regulatory requirements, are not allowed to accept and retain inducements from third parties;
- 2) Such financial intermediaries which, under contractual arrangements they have entered into, are not allowed to accept and retain inducements from third parties,

and which have been approved by the Management Company.

<sup>3</sup> These Shares shall be reserved for investments made by investors qualifying as Institutional Investors within the meaning of the Law, who are approved by the Management Company and which provide fee-based investment advisory services to underlying investors and will only be available for such period of time as determined by the Directors in their sole discretion. This class is reserved for subscriptions received during the launch period.

<sup>4</sup> In the period until the net assets of the Compartment equal or exceed USD 15,000,000.

<sup>5</sup> In the period until the net assets of the Compartment equal or exceed USD 50,000,000. Existing investments below the required minimum holding will be maintained. Any new or additional investment will need to meet the required minimum holding.

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- <sup>6</sup> In the period when the net assets of the Compartment equal or exceed USD 50,000,000 but are less than USD 100,000,000. Existing investments below the required minimum holding will be maintained. Any new or additional investment will need to meet the required minimum holding.
- <sup>7</sup> In the period when the net assets of the Compartment equal or exceed USD 100,000,000. Existing investments below the required minimum holding will be maintained. Any new or additional investment will need to meet the required minimum holding.

### Profile of the typical investor

The Compartment is suitable for investors seeking long-term growth over a multi-year investment horizon through capital appreciation and who want to participate in the long-term growth of the US economy. It is also suitable for investors wishing to diversify their investment portfolios, who are comfortable with and understand the risks of investing in the stock market and who seek investment opportunities in the US equity markets.

### Specific risk warning

The attention of prospective investors is drawn to the risk warning "Liquidity and Market Characteristics" in the general part of the Prospectus.

### Income distribution policy

This Compartment pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out.

### Reference currency

The reference currency of the Compartment is the US Dollar.

Cut-off	<p>Subscription: prior to 4 p.m. (CET) on the Luxembourg bank business day prior to a Valuation Day.</p> <p>For any subscription received by the Central Administration after 4 p.m. (CET) on a Luxembourg bank business day prior to a Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Day.</p> <p>Redemption: by 4 p.m. (CET) on the Luxembourg bank business day prior to a Valuation Day.</p> <p>For any redemption received by the Central Administration after 4 p.m. (CET) on a Luxembourg bank business day prior to a Valuation Day, the Net Asset Value applicable will be the Net Asset Value</p>
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	<p>as calculated on the following Valuation Day.</p> <p>Conversion(*): by 4 p.m. (CET) on the Luxembourg bank business day prior to a Valuation Day.</p> <p>For any conversion requests received by the Central Administration after 4 p.m. (CET) on a Luxembourg bank business day prior to a Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Day.</p>
Valuation Day (Pricing Day)	<p>Each day that is a bank business day in Luxembourg and on which the New York Stock Exchange (NYSE) is open for trading.</p> <p>24<sup>th</sup> December is not a Valuation Day.</p>
Settlement Day	<p>Subscription: within 2 Luxembourg bank business days following the relevant Valuation Day.</p> <p>Redemption: within 5 Luxembourg bank business days following the relevant Valuation Day.</p> <p>Conversion: within 2 Luxembourg bank business days following the relevant Valuation Day.</p>

## HEREFORD FUNDS

### **Hereford Funds – FIRTH ASIAN Systematic Equities Fund**

#### **Objectives and investment policy**

The investment objective of the Compartment is to generate long term capital growth from a portfolio of listed company securities in Asia (ex-Japan). The Compartment will follow a systematic investing approach, which principally employs quantitative techniques to manage portfolio investments.

The Compartment will directly invest primarily in shares of companies located in, incorporated in, headquartered in, listed on exchanges in or with significant operations in or significant income derived from Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, the People's Republic of China (PRC), Singapore, Taiwan and Thailand. The Compartment may also directly invest in smaller or developing economies in Asia such as Bangladesh, Cambodia, Laos, Pakistan, Sri Lanka or Vietnam. The Compartment may invest up to 10% in China A Shares when investing in the PRC if a suitable method of market access becomes available notably such as but not limited to the Shanghai Hong Kong Stock Connect Programme and the Shenzhen Hong Kong Stock Connect Programme.

The Compartment will directly invest in a diversified portfolio of listed equity securities. The Compartment will generally only invest in securities admitted to official listing on a recognized stock exchange, or dealt in on another regulated market. Although the Compartment intends to invest in a portfolio of not less than 40 stocks and not more than 150 stocks, it is not restricted in or subject to any material concentration or diversification restrictions, and may hold a greater or more limited number of investment positions. The Compartment may, for efficient portfolio management purposes, gain market exposure through the use of financial derivative instruments solely in the form of exchange traded index futures.

The Compartment will typically be near fully invested but may hold liquid assets on an ancillary basis. Under normal market conditions, investment in liquid assets and debt instruments (including money market instruments) of any kind will not exceed 25% of the Compartment's net assets. In exceptional market circumstances and on a temporary basis only, this limit may be increased to 100% with due regard to the principle of risk spreading.

The Investment Manager intends to meet the Compartment's objective primarily through systematic stock selection and risk management. This is not a high frequency nor aggressive trading strategy and it is not intended to attempt to time shorter term market movements. While portfolio returns will be measured against the Benchmark Index, portfolio management will not be constrained by reference to the Benchmark Index.

For the avoidance of doubt, the Compartment will not invest more than 10% of its net asset in UCITS and other UCIs (including open-ended exchange traded funds whose underlying belong to the Compartment's investment universe) (as defined under "Investment Restrictions" 1. (A) (1) d)).

#### **Investment Manager**

Firth Investment Management Pte Ltd ("Firth") has been appointed as Investment Manager to manage the investment and reinvestment of the assets of the Compartment.

Firth, a private limited company, was incorporated in Singapore on 28 May 2007. Firth holds a Capital

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Markets Services Licence issued by the Monetary Authority of Singapore, and is thereby licensed under the Singapore Securities and Futures Act, (the "SFA") to conduct the regulated activity of fund management to accredited and institutional investors as defined in the SFA. Firth is an independent Asia ex-Japan equity investment manager based in Singapore. Richard Firth is the principal investment officer and founding shareholder of the company. He has worked in the investment management industry since 1987, principally at Schroder Investment Management. He has spent the majority of his career resident in Asia and investing in Asia ex-Japan equities. Firth has researched and created its own investment process for Asia ex-Japan equity investment. The two key elements of the process are a stock selection engine and a risk management framework. Firth generates its own ideas and conducts its own research into the investment universe. In considering appropriate investments for the portfolio, significant attention is paid to a stock's valuation and to the company's financial, operating and management attributes.

Firth has researched and created its own investment process for Asia ex-Japan systematic equity investment. The process incorporates fundamental stock analysis, capital management and portfolio optimisation techniques to identify and manage investment opportunities. The process is highly structured, and principally model-based.

### Classes of Shares

The Compartment currently contains the following Classes of Shares available in the currencies ("Class Currencies") indicated. Classes of Shares not denominated in USD may hedge their currency exposure to the US Dollar in the forward currency market.

Classes of Shares are available to investors fulfilling the requirements stated below and that confirm in the subscription form (i) their status as accredited or institutional investors within the meaning of the SFA (and as defined in the subscription form) and (ii) that the Shares shall only be transferred to persons who would confirm being accredited or institutional investors.

**Acquirers of Shares are reminded that, in order to be recognised as Shareholders, they must fulfil all the applicable eligibility requirements for holding Shares of the Compartment as detailed in this section. Should the Board of Directors become aware that a proposed acquirer of Shares (regardless of the method of acquisition) or a holder of Shares does not or no longer fulfils such eligibility requirements, then the Board of Directors will i) refuse to register such acquirer as shareholder of the Compartment and/or ii) compulsorily redeem such shareholding, all in accordance with the general part of the Prospectus and the Articles of Incorporation.**

Share Class	Available Class Currencies	Eligibility requirements	Minimum initial subscription amount	Minimum holding	Advisory fee	Performance fee level
AI	USD	Institutional <sup>1</sup>	100,000	100,000	1,00% per annum	10%
AR	USD	Retail <sup>2</sup>	100,000	100,000	1,00% per annum	10%
BI	USD	Institutional <sup>1</sup>	10,000,000	10,000,000	0,75% per annum	10%
E	USD	Investment manager	100,000	100,000	0,25% per annum	None

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		share class <sup>3</sup>				
L1	USD	Institutional <sup>4</sup>	100,000	100,000	0,75% per annum	None
L2	USD	Institutional <sup>4</sup>	100,000	100,000	0,25% per annum	10%
R	USD	Investment manager share class <sup>5</sup>	100,000	100,000	1,50% per annum	10%
FI	USD	Investment manager share class <sup>5</sup>	10,000,000	10,000,000	0,75% per annum	10%

<sup>1</sup> This Class of Shares is available to:

- 1) Investors which qualify as Professional Clients as defined in Annex II, Section I of MiFID II investing:
  - (i) on their own behalf; or
  - (ii) in their own name but on behalf of any of their clients on the basis of a discretionary management mandate;
- 2) Financial intermediaries which, under the relevant legal and/or regulatory requirements, are prohibited from accepting and retaining inducements from third parties, and which:
  - (i) invest in their own name but on behalf of any of their Professional Clients; or
  - (ii) invest on behalf of Professional Clients,
- 3) Financial intermediaries which, under the contractual arrangements they have entered into, are not entitled to accept and retain inducements from third parties and which:
  - (i) invest in their own name but on behalf of any of their Professional Clients; or
  - (ii) invest on behalf of Professional Clients,
  - (iii) and which i) qualify as Institutional Investors within the meaning of Luxembourg regulations and ii) have been approved by the Management Company.

<sup>2</sup> This Class of Shares is only available to or through:

- 1) Such financial intermediaries which, under the relevant legal and/or regulatory requirements, are not allowed to accept and retain inducements from third parties;
- 2) Such financial intermediaries which, under contractual arrangements they have entered into, are not allowed to accept and retain inducements from third parties,

and which have been approved by the Management Company.

<sup>3</sup> These Shares shall be reserved for investments made by employees, shareholders and directors of Firth and their immediate families. All individuals meeting these criteria must also qualify as accredited investors within the meaning of the SFA. In the event that transferred holder of Class E Shares no longer fulfils these eligibility criteria, their shareholding in Class E Shares will be converted into Class A Shares free of charge.

<sup>4</sup> These Shares shall be reserved for investments made by investors qualifying as accredited or institutional investors within the meaning of the SFA and Institutional Investors within the meaning of the Law and will only be available for such period of time as determined by the Directors in their sole discretion or the net assets of the Compartment equal or exceed USD 20,000,000.

- <sup>5</sup> These Shares shall be reserved for investments made by investors qualifying as accredited or institutional investors within the meaning of the SFA and Institutional Investors within the meaning of the Law, who are approved by the Investment Manager.

### **Profile of the typical investor**

The Portfolio is suitable for investors seeking medium to long-term growth through capital appreciation and who want to participate in the medium to long-term growth of the Asian economies, while also seeking to generate returns from the identification of market inefficiencies. It is also suitable for investors wishing to diversify their investment portfolios, who are comfortable with and understand the risks of investing in the stock market, who have a medium term investment horizon, and who seek investment opportunities in the Asian equity markets.

### **Income distribution policy**

This Compartment pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out.

### **Reference currency**

The reference currency of the Compartment is the US Dollar.

### **Performance fees specific to this Compartment**

In addition, in relation to the classes for which a performance fee is charged and at such rates in accordance with the table above, a performance fee may be paid to the Advisory Company on an annual basis (referring to the financial year of the Fund ending 30 September), with the amount based on the cumulative relative performance of the relevant Class to the MSCI AC Asia ex Japan USD Net Index (Bloomberg ticker NDUECAXJ Index) (the "Benchmark Index"), subject to a high water mark provision. A performance fee may also be payable on shares redeemed, calculated on the redemption date, as per year-end performance calculations and requirements. As of the date of this Prospectus, the administrator of the Benchmark (MSCI Limited) is in the list of administrators held with ESMA, in accordance with article 36 of the Benchmark Regulation.

The high water mark is defined as the latest NAV per Share of the Class in respect of which a performance fee was paid or if none, the NAV at which the relevant Class has been launched.

Relative performance is defined as the return of the relevant Class above the high water mark after advisory fees and other fees and expenses attributable to the Class for the period since the payment of the previous performance fee or if none, since the launch of the relevant Class, less the return of the Benchmark Index since the payment of the previous performance fee or if none since launch.

A performance-based fee will thus only be paid for years where the relative performance of the Class is positive and where the high water mark has been exceeded. In such instances, the performance fee is computed as 10% of the relative performance.

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The Performance Fee is accrued as of each Valuation Day based on the number of Shares in issue on that Valuation Day. The amounts accrued for the Performance Fee will be paid to the Advisory Company annually, within 30 days following the end of the year for which the Performance Fee is payable.

The first performance fee of any Class of Shares will be calculated for the period starting with the launch of the relevant Class of Shares and ending at the end of the financial year in which such Class was launched.

Below are some examples which illustrate the calculation of the performance fee described above:

### Example 1:

Let us assume the following:

- (a) The high water mark is USD 100 in relation to Shares outstanding at the end of year T and the benchmark value is USD 100.
- (b) At the end of year T+1, the net asset value is -10% to USD 90.00.
- (c) At the end of year T+2, the net asset value is +35% to USD 121.50.
- (d) At the end of year T+1, the Benchmark Index is -20% to USD 80.00.
- (e) At the end of year T+2, the Benchmark Index is +40% to USD 112.00.

This has the following results:

- No performance is payable for year T+1 as the Compartment has fallen below the high water mark, even though the fund outperformed the Benchmark Index. The high water mark therefore remains at USD 100.
- A performance fee is payable at the end of year T+2 as (1) the NAV has risen above the high water mark, and (2) the Compartment has outperformed the Benchmark Index on a cumulative basis year T+1 and
- T+2 taken together, even though it underperformed for T+2 taken alone. The performance fee payable is USD 0.95 (being 10% of USD 121.50 – USD 112 = USD 9.5 x 10%).
- The high water mark at the end of T+2 is reset to USD 121.50.

### Example 2:

Let us assume the following:

- (a) The high water mark is USD 100 in relation to Shares outstanding at the end of year T and the benchmark value USD 100.

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(b) At the end of year T+1, the net asset value is +110% to USD 210.00.

(c) At the end of year T +2, the net asset value is +20% to USD 252.00.

(d) At the end of year T +1, the Benchmark Index is +70% to USD 170.00.

(e) At the end of year T +2, the Benchmark Index is +35% to USD 229.50.

This has the following results:

- A performance fee of USD 4 is payable for year T +1 as the fund has outperformed the Benchmark Index (USD 210 - USD 170 = USD 40 x 10%).
- The high water mark at the end of T+1 is reset to USD 210.
- No performance is payable for year T +2 as the fund has underperformed the Benchmark Index in T+2. The high water mark remains set at USD 210.

### Important Information

The offer or invitation of the Shares of the Compartment does not relate to a collective investment scheme which is authorised under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or recognised under Section 287 of the SFA. The Compartment is not authorised or recognised by the Monetary Authority of Singapore ("MAS") and the Shares of the Compartment are not allowed to be offered to the retail public in Singapore. This Prospectus and any other document or material issued in connection with the offer or sale of the Shares of the Compartment is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares of the Compartment may not be circulated or distributed, nor may Shares of the Compartment be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to an accredited investor pursuant to, and in accordance with the conditions of, Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Cut-off	<p>Subscription: prior to 4 p.m. (CET) 2 Luxembourg bank business days prior to the relevant Valuation Day.</p> <p>Redemption: prior to 4 p.m. (CET) 5 Luxembourg bank business days prior to the relevant Valuation Day.</p> <p>Conversion: prior to 4 p.m. (CET) 2 Luxembourg bank business days prior to the relevant Valuation</p>
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	Day.
Valuation Day (Pricing Day)	<p>Each day that is a bank business day in Luxembourg and on which the Singapore Exchange Limited (SGX) and Hong Kong Exchanges and Clearing Limited are open for trading.</p> <p>24<sup>th</sup> December is not a Valuation Day.</p>
Settlement Day	<p>Subscription: within 2 Luxembourg bank business days following the relevant Valuation Day.</p> <p>Redemption: within 5 Luxembourg bank business days following the relevant Valuation Day.</p> <p>Conversion: within 2 Luxembourg bank business days following the relevant Valuation Day.</p>

### **Hereford Funds – Bin Yuan Greater China Fund**

#### **Objectives and investment policy**

The investment objective of the Compartment is to provide long term capital growth, measured in USD, primarily through investment in equities and equity-linked securities of Greater China Companies, as defined hereafter.

Greater China Companies are companies having their registered office in Greater China and companies organised and located in countries other than in Greater China where a predominant part of their economic activity, alone or on a consolidated basis, is derived from either goods produced, sales made or services performed in countries such as the People's Republic of China, Hong Kong, Taiwan and Singapore (herein together referred to as "Greater China Companies").

Investment exposure will be achieved through equities and equity-linked securities (such as shares, ADRs and GDRs). This also includes investment in China A-Shares through the Shanghai and Shenzhen - Hong Kong Stock Connects. Investors should refer to the "Risk Warning" section for special risk considerations applicable to this Compartment. The Compartment may also invest in investment grade debt securities and convertible bonds, equities and equity related securities of companies outside Greater China and money market instruments.

The Compartment's bottom-up, research driven investment process employs a proprietary score based screening process, supported by a tested database of financial analysis models.

This investment approach will be subject at all times to rigorous risk analysis and disciplined risk management procedures, including diversification, a conservative approach to liquidity, prudent exposure limits, and loss minimization procedures through stringent loss cutting practice. Investment risk will be assessed primarily by drawdown, but also by the volatility of returns.

For the avoidance of doubt, the Compartment will not invest more than 10% of its net asset in UCITS and other UCIs (including open-ended exchange traded funds whose underlying belong to the Compartment's investment universe) (as defined under "Investment Restrictions" 1. (A) (1) d)).

In exceptional market circumstances and on a temporary basis, the Compartment may hold up to 100% of its net assets in liquid assets and investment grade debt instruments (including money market instruments).

#### **Investment Manager**

Bin Yuan Capital Limited is licensed by the Hong Kong Securities and Futures Commission to undertake Type 9 (Asset Management) Regulated Activities. The principals are Ping Zhou and Cicy Wu whose profiles are below:

##### **Ping Zhou, CFA**

Ping, a founding and managing partner, has more than 25 years of management and investment experience including 17 years with GE. At GE Asset Management Incorporated ("GEAMI"), Ping was a managing

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director and responsible for a total of US\$ 5 billion assets including the Emerging Markets (US\$ 3.5 billion in AuM), China Equity (US\$ 400 million in AuM) and China A (US\$ 480 million in AuM) portfolios.

Ping initiated GE China Equity Fund in July 2002. The fund had achieved 22.1% annualized return for the past 9 years and has been one of the top funds in the industry. The GE emerging market fund, which was managed by Ping and one other fund manager, was ranked top ten in 2006.

Ping founded Bin Yuan Capital in 2012 and started 2 strategies in 2013, Greater China Strategy and China A strategy. Both strategies have delivered very strong performance since then. Bin Yuan Capital has attracted large International Institutions that include pension funds, endowments and foundations, and family offices.

He has a BS from Northeastern University magna cum laude and an MBA from Fairfield University. Ping was a holder of the Chartered Financial Analyst designation.

### **Cicy Wu, CFA**

Cicy, a founding and managing partner of Bin Yuan Capital, has more than 10 years investment experience including 8 years with GE. At GE Asset Management Incorporated ("GEAMI"), Cicy was the assistant portfolio manager for the China Equity Strategy (AuM US\$ 400 million) and China A-shares (AuM US\$ 480 million). She joined GE Asset Management in 2006, and prior to that, she worked as an analyst of corporate finance in various GE business.

Cicy and Ping are co portfolio managers for two strategies in Bin Yuan Capital since 2013, Greater China Strategy and China A strategy. Both strategies have delivered very strong performance since then. Bin Yuan Capital has attracted large International institutions that include pension funds, endowments and foundations, and family offices.

Cicy holds a Bachelor Degree from Fudan University in Shanghai. Cicy is also a holder of the Chartered Financial Analyst designation and member of The Association of Chartered Certified Accountants (ACCA). She is a native of China and speaks fluent English and Mandarin.

### **Classes of Shares**

The Compartment currently contains the following Classes of Shares available in the currencies ("Class Currencies") indicated. Classes of Shares not denominated in USD may hedge their currency exposure to the US Dollar in the forward currency market.

Share Class	Available Class Currencies	Eligibility requirements	Minimum initial subscription amount in USD or currency equivalent	Minimum holding in USD or currency equivalent	Advisory fee	Performance fee level
AI	USD, EUR, GBP, RMB	Institutional <sup>1</sup>	100,000	100,000	1,25% per annum	None
AR	USD, EUR, GBP, RMB	Retail <sup>2</sup>	100,000	100,000	1,25% per annum	None

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AB	USD, EUR, GBP, RMB	Investment manager share class <sup>3</sup>	100,000	100,000	1,25% per annum	None
BI	USD, EUR, GBP, RMB	Institutional <sup>1</sup>	5,000,000	5,000,000	1,00% per annum	None
BB	USD, EUR, GBP, RMB	Investment manager share class <sup>3</sup>	5,000,000	5,000,000	1,00% per annum	None
CI	USD, EUR, GBP, RMB	Institutional <sup>1</sup>	10,000,000	10,000,000	0,75% per annum	None
CB	USD, EUR, GBP, RMB	Investment manager share class <sup>3</sup>	10,000,000	10,000,000	0,75% per annum	None
L1	USD, EUR, GBP, RMB	Initial share <sup>4</sup> class	100,000	100,000	0,75% per annum	None
L2	USD, EUR, GBP, RMB	Initial share <sup>4</sup> class	100,000	100,000	0,25% per annum	15%
PI	USD, EUR, GBP, RMB	Institutional <sup>1</sup>	5,000,000	100,000	0,50% per annum	10%
PB	USD, EUR, GBP, RMB	Investment manager share class <sup>3</sup>	5,000,000	100,000	0,50% per annum	10%

<sup>1</sup> This Class of Shares is available to:

- 1) Investors which qualify as Professional Clients as defined in Annex II, Section I of MiFID II investing:
  - (i) on their own behalf; or
  - (ii) in their own name but on behalf of any of their clients on the basis of a discretionary management mandate;
- 2) Financial intermediaries which, under the relevant legal and/or regulatory requirements, are prohibited from accepting and retaining inducements from third parties, and which:
  - (i) invest in their own name but on behalf of any of their Professional Clients; or
  - (ii) invest on behalf of Professional Clients,
- 3) Financial intermediaries which, under the contractual arrangements they have entered into, are not entitled to accept and retain inducements from third parties and which:
  - (i) invest in their own name but on behalf of any of their Professional Clients; or
  - (ii) invest on behalf of Professional Clients,
  - (iii) and which i) qualify as Institutional Investors within the meaning of Luxembourg regulations and ii) have been approved by the Management Company.

<sup>2</sup> This Class of Shares is only available to or through:

- 1) Such financial intermediaries which, under the relevant legal and/or regulatory requirements, are not allowed to accept and retain inducements from third parties;
  - 2) Such financial intermediaries which, under contractual arrangements they have entered into, are not allowed to accept and retain inducements from third parties,
- and which have been approved by the Management Company.

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- 3 These Shares shall be reserved for investments made by investors qualifying as Institutional Investors within the meaning of the Law, who are approved by the Investment Manager.
- 4 These Shares shall be reserved for investments made by investors qualifying as Institutional Investors within the meaning of the Law, who are approved by the Management Company. These Shares will only be available for such period of time as determined by the Directors in their sole discretion or the net assets of the Compartment equals or is less than USD 40,000,000.

### **Profile of the typical investor**

The Portfolio is suitable for investors seeking medium to long-term growth through capital appreciation and who want to participate in the medium to long-term growth of the Greater China region.

### **Income distribution policy**

This Compartment pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out.

### **Reference currency**

The reference currency of the Compartment is the US Dollar.

### **Performance fees specific to this Compartment**

In relation to the classes for which a performance fee is charged in accordance with the table above, the Advisory Company will receive a performance fee, accrued on each valuation date, paid annually, based on the Net Asset Value, equivalent to such performance level (the "Performance Fee Level") as indicated in the aforementioned table of the performance of the Net Asset Value per share (measured against the high water mark) over the return of the MSCI All China Index (Bloomberg ticker M1ACN Index) calculated since the last performance fee payment. As of the date of this Prospectus, the administrator of the Benchmark (MSCI Limited) is in the list of administrators held with ESMA, in accordance with article 36 of the Benchmark Regulation.

The performance fee is calculated on the basis of the Net Asset Value after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the outperformance of the Net Asset Value per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the Net Asset Value per share before performance fee turns out to be below the high water mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The last Net Asset Value per share on which a performance fee has been paid;
- The initial Net Asset Value per share.

The high water mark will be decreased by the dividends paid to shareholders.

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If the performance of the Net Asset Value per share is negative over the calculation period, no performance fee will be calculated. If the performance of the Net Asset Value per share is negative against the high water mark, no performance fee will be calculated. If the performance of the Net Asset Value per share is positive, but the performance of the Benchmark Index is negative, the calculated performance fee will be based on the minimum between (i) the absolute performance of the Net Asset Value per share and (ii) Performance Fee Level of the outperformance over the Benchmark Index.

In addition, the performance fee per share cannot exceed the annual performance of the Net Asset Value per share.

Provision will be made for this performance fee on each Valuation Point. If the Net Asset Value per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the Net Asset Value per share against the Benchmark Index until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the high water mark adjusted by the benchmark performance at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

Calculation period shall correspond to each financial year.

Performance fees are payable within 20 business days following the end of the financial year.

The formula for the calculation of the performance fee is as follows:

$$F = \begin{cases} 0 & \text{If } [(B / E - 1) - (G / H - 1)] \leq 0 \\ & \text{Or if } B \leq E \\ & \text{Or if } B \leq I \end{cases}$$

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F	=	$\text{MIN} [(B / E - 1) - (G / H - 1)] * E * C * A; (B/I-1)*1*A]$ <p>If <math>[(B / E - 1) - (G / H - 1)] &gt; 0</math>  And if <math>B &gt; E</math>  And if <math>G &gt; H</math>  And if <math>B &gt; I</math></p>
F	=	$\text{MIN} [ (B / E - 1)*E*A; (B/I-1)*I*A; ((B / E - 1) - (G / H - 1))*C*E*A]$ <p>If <math>[(B / E - 1) - (G / H - 1)] &gt; 0</math>  And if <math>B &gt; E</math>  And if <math>G &lt; H</math>  And if <math>B &gt; I</math></p>
The new high water mark	=	<p>If <math>F=0 \Rightarrow E</math></p> <p>If <math>F &gt; 0 \Rightarrow D</math></p>
Number of shares outstanding	=	A
Net Asset Value per share before performance	=	B
Performance fee rate (15%)	=	C
Net Asset Value per share after performance	=	D
High water mark	=	E
Performance fees	=	F
Benchmark value at the valuation date	=	G
Benchmark value at the last performance fees payment date	=	H
Net Asset Value per share after performance at the end of the previous calculation period	=	I

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Cut-off	<p>Subscription: prior to 4 p.m. (CET) 2 Luxembourg bank business days prior to the relevant Valuation Day.</p> <p>Redemption: prior to 4 p.m. (CET) 5 Luxembourg bank business days prior to the relevant Valuation Day.</p> <p>Conversion: prior to 4 p.m. (CET) 2 Luxembourg bank business days prior to the relevant Valuation Day.</p>
Valuation Day (Pricing Day)	<p>Each day that is a bank business day in Luxembourg and on which the Hong Kong Exchanges and Clearing Limited are open for trading.</p> <p>24<sup>th</sup> December is not a Valuation Day.</p>
Settlement Day	<p>Subscription: within 2 Luxembourg bank business days following the relevant Valuation Day.</p> <p>Redemption: within 5 Luxembourg bank business days following the relevant Valuation Day.</p> <p>Conversion: within 2 Luxembourg bank business days following the relevant Valuation Day.</p>