

## **PROSPECTUS**

### **VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND**

**An open-ended umbrella common contractual fund with segregated liability between sub-funds  
authorised and regulated by the Central Bank of Ireland pursuant to the UCITS Regulations**

This Prospectus is dated and is valid as at 13 August 2025.

## VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND

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### IMPORTANT INFORMATION

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#### Investor Responsibility

**Investors should review this Prospectus carefully and in its entirety and consult a stockbroker, bank manager, solicitor, accountant or other financial adviser.**

#### Central Bank Authorisation

**Authorisation of the Fund is not an endorsement or guarantee of the Fund by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The authorisation of the Fund by the Central Bank shall not constitute a warranty as to the performance of the Fund and the Central Bank shall not be liable for the performance or default of the Fund.**

This Prospectus describes Vanguard Investments Common Contractual Fund (the “**Fund**”), an open-ended umbrella Common Contractual Fund authorised pursuant to the UCITS Regulations. Accordingly, the Fund is supervised by the Central Bank. The Fund is constituted as an umbrella fund insofar as the Units of the Fund will be divided into different series of Units with each series of Units representing a separate investment portfolio of assets which will comprise a separate Sub-Fund. Units of any Sub-Fund may be divided into different classes to accommodate different subscription and/or redemption provisions and/or other charges and/or dividends and/or fee arrangements, including different ongoing charges. Please see the section of the Prospectus entitled **Units** for further information. A separate pool of assets is not being maintained for each class of Units. Each Unit will represent a beneficial interest in assets of the Sub-Fund in respect of which it is issued.

The portfolio of assets maintained for each series of Units and comprising a separate Sub-Fund will be invested in accordance with the investment objectives and policies applicable to such Sub-Fund as specified in the Prospectus. For the purposes of this Prospectus, where the context so admits or requires, the term “**Sub-Fund**” shall also be deemed to mean the Manager acting for the account of the relevant Sub-Fund.

The board of directors of Vanguard Group (Ireland) Limited (the “**Directors**”) whose names appear under the heading “**Directory**” jointly accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

## Reliance on this Prospectus and on the Key Information Documents

Units in any Sub-Fund described in this Prospectus as well as in the Key Information Documents are offered only on the basis of the information contained in those documents and (if applicable) any addendum or supplement hereto and the latest audited annual financial report and any subsequent semi-annual financial report of the Fund. Any further information or representations given or made by any dealer, broker or other person should be disregarded and accordingly, should not be relied upon. The most recent Key Information Documents are available at <https://www.vanguard.co.uk/uk-fund-directory/product>.

This Prospectus is based on information, law and practice in force in Ireland at the date hereof. Neither the Directors nor Vanguard Group (Ireland) Limited (the “**Manager**”) can be bound on behalf of the Fund by an out of date prospectus when it has issued a new prospectus, and investors should check with the Administrator that this is the most recently published prospectus.

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

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

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail and all disputes as to the contents thereof shall be governed in accordance with the laws of Ireland.

## **Governing Law**

The issue and allotment of Units is subject to the provisions of the Prospectus, the Deed of Constitution and the account opening form and the aforementioned documents, the subscription for or redemption of Units and the terms of holding of such Units will be governed by and construed in accordance with the laws of Ireland.

The account opening form and the terms on which a Unitholder hold Units in a Sub-Fund shall be governed by and construed in accordance with the laws of Ireland. The courts of Ireland are to have exclusive jurisdiction to settle any dispute, controversy or claim arising out of or in connection with the account opening form, the Prospectus, the Deed of Constitution, the Fund, the application for or the holding of Units in a Sub-Fund. Unless the Manager otherwise agrees in writing, an applicant for Units irrevocably submits to the exclusive jurisdiction of the Irish courts.

## **United Kingdom**

The Fund has obtained the status of a “**recognised scheme**” under section 264 of the Financial Services and Markets Act 2000 (the “**FSMA**”) of the United Kingdom. Units in the Fund may be promoted and sold to the general public in the United Kingdom subject to compliance with the FSMA and applicable regulations made thereunder. Investors in the United Kingdom should be aware that most of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Fund and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

## **United States**

The Units have not been, and will not be, registered under the 1933 Act or the securities laws of any of the states of the United States. The Units may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to the regulatory requirements of, the 1933 Act or 1940 Act and any applicable federal or state securities laws. Any re-offer or resale of any of the Units in the United States or to U.S. Persons may constitute a violation of U.S. law. In the absence of such exemption or exempt transaction, each applicant for Units will be required to certify that it is not a U.S. Person.

The Fund is not open for investment by any U.S. Person except in exceptional circumstances and then only to certain Eligible Investors with the prior consent of the Manager. A prospective investor will be required at the time of acquiring Units to represent that such investor meets any qualification criteria established by the Manager, and is not a U.S. Person or acquiring Units for or on behalf of a U.S. Person. The prior consent of the Manager is required in respect of each application for Units and the

granting of such consent does not confer on investors a right to acquire Units in respect of any future or subsequent application. The Manager may, in its sole discretion, redeem Units of any Unitholders who become U.S. Persons and have not otherwise been approved by the Manager to own Units. Please refer to the section of the Prospectus entitled **Restrictions and Compulsory Redemption of Units** for further details.

Additionally, Units may not be acquired by a person who is deemed to be a U.S. Person.

### **Jurisdictional Considerations**

Potential investors should inform themselves as to:

- (a) the legal requirements within the countries of their nationality, citizenship, residence, ordinary residence or domicile for the acquisition of Units;
- (b) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Units;
- (c) the income tax and other taxation consequences which might be relevant to the acquisition, holding, redemption, conversion or disposal of Units; and
- (d) any requisite government or other consents and the observing of any other formalities.

**The value of a Sub-Fund may fall as well as rise, as the prices of Units may fall as well as rise and Unitholders may not get back the amount invested or any return on an investment.** There can be no assurance that any Sub-Fund will achieve its investment objective. Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units. Neither the Directors nor the Manager make any representation or warranties in respect of the Fund's suitability. **The difference at any one time between the sale and redemption price of Units (taking into account any portfolio transaction charges payable) in any Sub-Fund means that an investor should view his or her investment as for the medium to long term.**

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**TERMS USED IN THIS DOCUMENT**

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<b>Accounting Date</b>	The date by which the annual accounts of the Fund and each Sub-Fund are prepared which shall be 31 December in each year unless otherwise determined by the Manager in accordance with the requirements of the Central Bank.
<b>Accumulation Units</b>	Those classes of Units on which the Manager does not intend to declare or pay Gross Income Payments. Accordingly, a Sub-Fund's income, gains and profits attributable to such classes will be reflected in the Net Asset Value per Unit.
<b>ADRs</b>	American Depositary Receipt - A negotiable certificate issued by a U.S. bank representing a specified number of units (or one unit) in a foreign stock that is traded on a U.S. exchange.
<b>Administrator</b>	Brown Brothers Harriman Fund Administration Services (Ireland) Limited or such other person as may be appointed, with the prior approval of the Central Bank, to provide administration and transfer agency services to the Fund.
<b>Business Day</b>	Every day except Saturdays, Sundays or the days on which the London Stock Exchange is closed to observe the holidays of Christmas Day, New Year's Day or Good Friday each year.
<b>Central Bank</b>	The Central Bank of Ireland or any successor entity as may be created from time to time.
<b>Central Bank UCITS Regulations</b>	The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (as may be amended, supplemented or re-enacted from time to time) in addition to any guidance issued by the Central Bank in respect of same.
<b>Collection Account</b>	The umbrella cash subscription and redemption account opened in the name of the Fund into which all subscriptions into and redemptions and distributions due from the Sub-Funds will be paid.
<b>Common Contractual Fund</b>	A collective investment undertaking, being an unincorporated body established by a management company, under which the

	<p>participants by contractual arrangement participate and share in the property of the collective investment undertaking as co-owners and authorised by the Central Bank pursuant to the UCITS Regulations.</p>
<b>Dealing Day</b>	<p>Any day or days as the Directors may determine and notify to Unitholders in advance that a Sub-Fund can accept subscription, redemption and where permitted, exchange orders. Details of the Dealing Day in respect of each Sub-Fund are set out in <b>Appendix 1</b>.</p>
<b>Dealing Deadline</b>	<p>Such time on each Dealing Day that the Manager may agree and specify in relation to a Sub-Fund (or such other time as the Manager may from time to time determine and notify in advance to Unitholders, the Administrator and Depositary) as being the time by which subscription applications and redemption requests must be received in order to be accepted for a Dealing Day provided that such time will never be after the relevant Valuation Point.</p>
<b>Deed of Constitution or Deed</b>	<p>The Deed of Constitution entered into between the Manager and Depositary in respect of the Fund, as may be amended from time to time, the terms of which are binding on Unitholders.</p>
<b>Depositary</b>	<p>Brown Brothers Harriman Trustee Services (Ireland) Limited or such other person as may be appointed, with the prior approval of the Central Bank to provide depositary services to the Fund.</p>
<b>Directors</b>	<p>The board of directors of the Manager for the time being and any duly constituted committee thereof.</p>
<b>Distributing Units</b>	<p>Those classes of Units on which the Manager intends to make Gross Income Payments.</p>
<b>Distributor</b>	<p>Vanguard Asset Management, Limited and/or any other entity from time to time appointed by the Manager in relation to the promotion, distribution and sale of Units.</p>
<b>EEA</b>	<p>The European Economic Area being at the date of this Prospectus the EU Member States, Norway, Iceland and</p>

	Liechtenstein.
<b>ESMA</b>	European Securities and Markets Authority.
<b>Eligible Investor</b>	An investor who is:  (a) a pension fund; or  (b) a person (other than an individual) beneficially holding Units of the Fund or of a Sub-Fund; or  (c) a custodian or trustee holding Units of the Fund or of a Sub-Fund for the benefit of such person(s) as referred to in (a) or (b).
<b>EU Member State or Member State</b>	A member state of the European Union.
<b>Euro or €</b>	The European euro, the lawful currency of the Economic and Monetary Union of the European Union from time to time.
<b>European Union or EU</b>	The EU Member States.
<b>Excess Return</b>	The difference between the performance of an index tracking Sub-Fund and the performance of the relevant Index over a stated period of time as further described in the section headed <b>Plain Talk about Excess Return and Tracking Error</b> of this Prospectus.
<b>FDI</b>	Financial derivative instruments.
<b>Fund</b>	Vanguard Investments Common Contractual Fund.
<b>GDRs</b>	Global Depositary Receipt, a bank certificate issued in more than one country for shares in a foreign company.
<b>Gross Income</b>	All dividends, interest income and all other income earned by a Sub-Fund to which each Unitholder is beneficially entitled as these items of income arise in the Sub-Fund during a Gross Income Period and payable to Unitholders of the Sub-Fund (or a class thereof) calculated and as may be adjusted, which will be reduced for expenses of the Sub-Fund, as described in the Gross Income Payments definition below.

<b>Gross Income Date</b>	The date or dates by reference to which a Gross Income Payment may be declared as disclosed in <b>Appendix 1</b> for the relevant Sub-Fund.
<b>Gross Income Payments</b>	The amount that may be paid to Unitholders as set out under the <b>Gross Income Payments</b> section of this Prospectus.
<b>Gross Income Period</b>	<p>A period ending on an Accounting Date or a Gross Income Date as the Manager may select and beginning on either:</p> <ul style="list-style-type: none"> <li>(a) the day following the last preceding Accounting Date;</li> <li>(b) the day following the last preceding Gross Income Date; or</li> <li>(c) the date of the initial issue of the Units of a Sub-Fund,</li> </ul> <p>as the case may be.</p>
<b>Index</b>	The relevant index of securities which a Sub-Fund will aim to track or replicate, pursuant to its investment objective and in accordance with its investment strategies as set out in <b>Appendix 1</b> .
<b>Index Provider</b>	The entity or person who, by itself or through a designated agent, compiles, calculates and publishes information on the relevant Index and who has licensed the Index to the Investment Manager, or other members of the Vanguard Group of Companies, to use the Index.
<b>Investment Manager</b>	Such entity as may be specified, in respect of any Sub-Fund as the entity that has been appointed to provide investment management services in respect of the particular Sub-Fund and reference to “the Investment Manager” within this Prospectus shall be construed accordingly.
<b>Key Information Document</b>	The summary information document prepared in accordance with the PRIIPs Regulation or where required, the key investor information document prepared in accordance with the

	requirements of any jurisdiction where a Sub-Fund is registered.
<b>London Stock Exchange</b>	London Stock Exchange Group plc.
<b>Manager</b>	Vanguard Group (Ireland) Limited.
<b>MiFID II</b>	Directive 2014/65/EU on markets in financial instruments.
<b>Money Market Instruments</b>	Instruments, as prescribed by the UCITS Regulations, normally dealt in on the money market that are liquid and have a value which can be accurately determined at any time, and which shall be understood by reference to the UCITS Regulations.
<b>Net Asset Value</b>	The value of the total assets of a Sub-Fund minus the liabilities of that Sub-Fund.
<b>Net Asset Value per Unit or NAV per Unit</b>	In relation to any class of Units, the Net Asset Value divided by the number of Units issued in the relevant class or deemed to be issued in respect of that Sub-Fund as of the relevant Valuation Point and, in relation to any class of Units, subject to such adjustments, if any, as may be required in relation to such class.
<b>OECD or OECD Member States</b>	The Organisation for Economic Co-operation and Development Member States being Australia, Austria, Belgium, Canada, Chile, Columbia, Costa Rica, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States, and such other countries that may be admitted to membership from time to time.
<b>OTC derivative</b>	An FDI dealt over-the-counter.
<b>Pound Sterling or £</b>	U.K. pounds sterling, the lawful currency of the United Kingdom.
<b>PRIIPs Regulation</b>	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) (and as may be further amended,

	supplemented or replaced from time to time).
<b>Prospectus</b>	This document, any supplement or addendum thereto, any document designed to be read and construed with and to form part of, this document and the Fund's most recent annual report and accounts (if issued) or, if more recent, its interim report and accounts.
<b>Regulated Market</b>	Any exchange or market as may be set out and designated as such in this Prospectus from time to time in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations.
<b>Relevant Institutions</b>	<p>A credit institution which falls under one of the following categories:</p> <ul style="list-style-type: none"> <li>• A credit institution authorised in the European Economic Area (EEA) (being EU Member States, Norway, Iceland and Liechtenstein);</li> <li>• A credit institution authorised within a signatory state, other than an EEA member state, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, the United Kingdom and the U.S.);</li> <li>• A credit institution in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.</li> </ul>
<b>RMP</b>	Risk Management Process.
<b>Sub-Fund</b>	A portfolio of assets established by the Manager (with the prior approval of the Central Bank) and constituting a separate sub-fund represented by a separate series of Units and invested in accordance with the investment objective and policies applicable to such sub-fund.

<b>Sub-Distributor</b>	Any entity that may be appointed by a Distributor in relation to the promotion, distribution and sale of Units.
<b>Sub-Investment Manager</b>	Any entity to which an Investment Manager has, in accordance with the procedures of the Central Bank, delegated responsibility for the investment management of any Sub-Fund or Sub-Funds.
<b>Sustainable Finance Disclosure Regulation</b>	Regulation (EU) No 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
<b>Tax Class</b>	A class of Unit established for Unitholders with the same, or a similar, tax status, including entitlements to the same, or similar, withholding tax and reclaim rates.
<b>Tax Documentation</b>	Any tax forms, declarations, attestations, powers of attorney, or other documentation which may be requested in order to allow the Manager or Depositary (or their delegates) to apply for reduced rates or reclaims of withholding tax that may be permitted in the name of the Unitholder under the applicable laws, guidance and market practice on investments made by a Sub-Fund.
<b>Taxonomy Regulation</b>	Regulation (EU) No 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending the Sustainable Finance Disclosure Regulation.
<b>TCA</b>	The Taxes Consolidation Act 1997 of Ireland.
<b>Tracking Error</b>	The volatility of the difference between the return of a Sub-Fund and the return of the relevant Index of that Sub-Fund as further described in the section headed <b>Plain Talk about Excess Return and Tracking Error</b> .
<b>Transferable Securities</b>	<ul style="list-style-type: none"> <li>• Units in companies and other securities equivalent to shares in companies,</li> <li>• Bonds and other forms of securitised debt,</li> <li>• Any other negotiable securities that carry the right to</li> </ul>



	acquire any such transferable securities by subscription or exchange, other than the techniques and instruments referred to in the UCITS Regulations, and which fulfil the criteria set out in the UCITS Regulations.
<b>UCITS</b>	An Undertaking for Collective Investment in Transferable Securities within the meaning of the UCITS Regulations.
<b>UCITS V</b>	Directive 2014/91/EU, the delegated regulation supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries and the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016.
<b>UCITS Regulations</b>	The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011) (as amended) and all applicable regulations made or conditions imposed thereunder.
<b>U.K. or United Kingdom</b>	The United Kingdom of Great Britain and Northern Ireland, its territories and possessions.
<b>Unit</b>	One undivided interest in the assets of a Sub-Fund which may be further divided into different classes of Unit. Units in a Sub-Fund are not “ <b>shares</b> ” but serve to determine the proportion of the underlying assets of the Sub-Fund to which each Unitholder is entitled.
<b>Unitholder or Unitholders</b>	A person or persons (other than a natural person), including the holder of an office for the time being, entered on the register maintained on behalf of the Fund with respect to a Sub-Fund as the holder for the time being of Units and includes persons so entered as joint holders of a Unit, such holder or holders being entitled to an undivided co-ownership interest as tenants in common with the other holders in the assets of a Sub-Fund and each a “ <b>Unitholder</b> ”.
<b>U.S.</b>	The United States of America, its territories and possessions, including the States and the District of Columbia.

<b>USD or US \$</b>	United States dollar, the lawful currency of the United States of America.
<b>U.S. Person</b>	Any person falling within the definition of the term U.S. Person under Regulation S promulgated under the U.S. Securities Act of 1933 or as the Manager may otherwise from time to time determine.
<b>Valuation Point</b>	The time as at which the Net Asset Value on each Dealing Day will be calculated in accordance with the valuation policy of the relevant Sub-Fund and as disclosed in <b>Appendix 1</b> .
<b>Vanguard Group</b>	The Group of Companies of which The Vanguard Group, Inc. is the ultimate parent, and the investment funds under management.
<b>Vanguard Group of Companies</b>	The Group of Companies of which The Vanguard Group, Inc. is the ultimate parent.
<b>1933 Act</b>	The Securities Act of 1933 (of the United States), as amended.
<b>1940 Act</b>	The U.S. Investment Company Act of 1940 (of the United States), as amended.

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## DIRECTORY

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### VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND

**Manager**

Vanguard Group (Ireland) Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Board of Directors of Manager**

Jonathan Cleborne  
William Slattery  
Tara Doyle  
Robyn Laidlaw  
Tom Challenor  
Raj Singh  
Lisa Harlow  
Kaitlyn Caughlin

**Administrator**

Brown Brothers Harriman Fund Administration  
Services (Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

**Secretary for the Fund and the Manager**

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Distributor**

Vanguard Asset Management, Limited  
4th Floor  
The Walbrook Building  
25 Walbrook  
London  
EC4N 8AF  
United Kingdom

**Investment Manager**

Vanguard Asset Management, Limited  
4th Floor, The Walbrook Building  
25 Walbrook  
London EC4N 8AF  
United Kingdom

**Depository**

Brown Brothers Harriman Trustee Services  
(Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

**Legal Advisers as to Matters of Irish Law**

Matheson LLP  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Auditors**

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1  
DO1 F6F5  
Ireland

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## THE FUND

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### **Umbrella Fund**

The Fund is a Common Contractual Fund constituted on 16 January 2015 by a deed of constitution which has since been amended and restated by the Deed of Constitution. The Fund is not an incorporated entity and neither the Fund nor its Sub-Funds have separate legal personality. Unitholders participate in and share in the property of the relevant Sub-Fund, including without limitation, income and gains arising thereon and profits deriving therefrom as such income, gains and profits arise, as co-owners in accordance with the Deed of Constitution. As a Common Contractual Fund, the Fund will not hold Unitholder meetings and although Units may be redeemed, they are not freely transferable.

The rules of the Fund are set out in the Deed of Constitution and are binding on all persons acquiring Units in the Fund, and all persons claiming through the Unitholder, as if such persons had been parties to the Deed. Unitholders are on notice of the provisions of the Deed of Constitution. Please refer to the section of this Prospectus entitled **Documents of the Fund** for details on where a copy of the Deed of Constitution is available. The Fund is authorised in Ireland by the Central Bank pursuant to the UCITS Regulations. This authorisation does not, however, constitute a warranty as to the performance of the Fund and the Central Bank shall not be liable for the performance or default of the Fund. The sole purpose of the Fund is the collective investment of its assets in securities with the aim of spreading investment risk and giving Unitholders the benefit of the results of the management of its assets.

### **Sub-Funds**

The Fund has been structured as an umbrella fund in that the Manager may from time to time, with the prior approval of the Central Bank, issue different series of Units representing a separate portfolio of assets which will comprise a Sub-Fund.

### **Co-ownership**

To invest in the Fund is to purchase Units in a Sub-Fund. A Unit in a Sub-Fund represents the beneficial ownership of an undivided share in the assets of the relevant Sub-Fund in proportion to the value of the Unit. Unitholders in a Sub-Fund or class of Units are entitled as co-owners with other Unitholders to an undivided co-ownership interest in the assets of the relevant Sub-Fund in proportion to their respective holdings of Units.

All Unitholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Deed of Constitution, copies of which are available as described in the section under

the heading **Documents of the Fund** of this Prospectus. Unitholders shall not have any recourse to or claim against or right of action in respect of any of the assets of the Fund or any Sub-Fund or any part thereof other than the assets of the Sub-Fund in which they hold Units and in respect of which the claim arises. Please refer to the section on **Segregation of Assets and Liabilities** of this Prospectus.

### **Segregation of Assets and Liabilities**

Under the Deed of Constitution, the assets and liabilities attributable to each Sub-Fund established by the Manager will be segregated by the Depositary and the Deed of Constitution provides that there will be no cross-liabilities among the Sub-Funds. Each Sub-Fund will bear its own liabilities.

The following provisions shall apply to each Sub-Fund established by the Manager:

- (a) separate records and accounts shall be maintained for each Sub-Fund in the base currency of the relevant Sub-Fund as the Manager and the Depositary shall from time to time determine;
- (b) the proceeds from the issue of Units in each Sub-Fund shall be recorded in the accounts of the Sub-Fund established for those Units and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of the Deed of Constitution.
- (c) where any asset is derived from any other asset, such derivative asset shall be applied in the records and accounts of the Sub-Fund to the same Sub-Fund as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value of that asset shall be applied to the relevant Sub-Fund;
- (d) in the case of any asset of the Fund (or amount treated as a notional asset) which the Depositary does not consider as attributable to a particular Sub-Fund or Sub-Funds, the Manager shall, acting in good faith and with due care and diligence, have discretion to determine the basis upon which any such asset shall be allocated between Sub-Funds and the Manager shall be entitled at any time and from time to time, subject to the approval of the Depositary, to vary such basis provided that the approval of the Depositary shall not be required in any case where the asset is allocated between all Sub-Funds pro rata to their Net Asset Values at the time when the allocation is made;
- (e) the Manager shall, acting in good faith and with due care and diligence, have discretion to determine the basis upon which any liability not attributable to a specific Sub-Fund shall be allocated between Sub-Funds (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and shall be entitled at any time and from time to time to vary such basis, provided that the approval of the Depositary shall not be required in any case where a liability is allocated to the Sub-Fund or Sub-Funds to which in the opinion of the Manager it

relates or if in the opinion of the Manager it does not relate to any particular Sub-Fund or Sub-Funds, between all the Sub-Funds pro rata to their Net Asset Values, provided that, when any costs or expenses or liabilities are incurred by the Manager or the Depositary and are specifically attributable to a particular Sub-Fund they will be borne by that Sub-Fund; where they are not specifically attributable to a Sub-Fund, such costs, expenses or liabilities will be borne by each Sub-Fund, or as the case may be by the Sub-Funds in question, in the proportion in which the Net Asset Value of each such Sub-Fund bears to the aggregate Net Asset Value of the Fund as at the date that such costs, expenses or liabilities are incurred, or in such other manner as is most equitable in the opinion of the Manager and approved by the Depositary; and

- (f) the assets of each Sub-Fund shall belong exclusively to that Sub-Fund and shall not be used or available to discharge directly or indirectly the liabilities of or claims against any other Sub-Funds.

The Manager may, with the prior approval of the Central Bank, from time to time issue Units in relation to the creation of new Sub-Funds.

#### **Base Currency**

The base currency for each Sub-Fund is shown in **Appendix 1**.

#### **Category of Scheme**

The Fund is a UCITS.

#### **Further Information**

Further general information concerning the Fund is contained in **Appendix 5**.

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## MANAGEMENT AND ADMINISTRATION

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### **The Manager**

The manager of the Fund is Vanguard Group (Ireland) Limited which was incorporated in Ireland as a private limited liability company on 22 May 1997 under registration number 266761.

The Manager and the Investment Manager are ultimately wholly owned subsidiaries of The Vanguard Group, Inc. (“**VGI**”). VGI is a family of investment companies and manages more than US\$4.4 trillion in global assets and services more than 20 million investors worldwide as at 31 May 2017.

### *Share Capital*

The Manager has an authorised share capital of €126,973,810 divided into 100,000,000 shares of €1.2697381 each and an issued and fully paid share capital of €126,973.

### *Regulatory Status*

The Manager is a management company under the UCITS Regulations authorised and regulated by the Central Bank.

### *Remuneration Policies and Practices*

The Manager is subject to remuneration policies, procedures and practices (together, the “**Remuneration Policy**”) which complies with UCITS V. The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Sub-Funds. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Manager, the Fund and the Sub-Funds, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Manager, the Fund or the Sub-Funds, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually. Details of the up-to-date Remuneration Policy (including a description of how remuneration and benefits are calculated and the identities of persons responsible for awarding remuneration and benefits) are available via <https://fund-docs.vanguard.com/ucits-v-remuneration-policy.pdf>. The Remuneration Policy will be made available for inspection and may be obtained, free of charge, at the registered office of the Manager.

### *Terms of Appointment*

Under the Deed of Constitution, the Manager will provide or procure the provision of management, administration and distribution services to the Fund. The Manager for the time being shall be subject to removal by notice in writing given by the Depositary to the Manager forthwith if (i) following the service of written notice, signed by Unitholders holding 75% (75 per cent) of the Units in issue in the Fund requiring the Manager to resign, the Manager has not resigned; (ii) the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved by the Unitholders); (iii) a receiver is appointed in respect of any of the assets of the Manager; (iv) the Manager is no longer permitted by the Central Bank to perform its duties or exercise its powers in respect of the Fund; or (v) if an examiner is appointed to the Manager pursuant to the Companies Act 2014 and the Depositary shall by writing under its seal appoint some other corporation (approved by the Central Bank) to be the Manager of the Fund upon and subject to such corporation entering into such deed or deeds as the Depositary may be advised is or are necessary or desirable to be entered into by such corporation in order to secure the due performance of its duties as Manager.

The Manager may retire at any time upon the appointment of a successor with the approval of the Depositary and the Central Bank save that the approval of the Depositary shall not be required where the Manager retires in favour of an affiliate or associate of the Manager. The successor to the Manager must be approved by the Central Bank.

The Deed of Constitution provides that in the absence of negligence, wilful default, fraud or bad faith, the Manager shall not be liable for any loss or damage arising out of the performance of its obligations and duties under the Deed of Constitution. The Deed of Constitution provides further that the Fund shall indemnify the Manager for any loss or damage suffered in the proper performance of its obligations and duties under the Deed of Constitution unless such loss arises out of or in connection with any negligence, wilful default, fraud or bad faith by the Manager or its Directors in the performance of its duties under the Deed of Constitution.

### *Directors of the Manager*

The Directors of the Manager are responsible for managing the business affairs of the Fund. The Manager has delegated responsibility for the preparation and maintenance of the Fund's books and records and related fund accounting matters (including the calculation of the Net Asset Value per Unit), Unitholder registration and transfer agency services to the Administrator. The Manager has delegated responsibility for the investment, management and disposal of the assets of the Fund to the Investment Manager. The Manager has delegated responsibility for the distribution of Units to the Distributor.



The Directors of the Manager are listed below with their principal occupations. None of the Directors has entered into an employment or service contract in respect of the Fund nor is any such contract proposed. Consequently, the Directors are all non-executive Directors. The Fund has granted indemnities to the Directors in respect of any loss or damages that they may suffer, save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the Fund. The Deed of Constitution does not provide for retirement of Directors by rotation. The address of the Directors is the registered office of the Manager.

**Jonathan Cleborne** CFA (American) is Managing Director for Vanguard Europe, responsible for leading the operations and distribution efforts of the European business. Mr. Cleborne relocated to London from Vanguard's global headquarters in the United States in 2024. Prior to this role, Mr. Cleborne was head of Personal Investor Advice leading a team that provides Vanguard's U.S. clients with ongoing asset management and investment advice consultations with Certified Financial Planner™ professionals through Vanguard's Personal Advisor offers. Mr. Cleborne and his team were also responsible for Vanguard Digital Advisor®. Collectively, the team stewarded over \$300B on behalf of individual investors and 401(k) plan participants. Since joining Vanguard over 20 years ago, Mr. Cleborne has held a variety of roles in Personal Investor, Financial Advisor Services, Corporate Strategy, and the Investment Strategy Group. He was also the global head of Vanguard Portfolio Review Department, which oversees Vanguard's 400-plus mutual funds, ETFs, and their advisors. The department is also responsible for developing the optimal fund lineup for investors, analyzing the health, usage, and competitive landscape of Vanguard's funds and ETFs and serving as specialized product experts.

Mr. Cleborne earned a B.A. from the University of Virginia and an M.B.A. from the Tuck School of Business at Dartmouth. He is a CFA® charterholder and a member of the CFA Society of the United Kingdom.

**William Slattery** (Irish) worked for the Central Bank of Ireland for 23 years until 1996. He was responsible for the supervision of Dublin's IFSC from its inception until 1995 and held the position of deputy head of Banking Supervision immediately prior to leaving. Subsequently, Mr. Slattery was managing director and global head of Risk Management for the Asset Management Division of Deutsche Bank AG from 1999 to 2001, and a member of the Deutsche Bank AG Group Risk Board. From October 2012 to 2015, Mr. Slattery was based in London and executive vice president of State Street Corporation and head of the Global Services business in Europe, Middle East and Africa.

Mr. Slattery is a former member of Ireland's National Competitiveness Council and of the Clearing House Group, an umbrella group with responsibility for the oversight of the IFSC chaired by the Secretary General of the Department of the Prime Minister of Ireland. He is the founding chairman of the executive steering committee of IFSC Ireland. Mr. Slattery is also a former chairman of Financial

Services Ireland and is a former member of both the Irish Government Review Group on Public Service Expenditure and of the 2nd Public Service Pay Benchmarking Body. Mr. Slattery was a Non-Executive Director of Aer Lingus Group plc from July 2013 to September 2015.

**Tara Doyle** (Irish) is a partner in Matheson LLP, the legal advisers to the Fund and the Manager as to matters of Irish law. She joined Matheson LLP in 1994 and was admitted to partnership in Matheson LLP in 2002. She is a member of the Law Society of Ireland and has extensive experience in advising a wide range of domestic and international clients on the structuring, establishment, marketing and sale of investment vehicles and products in Ireland and other jurisdictions. Ms. Doyle holds an LL.B from Trinity College Dublin and an LL.M (International Business Law) from the London School of Economics and Political Science.

**Robyn Laidlaw** (New Zealander) is a Vanguard Principal and Head of Distribution, Europe. Robyn is responsible for business development and client management across intermediary and institutional channels in Europe. Previous to this, Robyn was Head of Distribution, UK. Robyn joined Vanguard in April 2006 and prior to joining the European business was Head of Product and Marketing for Vanguard Australia, where she was primarily responsible for the development and management of Vanguard's range of managed and exchange traded funds and for marketing. Robyn has experience in the funds management industry in the UK, New Zealand and Australia. She received a Master of Applied Finance from Macquarie University.

**Tom Challenor** (British) is a qualified chartered accountant, and worked with PWC in London, Hong Kong and Luxembourg. He was Director of Strategy and Risk, and before that Chief Financial Officer, at Threadneedle Investments. Prior to joining Threadneedle he held a senior financial position with BAT Industries plc. Tom Challenor has wide Board experience at both Executive Director and Independent Non-Executive Directorship levels. He is currently an INED with Aberdeen Diversified Income and Growth Trust plc, and recently retired from Euroclear UK & International Limited, being Senior Independent Director and Chair of Audit Committee in both companies.

**Raj Singh** (American) is an International business and risk leader and board director with over 20 years of large-scale C-Suite leadership experience in banking, insurance, and asset management. Mr. Singh has served as an executive and chief risk officer in large global listed businesses, as well as in smaller mid-sized international businesses. He has worked in the US and Europe in a range of C-Suite second line risk and first line roles as well as international boards and brings a broad multi-disciplinary international perspective and diversity of thought. His career has spanned executive committee and group chief risk officer roles at Allianz, Swiss Re, Standard Life Aberdeen and EFG Bank. He has served on the retail banking boards of Citibank in Germany and Belgium. He has chaired and been a board member of subsidiary entities at Standard Life Aberdeen, Swiss Re and Allianz. He was an early pioneer with regard to the sustainability agenda and ethical underwriting at Allianz SE, which at the

time also included Dresdner Bank and later at Swiss Re. Mr. Singh has also served as an Independent Non-Executive Chairman of Muscat Insurance Company (an OMX Oman listed insurer) and as an Independent Non-Executive Director, Chair of the risk committee, and member of the audit committee of HSBC Oman SAOG (an OMX Oman listed 51% HSBC subsidiary bank), both in the Sultanate of Oman. Additionally, he served on the board of The Co-operative Bank PLC (a UK-listed entity) in the United Kingdom, where he was an Independent Non-Executive Director, Chair of the risk committee, and served on the Audit, Ethics, and Nomination committees. Mr. Singh is currently an Independent Non-Executive Director of Allied Irish Banks PLC (listed on LSE and Euronext Dublin) in Ireland, where he is a member of the Risk and Sustainability committees. He is also an Independent Non-Executive Director at AXA UK PLC, where he chairs the risk committee and is a member of the Audit, Investment, and Nomination committees.

**Lisa Harlow** (British) is CEO for Vanguard Group (Ireland) Limited. Ms. Harlow joined Vanguard in 2010 and has held the role of head of Investment Stewardship for EMEA and APAC based in London, with such team being responsible for direct engagement with boards and executives, and proxy voting for portfolio companies in those regions on behalf of Vanguard's global fund lineup. The team also works with a range of market participants to communicate Vanguard's global principles, understand regional topics and to advocate for better governance standards.

Prior to this role, Ms. Harlow was head of distributor and client services for Vanguard Europe. She has more than 25 years financial services experience including 12 years with Fidelity International where she held a number of client focused roles covering Institutional, Adviser and Direct channels including Key Account Management for the FundsNetwork platform and head of client services India (Delhi).

Ms. Harlow has a B.A. Honours in humanities from Manchester Metropolitan University and holds the IMC and CFA ESG.

**Kaitlyn Caughlin** (American) is a Principal at Vanguard, serving as Head of the Enterprise Strategy & Transformation Office and Chief of Staff to the CEO. In this role, she is responsible for driving alignment and execution of Vanguard's most critical near- and long-term priorities. Kaitlyn leads a unified office that integrates strategy development and implementation across the firm's highest-impact initiatives, overseeing the Corporate Strategy, Business Transformation, and Enterprise Growth Strategy teams. Prior to her current role, Kaitlyn served as Head of Strategic Risk Initiatives within Vanguard's Global Risk & Security division. In this role, she managed Vanguard's enterprise growth priorities and led the effort to mitigate the risk associated with the firm's size. Previously, Kaitlyn was the chief risk officer for investment management, where she was responsible for providing risk oversight and consultation for over \$6.5 trillion in assets across all global markets. Kaitlyn, who joined Vanguard in 2007, has held several senior positions, including global head of Vanguard's Portfolio Review Department, which is responsible for overseeing Vanguard's mutual funds, ETFs, and their advisors. She has also held roles in the firm's Personal Investor and Corporate Strategy groups.

Kaitlyn currently serves on the board of directors for the Vanguard Committee for Responsible Government and is a Non-Executive Director on the boards of the Vanguard Irish funds. Previously, she served as a member of the Vanguard Global Advisors board and chaired Vanguard's Securities Lending Oversight Committee. Kaitlyn earned a B.A. in mathematics and mathematical economics from Pomona College and an M.B.A. from the MIT Sloan School of Management. She is a CFA® charter holder and holds the Certified Financial Planner™ designation.

#### *Fund Secretary*

The secretary to the Manager is Matsack Trust Limited.

Details of the remuneration provisions of the Manager are summarised under the heading **Manager and Service Provider Fees** in the **Fees and Expenses** section of this Prospectus.

#### **Investment Manager and Promoter**

The Manager has appointed Vanguard Asset Management, Limited (“**VAM**”), based in London, United Kingdom, as investment manager to provide discretionary investment management and advisory services to the Fund on behalf of the Manager. Vanguard Global Advisers, LLC (“**VGA**”), based in Malvern, Pennsylvania, U.S.A. is the promoter of the Fund and each of VAM and VGA are part of the Vanguard Group of Companies.

The Investment Manager's appointment is not exclusive and, subject to the approval of the Central Bank, the Manager may appoint other investment managers to manage the assets of the Fund.

#### **Terms of Appointment**

The Manager has entered into an investment management agreement with the Investment Manager. The investment management agreement dated 2 January 2025, between the Manager and the Investment Manager (the “Investment Management Agreement”) provides that in the absence of negligence, wilful default, bad faith or fraud of or by the Investment Manager (or any of its directors, officers, employees and agents) the Investment Manager (and its directors, officers, employees and agents) shall not be liable for any loss or damage arising directly (or indirectly) out of any act or omission done (or suffered) by the Investment Manager in the performance of its duties under the Investment Management Agreement.

The Investment Management Agreement may be terminated only: (i) by mutual agreement of the parties, (ii) by written notice delivered by or on behalf of the Investment Manager to the Manager or (iii) by written notice delivered by or on behalf of the Manager to the Investment Manager.

The Investment Manager's appointment under the Investment Management Agreement may be

terminated immediately upon written notice to the Investment Manager if the Investment Manager is no longer permitted under any applicable law to perform its obligations under the Investment Management Agreement.

The Investment Manager's fees will be paid by the Manager.

With prior notification to, but without the prior consent of, the Manager, the Investment Manager shall be entitled to delegate all or any of its functions, powers, discretions, duties and obligations under the Investment Management Agreement, provided that the Investment Manager shall remain responsible for the acts or omissions of any such delegates as if such acts or omissions were those of the Investment Manager. Accordingly, the Investment Manager may from time to time, in accordance with the procedures of the Central Bank, appoint Sub-Investment Managers to any Sub-Fund or Sub-Funds. Details of Sub-Investment Managers will be disclosed in the Fund's periodic reports and further information will be provided to Unitholders upon request. The Investment Manager will pay the fees of any Sub-Investment Manager appointed by it.

### **The Administrator**

Pursuant to the agreement dated 7 May 2021, between the Manager and the Administrator (the "**Administration Agreement**") as may be amended from time to time, the Manager has appointed Brown Brothers Harriman Fund Administration Services (Ireland) Limited as the administrator and transfer agent of the Fund. The Administrator will have responsibility for the administration of the Fund's affairs including the calculation of the Net Asset Value per Unit and preparation of the accounts of the Fund, subject to the overall supervision of the Manager.

The Administrator was incorporated as a limited liability company in Ireland on 29 March 1995 for the purposes of providing administrative services to collective investment schemes such as the Fund. The Administrator has an issued and fully paid up capital of US\$700,000 and is a wholly-owned subsidiary of Brown Brothers Harriman & Co.

The Administration Agreement provides that the Administrator shall not be liable for any losses, damages or expenses of the Fund or any Unitholder or former Unitholder of the Fund or any other person may suffer arising from acts, omissions, errors or delays of the Administrator in the performance of its obligations and duties except damage, loss or expense resulting from the Administrator's negligence, fraud, bad faith, wilful default, wilful malfeasance, breach of contract or recklessness in the performance of such obligations and duties. The Manager has agreed to indemnify the Administrator against and hold it harmless from any and all losses, damages, liabilities or expenses the Administrator may suffer resulting from any claim, demand, action or suit in connection with or arising out of the performance of its obligations and duties under the Administration Agreement not resulting from a breach by the Administrator of the Administration Agreement or the wilful default,

wilful malfeasance, bad faith, fraud, recklessness or negligence of the Administrator in the performance of such obligations and duties.

The Administration Agreement may be terminated by either party on 90 days' written notice to the other party or immediately by written notice to the other party in circumstances including if the other party (i) goes into liquidation (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party) or a receiver or examiner is appointed to such party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; or (ii) commits any material breach of the Administration Agreement that is either incapable of remedy or has not been remedied within thirty days of the non-defaulting party serving notice requiring the defaulting party to remedy the default; or (iii) ceases to be permitted to act in its current capacity under any applicable laws. In addition, the appointment of the Administrator may be terminated in the event that the Depositary shall cease to be engaged as the depositary of the Fund.

The Administrator's fee will be paid by the Manager.

### **The Depositary**

Pursuant to the depositary agreement dated 7 May 2021 between the Manager and the Depositary, as may be amended from time to time the ("**Depositary Agreement**"), the Manager has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited as Depositary of the Fund's assets.

The Depositary was incorporated in Ireland on 29 March 1995 as a limited liability company. The principal activity of the Depositary is to act as depositary and trustee of the assets of collective investment schemes. The Depositary's capital is US\$1,500,000.

Pursuant to the Depositary Agreement, the Depositary will provide safekeeping for the Fund's assets in accordance with the UCITS Regulations and will collect any income arising on such assets on the Fund's behalf. In addition, the Depositary has the following main duties, which may not be delegated:

- (i) it must ensure that the sale, issue, repurchase, redemption and cancellation of Units is carried out in accordance with the UCITS Regulations and the Deed of Constitution;
- (ii) it must ensure that the value of the Units is calculated in accordance with the UCITS Regulations and the Deed of Constitution;
- (iii) it must carry out the instructions of the Manager unless such instructions conflict with the UCITS Regulations or the Deed of Constitution;
- (iv) it must ensure that in transactions involving the Fund's assets or the assets of any Sub-Fund

that any payment in respect of same is remitted to the relevant Sub-Fund(s) within the usual time limits;

- (v) it must ensure that the income of the Fund or of any Sub-Fund(s) is applied in accordance with the UCITS Regulations and the Deed of Constitution;
- (vi) it must enquire into the conduct of the Fund in each accounting period and report thereon to Unitholders; and
- (vii) it must ensure that the Fund's cash flows are properly monitored in accordance with the UCITS Regulations.

The Depositary Agreement provides that the Depositary shall be liable to the Fund and the Unitholders (i) in respect of a loss of a financial instrument held in its custody (or in the custody of any third party to whom the Depositary's safekeeping functions have been delegated in accordance with the UCITS Regulations) unless the Depositary can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; and (ii) in respect of all other losses arising as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations. In addition, the Depositary Agreement also provides that the Depositary shall be liable, subject and without prejudice to the foregoing, for its negligence, fraud, bad faith, wilful default, wilful malfeasance, breach of contract or recklessness in carrying out its functions under the Depositary Agreement.

The Manager, out of the assets of the Fund, has agreed to indemnify the Depositary against any losses (as defined in the Depositary Agreement) suffered by it in acting as the Fund's depositary other than losses (as defined therein) in respect of which the Depositary is found to be liable to the Fund and/or the Unitholders in accordance with the terms of the Depositary Agreement or applicable law.

The Depositary Agreement shall continue in force until terminated by any party thereto on 90 calendar days' advance written notice to the other party or immediately by written notice to the other party if the other party (i) commits any material breach of the Depositary Agreement which if capable of remedy has not been remedied within thirty days of the non-defaulting party serving notice requiring the defaulting party to remedy the default; or (ii) the Depositary ceases to be permitted to act as a depositary of collective investment schemes authorised by the Central Bank. The Manager may terminate the Depositary Agreement forthwith on notice in writing to the Depositary on a number of additional grounds as specified in the Depositary Agreement.

If within 90 days from the date of the Depositary serving a termination notice, a replacement depositary acceptable to the Manager and the Central Bank has not been appointed to act as depositary, the Manager shall serve notice on all Unitholders of its intention to redeem all outstanding Units on the

date specified in such notice, which shall not be less than 30 days nor more than 60 days after the date of service of such notice and shall procure that, following the redemption of such Units, the Fund shall be wound up. On completion of such process, the Manager shall apply to the Central Bank for revocation of the authorisation of the Fund under the UCITS Regulations.

The Depositary may delegate its safekeeping duties only in accordance with the UCITS Regulations and provided that: (i) the tasks are not delegated with the intention of avoiding the requirements of the UCITS Regulations; (ii) the Depositary can demonstrate that there is an objective reason for the delegation; and (iii) the Depositary has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it has delegated its safekeeping duties either wholly or in part and continues to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any such third party and of the arrangements of such third party in respect of the matters delegated to it. Any third party to whom the Depositary delegates its safekeeping functions in accordance with the UCITS Regulations may, in turn, sub-delegate those functions subject to the same requirements as apply to any delegation effected directly by the Depositary. The liability of the Depositary under the UCITS Regulations will not be affected by any delegation of its safekeeping functions.

The Depositary has delegated safekeeping of the Fund's assets to Brown Brothers Harriman & Co. ("**BBH&Co.**"), its global sub-custodian, through which it has access to BBH&Co.'s global network of sub-custodians (the "**Global Custody Network**"). BBH&Co.'s Global Custody Network covers more than 100 markets worldwide. The entities to whom safekeeping of the Fund's assets have been sub-delegated as at the date of this Prospectus are set out at **Appendix 6**. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any such delegation. The Depositary will notify the Directors of any such conflict should it so arise.

In accordance with the UCITS Regulations, the Depositary must not carry out activities with regard to the Fund or with regard to the Manager acting on behalf of the Fund that may create conflicts of interest between itself and (i) the Fund; (ii) the Unitholders; and/or (iii) the Manager unless it has separated the performance of its depositary tasks from its other potentially conflicting tasks in accordance with the UCITS Regulations and the potential conflicts are identified, managed, monitored and disclosed to Unitholders. Please refer to the section of this Prospectus entitled **Conflicts of Interest** for details of potential conflicts that may arise involving the Depositary.

Up-to-date information in relation to the Depositary, its duties, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates to whom safe-keeping functions have been delegated and any relevant conflicts of interest that may arise will be made available to Unitholders upon request to the Manager.

The Depositary's fees will be paid by the Manager.



### *Conflicts of Interest*

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Fund; or
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Manager, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Manager;
- (iv) may provide the same or similar services to other clients including competitors of the Fund;
- (v) may be granted creditors' rights in respect of the Fund which it may exercise.

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

Where cash belonging to the Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or

other benefits which it may derive from holding such cash as banker and not as trustee.

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

Up-to-date information in relation to: (i) the identity of the Depositary; (ii) a description of the Depositary's duties; (iii) a description of conflicts of interest that may arise; and (iv) a description of any safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation, shall be made available to Unitholders on request.

## **The Distributor**

### **Vanguard Asset Management, Limited**

Pursuant to the agreement dated 16 January 2015 between the Manager and the Distributor, the Manager has appointed Vanguard Asset Management, Limited (the "**Distribution Agreement**") as Distributor of the Fund's Units.

The Distributor is a corporation registered under the laws of England and Wales and authorised and regulated by the Financial Conduct Authority in the United Kingdom. The Distributor is ultimately a wholly owned subsidiary of VGI.

The Distribution Agreement provides that the Distributor is appointed to promote and market the sale of Units and to procure subscribers for Units and ensure that all subscription applications and redemption requests it receives are in proper form and are forwarded to the Administrator. The Distributor agrees to comply with all applicable laws of the relevant jurisdiction governing the promotion and sale of the Units of the Fund or solicitation of an investor including, without limitation, those relating to money laundering. The fees of the Distributor are paid by the Manager in such amount as shall be agreed between the parties from time to time. The Distributor (and its directors, officers, employees and agents) shall not be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Distributor of its duties contained in the Distribution Agreement unless such loss or damage arose out of or in connection with the negligence, wilful default, fraud or bad faith of or by the Distributor in the performance of its duties under the Distribution Agreement or of any Sub-Distributor appointed by the Distributor. The Distribution Agreement shall continue in force until terminated by: (i) mutual written agreement of the parties; (ii) written notice delivered by or on behalf of the Manager to the Distributor; or (iii) subject to the prior written consent of the Manager (which consent shall not be unreasonably withheld) by written notice delivered by or on behalf of the Distributor to the Manager.

## **Paying Agents, Local Representatives and Distributor**

The Manager or its duly authorised delegates may appoint such paying agents, local representatives and distributors as may be required to facilitate the authorisation or registration of the Fund and/or the marketing of any of its Units in any jurisdiction. Such appointments will be made in accordance with the requirements of the Central Bank.

## **Index Providers**

The Investment Manager or other members of the Vanguard Group of Companies may enter into a licensing agreement with an Index provider in relation to any Sub-Fund, under which an Index Provider will grant to the Investment Manager or a member of the Vanguard Group of Companies, a licence to use the relevant Index as the basis for managing the Fund.

## **The Auditors**

The auditors of the Fund are KPMG.

## **Conflicts of Interest**

The Manager, the Depositary, the Administrator, the Distributor and the Investment Managers, their delegates or associated or group companies of these may from time to time act as manager, registrar, administrator, trustee, depositary, investment manager, adviser or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes that have similar investment objectives to those of the Fund or any Sub-Funds. It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the Fund or any Sub-Fund. Each will, at all times, have regard in such event to its obligations under the Deed of Constitution and / or any agreements to which it is party or by which it is bound in relation to the Fund or any Sub-Fund and, in particular, but without limitation to its obligations to act in the best interests of the Unitholders when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly. In particular, the Investment Manager has agreed to act in a manner that the Investment Manager in good faith considers fair and equitable in allocating investment opportunities to the Fund. The Investment Manager will not, as principal, engage in any transactions with the Fund, for the account of any Sub-Fund, which are inconsistent with the proper management of the assets of the Fund.

The Manager, the Investment Manager, the Administrator, the Depositary, their delegates and their respective affiliates may each from time to time deal, as principal or agent, with the Fund provided that such dealings are carried out as if negotiated on an arm's length basis and in the best interests of Unitholders. Permitted transactions are subject to: (i) a certified valuation by a person approved by the Depositary (or the Manager in the case of a transaction involving the Depositary or an affiliate of the

Depository) as independent and competent; or (ii) execution on best terms on organised investment exchanges under their rules; or (iii) where (i) and (ii) are not practical, the transaction is executed on terms which the Depository (or the Manager in the case of a transaction involving the Depository or an affiliate of the Depository), is satisfied are negotiated at arm's length and in the best interests of Unitholders at the date of the transaction. The Depository (or the Directors in the case of a transaction involving the Depository or an affiliate of the Depository) shall document how it has complied with (i), (ii) or (iii) above. Where transactions are conducted in accordance with (iii), the Depository (or the Directors in the case of a transaction involving the Depository or an affiliate of the Depository) shall document its rationale for being satisfied that the transaction conformed to the principles outlined in this paragraph.

A report of such transactions entered into during a reporting period shall be provided in the annual and semi-annual reports, and will list all such transactions, by type, name of the related party and, where relevant, fees paid to that party in connection with the transaction.

The Manager shall endeavour to ensure that any conflicts of interest are resolved fairly and in the best interests of Unitholders.

The Depository may hold funds for the Fund in accordance with the requirements of the UCITS Regulations.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Fund (or in which the Fund is interested), provided that he has disclosed to the Manager prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his therein. Unless the Manager determines otherwise, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. At the date of this Prospectus, other than as disclosed below, no Director or any connected person of any Director has any interest, beneficial or non-beneficial, in the Units of the Fund or any material interest in the Fund or in any agreement or arrangement with the Fund. The Manager shall endeavour to ensure that any conflict of interest is resolved fairly.

Mr. Jonathan Cleborne is a director of Vanguard Asset Management Limited, and a director on the supervisory board of Vanguard Group Europe GmbH, ultimate subsidiaries of The Vanguard Group, Inc. Ms. Tara Doyle is a partner in Matheson LLP, the legal advisers to the Fund and the Manager. Ms. Robyn Laidlaw is the Head of Distribution, Europe for Vanguard Asset Management Limited, a director for Vanguard Investments UK Limited, and a director on the supervisory board of Vanguard Group Europe GmbH, ultimate subsidiaries of VGI. Ms. Lisa Harlow is the CEO of Vanguard Group (Ireland) Limited. Ms. Kaitlyn Caughlin is a Principal at The Vanguard Group, Inc., serving as Head of the Enterprise Strategy & Transformation Office and Chief of Staff to the CEO. In selecting brokers to make purchases and sales for the Fund, the Investment Manager or Sub-Investment Manager (where

appointed) will choose those brokers who provide best execution to the Fund in accordance with applicable law. In determining what constitutes best execution, the Investment Manager or any Sub-Investment Manager will consider, amongst other things, the overall economic result of the Fund (including the price of commission), the efficiency of the transaction, the broker's ability to effect the transaction if a large block is involved, the availability of the broker for difficult transactions in the future, and the financial strength and stability of the broker. The brokers selected to make purchases and sales of investments for the Fund will be required to comply with the Investment Manager's execution policy. A copy of the Investment Manager's execution policy is available on request. The Manager, the Investment Manager or any Sub-Investment Manager are prohibited from receiving any in-kind benefits, soft commission arrangements or other inducements from a broker, whether utilised in executing a transaction or otherwise. In managing the assets of the Fund, the Investment Manager or Sub-Investment Manager may from time to time receive or utilise certain investment research and other investment related commentary, statistics, information or material (collectively "**Research**") provided by third parties. Direct charges for Research will be borne by the Investment Manager out of its fees and will not, in any circumstances, be allocated to the Fund and or the Sub-Funds. Companies connected with the Vanguard Group of Companies may provide seeding capital to a Sub-Fund.

There is no prohibition on the Depositary, the Administrator, the Investment Manager or any other party related to the Fund acting as a "**competent professional person**" for the purposes of determining the probable realisation value of an asset of a Sub-Fund in accordance with the valuation provisions outlined in the **Valuation** section of this Prospectus. Investors should note, however, that in circumstances where fees payable by the Fund to such parties are calculated based on the Net Asset Value, a conflict of interest may arise as such fees will increase if the Net Asset Value increases. Any such party will endeavour to resolve such conflicts fairly and in the best interests of the Unitholders.

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## THE SUB-FUNDS

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### General

The Fund has been established as a UCITS umbrella fund with segregated liability between Sub-Funds. Different Sub-Funds may be established from time to time by the Manager with the prior approval of the Central Bank. This Prospectus will be revised on the introduction of a new Sub-Fund or class of Units within a Sub-Fund by way of publication of a revised Prospectus or an additional supplement. The Sub-Funds are operated separately and the assets of each Sub-Fund are managed in accordance with the investment objective and policy applicable to that Sub-Fund.

The following Sub-Funds have been established and are available for investment:

Vanguard FTSE Developed World Common Contractual Fund;

Vanguard FTSE Developed World ex UK Common Contractual Fund; and

Vanguard FTSE Developed Europe ex UK Common Contractual Fund.

Details of the Sub-Funds are set out in **Appendix 1**.

### Investment Objectives and Policies of the Sub-Funds

The investment objective and policies of each Sub-Fund are set out in **Appendix 1**.

The assets of each Sub-Fund will be invested with the aim of achieving the investment objective and in accordance with the investment policy of that Sub-Fund. They must also be invested so as to comply with: (1) the investment and borrowing powers and restrictions set out in the UCITS Regulations; (2) the Deed of Constitution; and (3) this Prospectus.

A summary of the investment powers and restrictions applicable to each Sub-Fund is set out in **Appendix 2**. Details of Regulated Markets for the Sub-Funds are set out in **Appendix 5**.

### Profile of a Typical Investor

Each Sub-Fund is available to a wide range of investors seeking access to a portfolio managed in accordance with a specific investment objective and policy. Investors should in particular read the Profile of a Typical Investor as set out for each Sub-Fund in **Appendix 1** and the **Risk Factors** section of this Prospectus and cross-referenced for each Sub-Fund in **Appendix 1**. Investors should also read the **Taxation** section of this Prospectus. **If investors are in any doubt about making an investment, they should consult their professional adviser concerning the acquisition, holding or disposal**

of any Units.

## **Indices**

**Where set out in the investment objective of a Sub-Fund, the performance of the Sub-Fund will normally be measured against an Index, which Index may be tracked or replicated as disclosed in Appendix 1. Each Index is selected on the basis of the market to which it relates. The intention of tracking such an Index is to provide (subject to potential Excess Return and Tracking Error as set out below) the relevant Sub-Fund with a return that is equivalent to the return provided by the market represented by the Index.**

The relevant Index against which performance may be measured may change in certain circumstances as detailed below.

The Investment Manager will rely solely on each Index Provider for information as to the composition and/or weighting of the securities within each Index and is not responsible for any error in relation thereto. If the Investment Manager is unable to obtain or process such information in relation to any Index on any Business Day, then the most recently published composition and/or weighting of that Index will be used for the purpose of all adjustments.

## **Temporary Investment Measures**

The Manager may temporarily depart from a Sub-Fund's investment policy in response to the Investment Manager's perception of extraordinary market, political or similar conditions or in circumstances where the weighting of a particular stock exceeds the permitted investment restrictions. During these periods and for as long as the Investment Manager deems it necessary, a Sub-Fund may increase its holdings of cash and near cash. In doing so, the Sub-Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## **Change of Index**

The Manager reserves the right to substitute a different index for the Index a Sub-Fund currently tracks if the Index is discontinued, if the Investment Manager or other members of the Vanguard Group of Companies licensing agreement with an Index Provider in relation to any Sub-Fund is terminated, or for any other reason determined in good faith by the Manager. In any such instance, the substitute index would measure substantially the same market segment as the Index and will be disclosed in the Prospectus.

## Sustainable Finance

### *Sustainability Risk*

Sustainability risks are environmental, social, or governance events or conditions that, if they occur, could cause actual or potential material negative impacts on the value of a Sub-Fund's assets. For further details in respect of sustainability risks and the impact of same on the returns of the Sub-Funds, please see **Sustainability Risk** in the **Risk Factors** section.

A policy and guidelines on the consideration and integration of sustainability risk into the investment management process of the Sub-Funds' assets has been established.

Sustainability risk is considered as a component part of the overall investment risk management processes for each category of financial product, and is one of many risks which will be assessed so as to determine whether it is material, depending on the specific investment opportunity.

The Investment Manager utilises a common framework for considering sustainability risk. This consideration framework is summarised in three stages:

- Identifying sustainability risk factors that are pertinent to the funds and investment styles that it manages;
- Establishing processes to quantify and measure these risk factors utilising available data; and
- Regularly monitoring established sustainability metrics against relevant benchmarks.

Inputs from third-party data providers, where available, may be considered as part of the investment process to help inform decisions about sustainability factors.

This consideration framework informs the materiality the Investment Manager then places on sustainability risk as a component of investment decision making and management. The management of sustainability risks differs across investment styles; primarily (i) active (sub-advised, fixed income, environmental, social and governance ("**ESG**") equity and multi-asset); and (ii) index (equity, fixed income, ESG). Factors considered in the management of sustainability risk include but are not limited to the time horizon, type of assets and investment strategy of each Sub-Fund.

Consequently, unless specifically stated or referenced within a particular Sub-Fund's investment objective or policy, sustainability risks are generally not a material part of the investment decision process for the Sub-Funds. See table below for further details.



**Table summarising how sustainability risks are integrated by investment style:**

Investment Style	Asset Type	Consideration of sustainability risk	Integration of sustainability risk in investment decision making
Index	Equity	Yes	No. These Sub-Funds have a primary investment objective to track the performance of their relevant Index and do not consider any explicit sustainability characteristics (including sustainability risks) in the selection of portfolio holdings.

A summary of the Manager's Investment Sustainability Risk Policy is available from the Manager upon request.

#### *Taxonomy Regulation Alignment*

The investments underlying the Sub-Funds which are not Article 8 Sub-Funds which promote environmental characteristics do not take into account the EU criteria for environmentally sustainable economic activities as set out in the Taxonomy Regulation.

#### *Investment Stewardship*

Investment Stewardship serves our investors by promoting long-term shareholder value creation at the companies in which Vanguard's global internally-managed equity funds invest through engagement, voting and public advocacy for good corporate governance practices.

As a steward of our clients' assets, Vanguard has a process to monitor material risks that can impact investor value over the long term, undertaken by region and sector. Vanguard believes there are fundamental, corporate governance principles which all companies should consider in the context of their regulatory and listing requirements. Vanguard's investment stewardship approach is framed by four pillars of good governance: board composition and effectiveness, executive compensation, oversight of strategy and risk, and shareholder rights. The Vanguard Group of Companies' Investment Stewardship team (the "**Stewardship Team**") believes good management of each of these pillars supports sustainable, long-term value creation. The Stewardship Team regularly engages with boards of directors and company executives to encourage boards to effectively oversee material risks, including material environmental and social risks. The Stewardship Team expects companies to

disclose material risks to investors, explain why those risks are considered material to their business and their approach to and progress on risk oversight and mitigation. This enables investors to understand and appropriately price companies.

In determining how to engage with companies and exercise voting rights, the Stewardship Team relies on its own internal analysis and assessment consistent with its published voting guidelines and engagement policy. The Stewardship Team's analysis is supported by proprietary data sets as well as data and research from a variety of third-party providers.

#### *Consideration of Principal Adverse Impacts on Sustainability Factors*

In accordance with the discretion granted pursuant to Article 4 of the Sustainable Finance Disclosure Regulation, the Manager does not currently consider the adverse impacts of investment decisions on sustainability factors or issue a website statement in relation to the due diligence policies with respect to those impacts.

#### **Benchmarks Regulation**

Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”) came into full effect on 1 January 2018. In respect of the Sub-Funds, the Benchmarks Regulation prohibits the use of indices provided by benchmark administrators, other than in accordance with the Benchmarks Regulation. As of the date of this Prospectus, the benchmark administrators providing the indices used by the Sub-Funds are either included in the public register maintained by ESMA or are already used in the European Union as a reference for financial instruments, financial contracts, or for measuring the performance of an investment fund. The Manager maintains a robust written plan setting out the actions that it would take in the event that a benchmark materially changes or ceases to be provided.

#### **Data Protection**

The Manager is responsible for the personal data received on behalf of the Fund. The Manager and its affiliates (collectively referred to as “Vanguard”, “we”, “us”), take their data protection and privacy responsibilities seriously. For full details on how we collect, use, and share personal data in the course of our business activities, what legal rights you have to help manage your privacy, and how you can contact us for support, please click here to see our privacy policy <https://fund-docs.vanguard.com/irish-limited-privacy-policy.pdf>.

#### **Index Rebalancing and Costs**

Index providers periodically publish new constituents, reflecting changes in the securities that are included or excluded in an index depending on the relevant index rules – which process is called

“**rebalancing**”. Details of the rebalancing frequency for each Index are set out in **Appendix 1**.

When the constituents of an Index change, a Sub-Fund being managed against that Index will typically, to the extent that it is possible and practicable and to do so, seek to realign its exposure to more closely reflect that of the Index and thereby reduce Excess Return and Tracking Error. Please refer to the section below headed **Plain Talk about Excess Return and Tracking Error**.

To realign the exposures in a Sub-Fund, securities must be bought and sold. This rebalancing will incur costs that are not reflected in the theoretical calculation of the index return and may impact on the Sub-Fund’s ability to provide returns consistent with those of the relevant Index. Such costs can be direct or indirect and include, but are not limited to: transaction costs (such as brokerage fees), custody fees, exchange costs and commissions (including foreign exchange spreads), and stamp duties and/or other taxes and fees on the transfer of securities. Accordingly, the cost of rebalancing may impact on a Sub-Fund’s ability to provide returns consistent with those of the Index.

#### **Plain Talk about Excess Return and Tracking Error**

##### ***What is Excess Return***

Excess Return is the difference between the performance of an index tracking Sub-Fund and the performance of the relevant Index over a stated period of time. Excess Return can be either positive (where the Sub-Fund outperforms the relevant Index) or negative (where the Sub-Fund underperforms the relevant Index). It is calculated as the Sub-Fund’s total return less the Index total return. Because a Sub-Fund’s total return includes Sub-Fund expenses, Excess Return is usually negative for index tracking Sub-Funds.

##### ***What Causes Excess Return***

An Index performance is theoretical – it is reflective of the increase or decrease in the value of the securities within that Index. However, an Index provider does not actually buy and sell these securities when calculating an Index performance. This means that an Index performance does not take into account the costs of buying and selling securities such as brokerage fees, commissions, stamp duties and/or other taxes and fees on the transfer of securities, custody fees, regulatory fees, exchange fees and spreads. An index tracking Sub-Fund incurs all of these expenses in tracking an Index. These expenses will have a negative impact on the Sub-Fund’s performance, relative to that Index.

In addition, an Index performance will not always take into account the exact same tax costs related to (i) withholding tax payable on income derived from the securities (i.e. dividends or coupon

payments). This can either have a positive or negative impact on the performance of an index tracking Sub-Fund against the relevant Index. Index performance also does not take into account (ii) any capital gains tax arising from selling securities, which will have a negative impact on the performance of an index tracking Sub-Fund against the relevant Index.

A Sub-Fund may also engage in securities lending. The net income from this lending is paid back into the Sub-Fund and will have a positive impact on the Sub-Fund's performance relative to that Index.

Excess Return can also occur where a Sub-Fund samples an Index rather than fully replicates it. For more information on this topic and other causes of Excess Return please refer to the section headed **Index Tracking Risks** of this Prospectus.

### ***What is Tracking Error***

Tracking Error is the volatility of the difference between the return of a Sub-Fund and the return of the Index tracked by that Sub-Fund. Tracking Error indicates the consistency of a Sub-Fund's excess return during that same time period. It is the annualised standard deviation of excess return data points for the given time period.

Tracking Error can be expressed two ways:

- (i) ex-post (or realised/actual) Tracking Error - the Tracking Error of the Sub-Fund calculated using historical data; or
- (ii) ex-ante (or anticipated) Tracking Error - the anticipated or expected tracking error of the Sub-Fund looking forward into the future.

Details of the estimated Tracking Error in respect of each Sub-Fund are set out in **Appendix 1** to this Prospectus.

### **Investment Techniques**

Unitholders should note that it may not be possible or practicable for a Sub-Fund to purchase or gain exposure to all of the constituent securities of its respective Index in their proportionate weightings or to purchase them at all due to various factors, including the costs and expenses involved and the concentration limits described in **Appendix 2** to this Prospectus. In these circumstances, the Investment Manager of the Sub-Funds may, in tracking an Index, decide to hold a representative

sample of the securities contained in the Index.

The Investment Manager may employ a range of techniques designed to select those securities which will create the representative sample that tracks the performance of the Index as closely as possible.

To create the sample either optimisation and/or stratified sampling techniques are used. Optimisation is a sampling technique that seeks to minimise tracking error through proprietary quantitative portfolio analysis. This analysis may include consideration of matters such as: how a securities price changes in relation to another over time, scenario analysis (which involves estimating the change in a portfolios value given a change in key risk factors) and stress testing.

Stratified sampling is a technique that divides the constituents of the relevant Index into distinct, non overlapping risk groups called strata and selects those securities in the Index which match the risk characteristic of these groups.

- Some of the strata could include, but are not limited to, the market capitalisation of the companies, currency, country, industry sectors, and credit quality.
- In the case of fixed income securities strata may also include key rate duration, convexity (which is measure of how a change in interest rates affects the duration of a bond), capital structure, and bond specific covenants.

The level of sampling used in any Sub-Fund will be determined by the nature of the Index components – some Sub-Funds may use sampling extensively whilst others may only use it infrequently. Unitholders will be exposed to the performance of the underlying securities comprised in an Index.

There may also be instances where a Sub-Fund holds securities which are not component securities in the Index, if the Investment Manager believes this to be appropriate. Sub-Funds availing of the increased concentration limits of Regulation 71 of the UCITS Regulations (as disclosed in their investment strategies) will not avail of these techniques.

A Sub-Fund may, for cash management purposes, hold ancillary liquid assets such as cash, commercial paper (i.e. short term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit, bankers' acceptances, and variable and floating rate instruments (being debt instruments the interest return on which is variable) which are investment grade and may be issued or guaranteed by a national government or its agencies or corporate variable floating rate instruments.

A Sub-Fund may also, in pursuit of its investment strategies in accordance with the requirements of the Central Bank and where set out in the investment strategies of the relevant Sub-Fund, invest in other funds, Sub-Funds of the Fund and undertakings linked by common management or control to each

other or to the Fund, and hold ancillary liquid assets, in each case subject to the restrictions set out in **Appendix 2** to this Prospectus.

In addition to the direct acquisition of the component securities of an Index, the Investment Manager may, where set out in the investment strategies of the relevant Sub-Fund, utilise various combinations of other available investment techniques, for direct investment purposes in seeking to track the Index. Such FDI include, but are not limited to, exchange traded futures and options contracts (which may be used to manage cash flows on a short term basis and to achieve cost efficiencies), warrants, swap agreements (including total return swaps, which may be used as an alternative means to obtain economic exposure to a security if a Sub-Fund is required to limit its investment in a particular issuer or industry, including in the context of management of exposure levels to certain securities by the Vanguard Group globally) and equity-linked notes (which may be used to gain exposure to the constituents of the Index and/or the Index itself, to reduce transaction costs or taxes or allow exposure in the case of illiquid stocks or stocks which are unavailable for market or regulatory reasons, or to minimise tracking errors) and currency forwards and interest rate futures (which may be used to protect against currency fluctuations). In such instances, the FDI to be utilised will be disclosed in the investment policy section of the relevant Sub-Fund. The use of FDI means that the Sub-Fund will be exposed to the risk of counterparty default. See the section entitled **Risk Factors** of this Prospectus for a description of the risks involved in the use of such techniques and instruments.

In addition, where set out in the investment strategies of the relevant Sub-Fund, the Investment Manager may seek to gain exposure to the component securities of the Index primarily through the use of FDI, principally OTC swaps, which will enable the relevant Sub-Fund to receive, from a counterparty, the return of the particular Index in exchange for periodic cash payments.

In accordance with the limitations set down in **Appendices 2 and 3** of this Prospectus, FDI may be used for direct investment (where set out in the investment strategies of the relevant Sub-Fund), efficient portfolio management purposes and/or for such other reasons as the Manager deems of benefit to the relevant Sub-Fund. A Sub-Fund may also utilise new techniques and instruments as developed from time to time provided that they are in accordance with the requirements of the Central Bank and used in conjunction with an RMP that has been cleared by the Central Bank. Unless otherwise specified, the Manager may not leverage or gear a Sub-Fund through the use of derivative instruments, that is, the total exposure of a Sub-Fund, including but not limited to its exposure from the use of any derivative instruments, shall not exceed the total net assets of a Sub-Fund.

Changes to the composition and/or weighting of the securities constituting the Index which is tracked or replicated by a Sub-Fund will ordinarily require that Sub-Fund to make corresponding adjustments or rebalancings to its holdings in order to seek to track or replicate the Index. The Investment Manager will in a timely manner and as efficiently as possible, but subject to its overall discretion in accordance with the investment strategies of the relevant Sub-Fund, seek to rebalance the

composition and/or weighting of the investments held by a Sub-Fund from time to time and to the extent practicable and possible to conform its exposure to the changes in the composition and/or weighting of securities constituting the relevant Index. Other rebalancing measures may be taken from time to time to seek to maintain the correspondence between the performance of a Sub-Fund and the performance of the Index.

There may be a number of circumstances where holding the component securities of an index may be prohibited by regulation, or may not otherwise be in the interests of Unitholders. These include, but are not limited to, the following:

- (i) restrictions on the proportion of each Sub-Fund's value which may be held in individual securities arising from compliance with the UCITS Regulations;
- (ii) the constituent securities of the Index change from time to time. The Investment Manager may adopt a variety of strategies when trading a Sub-Fund to bring it in line with the changed benchmark. For example where a security which forms part of the Index is not available or a market for such security does not exist, a Sub-Fund may instead hold depository receipts relating to such securities (e.g. ADRs and GDRs) or may hold FDI;
- (iii) from time to time, securities in the Index may be subject to corporate actions. The Investment Manager has discretion to manage these events in the most efficient manner;
- (iv) a Sub-Fund may hold ancillary liquid assets and will normally have dividends receivable. The Investment Manager may purchase FDI, for direct investment purposes, to produce a return similar to the return on the Index;
- (v) securities held by a Sub-Fund and included in the Index may, from time to time, become illiquid or otherwise unobtainable at fair value. In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities whose returns, individually or collectively, are seen to be well-correlated to desired constituents of the Index or purchasing a sample of stocks in the Index;
- (vi) the Investment Manager will have regard to the costs of any proposed portfolio transaction. It may not necessarily be efficient to execute transactions which bring a Sub-Fund perfectly in line with the Index at all times; and
- (vii) a Sub-Fund may sell securities that are represented in the Index in anticipation of their removal from the Index, or purchase securities not represented in the Index in anticipation of their addition to the Index.

## Portfolio Management Techniques

Each Sub-Fund may, subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments relating to Transferable Securities. Such techniques and instruments may be used for efficient portfolio management purposes (with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to a Sub-Fund and may not be speculative in nature) or, where disclosed in a Sub-Fund's investment strategies, for direct investment purposes. Such techniques and instruments may include investment in Money Market Instruments and/or money market funds and investments in FDI such as exchange traded futures and options contracts (which may be used to manage cash flows on a short term basis and to achieve cost efficiencies), warrants, swap agreements (including total return swaps, which may be used as an alternative means to obtain economic exposure to a security if a Sub-Fund is required to limit its investment in a particular issuer or industry, including in the context of management of exposure levels to certain securities by the Vanguard Group globally) and equity-linked notes (which may be used to gain market exposure or exposure to a particular asset class) and currency forwards and interest rate futures (which may be used to protect against currency fluctuations). Such techniques and instruments are set out in **Appendix 3**. See the section of this Prospectus entitled **Risk Factors** for a description of the risks involved in the use of such techniques and instruments. New techniques and instruments may be developed which may be suitable for use by a Sub-Fund and the Sub-Funds (subject to the Central Bank's requirements) may employ such techniques and instruments. Subject to the conditions and limits set out in the Central Bank UCITS Regulations, a Sub-Fund may enter into securities lending, repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management in accordance with the provisions of **Appendix 3** to this Prospectus.

## Currency Hedging at Portfolio Level

A Sub-Fund may enter into transactions for the purposes of hedging the currency exposure of the underlying securities into the relevant Sub-Fund's Base Currency. If undertaken, the aim of this hedging will be to reduce the Sub-Fund's level of risk or to hedge the currency exposure to the currency of denomination of some or all of the Sub-Fund's underlying securities. Derivatives such as currency forwards and interest rate futures may be utilised if the Sub-Fund engages in such hedging. The currency exposure of investments will not be allocated to separate classes.



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## UNITS

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### Classes of Units

Different classes of Units may be issued in respect of each Sub-Fund. Classes may be distinguished by their different characteristics, including, without limitation, criteria for subscription and redemption, currency of denomination, Gross Income Payment provisions, charges and fee arrangements, including ongoing charges figures, allocation of costs, liabilities, gains and losses and charges. The classes currently available in each Sub-Fund and their characteristics are set out in **Appendix 1**.

The Manager may issue Units of any class, and create new classes of Units, on such terms as it may from time to time determine in relation to any Sub-Fund and in accordance with the requirements of the Central Bank. Units of a Sub-Fund may be divided into different classes to accommodate: (a) different currencies; (b) subscription, redemption and Gross Income Payment provisions; (c) charges and fee arrangements, including different ongoing charges; and (d) different categories of Unitholders, including in respect of their tax status (e.g., entitlement to different withholding tax or reclaim rates). In addition, a Sub-Fund may utilise foreign exchange hedging on behalf of specific classes. On the introduction of any new Sub-Fund or class of Units, either a revised Prospectus or a supplemental Prospectus will be prepared, setting out the details.

### Currency Hedging

Where disclosed in **Appendix 1**, a Sub-Fund may use FDI on behalf of specific classes for currency hedging purposes. Where classes denominated in different currencies are created within a Sub-Fund and currency hedging transactions are entered into to hedge any relevant currency exposure ("**Hedged Unit Classes**"), in each such case such transaction will be clearly attributable to the specific class and any costs and related liabilities and/or benefits shall be for the account of that class only. Accordingly, all such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Unit for the Units of any such class. Over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the relevant Sub-Fund, but over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the relevant Unit class and under-hedged positions will not be permitted to fall below 95% of the portion of the Net Asset Value of the relevant Unit class (together the "**UCITS Hedging Limits**"), which is to be hedged against currency risk. The hedged positions will be kept under daily review to ensure that over-hedged positions do not exceed, and under-hedged positions do not fall below, the UCITS Hedging Limits. Such review will incorporate a procedure to ensure that (i) positions materially different to 100% will not be carried forward from month to month; and (ii) positions outside the UCITS Hedging Limits are adjusted back to permitted levels. A Sub-Fund that hedges foreign exchange risk for any Unit class may enter into forward foreign exchange contracts with any single counterparty to hedge some or all of the foreign exchange risk for the relevant class of

Units. To the extent that hedging is successful, the performance of the relevant Unit class is likely to move in line with the performance of a version of the relevant index for a Sub-Fund which is hedged to the relevant class currency (if available) (the “**Hedged Index**”). The use of Hedged Unit Classes may substantially limit holders of the class from benefitting if the class currency falls against the base currency and/or the currency in which the assets of a Sub-Fund are denominated.

Investors should note that, as a result of the currency hedging referred to above, it is expected that the performance of Hedged Unit Classes in an index tracking Sub-Fund will correlate with the performance of a Hedged Index, more closely than the relevant index itself. Further details on any such Hedged Indices, including their performance, are available at the address specified in respect of the relevant index for a Sub-Fund in **Appendix 1**.

In hedging the currency exposure of the Hedged Unit Classes, the currency hedging methodology will, so far as practicable and at all times subject to the UCITS Hedging Limits, replicate the currency hedging methodology of the relevant Hedged Index. This will typically be achieved by entering into a forward currency exchange contract in order to hedge the Hedged Unit Classes’ relevant currency exposure. The hedging methodology of Hedged Indices will typically involve rebalancing currency exposures on a monthly basis and, consequently, the Hedged Unit Class’ foreign currency hedged position will also typically be re-set at the end of each month. Upon receipt of a subscription / redemption in a particular Hedged Unit Class, the Investment Manager will allocate monies representing the subscription / redemption in proportion to the weightings between the securities held by the Sub-Fund that are attributable to that Hedged Unit Class and the value of the hedge of that Hedged Unit Class. Intra month, the notional amount of the hedge position may not exactly offset the foreign currency exposure of a Hedged Unit Class. Depending on whether the Hedged Index has appreciated or depreciated between each hedge re-set, a Hedged Unit Class’ foreign currency exposure may therefore be under-hedged or over-hedged respectively, during the period between adjustments. Any gains or losses resulting from a Hedged Unit Class’ hedged position shall be reflected in the Net Asset Value of the Class and the hedged amount will typically be re-set at month end. Other than as specified above, the hedged position will generally only be adjusted during the month should the over- or under-hedged positions exceed or, at the Investment Manager’s discretion, approach the UCITS Hedging Limits, where to do so is required by applicable Central Bank requirements or is otherwise in the best interests of Unitholders.

### **Accumulation Units and Distributing Units**

Each Sub-Fund may issue Accumulation Unit and Distributing Unit classes. Accumulation Unit classes are those classes on which the Manager does not intend to make Gross Income Payments. Accordingly, the applicable Sub-Fund’s income, gains and profits will be reflected in such classes Net Asset Value per Unit.

The Manager intends to make Gross Income Payments in respect of the Distributing Units for each

Sub-Fund, out of the Gross Income of the relevant Sub-Fund, according to the distribution policy described in **Appendix 1**. Please also refer to **Gross Income Payments** section of this Prospectus for further details.

### **Tax Class Units**

Each Sub-Fund may issue different Tax Class Units to accommodate Unitholders with differing tax status, including entitlements to different withholding tax and reclaim rates. Unitholders of such Units must certify that they meet the criteria for eligible investors in the relevant classes. Prior to investing in a Sub-Fund, a prospective Unitholder will be required to furnish Tax Documentation necessary or appropriate, in the Manager's discretion, to support the Unitholder's eligibility for a particular Tax Class. The Manager reserves the right to reject a subscription request if a prospective Unitholder fails to provide adequate Tax Documentation. The Manager may at any time require a Unitholder to update or furnish additional Tax Documentation or other documentation as it may reasonably consider necessary or appropriate for the Unitholder's continued eligibility for a particular Tax Class. If a Unitholder fails to provide such documentation or the Manager otherwise determines that a Unitholder is no longer eligible for a particular Tax Class, the Manager may either redeem a Unitholder's Units or exchange the Units for another class of Units for which the Unitholder meets applicable eligibility requirements, as provided in the **Conversions and Exchanges** and the **Restrictions and Compulsory Redemption of Units** sections of this Prospectus. In the case of an exchange, the Tax Class into which a Unitholder is exchanged may provide less favourable withholding and reclaim rates (e.g., full statutory (non-treaty) rates) than its prior class. In particular, a Unitholder may be exchanged into one of the "Statutory Unit Classes" listed in **Appendix 1** in respect of its Sub-Fund. The Statutory Unit Class generally provides for the full statutory (non-treaty) rates of withholding in respect of income and gains in a Sub-Fund's investment jurisdictions. Please refer to the **Taxation** section for further information.

### **Pooling Technology**

Unitholders are grouped into classes of Units based on commonality of withholding and reclaim tax profiles and investor attributes (i.e. form and country of residence). On each Business Day, the Administrator shall calculate the proportion of assets of the relevant Sub-Fund owned by each Tax Class Unit. The Administrator assigns specific tax tables to each Tax Class Unit, reflecting the tax profile of those Unitholders, and the pooling technology allows detailed records to be maintained at both the relevant Sub-Fund and Tax Class Unit level. Please refer to the **Taxation** section for further information.

### **Register of Unitholders**

All Units issued will be in registered form but no certificates will be issued. A contract note will be issued to Unitholders within 24 hours of the Net Asset Value being published. This enables the

Manager to deal with redemption requests in respect of the Fund without undue delay. Fractional Units of up to four decimal places may be issued in respect of any part of subscription monies insufficient to purchase whole Units.

### **Manager's Discretion**

The Manager reserves the right in its sole discretion and with respect to any Sub-Fund to reject any purchase request, including exchanges from other Sub-Funds, without providing a reason therefor. The Manager may at any time require a prospective investor or a Unitholder to furnish such information, including such money laundering documentation as further detailed below, as they may consider necessary for the purpose of determining whether or not the beneficial owner of such Units is, or will be, an Eligible Investor. See also the **Market-Timing and Frequent Trading** section of this Prospectus for further information.

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## DEALING

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### General

Requests to deal in Units may be made at the office of the Administrator, which is normally open from 9.00 a.m. to 5.30 p.m. (Irish time), in advance of the Dealing Deadline on each Dealing Day in respect of a Sub-Fund. The Manager may vary these times at its discretion.

Requests to deal in Units may be made by mail, fax or, where applicable, by approved electronic transmission, directly to the office of the Administrator; for the postal address see the relevant dealing form (or such other addresses as may be published from time to time). All requests to deal in Units received on a Dealing Day after a Sub-Fund's Dealing Deadline will be treated as having been received on the next Dealing Day save that the Directors may in their absolute discretion and in exceptional circumstances, treat requests to deal in Units that are received after the Dealing Deadline but before the Valuation Point as having been received on that Dealing Day.

### Money Laundering Prevention

The Fund is subject to obligations under the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010-2021, as may be amended, and regulations thereunder, aimed at preventing anti-money laundering and terrorist financing. To meet these obligations, the Fund is required to apply customer due diligence measures to investors including but not limited to identifying and verifying an applicant's identity, identifying any beneficial owner connected with an applicant and conducting ongoing due diligence during the course of the business relationship.

The Administrator and the Manager reserve the right to request such information as is necessary to verify the identity of an applicant as well as the applicant's source of subscription monies and / or source of wealth. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and subscription monies and return all subscription monies or compulsorily redeem such Unitholder's Units and/or payment of redemption proceeds may be delayed (no redemption proceeds will be paid nor will any interest accrue thereto if the Unitholder fails to produce such information) and none of the Manager, the Directors, the Investment Manager or the Administrator shall be liable to the subscriber or Unitholder where an application for Units is not processed or Units are compulsorily redeemed in such circumstances. If an application is rejected, the Administrator will return application monies or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator may refuse to pay redemption proceeds where the requisite information for verification purposes has not been produced by a Unitholder. Any such blocked payments may be held in a Collection Account pending receipt, to the

satisfaction of the Administrator, of the requisite documentation and/or information. Unitholders should refer to the risk statement **Collection Account Risk** in the section of this Prospectus headed **Risk Factors** for an understanding of their position vis-a-vis monies held in a Collection Account.

The Manager may take such other steps as each considers appropriate or necessary to discontinue the relationship with an investor where required to do so under applicable law and regulation.

### **Minimum Holdings**

The minimum holdings for each Sub-Fund are set out in **Appendix 1** to this Prospectus. The Manager may waive the minimum subscription levels. If the minimum holdings are not maintained, the Manager reserves the further right to redeem the relevant Unitholding in any class of Units.

In addition, if following a redemption or change in class, a holding in any class of Units should fall below the minimum holding for that class, as set out in **Appendix 1**, the Manager may effect a mandatory redemption of that Unitholder's entire holding in that class of Units. Failure of the Manager to do so immediately after such redemption or change in class does not remove this right.

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## BUYING UNITS

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### Procedure

Units may be purchased directly by investors from the Administrator. An account opening form may be obtained from the Administrator. Units will not be issued or allotted in cases where dealing in a Fund has been suspended as set out under the **Suspension of Dealings** section of this Prospectus. For the avoidance of doubt, all subscription requests received before a Sub-Fund's Dealing Deadline on a Dealing Day will receive that Dealing Day's Valuation Point. All subscription requests received after a Sub-Fund's Dealing Deadline on a Dealing Day will receive the next Dealing Day's Valuation Point save that the Directors may in its absolute discretion and in exceptional circumstances, treat requests to deal in Units that are received after the Dealing Deadline but before the Valuation Point as having been received on that Dealing Day. Prior to investing in a Sub-Fund, a prospective Unitholder will be required to furnish Tax Documentation necessary or appropriate, in the Manager's discretion, to support the Unitholder's eligibility for a particular Tax Class.

**To open an account:** Mail, fax or, where applicable, send by approved electronic transmission the signed account opening form to the Administrator (with the account opening form and all documentation required for anti-money laundering purposes and tax purposes mailed immediately thereafter). The Manager will mail or email a confirmation of the account opening and an account number once all the necessary account opening checks have been completed. Once the account has been opened, the investor may buy Units in accordance with the procedure set out in the next paragraph.

**Subscription procedure:** Mail, fax or, where applicable, send by approved electronic transmission, to the Administrator a signed letter (or other authorisation acceptable to the Administrator), specifying the Unitholder's: (a) full name, (b) account number and (c) subscription amount. If the Unitholder has elected in the account opening form to place subsequent deals by approved electronic transmission, the Unitholder must contact the Administrator prior to the daily Dealing Deadline (as set out in **Appendix 1** to this Prospectus).

Subscriptions for Units must be in the class currency as specified in **Appendix 1** to this Prospectus. The Unitholder must identify the Sub-Fund and class to which they wish to subscribe. The Manager reserves the right not to accept any subscriptions in respect of the Fund until the Administrator receives the signed account opening form and all of the necessary Tax Documentation and all of the necessary anti-money-laundering documentation and all anti-money laundering requirements are satisfied.

For subscriptions for Units denominated in a currency other than the base currency, the Unitholder

must forward the subscription amount in the currency of the class to which they are subscribing.

### **Collection Account**

Subscriptions monies received in respect of a Sub-Fund in advance of the issue of Units may be held in the Collection Account. Unitholders should refer to the risk statement **Collection Account Risk** in the section of this Prospectus headed **Risk Factors** for an understanding of their position vis-a-vis monies held in a Collection Account.

### **Amendments to Investor Details**

Any amendments to a Unitholder's registration details and payment instructions will only be effected upon receipt of a duly authorised written instruction from the relevant Unitholder. Pursuant to the Administrator's standards an original wet ink instruction may be required. Any application for Units received or deemed to be received by the Manager may be withdrawn only with the consent of the Manager.

### **Refusal of Subscriptions**

The Manager reserves the right not to accept any subscriptions for Units until (i) the Administrator receives the signed account opening form and all of the necessary Tax Documentation and all of the necessary anti-money-laundering documentation and (ii) all anti-money laundering requirements are satisfied. The Manager, and the Administrator in consultation with the Manager, reserves the absolute right to reject a subscription order for any reason. By way of example, and without in any way limiting that right, a subscription request could be rejected if (i) the manner in which payment is delivered for the creation of a Unit is not as specified by the Administrator; (ii) acceptance of the subscription payment would have certain adverse tax consequences to the Fund or its Unitholders; (iii) the acceptance of the subscription payment would, in the opinion of the Manager's legal advisors, be unlawful; (iv) the acceptance of the subscription payment would otherwise, in the discretion of the Manager, have an adverse effect on the Fund or its Unitholders; or (v) circumstances outside the control of the Fund or the Administrator make it impractical to process a subscription request. The Manager will notify the applicant if it rejects the applicant's subscription request. The Manager and Administrator are under no duty, however, to give notification of any defects or irregularities in the delivery of subscription payments, nor shall either of them incur any liability for the failure to give any such notification, however the Manager and the Administrator will endeavour to contact the applicant in the event of defects or irregularities in the delivery of subscription payment.

The Manager also reserves the general right to reject any subscription request, including switches from other Sub-Funds for example in the case of significantly large switching requests which would impact other Unitholders. Any subscription for Units received or deemed to be received by the Fund may be



withdrawn only with the consent of the Manager.

The Manager reserves the right to limit the issue of Units in any Sub-Fund or class of Units where the liquidity within the Sub-Fund or class is deemed to be detrimental to its performance by closing the Sub-Fund or class to new subscriptions or switches into it, either from existing Unitholders or new applicants or both. An example of the circumstances in which this may occur could be where the Manager determines that it would be prudent to limit the capacity or the size of a Sub-Fund, the investment objective of which is aimed at a particular market or sector. No interest will be paid on refunds due to cancellations.

### **Swing Pricing**

See the **Swing Pricing** section in **Appendix 1** for details of swing pricing that may be applied in respect of a Sub-Fund.

### **Settlement**

The Administrator must receive subscription monies in immediately available funds prior to the relevant Administrator's cut-off time for each currency on the "**Settlement Date**" as defined for the relevant Sub-Fund as set out in **Appendix 1** of this Prospectus. If full settlement of purchase monies is not made within the required time, then the Manager reserves the right to make an administrative change and recover any shortfall. Purchase monies must be received by telegraphic transfer. The applicant shall bear any charges associated with the transfer.

The Manager reserves the right to accept other forms of payment in its discretion; however, no cheques will be accepted, subject to the ultimate discretion of the Manager.

The Manager has the discretion to require receipt of subscription monies on the Dealing Day as of which Units are to be issued and the Manager may exercise this discretion, for example, with respect to new investors in the Fund. In exercising their discretion the Manager will take into account legal considerations, timing matters and other considerations.

### **Failure to Settle**

Under the terms of the account opening form, Unitholders accept responsibility and liability for any failure by them to provide subscription monies in accordance with the procedures and deadlines set out above. Each Unitholder agrees that, any costs for which such Unitholder becomes liable as a result of his or her failure to provide subscription monies in accordance with the procedures and deadlines set out above the Manager is authorised to redeem such number of Units held by such Unitholder in the Fund to satisfy any such liability to the Fund and the proceeds of any such redemption shall be paid into the assets of the relevant Sub-Fund. In the event that there is a failure to provide subscription

monies, the relevant Units will be cancelled. As noted above in the **Procedure** section of this Prospectus, all subscription requests received after a Sub-Fund's Dealing Deadline on a Dealing Day will receive the next Dealing Day's Valuation Point save that the Manager may in its absolute discretion and in exceptional circumstances, accept subscription requests that are received after the Dealing Deadline but before the Valuation Point as having been received on that Dealing Day.

### **Minimum Subscriptions**

The minimum initial subscription levels for each class of Units in a Sub-Fund are set out in **Appendix 1** to this Prospectus. The Manager may, in its sole discretion, accept subscriptions lower than the minimum initial subscription amount as set out in **Appendix 1**.

### **Documents the Applicant will Receive**

All Units issued will be in registered form but no certificates will be issued. A contract note will be issued to Unitholders within 24 hours of the Net Asset Value being published. This enables the Manager to deal with redemption requests in respect of the Fund without undue delay. Fractional Units of up to four decimal places may be issued in respect of any part of subscription monies insufficient to purchase whole Units.

### **Market Timing and Frequent Trading**

Each of the Sub-Funds is designed and managed to support longer-term investment and active trading in Units is discouraged. Short-term or frequent trading into and out of a Sub-Fund as well as market timing may harm performance by disrupting fund management and by increasing expenses. The Manager may, at its discretion, refuse to accept applications for the purchase of, or requests for the switching of, Units, especially where transactions are deemed disruptive, particularly from possible frequent traders or market timers. Some Unitholders may try to profit from a strategy called market-timing – switching money into funds when they expect prices to rise and taking money out when they expect prices to fall within a short period of time. In general, market timing refers to the investment behaviour of a person (or group of persons) buying, selling or switching investments in anticipation of making a profit on the basis of predetermined market indicators. Market timing can include elements of frequent trading and vice-versa. Both behaviours will tend to include frequent purchases and redemptions of Units with a view to profiting from anticipated changes in market prices between Valuation Points or arbitraging on the basis of market price changes subsequent to those that are used in a Sub-Fund's valuation. Such market timing and frequent trading activities are disruptive to fund management, may lead to additional dealing charges, which cause losses/dilution to a Sub-Fund, and may be detrimental to performance and to the interests of long term Unitholders. Accordingly, the Manager has adopted special policies to discourage this type of short-term trading. Specifically, the Manager has discretion to refuse to accept a subscription request in respect of any Sub-Fund at any

time without notice and regardless of size. In particular, the Manager reserves the right to reject any purchase request, including exchanges from other Sub-Funds that it regards as disruptive to the efficient management of the portfolio. A purchase request may be rejected because of timing of the investment or because of the history of excessive trading by the Unitholder. The Manager may in its absolute discretion and without providing any reason, notice and regardless of size, reject any application for subscription or switching of Units from applicants that it considers to be associated with market timing activities. The Manager may also combine Units which are under common ownership or control for the purposes of determining whether the activities of Unitholders can be deemed to involve market timing or frequent trading.

### **Issue of Units in Exchange for In Kind Assets**

In accordance with the UCITS Regulations, the Managers may issue Units in respect of a Sub-Fund in exchange for “**in kind**” investments (that is, for securities rather than for cash). Such investments must be in a form in which the relevant Sub-Fund may invest in accordance with the UCITS Regulations and the particular investment objective and policies of the relevant Sub-Fund, as described in **Appendix 1** to this Prospectus.

No Units may be issued in exchange for such investments unless the Manager is satisfied that:

- (i) the number of Units issued in the relevant Sub-Fund will not be more than the number that would have been issued for settlement in cash, having valued the investments to be exchanged in accordance with the valuation provisions set out in the Deed of Constitution and summarised herein;
- (ii) all fiscal duties and charges arising in connection with the vesting of such investments with the Depositary for the account of the relevant Sub-Fund are paid by the person to whom the Units in the Sub-Fund are to be issued or, at the discretion of the Manager, partly by such person and partly out of the assets of the Sub-Fund;
- (iv) the assets would qualify to be assets of the relevant Sub-Fund in accordance with the investment objective, policies and restrictions of the Sub-Fund;
- (v) the Depositary is satisfied that there is unlikely to be any material prejudice to the existing Unitholders in the relevant Sub-Fund; and
- (vi) the investments are vested in the Depositary or its sub-custodian, or in the nominee or agent thereof. Units may not be issued in exchange for such investments unless title to such investments has been delivered.

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## REDEEMING UNITS

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### Procedure

Every Unitholder is entitled on any Dealing Day to redeem its Units. Valid instructions to the Administrator to redeem Units in a Sub-Fund will be processed at a redemption price calculated with reference to the next Valuation Point for that Sub-Fund following receipt of the instruction, except in the case where dealing in a Sub-Fund has been suspended as set out under the **Suspension of Dealings** section of this Prospectus. For the avoidance of doubt, all redemption instructions received before a Sub-Fund's Dealing Deadline on a Dealing Day will receive that Dealing Day's Valuation Point. All redemption instructions received after a Fund's Dealing Deadline on a Dealing Day will receive the next Dealing Day's Valuation Point save that the Manager may in its absolute discretion and in exceptional circumstances, treat requests to redeem Units that are received after the Dealing Deadline but before the Valuation Point as having been received on that Dealing Day.

**Redemption procedure:** Mail, fax or, where applicable, send by approved electronic transmission, to the Administrator a signed letter or other authorisation acceptable to the Administrator, specifying the Unitholder's full name, account number, and Sub-Fund and class of Unit in which they wish to redeem Units. If the Unitholder has elected in the account opening form to place subsequent deals by approved electronic transmission, the Unitholder must contact the Administrator prior to the relevant daily Dealing Deadline (as set out in **Appendix 1** to this Prospectus). The Unitholder must identify the Sub-Fund and class from which they intend to redeem.

Redemption orders are irrevocable and may not be withdrawn without the Manager's consent except when the redemption of Units has been temporarily suspended. The Manager has complete discretion to permit an applicant to withdraw or amend any application after it has been submitted but provided that the application is received before calculating the Net Asset Value per Unit on the Dealing Day to which the application relates. An instruction to the Administrator to redeem Units, although irrevocable, will not be settled by either the Manager or the Administrator if the redemption represents Units where (i) settlement on the earlier purchase of those Units has not yet been made in full; or (ii) sufficient documentation (including the account opening form and all supporting documentation), all of the necessary anti-money laundering documentation and Tax Documentation have not been received or (iii) wiring instructions have not been received. Pursuant to the Administrator's standards an original wet ink instruction may be required.

Redemption requests will be paid in the Unit class currency. All redemption proceeds will be paid to an account in the name of the Unitholder. No third-party payments are permitted. If a redemption order reduces the Unitholding below the minimum holding required in respect of a Sub-Fund, such order may be treated as an order to redeem the entire Unitholding.

## **Collection Account**

Cash redemption proceeds may, pending payment to the relevant Unitholder, be held in the Collection Account. Unitholders should refer to the risk statement **Collection Account Risk** in the section of this Prospectus headed **Risk Factors** for an understanding of their position vis-a-vis monies held in any such account.

## **Swing Pricing**

See the **Swing Pricing** section in **Appendix 1** for details of swing pricing that may be applied in respect of a Sub-Fund.

## **Chargeable Events**

If the Manager, Depositary (or any of their delegates), the Fund, any Sub-Fund or any Unitholder becomes liable to account for tax in any jurisdiction as a result of a Unitholder or beneficial owner or former beneficial owners of the Units (i) having received a Gross Income Payment in respect of its existing Units; (ii) being treated as in receipt of income or gains; or (iii) having disposed or redeemed of its Units in any way (or being deemed to have so received the Gross Income Payment or income or gains, or being deemed to have so disposed or redeemed of its Units) (each (i)- (iii) a “**Chargeable Event**”), the Manager shall be entitled to deduct from any Gross Income Payment to a Unitholder arising on a Chargeable Event an amount equal to the appropriate tax and any interest or penalties thereon and/or appropriate, cancel or compulsorily redeem such number of Units held by the Unitholder or beneficial owner as are required to discharge such liabilities. The relevant Unitholder shall indemnify and keep the indemnified parties indemnified against losses, actions, pleadings and claims and against all taxes, costs, demands and expenses which may be brought against, suffered or incurred by any of the indemnified parties which may arise or where an the indemnified party becomes liable to tax or to account for tax in any jurisdiction on the happening of a Chargeable Event.

## **In Kind Redemptions**

Any redemption proceeds may, with the Unitholder's consent, be paid by the transfer to such Unitholder of the assets of the Fund in kind, provided that the type of the assets to be transferred are, in the sole discretion of the Manager, deemed equitable and not materially prejudicial to the interests of the remaining Unitholders and the allocation of assets has been approved by the Depositary.

If any Unitholder requests the redemption of Units equal to 5% or more of the number of Units of a Sub-Fund in issue on any Dealing Day, the Manager may in its absolute discretion, distribute underlying investments rather than cash provided that: (a) asset allocation is subject to the approval of the Depositary; and (b) any such distribution shall not materially prejudice the interest of other Unitholders. In such circumstances, the relevant Unitholder will have the right to instruct the Manager

to procure the sale of such underlying investments on their behalf in which case the Unitholder will receive the proceeds net of all fiscal duties and charges incurred in connection with the sale of such underlying investments.

### **Holding Over**

If outstanding redemption requests from Unitholders of a particular class on any Dealing Day total in aggregate 10% or more of the total number of Units of such class in issue on such Dealing Day, the Manager shall be entitled at its discretion to refuse to redeem such number of Units in issue in that class on that Dealing Day in respect of which redemption requests have been received in excess of 10% of the Units of such class in issue as the Manager shall determine. If the Manager refuses to redeem Units for these reasons, the requests for redemption shall be reduced rateably and the Units to which each redemption request relates which are not redeemed shall be treated as if they were redemption requests received on each subsequent Dealing Day, provided that the Fund shall not be obliged to redeem more than 10% of the total number of Units of a particular class outstanding on any Dealing Day, until all the Units of the class to which the original request related have been redeemed. A Unitholder may withdraw his redemption request by notice in writing to the Administrator if the Manager exercises its discretion to refuse to redeem any Units to which the request relates.

### **Mandatory Redemption**

The Manager may, upon such notice as may be required by law or regulation, redeem all of the issued Units of any class if:

- (a) the Net Asset Value of the relevant Sub-Fund falls below such amount as shall be specified for the relevant Sub-Fund in **Appendix 1** to this Prospectus;
- (b) if the Manager in its sole discretion deems it appropriate because of material administrative disadvantage or adverse political, economic, fiscal, regulatory or other changes or circumstances affect the relevant class;
- (c) if the Manager determines that the continuation of the Fund or any Sub-Fund or class of Units is not economically viable;
- (d) if the Fund shall cease to be an authorised Common Contractual Fund under the UCITS Regulations or if any of its Sub-Funds or class of Units shall cease to be approved by the Central Bank;
- (e) if any law shall be passed which renders it illegal or in the reasonable opinion of the Manager impracticable or inadvisable to continue the Fund or any of its Sub-Funds or classes of Units;
- (f) if within a period of three months from the date of the Manager expressing in writing to the

Depository its desire to retire, a replacement manager shall not have been appointed; or

- (g) if within a period of three months from the date of the sole remaining Investment Manager expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Investment Manager.

The Fund will be terminated by the Manager by notice in writing to the Unitholders if within a period of three months from the date of the Depository expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Depository.

Notwithstanding the above, the Manager shall have power upon notice to the Central Bank to close any Sub-Fund by serving not less than thirty days' notice of such closure on the holders of Units in that Sub-Fund.

In the event of the termination of a Fund, a Sub-Fund or a class of Units, the party terminating the Fund or a Sub-Fund or a class of Units shall give notice thereof to the Unitholders in the manner set out in the Deed of Constitution and by such notice fix the date on which such termination is to take effect which date shall not be less than thirty days' after the service of such notice.

After the giving of notice of such termination the Manager shall procure the sale of all investments then remaining in the hands of the Depository or of the Depository's nominee as part of the assets and such sale shall be carried out and completed in such manner and within such period before or after the termination of the Fund, the Sub-Fund or the class of Units as the Manager and the Depository think desirable.

The Manager shall at such time or times as it shall deem convenient and at its entire discretion procure the distribution to the Unitholders, of all net cash proceeds derived from the realisation of the investments of the relevant Sub-Fund or attributable to the relevant class of Unit and any cash then forming part of the relevant Sub-Fund or attributable to the relevant class of Unit so far as the same are available for the purpose of such distribution. Such distributions shall be made, provided that:

- (a) the Manager acting in good faith, shall be entitled to retain out of any moneys held by the Depository full provision for all reasonable costs, charges, expenses, claims, liabilities and demands relating to the relevant Sub-Fund or class of Unit for which the Manager or the Depository is or may become liable or incurred, made or expended by the Manager or the Depository in connection with the termination of the Fund or the Sub-Fund or the class of Unit, as the case may be, and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands; and
- (b) any unclaimed net proceeds or other cash held by the Depository may at the expiration of twelve months from the date on which the same were payable be paid into court subject to the

right of the Depositary to deduct therefrom any expenses it may incur in giving effect to this provision.

The Manager may also, upon such notice as may be required by law or regulations, redeem all of the issued Units held by any Unitholder in any class of Units if the Manager reasonably believes that the Unitholder does not meet the criteria for investment in that class of Units. Unitholders will indemnify the Fund and the Manager for any costs, losses, taxes or expenses suffered as a result.

### **Price and Settlement**

Units will be redeemed at the Net Asset Value per Unit on the relevant Dealing Day less such sums as the Manager in its absolute discretion may from time to time determine as an appropriate provision for duties and charges in relation to the realisation or cancellation of the Units to be redeemed. It is expected that the redemption price (less any fees and expenses owing to the Fund and any duties and charges) shall be dispatched to the Unitholder by the Manager or its duly authorised agent within the period specified under “Payment of Redemptions monies – Dealing Deadline” in **Appendix 1** hereto, but in any event shall be dispatched no later than 10 Business Days after the day on which redemption of the relevant Units is effected, without interest.

For the redemption of Units denominated in a currency other than the base currency, the currency conversion will be effected at the then current exchange rate.

The Manager and / or the Administrator in consultation with the Manager may, at its absolute discretion, refuse to satisfy a redemption request or make any other payment to or at the direction of a Unitholder if such payment would result in a breach of the guidelines in operation with respect to the detection and prevention of money-laundering.



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## CONVERSIONS AND EXCHANGES

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### Conversions at the Request of Unitholders

Except where dealings in Units have been temporarily suspended in the circumstances described in this Prospectus, the Unitholders will be entitled to convert any or all of their Units of any class in a Sub-Fund (“**Original Class**”) for Units of another class in the same Sub-Fund where available or in a different Sub-Fund (“**New Class**”). Conversion shall be effected by notice in writing to the relevant Sub-Fund in such form as the Manager may approve.

When requesting the conversion of Units of the Original Class, Unitholders should ensure that the Net Asset Value of the Units converted is equal to or exceeds any minimum initial subscription amount for the relevant New Class. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding amount for the Original Class. If the number of Units of the New Class to be issued on conversion is not an integral number of Units, the Fund may issue fractional new Units or return the surplus arising to the Unitholder seeking to convert the Units of the Original Class.

Conversions of Units between classes denominated in different currencies will be facilitated by the Administrator at prevailing market rates. The Unitholder will bear the risks and costs of the currency exchange transaction. The costs will be deducted from the subscription amount. Any request for a conversion of Units is at the absolute discretion of the Manager and any request for a conversion of Units received or deemed to be received by the relevant Sub-Fund may be withdrawn only with the consent of the Manager.

### Mandatory Conversion by the Fund

Where a Unitholder’s holding of Units in a class within a Sub-Fund is less than the minimum initial subscription amount for that class of Unit or where the Unitholder no longer meets the criteria for investment in that class of Units, the Manager may mandatorily convert the Unitholder’s Units to another class of Unit for which the Unitholder is eligible. In such circumstances, the Manager may convert the Unitholder’s Units into one of the “Statutory Unit Classes” listed in **Appendix 1**, or alternatively to Units of another class which is not denominated in the same currency, does not have the same hedging policy, Gross Income Payment policy, or tax withholding and reclaim rate policy or which differs in other material responses from the original class of Units invested in. Unitholders will continue to have the ability to redeem their Units in accordance with the procedures outlined in the **Redeeming Units** section of this Prospectus.

A Unitholder will no longer meet the eligibility criteria for investment in its class of Units if, for instance, it is no longer eligible for the withholding rates or tax reclaim rates that the rest of the Unitholders in its

class receive. This can arise for different reasons, including changes in taxation treaties, domestic exemptions, or other relevant laws affecting the Unitholder, or where the Unitholder has failed to provide completed Tax Documentation upon request and within agreed timelines. In those cases, the Manager may at its discretion exchange that Unitholder's Units for Units in a separate class, including a "**Statutory Unit Class**" or other class which provides for less favourable withholding and reclaim rates (e.g., full statutory (non-treaty) rates) than its prior class. See the **Units - Tax Class Units** and **Taxation** sections of this Prospectus for more details.

## **General**

The relevant minimum initial subscription amounts for conversions of Units, whether at the request of the Unitholder or by way of mandatory conversion by the relevant Sub-Fund, are set out in **Appendix 1** to the Prospectus.

Unless otherwise specified for a Sub-Fund, the general provisions and procedures relating to redemptions of Units and subscriptions for Units will apply to any conversion of Units, whether at the request of the Unitholder or by way of mandatory conversion by the Manager. Accordingly, for these purposes, a conversion notice given by a Unitholder will be treated as a redemption request in respect of the Original Class and as a subscription request in respect of the New Class.

Unitholders should note that the conversion of their Units to another class of Units may have adverse tax consequences in their own jurisdiction.

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## TEMPORARY SUSPENSION OF DEALING IN UNITS

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The Manager may at any time, with prior notification to the Depositary, temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Units during:

- (i) the whole or part of any period when any Regulated Market on which a substantial portion of the investments for the time being comprised in the relevant Sub-Fund are quoted, listed or dealt on is closed otherwise than for ordinary holidays, or during any period which dealings on any such Regulated Market are restricted or suspended; or
- (ii) the whole or part of any period when, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Manager, the disposal or valuation of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected or completed normally or without prejudicing the interests of Unitholders; or
- (iii) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the relevant Sub-Fund or during any period when, for any other reason, the value of investments for the time being comprised in the Fund cannot, in the opinion of the Manager, be promptly or accurately ascertained; or
- (iv) the whole or part of any period when the Sub-Fund is unable to repatriate funds (eg in exceptional market circumstances which affect the liquidity of the Sub-Fund's investments) for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the relevant Sub-Fund, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Manager, be effected at normal prices or normal rates of exchange; or
- (v) the whole or part of any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the sole opinion of the Manager, have an adverse impact on the relevant Sub-Fund or the remaining Unitholders in such Sub-Fund; or
- (vi) the whole or part of any period after notice of the total redemption of the Units of any class has been given or after a notice terminating the Sub-Fund has been issued; or
- (vii) the whole or part of any period during which dealings in a collective investment scheme in which the relevant Sub-Fund has invested a significant portion of its assets, as determined by the Manager, are suspended; or
- (viii) the whole or part of any period in which the redemption of the Units would, in the opinion of the

Manager, result in a violation of applicable laws; or

- (ix) upon mutual agreement between the Manager and the Depositary for the purpose of the merger of the Fund or any Sub-Fund with another collective investment scheme or sub-fund thereof; or
- (x) any period when the Manager determines that it is in the best interests of the Unitholders to do so.

Notice of any such suspension shall be published by the Manager in such newspapers and/or on or through such other media as the Manager may from time to time determine if, in the opinion of the Manager, it is likely to exceed 30 days, and shall be notified immediately to the Central Bank and the Unitholders. Unitholders who have requested the issue, purchase, conversion or redemption of Units of any series or class which have not been processed prior to the commencement of any period of suspension listed above will have their request dealt with on the first Dealing Day after the suspension has been lifted unless such requests have been withdrawn prior to the lifting of the suspension. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

The Manager shall notify the Central Bank immediately upon the lifting of any such temporary suspension and in circumstances where the temporary suspension has not been lifted within 21 working days of application, the Manager shall provide the Central Bank with an update on the temporary suspension at the expiration of the 21 working day period and each subsequent period of 21 working days where the temporary suspension continues to apply.

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## RESTRICTIONS AND COMPULSORY REDEMPTION OF UNITS

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### General

Unitholders are required to notify the Manager immediately in the event that: (a) they become U.S. Persons or no longer satisfy the Eligible Investor criteria; (b) the Tax Documentation provided to the Fund on their behalf has become invalid, obsolete or incorrect; (c) they hold Units for the account or benefit of U.S. Persons or persons who do not satisfy the Eligible Investor criteria; or (d) they otherwise hold Units in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or fiscal consequences or material administrative disadvantage for the Fund or the Unitholders.

Where the Manager has reason to believe that a Unitholder is: (a) is a U.S. Person, or no longer satisfies the Eligible Investor criteria or is holding Units for the account of a U.S. Person or persons who do not satisfy the Eligible Investor criteria; (b) holding Units in breach of any laws or requirements of any country or government authority or otherwise in circumstances (whether directly or indirectly) affecting such person or persons, including circumstances where they no longer meet the eligibility criteria for a class of Units (such as where they are no longer eligible for their class's withholding tax or reclaim rates due to changes in applicable law or regulation, or expired, inaccurate or otherwise invalid Tax Documentation), and whether taken alone or in conjunction with any other persons connected or not, or any other circumstances appearing to the Manager to be relevant which, in the opinion of the Manager, might result in the Fund or any Unitholder incurring liability to taxation or suffering any other adverse regulatory, pecuniary or fiscal consequences or material administrative disadvantage which the Fund or Unitholder might not otherwise have incurred or suffered; or (c) holding Units in any Sub-Fund that the Manager has determined shall be closed to subsequent subscription and conversions on such basis and for such period as the Manager may determine, and the relevant Units were acquired after the date on which the Manager determined that the relevant Sub-Fund should be closed as aforesaid: the Manager may: (i) direct the Unitholder to dispose of those Units to a person who is qualified or entitled to own or hold the Units within such time period as the Manager stipulates; or (ii) redeem and / or cancel the Units at the Net Asset Value of the Units as at the Dealing Day after the date of notification to the Unitholder or following the end of the period specified for disposal pursuant to (i) above.

Under the Deed of Constitution, any person who becomes aware that he or she is holding Units in contravention of any of the above provisions and who fails to deliver for redemption, its Units pursuant to the above provisions or who fails to make an appropriate and timely notification to the Manager, shall indemnify and hold harmless each of the Directors, the Fund, the Manager, the Administrator, the Depositary, the Investment Manager and the other Unitholders (each an **"Indemnified Party"**) from any claims, demands, proceedings, taxes, liabilities, damages, losses, costs and expenses directly or

indirectly suffered or incurred by any Indemnified Party arising out of or in connection with the failure of such person to comply with his or her obligations pursuant to any of the above provisions and / or the provisions of the Deed of Constitution.

The Deed of Constitution permits the Manager to redeem the Units where, during a period of six years, no acknowledgment has been received in respect of any contract note or other confirmation of ownership of the Units sent to a Unitholder, and require the Manager to hold the redemption monies in a separate interest bearing account for one year, after which period the monies shall accrue to the relevant Sub-Fund.

### **U.S. Persons**

The Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended. Subject to certain exceptions, the Units may not be offered or sold in the U.S. or offered or sold to U.S. Persons. The Fund has not been and will not be registered under the U.S. Investment Fund Act of 1940, as amended.

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## TRANSFER OF UNITS

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The transfer of Units in a Sub-Fund is not permitted save where the beneficial owner of the Units remains unchanged as a result of the transfer. The Manager must be satisfied that the transfer would not have any adverse consequences for the Fund or any Sub-Fund.

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## VALUATION

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### Valuation

The price of a Unit is calculated by reference to the Net Asset Value of the Sub-Fund to which it relates and the basis of calculation of Net Asset Value is summarised in **Appendix 1** to this Prospectus.

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## UNIT PRICES

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### Calculation of Unit Prices

The Net Asset Value per Unit will be calculated and quoted separately for each class of Units to reflect the different currency denominations and expense ratios to which the classes are subject.

The Directors may also, where they so determine “swing” the Net Asset Value of a Sub-Fund up or down on any Dealing Day on which there are net subscriptions or redemptions in the relevant Sub-Fund, as more particularly referred to under the Swing Pricing section in **Appendix 1**.

### Publication of Prices

Details for each Sub-Fund are set out in **Appendix 1** to this Prospectus. In addition to the details set out in **Appendix 1**, the Net Asset Value per Unit will be published in such other newspapers or publications and/or through such other media, as the Manager may from time to time determine.

Unitholders can obtain the Net Asset Value per Unit of each Sub-Fund from the Administrator. Up to date daily prices for each Sub-Fund may be published on <https://www.vanguard.co.uk/uk-fund-directory/product> and/or on such other websites and publications as may be determined by the Manager from time to time and notified to Unitholders. In the event that the publication sources change, Unitholders will be notified in advance and the Prospectus updated. Unitholders can obtain up-to-date Fund prices free of charge by contacting the Administrator.

As the Fund deals on a forward-pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The Manager may also, at its sole discretion, decide to publish Unit prices on other third party websites or publications but the Manager does not accept responsibility for the accuracy of the prices published in or for the

non-publication of prices by, these sources for reasons beyond the control of the Manager.

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## **RISK FACTORS**

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Investment in any Sub-Fund entails a degree of risk. While there are some risks that may be common to a number or all of the Sub-Funds, there may also be specific risk considerations that apply to particular Sub-Funds. It is important to keep in mind one of the main axioms of investing: the higher the risk of losing money, the higher the potential reward. The reverse, also, is generally true: the lower the risk, the lower the potential reward. As you consider an investment one or more of the Sub-Funds, you should take into account your personal risk tolerance. There can be no assurance that any Sub-Fund will achieve its investment objective. The Net Asset Value of Units may go down as well as up, and you may not get back the amount invested or receive any return on your investment. Upon request by any Unitholder, information relating to risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments, for any Sub-Fund may be provided to such Unitholder.

### **Asset Concentration Risk**

Subject to the limits set out in **Appendix 2** to this Prospectus, a Sub-Fund may concentrate its investments in only a few securities, industries or countries. This may cause a proportionately greater loss than if its investments had been spread over a larger number of investments.

### **Auditing and Accounting Standards Risk**

The legal infrastructure and accounting, auditing and reporting standards in some countries in which some Sub-Funds may invest, may not provide the same degree of information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

### **Bond and Fixed Interest Securities Risk**

Sub-Funds that invest in bonds and other fixed interest securities are subject to the following risks:

- Interest rate risk - which is the chance that bond prices overall will decline because of rising interest rates;
- Income risk - which is the chance that a Sub-Fund's income will decline because of falling interest rates;
- Credit risk - which is the chance that a bond issuer will fail to pay interest and principal in a



timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline; and

- Call risk - which is the chance that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. The Sub-Fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Sub-Fund's income.

In addition, investments in fixed interest securities which are below investment grade may result in a Sub-Fund or a collective investment scheme in which a Sub-Fund invests having a greater risk of loss of principal and/or interest than an investment in debt securities which are deemed to be investment grade or higher.

### **Collection Account Risk**

The Manager operates a single subscription and redemption account at umbrella level in the name of the Fund (ie, the Collection Account). Monies in the Collection Account, including subscription monies received in respect of the relevant Sub-Fund prior to the allotment of Units, do not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act (Section 48(1)) (Investment Firms) Regulations 2023. Subscriptions and redemptions accounts will not be established at a Sub-Fund level. All subscription and redemption monies and Gross Income Payments or cash distributions payable to or from the Sub-Funds will be channelled and managed through the Collection Account.

Subscriptions monies received in respect of a Sub-Fund in advance of the issue of Units will be held in the Collection Account and will be treated as a general asset of the Fund. Investors will be unsecured creditors of the Fund with respect to any cash amount subscribed and held by the Fund in the Collection Account until such time as the Units subscribed are issued, and will not benefit from any appreciation in the Net Asset Value of the relevant Sub-Fund in respect of which the subscription request was made or any other unitholder rights (including entitlement to Gross Income Payments) until such time as the relevant Units are issued. In the event of the insolvency of that Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or Fund will have sufficient funds to pay unsecured creditors in full.

Payment by a Sub-Fund of redemption proceeds and Gross Income Payments is subject to receipt by the Manager or its delegate, the Administrator of the account opening form and compliance with all anti-money laundering requirements. Payment of redemption proceeds or Gross Income Payments to the Unitholders entitled to such amounts may accordingly be blocked pending compliance with the foregoing requirements to the satisfaction of the Manager or its delegate, the Administrator.

Redemption and distribution amounts, including blocked redemption or distribution amounts, will, pending payment to the relevant investor or Unitholder, be held in the Collection Account. For as long as such amounts are held in the Collection Account, the investors / Unitholders entitled to such payments from a Sub-Fund will be unsecured creditors of the Fund with respect to those amounts and, with respect to and to the extent of their interest in such amounts, will not benefit from any appreciation in the Net Asset Value of the relevant Sub-Fund or any other unitholder rights (including entitlement to further Gross Income Payments). Redeeming Unitholders will cease to be Unitholders with regard to the redeemed Units as and from the relevant redemption date. In the event of the insolvency of that Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or the Fund will have sufficient funds to pay unsecured creditors in full. Redeeming Unitholders and Unitholders entitled to distributions should therefore ensure that any outstanding documentation and/or information required in order for them to receive such payments to their own account is provided to the Manager or its delegate, the Administrator, promptly. Failure to do so is at such Unitholder's own risk.

In the event of the insolvency of a Sub-Fund, recovery of any amounts to which other Sub-Funds are entitled, but which may have transferred to the insolvent Sub-Fund as a result of the operation of the Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Collection Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent Sub-Fund may have insufficient funds to repay amounts due to other Sub-Funds.

The Manager will operate the Collection Account in accordance with the provisions of the Deed.

### **Counterparty Risk**

A Sub-Fund will be exposed to credit risk on the counterparties with which it trades in relation to futures and option contracts and other FDI that are not traded on a recognised exchange. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. A Sub-Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which it trades such instruments, which could result in substantial losses to the Sub-Fund counterparties to these transactions are required to provide collateral, in form of cash or securities, to protect the Fund against the risk of that counterparty's default.

### **Country Risk**

The value of a Sub-Fund's assets may be affected by uncertainties such as changes in a country's government policies, taxation, restrictions on foreign investment, currency decisions, applicable laws and regulations, together with any natural disasters or political upheaval, which could weaken a country's securities markets.

## Currency Risk

The Net Asset Value per Unit will be computed in the base currency of the relevant Sub-Fund whereas the investments held for the account of that Sub-Fund may be acquired in other currencies. The base currency value of the investments of a Sub-Fund designated in another currency may rise and fall due to exchange-rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The investments of a Sub-Fund may be fully hedged to its base currency. In addition, currency hedging transactions, while potentially reducing the currency risks to which a Sub-Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty.

Where a Sub-Fund enters into “**cross hedging**” transactions (for example, utilising a currency different from the currency in which the security being hedged is denominated), the Sub-Fund will be exposed to the risk that changes in the value of the currency used to hedge will not correlate with changes in the value of the currency in which the securities are denominated, which could result in losses for both the hedging transaction and the Sub-Fund’s securities.

## Derivative Instruments Risk

*Correlation risk.* Although the Investment Manager believes that taking exposure to underlying assets through the use of FDI will benefit Unitholders in certain circumstances, by reducing operational costs and creating other efficiencies, there is a risk that the performance of a Sub-Fund will be imperfectly correlated with the performance that would be generated by investing directly in the underlying assets.

*Funding Risk.* Funding risk exists when the capacity of a Sub-Fund to fund the payment under the FDI is at risk due to higher funding costs or lack of cash flow.

*Derivatives risk.* Generally, a derivative is a financial contract in which the value depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. There is no assurance that any derivative strategy used by a Sub-Fund will succeed. The risks associated with the use of derivatives are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These additional risks include: the value of the derivative may fail to move in line with the underlying asset (a performance difference), the potential lack of liquidity of the derivative, the Sub-Fund may not be able to meet payment obligations as they arise, or the counterparties to the derivative contract may not be able to meet their contractual obligations. A derivative contract may also give rise to counterparty and collateral risks. Where a Sub-Fund seeks to obtain economic exposure to certain securities through derivatives, this may be more costly than owning securities of the issuer directly and / or result in unanticipated tax consequences to a Sub-Fund that may affect the amount, timing and character of distributions to

Unitholders. The taxation of derivatives can be complex and, depending upon the type and amount of derivatives employed by a Sub-Fund, the tax consequences of using derivatives could be worse than the tax consequences that result from direct exposure to impacted securities.

*Interest rate risk.* The risks primarily associated with the chance that the zero coupon swap prices overall will decline because of rising interest rates. Interest rate risk will be high for a Sub-Fund which invests mainly in long-term zero coupon swaps, whose prices are more sensitive to interest rate changes than are the prices of intermediate bonds.

*Management risk.* FDI are highly specialised instruments that require investment techniques and risk analyses different from those associated with investment in stocks and bonds. The use of FDI requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

*Conflict of interest risk.* The Fund does not enter into financial derivative transactions with any entities within the Vanguard Group of Companies.

*Credit risk.* The use of FDI involves the risk that a loss may be sustained as a result of the failure of another party to the contract (usually referred to as the “**counterparty**”) to make required payments or otherwise comply with the contract’s terms. Counterparties to these transactions are therefore required to provide collateral, in the form of cash or securities, to protect the Fund and the relevant Sub-Fund against the risk of counterparty’s default.

There is also the risk that, due to a significant change in the value of the FDI due to market conditions, the collateral posted by the counterparty would not be sufficient to cover the counterparty’s obligations under the FDI transactions, should the counterparty become insolvent, bankrupt or default prior to the receipt of additional collateral. This may result in substantial losses to the Fund and the relevant Sub-Fund. The Fund maintains collateralisation policies to mitigate counterparty risk, including:

- cash or securities held by the relevant Sub-Fund or by the counterparty, as applicable, are posted as collateral to cover daily mark-to-market changes to the value of the FDI. Specific haircut policies will apply depending on collateral type and risk associated with the underlying security;
- based on changes in the market value of each FDI transaction, collateral is posted, or received, daily on a net basis, to ensure that the value of the collateral covers the relevant Sub-Fund's mark-to-market exposure to the counterparty; and
- in the event of a counterparty default, collateral held is immediately available (without recourse) to cover the Sub-Fund's current mark-to-market exposure to a counterparty.

Additionally, credit default swaps could result in losses if the Investment Manager does not correctly evaluate the creditworthiness of the company on which the credit default swap is based.

***Collateral Reinvestment Risk.*** The risk that that cash collateral reinvestment could result in a reduction of the value of the collateral capital (because the investment declines in value). This, in turn may causes losses to the Fund and the relevant Sub-Fund because it is obliged to return collateral to the counterparty. In order to manage this risk, the Fund reinvests cash collateral in accordance with the guidelines set out in **Appendix 4** to this Prospectus.

***Liquidity risk.*** Liquidity risk exists when a particular FDI is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as in the case with many OTC derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

***Pricing risk.*** Pricing risk exists when a particular FDI becomes extraordinarily expensive relative to historical prices or the prices of corresponding cash market instruments. Under certain market conditions, it may not be economically feasible to initiate a transaction or liquidate a position in time to avoid a loss or to take advantage of an opportunity.

***Leverage risk.*** As many FDI have a leveraged component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. The Sub-Funds are managed on a non-leveraged basis unless otherwise specified.

***Market risk.*** Like most other investments, FDI are subject to the risk that the market value of the instrument will change in a way detrimental to the relevant Sub-Fund's interests. While hedging strategies involving FDI can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other portfolio investments. A Sub-Fund may also have to buy or sell a security at a disadvantageous time or price because it is legally required to maintain offsetting positions or asset coverage in connection with certain FDI transactions.

***Valuation risk.*** There may be complexities inherent in the nature of a Sub-Fund's investments, the manner in which a Sub-Fund tracks or replicates an index or the FDI used by the Sub-Fund. There may, therefore, be a limited number of market participants who are able to provide valuation for these instruments or indices and these market participants may also act as counterparties to these transactions. Valuations received from such market participants may therefore be subjective and there may be substantial differences between any available valuations.

***Settlement risk.*** Derivative markets will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the

volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of a Sub-Fund are uninvested and no return is earned thereon. A Sub-Fund's inability to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to the Sub-Fund due to subsequent declines in value of the security or, if it has entered into a contract to sell the security, it could result in a possible liability of it to the purchaser.

*Legal risk.* The terms of OTC derivative are generally established through negotiation between the parties thereto. While therefore more flexible, OTC derivative may involve greater legal risk than exchange-traded instruments, which are standardised as to the underlying instrument, expiration date, contract size and strike price, as there may be a risk of loss if the OTC derivative are deemed not to be legally enforceable or are not documented correctly. There may also be a legal or documentation risk that the parties to the OTC derivative may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for a Sub-Fund to enforce its contractual rights may lead the Manager to decide not to pursue the claims on behalf of the Sub-Fund under the OTC derivative. A Sub-Fund thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, and that those payments may be delayed or made only after the Sub-Fund has incurred the costs of litigation. Further, legal, tax and regulatory changes could occur which may adversely affect a Sub-Fund. The regulatory and tax environment for FDI is evolving, and changes in the regulation or taxation of FDI may adversely affect the value of such instruments held by a Sub-Fund and its ability to pursue its trading strategies.

*Risk Management Process.* The Fund employs an RMP which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI. The Fund will only use FDI which are specified in the RMP cleared by the Central Bank. Global exposure is calculated using the commitment approach, details of which are contained in **Appendix 3** to this Prospectus, as well as the RMP.

### **Foreign Securities—Russian Market Risk**

The recent imposition of sanctions against Russian governmental institutions, Russian entities, and Russian individuals may result in the devaluation of Russian currency; a downgrade in the country's credit rating; a freeze of Russian foreign assets; a decline in the value and liquidity of Russian securities, properties, or interests; and other adverse consequences to the Russian economy and Russian assets. In addition, a fund's ability to price, buy, sell, receive, or deliver Russian investments has been and may continue to be impaired. These sanctions, and the resulting disruption of the Russian economy, may cause volatility in other regional and global markets and may negatively impact the performance of various sectors and industries, as well as companies in other countries, which

could have a negative effect on the performance of a Sub-Fund, even though the Sub-Funds do not currently have direct exposure to securities of Russian issuers.

### **Swaption Risk**

A swap agreement may be combined with an option to give a swaption. Swaptions are helpful in managing possible interest rate risk occurring at some time in the future. Such an option may be structured in two different ways. On the one hand, “swaptions” are transactions that give the purchaser of the swaption the right, against payment of a premium, to exercise or not to exercise, until the agreed maturity date, its right to enter into a pre-agreed swap agreement. On the other hand, “caps”, “floors” and “collars” enable a party, against payment or receipt of a premium, to protect itself against, or to take an exposure on, the variation on the value or level of an underlying.

A major risk of off-exchange derivatives, (including swaps) is credit risk, whereby a party is exposed to the inability of its counterparty to perform its obligations under the relevant financial instrument. Please refer to the sections headed **Derivatives Instruments Risks** and **Counterparty Risk** above for further reference.

### **Ownership Limit Risk**

As the Vanguard funds globally continue to grow, they are or may be negatively impacted by ownership restrictions and limitations imposed by law, by regulation or regulators, or by issuers. Ownership restrictions and limitations can apply to certain industries (for example, banking, insurance, and utilities), certain issuers (who may, for example, have mechanisms in place to prevent takeovers), or certain transactions, and will also vary significantly in different contexts.

Ownership limitations may impact a Sub-Fund’s investment activities. For example, the Sub-Fund’s Investment Manager or Sub-Investment Manager (where appointed) may be unable to purchase, or the Sub-Fund may be unable to directly hold, a security which would otherwise be purchased or held if the limitation did not apply.

For index funds, this means a Sub-Fund may not be able to track its index as closely as it would if it was not impacted by an ownership limitation. These types of restrictions could impact a Sub-Fund’s performance.

When a Vanguard fund is impacted by an ownership limitation, the Vanguard Group of Companies will typically seek permission to exceed the limitation. Such permission may come with conditions such as limiting or altering the exercise of rights on behalf of a Sub-Fund, including voting rights. There is no guarantee that such permission will be granted or maintained. In such circumstances, the Investment Manager or Sub-Investment Manager (where appointed) on behalf of the Sub-Fund could be required

to sell or otherwise dispose of holdings in one or more issuers to comply with limitations.

If the Sub-Fund's Investment Manager or Sub-Investment Manager (where appointed) is unable to purchase, or if a Sub-Fund is unable to directly hold, a particular security due to an ownership limitation, it may seek to obtain economic exposure to that security through alternative means such as through total return swaps or other similar derivatives. Such exposure may be more costly than owning securities of the issuer directly or have tax consequences. See Derivative Instruments Risk section for more information.

### **Common Contractual Funds**

The Fund is a Common Contractual Fund. The Fund is an unincorporated entity which does not have a legal personality. Accordingly, the Fund has certain features which differentiate it from other types of collective investment schemes. For example, the Fund will not hold Unitholder meetings and no voting rights will attach to Units. Units may be redeemed but they are not freely transferable.

### **Taxation Risk**

Potential investors' attention is drawn to the taxation risks associated with investing in the Fund and in a Sub-Fund. See the section headed **Taxation** of this Prospectus for further information. Without prejudice to the generality of the foregoing, potential investors' attention is drawn to the following specific risks: (a) should the potential investor fail to satisfy the requirements of an Eligible Investor, it may be liable to the Fund for any actions, proceedings, claims, costs, demands, charges, losses, damages or expenses and tax arising as a result of misrepresentation made to the Manager or its delegate or may, under the terms of the Deed, be called upon to indemnify the Fund for all actions, proceedings, claims, costs, demands, charges, losses, damages or expenses as a result of such misrepresentation; (b) a person who the Manager or its delegate suspects may not satisfy the requirements of an Eligible Investor may have its Units redeemed from the Fund; (c) a person who is or no longer satisfies the requirements of an Eligible Investor may cause the Fund as a whole to cease to be fiscally transparent under the provisions of Irish law which, in turn, may prejudice the treatment of the Fund as fiscally transparent for the purposes of withholding taxes in respect to income and gains earned on the portfolio securities of issuers in the United States or other jurisdictions in which the Fund invests; (d) a potential Unitholder that fails to satisfy the requirements of an Eligible Investor may cause the relevant profits of the Fund (broadly, the income, gains and profits of the Fund) to be liable to Irish taxation; and (e) should the Fund not prove to be fiscally transparent resulting in a retrospective liability to withholding tax or liability for increased withholding taxes, the Net Asset Value will not be retrospectively revised and remaining holders in the Fund will accordingly rateably bear any additional liability.



## **Futures Contracts Risk**

Positions in futures contracts may be closed out only on an exchange that provides a secondary market for such futures. However, there can be no assurance that a liquid secondary market will exist for any particular futures contract at any specific time. Thus, it may not be possible to close a futures position. In the event of adverse price movements, a Sub-Fund would continue to be required to make daily cash payments to maintain its required margin. In such situations, if a Sub-Fund has insufficient cash, it may have to sell portfolio securities to meet daily margin requirements at a time when it may be disadvantageous to do so. In addition, a Sub-Fund may be required to make delivery of the instruments underlying futures contracts that it holds. The inability to close options and futures positions also could have an adverse impact on the ability to effectively hedge the Sub-Fund.

A Sub-Fund will minimise the risk that it will be unable to close out a futures contract by only entering into futures that are traded on national futures exchanges and for which there appears to be a liquid secondary market at the time that such futures contracts are entered into.

The risk of loss in trading futures contracts in some strategies can be substantial, due both to the low margin deposits required and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss (as well as gain) to the investor. Thus, a purchase or sale of a futures contract may result in losses in excess of the amount of investment in the contract. The relevant Sub-Fund also incurs the risk that the Investment Manager will incorrectly predict future stock market trends. However, because the futures strategies of each Sub-Fund are engaged in only for hedging purposes, the Manager does not believe that the Sub-Funds are subject to the risks of loss frequently associated with futures transactions. A Sub-Fund would generally have sustained comparable losses if, instead of the futures contract, it had invested in the underlying financial instrument and sold it after the decline.

Utilisation of futures transactions by a Sub-Fund does involve the risk of imperfect or no correlation where the securities underlying the futures contracts have different maturities than the Fund securities being hedged. It is also possible that a Sub-Fund could both lose money on futures contracts and also experience a decline in the value of its securities. There is also a risk of loss by a Sub-Fund of margin deposits in the event of the bankruptcy of a broker with whom a Sub-Fund has an open position in a futures contract or related option.

## **Index Risk**

The performance of a Sub-Fund may be negatively affected by a general decline of the securities or the market segment relating to the Index. Each Sub-Fund invests in securities included in, or representative of, the Index regardless of their investment merit.

There can be no assurance that an Index will continue to be calculated and published on the basis

described in this Prospectus or that it will not be amended significantly. The past performance of an index is not necessarily a guide to its future performance.

A Sub-Fund whose respective Index is oriented to a specific economic sector, country or region will (subject to the diversification requirements set out in the **Investment and Borrowing Restrictions** of the Prospectus at **Appendix 2**) concentrate in the securities of issuers relating to that economic sector, country or region, and will be particularly subject to the risks of adverse political, industrial, social, regulatory, technological and economic events affecting such sector, country or region.

No Index Provider has any obligation to take the needs of the Fund, the Sub-Funds or the Unitholders into consideration in determining, composing or calculating any Index. Each Sub-Fund has neither control nor input into the determination of the composition or calculation of any Index.

### **Index Sampling Risk**

As it would be expensive and inefficient to buy and sell all securities held in its applicable Index which is an indexing strategy called “**replication**” certain Sub-Funds may use index “**sampling**” techniques to select securities whereby such Sub-Funds selects a representative sample of securities that approximates the full Index in terms of key risk factors and other characteristics. These factors include price/earnings ratio, industry weights, country weights, market capitalization, dividend yield, and other financial characteristics of stocks. While a Sub-Fund keeps currency, country, industry sector and subsector exposure within tight boundaries compared with that of its Index, there is the risk that the securities selected for the Sub-Fund, in the aggregate, will not provide investment performance matching that of the relevant Index.

### **Index Accuracy Risk**

Where a Sub-Fund, in order to meet its investment objective, seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant benchmark index (the “**Benchmark Index**”) as published by the relevant index provider, there is no assurance that the index provider will compile the Benchmark Index accurately, or that the Benchmark Index will be determined, composed or calculated accurately. While the index provider does provide descriptions of what the Benchmark Index is designed to achieve, the index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the Benchmark Index, and does not guarantee that the Benchmark Index will be in line with the described index methodology.

The Manager, Investment Manager and their affiliates do not provide any warranty or guarantee for index provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, particularly where

the indices are less commonly used. Therefore gains, losses or costs associated with index provider errors will be borne by the Sub-Fund and the Sub-Fund investors. For example, during a period where the Benchmark Index contains incorrect constituents, the Sub-Fund tracking such published Benchmark Index would have market exposure to such constituents and would be underexposed to the constituents that should have been included in the Benchmark Index. As such, errors may result in a negative or positive performance impact to the Sub-Fund and their investors. Investors should understand that any gains from index provider errors will be kept by the Sub-Fund and their investors and any losses resulting from index provider errors will be borne by the Sub-Fund and their investors.

### **Index Unscheduled Rebalancing Risk**

Apart from scheduled rebalances, the index provider may carry out additional ad hoc rebalances to the Benchmark Index in order, for example, to correct an error in the selection of index constituents. Where the Benchmark Index of a Sub-Fund is rebalanced and the Sub-Fund in turn rebalances its portfolio to bring it in line with its Benchmark Index, any transaction costs (including any capital gains tax and/or transaction taxes) and market exposure arising from such portfolio rebalancing will be borne directly by the portfolio and its investors.

Unscheduled rebalances to the Benchmark Indices may also expose a Sub-Fund to tracking error risk, which is the risk that its returns may not track exactly those of the Benchmark Index. Therefore, errors and additional ad hoc rebalances carried out by the index provider to a Benchmark Index may increase the costs and market exposure risk of the relevant Sub-Fund.

### **Index Tracking Risk**

Unless otherwise stated, the Sub-Funds are not expected to track or replicate the performance of their respective Index at all times with perfect accuracy. Each Sub-Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of its respective Index. Although the Investment Manager will regularly monitor the level of correspondence of the performance of a Sub-Fund with the performance of the relevant Index (i.e. the “**tracking accuracy**”), there can be no assurance that any Sub-Fund will achieve any particular level of tracking accuracy. The annual and semi-annual reports of the Fund, together with the factsheet in respect of the Fund published by the Investment Manager, will disclose the Tracking Error and level of tracking accuracy for each Sub-Fund over the relevant periods. The annual report of the Fund will also provide an explanation of any divergence between anticipated and realised Tracking Error for the relevant period.

The following factors may adversely affect the tracking by a Sub-Fund of its respective Index:

- (a) a Sub-Fund must pay various expenses, while an Index does not reflect any expenses;

- (b) a Sub-Fund must comply with regulatory constraints, such as the Investment and Borrowing Restrictions (as set out in **Appendix 3**), that do not affect the calculation of its respective Index;
- (c) the existence of uninvested assets in the Fund (including cash and deferred expenses);
- (d) the timing difference between when an Index reflects the event of dividends and when a Sub-Fund reflects the event of dividends;
- (e) the temporary unavailability of certain securities comprising an Index;
- (f) the presence of small, illiquid components in an Index which a Sub-Fund may not be able to, or may choose not to, acquire;
- (g) the extent that a Sub-Fund is not invested identically in respect of the composition and/or weighting of the constituent securities of its respective Index, and securities in which it is underweighted or overweighted in relation to its respective Index perform differently from its respective Index as a whole; and
- (h) the extent to which dividends are reinvested in a Sub-Fund.

In seeking to track an Index, the Investment Manager will not normally reduce or increase a Sub-Fund's holdings in or exposure to any constituent security of an Index when to do so would reduce the tracking accuracy. Therefore, if a constituent security of an Index is decreasing in value, the Sub-Fund will generally continue to hold such security (or any other securities which give exposure or equivalent price performance to such a constituent security's price performance) until the weight of the constituent security is reduced in the Index, or the constituent security is removed from the Index, by the Index Provider.

For avoidance of any doubt, it is at the discretion of the Investment Manager as to when to dispose of the constituent security after it ceases to form part of that Index.

A Sub-Fund will purchase and sell securities having regard to the effect on portfolio turnover. Higher portfolio turnover will cause a Sub-Fund to incur additional transaction costs.

### **Industry Concentration Risk**

There is a risk that there will be overall problems affecting a particular industry. If the Fund invests significantly in securities of companies in, for example, the financial services industry, its performance will depend to a greater extent on the overall condition of that industry.

To the extent that each Sub-Fund's portfolio reflects the index concentration in the securities in a particular market, industry, group of industries, sectors, countries or asset classes, each Sub-Fund may be adversely affected by the performance of those securities, and may be subject to increased price volatility and other risks.

**Asset Class Risk**

The securities in an Index or each Sub-Fund's portfolio may underperform the returns of other securities or indexes that track other industries, groups of industries, markets, asset classes or sectors. Various types of securities or indices tend to experience cycles of outperformance and underperformance in comparison to general securities markets.

**Absence of Active Market Risk**

Although the Units of a Sub-Fund may be traded on more than one stock exchange, there can be no assurance that an active trading market for such Units will develop or be maintained.

**Investment Manager Risk**

Each Sub-Fund may not fully track an Index and may hold securities not included in an Index. As a result, each Sub-Fund may be subject to the risk that the Investment Manager's strategy and the implementation thereof, which may be subject to a number of constraints, may not produce the intended results. Each Sub-Fund is subject to the risk that the Investment Manager or a Sub-Investment Manager may do a poor job of selecting securities for investment.

**Investment Style Risk**

Sub-Funds are also subject to investment style risk, which is the chance that returns from the types of stocks in which a Sub-Fund invests will trail returns from the overall stock market. Specific types of stocks tend to go through cycles of doing better or worse than the stock market in general. These periods have, in the past, lasted for as long as several years and there can be no assurances that appreciation will occur.

**Investment Techniques Risk**

There are certain investment risks that apply in relation to techniques and instruments that the Investment Manager or Sub-Investment Manager may employ for efficient portfolio management purposes including, but not limited to, the techniques set out below. To the extent that the Investment Manager's or a Sub-Investment Manager's expectations in employing such techniques and instruments are incorrect, a Sub-Fund may suffer a substantial loss having an adverse effect on the Net Asset Value per Unit.

A Sub-Fund's ability to use these techniques and instruments may be limited by market conditions, regulatory limits and tax considerations. Use of these techniques involves certain special risks, including:

- (i) dependence on the Investment Manager's (or Sub-Investment Manager's) ability to predict

movements in the price of securities being hedged and movements in interest rates;

- (ii) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the relevant Sub-Fund;
- (iii) the absence of a liquid market or of accurate pricing information for any particular instrument at any particular time;
- (iv) while a Sub-Fund may not be leveraged or geared in any way through the use of derivatives, the degree of leverage inherent in futures trading (that is, the low margin deposits normally required in futures trading) means that a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Sub-Fund; and
- (v) possible impediments to effective portfolio management or the ability to meet redemption requests or other short-term obligations because of the percentage of a Sub-Fund's assets segregated to cover its obligations.

### **Liquidity Risk**

The Fund's ability to invest and liquidate the assets of Sub-Funds in smaller companies may, from time to time, be restricted by the liquidity of the market for smaller company securities in which a Sub-Fund, or any collective investment scheme in which a Sub-Fund invests, is invested.

### **Market Risk**

The investments of a Sub-Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets, and there can be no assurances that appreciation will occur.

### **No Investment Guarantee equivalent to Deposit Protection**

An investment in the Fund is not of the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme that may be available to protect the holder of a bank deposit account.

### **Past Performance**

Past performance does not necessarily indicate future performance. It can in no way provide a guarantee of future returns.

### **Paying Agents Risk**

Local regulations in certain countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid and Unitholders who choose or are obliged under local regulations to pay subscription monies to and/or receive redemption monies via an intermediary entity, bear a credit risk against that intermediate entity with respect to: (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the Fund; and (b) redemption monies payable by such intermediate entity to the relevant investor.

### **Political and/or Regulatory Risk**

The value of the assets of a Sub-Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

### **Portfolio Transaction Charges**

The difference at any one time between the sale and redemption price of Units (taking into account any portfolio transaction charges payable) in any Sub-Fund means that an investor should view his or her investment as for the medium to long term.

### **Repurchase and Reverse Repurchase Agreements Risk**

Repurchase agreements involve the risk that the market value of the securities sold by the Sub-Fund may decline below the prices at which the Sub-Fund is obliged to repurchase such securities under the agreement. In the event that the buyer of securities under a repurchase agreement files for bankruptcy or proves insolvent, the Sub-Fund's use of proceeds from the agreement may be restricted pending the determination by the other party or its trustee or receiver whether to enforce the obligation to repurchase the securities.

If the seller of a reverse repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Sub-Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. If the seller becomes insolvent, a bankruptcy court may determine that the securities do not belong to the Sub-Fund and order that the securities be sold to pay off the seller's debts. The relevant Sub-Fund may experience both delays in liquidating the underlying securities and losses during the period while it seeks to enforce its rights thereto, including possible sub-normal levels of income and lack of access to income during the period and expenses in enforcing its rights.

## Securities Lending Arrangements Risk

*Counterparty Risk.* Counterparty risk exists when a Sub-Fund may be exposed to credit risk on the counterparties with which it lends securities. The risk is that the borrower of a security will default on its obligation to return the securities, which could result in losses to the Fund and the relevant Sub-Fund. Borrowers are therefore required to provide collateral in the form of cash or securities to protect the Fund against the risk of default.

The Fund maintains collateralisation policies to mitigate counterparty risk, including:

- ensuring that the value of the collateral required exceeds the market value of securities on loan for each security loan entered into by the Fund;
- collateral is posted, or received, on a daily basis, based on changes in the market value of each security loan, collateral is posted or received on a daily basis, to ensure that the value of the collateral held exceeds the market value of the securities on loan; and
- in the event of counterparty default, the collateral held is immediately available to the Fund (without recourse) and it will be used to buy the securities lent but not returned.

While the Fund engages in conservative collateralisation policies intended to ensure that all securities lending is fully collateralised, to the extent that any securities lending is not fully collateralised (for example, due to timing lags associated with the posting of cash collateral), the Fund will have a credit risk exposure to the counterparty of a securities lending contract.

Additional risk mitigation against counterparty default is provided through: (i) contractual protections in the event of default of a counterparty; and (ii) ongoing monitoring of creditworthiness counterparties.

*Collateral Reinvestment Risk.* The risk that that cash collateral reinvestment could result in a reduction of the value of the collateral capital (because the investment declines in value). This, in turn may causes losses to the Fund and the relevant Sub-Fund because it is obliged to return collateral equivalent to the value of the returned security. In order to manage this risk, the Fund reinvests cash collateral in accordance with the guidelines set out in **Appendix 3**.

It is important to understand that when a securities lending contract is entered into, the lender has the ability to recall the loan at any time, and the borrower has the ability to return the security to the lender at any time. To the extent that collateral may need to be returned at any time, it is important that the collateral be available to return to the securities borrower. The Manager maintains collateral reinvestment policies in respect of the Fund in order to mitigate this risk. These policies aim to preserve collateral capital and provide sufficient liquidity for the Fund to: (i) fund redemption orders and (ii) return collateral to borrowers who return the loaned securities.



*Conflict of interest risk.* The Fund does not enter into financial derivative transactions with any entities within the Vanguard Group of Companies.

### **Stock Market Risk**

Sub-Funds invest in stocks that are subject to stock market risk, which is the chance that stock prices overall, will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

### **Sustainability Risk**

Sustainability risks can be singular risks or may combine with, exacerbate or contribute to other risks such as market risks, liquidity risks or counterparty risks and may be detrimental to the performance or returns of a Sub-Fund. Common examples of each of these risks may include, but are not limited to, climate change (environmental), human rights (social) and management remuneration overly focused on short term goals (governance).

#### *Assessment and Mitigation of Sustainability Risks*

As outlined in the **Sustainable Finance** section above, only where the Sub-Fund's investment objective explicitly requires, will the Investment Manager, or its delegate, take material sustainability risks into account when assessing whether a Sub-Fund should be invested in a particular security and the Sub-Funds' investments may therefore be exposed to material sustainability risks that could potentially diminish long-term returns of the Sub-Fund. Vanguard through its Investment Stewardship activities scrutinise how portfolio companies and their boards within internally-managed equity funds oversee, manage and disclose material sustainability risks applicable to their respective businesses, to protect clients' investments, and to help promote long-term shareholder value. For more information, see the **Sustainable Finance** section above.

### **Swing Pricing Risk**

As described in **Appendix 1**, the Directors may, where they so determine, "swing" the Net Asset Value of a Sub-Fund to attempt to mitigate the potentially dilutive effects of dealing on the Net Asset Value on any Dealing Day on which there are net subscriptions or redemptions in the relevant Sub-Fund. In such cases, investors should be aware that swing pricing may not always prevent the dilution of the Net Asset Value through dealing costs and the adjustments made to the Net Asset Value may also benefit certain investors relative to the Unitholders in the Sub-Fund as a whole. For example a subscriber into a Sub-Fund on a day on which the Net Asset Value is swung downwards as a result of net redemptions from the Sub-Fund may benefit from paying a lower Net Asset Value per Unit in respect of his subscription than he would otherwise have been charged. In addition, the Sub-Fund's Net Asset

Value and short-term performance may experience greater volatility as a result of this valuation methodology.

### **Umbrella Structure of the Fund and Segregated Liability between Sub-Funds**

Pursuant to Irish law, the Fund should not be liable as a whole to third parties, and there should not be the potential for cross contamination of liabilities between the Sub-Funds. There can, however, be no categorical assurance that, should an action be brought against the Fund in the courts of another jurisdiction, the segregated nature of the Sub-Funds will be upheld.

### **Withdrawal of the United Kingdom from the European Union**

On 31 January 2020, the U.K. left the EU (“**Brexit**”). The U.K. and the EU agreed a transition period from 31 January 2020 to 31 December 2020 (the “**Transition Period**”) during which the U.K. generally continued to apply EU law, and the U.K. and the EU agreed a co-operation agreement in relation to future trading arrangements prior to the end of the Transition Period. Notwithstanding the above, the U.K.’s future economic and political relationship with the EU (and with other non-EU countries by agreement) continues to remain uncertain. This uncertainty may generate further global currency and asset price volatility. This may negatively impact the returns of the Sub-Funds and their investments resulting in greater costs if a Sub-Fund employs currency hedging policies. Ongoing uncertainty could adversely impact the general economic outlook and as such, this may impact negatively on the ability of a Sub-Fund and its investments to execute their strategies effectively, and may also result in increased costs to the Fund.

Given these possibilities and others that are not anticipated at this time, it is difficult to predict the impact that the U.K.’s withdrawal from the EU will ultimately have and what the economic, tax, fiscal, legal, regulatory and other implications will be for the asset management industry, the broader European and global financial markets generally and for collective investment schemes such as the Fund. This uncertainty may continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in the U.K. or the EU, including companies or assets held or considered for prospective investment by a Sub-Fund.

The future application of EU-based legislation to the investment funds industry in the U.K. and the EU will ultimately depend on how the U.K. continues to renegotiate its relationship with the EU. There can be no assurance that any renegotiated terms or regulations will not have an adverse impact on a Fund or its investments, including the ability of a Sub-Fund to achieve its investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to

redenomination of financial assets and liabilities, an adverse effect on the ability of the Investment Manager or a Sub-Investment Manager to manage, operate and invest the assets of a Sub-Fund and increased legal, regulatory or compliance burden for a Sub-Fund, each of which may have a negative impact on the operations, financial condition, returns or prospects of a Sub-Fund.

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## FEES AND EXPENSES

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### **Manager and Service Provider Fees**

The Manager will be entitled to receive such fees and expenses from the Fund relating to each Sub-Fund as specified in **Appendix 1** to this Prospectus for a particular Sub-Fund. The Manager will pay the fees of the Investment Manager, the Administrator, the Distributor and the Depositary out of its fees and the Manager may rebate all or part of its fees to any party that invests in or provides services to the Fund or in respect of any Sub-Fund. The Investment Manager will pay the fees of any Sub-Investment Manager appointed by it and any costs associated with the provision of Research out of its fees.

### **Organisational Fees**

The Fund's organisational expenses (including expenses relating to the preparation of the contracts to which it is a party, the cost of printing the Prospectus and the fees and expenses of its professional advisers) were borne by the Manager.

### **Operational Fees**

The Fund will also pay certain other costs, charges, fees and expenses incurred in its operation, including without limitation: (i) fees and expenses incurred in relation to banking and brokerage in respect of the purchase and sale of Sub-Fund securities, (ii) taxes, (iii) insurance, (iv) the costs and expenses of preparing, printing, publishing and distributing prospectuses, annual and semi-annual reports, and other documents to current and prospective Unitholders, (v) the costs and expenses related to sustainability reporting or other sustainable finance matters, (vi) the costs and expenses of obtaining authorisations or registrations of the Fund or of any Units with the regulatory authorities in various jurisdictions, including the fees and expenses of any paying agent or local representative (such fees and expenses being at normal commercial rates), (vii) the costs of listing and maintaining a listing of Units on any stock exchange, (viii) professional fees and expenses for legal, auditing and other consulting services, and (ix) such other costs and expenses (including non-recurring and extraordinary costs and expenses) as may arise from time to time and that have been approved by the Manager as necessary or appropriate for the continued operation of the Fund or of any Sub-Fund.

### **Ongoing Charges Cap**

The Manager may voluntarily agree to cap the total annual fees and expenses in respect of the ongoing charges for a particular Sub-Fund, (or for any particular class of Units in a Sub-Fund), and either generally or in respect of a particular investment, at such amount as shall be specified. This fixed rate will cover all costs and expenses connected with the management and operating activities of

the relevant Sub-Fund, including: (i) investment management and advisory fees, (ii) administration, (iii) registration, (iv) transfer agency, (v) custody fees, and (vi) other operating expenses, but excluding fees and expenses incurred in relation to banking activities of the Fund (including the costs of any overdraft) and such non-recurring and extraordinary or exceptional costs and expenses (if any) as may arise from time to time such as without limitation: (a) material litigation and (b) withholding taxes deducted from interest and dividend payments to the relevant Sub-Fund, and (c) stamp duties or other documentary transfer taxes, or similar duties and brokerage fees (excluding costs for research) arising on the purchase or sale of securities by the relevant Sub-Fund. The Manager will absorb (directly or by way of a refund to the relevant Sub-Fund) any difference that may arise between the actual cost of the operations of the relevant Sub-Fund and this fixed fee. This gives investors the benefit of a fully transparent and predictable cost structure.

### **Directors' Fees**

The Fund, as a contractual fund structure, is not an incorporated entity, does not have separate legal personality and does not have its own board of Directors. Accordingly, the Directors of the Manager are responsible for managing the business affairs of the Fund. The Manager pays all Directors' fees and expenses including out of pocket expenses relating to Directors appointed to its board. Only the independent Directors of the Manager are paid fees for their services as a director, and such directorship fees are not charged back to the Fund. None of the Directors of the Manager has entered into a service contract with the Fund nor is any such contract proposed, and none of the Directors is an executive of the Fund.

### **Deduction and Allocation of Expenses**

The expenses of each Sub-Fund of the Fund are deducted from the Gross Income of the Fund before Gross Income Payments are paid, as described in the "**Gross Income Payment**" section. Expenses of the Fund that are not directly attributable to the operation of the Fund are allocated in a manner determined by the Manager. Expenses of the Fund that are not directly attributable to a specific class of Units and that are directly attributable to a specific Sub-Fund are allocated among all classes of such Sub-Fund in a manner determined by the Manager. In such cases, the expenses will normally be allocated among all classes of such Sub-Fund pro rata to the value of the net assets of the Sub-Fund that are attributable to those classes. Expenses of the Fund that are directly attributable to a specific class of Units shall be allocated to that class.

### **Costs of Investing**

Costs are an important consideration in choosing a Sub-Fund as it is the Unitholders who pay the costs of operating a Sub-Fund, plus any transaction costs incurred when a Sub-Fund buys or sells securities. These costs can erode a substantial portion of the gross income or the capital appreciation that a

Sub-Fund can achieve. Even seemingly small differences in expenses can, over time, have a dramatic effect on a Sub-Fund's performance.

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## GROSS INCOME PAYMENTS

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The Manager may if it thinks fit, declare and pay Gross Income Payments in respect of any class of Units in any Sub-Fund as appear to the Manager to be justified with respect to such Sub-Fund or class, on a pro rata basis to Unitholders of that class who are registered in the register as Unitholders as of the Gross Income Date. A single Gross Income distribution rate per class of Unit will be calculated for distributions of Gross Income for each class of Units. The Manager may, in its absolute discretion, differentiate between Units in different Sub-Funds and Units of different classes within the same Sub-Fund as to the Gross Income Payment declared on such Units. The Manager shall have the absolute right to decide whether a Gross Income Payment shall be made or not.

The Fund has Accumulation Unit and Distributing Unit classes, as set out in **Appendix 1** to the Prospectus. The Manager does not intend to pay Gross Income Payments to the Accumulation Unit classes; rather earnings and gains will be reinvested on behalf of Unitholders invested in Accumulation Units.

The Manager intends to declare and pay Gross Income Payments to the Distributing Units of each Sub-Fund. For Distributing Units of a Sub-Fund, the Directors intend to distribute all or substantially all of the Gross Income attributable to the Distributing Units of the relevant Sub-Fund or class (as reduced for expenses and subject to the other adjustments described below). The Gross Income Payment policy for each class of Distributing Units of each Sub-Fund is set out in **Appendix 1** to the Prospectus.

In any case, the Unitholders are absolutely entitled to the income, gains and profits of the relevant Sub-Fund as they arise whether or not a Gross Income Payment is made.

In determining the Gross Income Payment that may be made, the Manager will deduct from the Gross Income of the relevant Sub-Fund or class any expenses in respect of that Sub-Fund or class. Gross Income of the relevant Sub-Fund shall include income in the form of dividends, interest and/or any other income earned by a Sub-Fund. Gross Income Payments may only be paid out of funds available for the purpose which may be lawfully distributed and may be adjusted as the Manager deems appropriate as follows:

- (a) addition or deduction of a sum by way of adjustment to allow for the effect of sales or purchases of securities by a Sub-Fund cum or ex dividend of those securities;
- (b) addition of a sum representing any interest or dividends or other income accrued but not received by the Manager at the end of the Gross Income Period and deduction of a sum representing (to the extent that an adjustment by way of addition has been made in respect of any previous Gross Income Period) interest or dividends or other income accrued at the end of

the previous Gross Income Period;

- (c) addition of the amount (if any) available for payment in respect of the last preceding Gross Income Period but not distributed in respect thereof;
- (d) addition of a sum (if relevant) representing the estimated or actual repayment of tax resulting from any claims in respect of income tax relief or double taxation relief or otherwise (if relevant);
- (e) deduction of a sum representing participation in income paid upon the cancellation of Units during the Gross Income Period;
- (f) deduction of the amount of any tax or other estimated or actual liability properly payable out of the income of the Sub-Fund; and
- (g) deduction of such amount as the Manager or its delegate may certify necessary in respect of any expenses, remunerations or other payments (including without limitation, administration expenses and disbursements) accrued during the Gross Income Period and properly payable out of the income of the Sub-Fund;

provided always that in the absence of negligence, fraud or wilful default, the Manager shall not be responsible for any error in any estimates of tax repayments or double taxation relief expected to be obtained or of any sums payable by way of taxation or receivable as income, but if the same shall not prove in all respects correct it shall ensure that any consequent deficiency or surplus shall be provided for in the Gross Income Period in which a further or final settlement or determination is made of such tax repayment or relief or amount payable or receivable and no adjustment shall be made to any payment previously made.

The Manager does not intend to distribute net realised or unrealised gains.

Any Gross Income Payments made shall be paid by means of bank transfer, at the expense of the recipient Unitholders, to Unitholders on the register as of the Gross Income Date.

Gross Income Payments not claimed within six years from their due date will lapse and revert to the relevant Sub-Fund.



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## TAXATION

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The following is a summary of certain Irish and other tax consequences of the purchase, ownership and disposal of Units. The summary does not purport to be a comprehensive description of all tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Units and may not apply to certain other classes of persons. The summary is based on law and practice of in effect in the relevant jurisdictions on the date of this Prospectus (and is subject to any prospective or retroactive change). The following tax summary is not a guarantee to any investor of the tax results of investing in the Sub-Funds. Potential Unitholders in Units should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Units in light of their particular situation.

### IRISH TAX CONSIDERATIONS

#### Taxation of the Fund

The Fund is a Common Contractual Fund within the meaning of Section 739I TCA, in which the Unitholders by contractual arrangement participate and share in the property of the Fund as co-owners. The Fund does not have a separate legal personality and is transparent for Irish tax purposes. Therefore, the Fund is not chargeable to Irish tax on its relevant income or relevant gains (“**relevant profits**”). Instead, the relevant profits of the Fund shall be treated as arising, or as the case may be, accruing to each Unitholder of the Fund in proportion to the value of the units beneficially owned by the Unitholder, as if the relevant profits had arisen or as the case may be, accrued, to the Unitholders in the Fund without passing through the hands of the Fund. This tax treatment is subject to the Units of the Fund being held by Eligible Investors. See **Risk Factors—Taxation Risk** of this Prospectus for further information.

It is the intention of the Manager that Units are not held by investors which do not satisfy the Eligible Investor criteria, including natural persons, and that the Fund will be tax transparent for Irish tax purposes. On the basis that the Units of the Fund are held by Eligible Investors and the Fund is constituted other than under trust law and statute law, the Fund shall not be chargeable to Irish tax in respect of its relevant profits.

In addition, no Irish stamp duty will be payable on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company incorporated or registered in Ireland and provided the conveyance or transfer does not relate to any immovable property situated in Ireland or to any stocks or marketable securities of a company (other than a company which is a collective investment undertaking within the meaning of Section 734,

TCA) which is registered in Ireland.

### **Taxation of Unitholders**

No Irish tax will be deducted from distributions made by the Fund to Unitholders.

### **Stamp Duty**

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, redemption, cancellation of or subscription for Units except in the case of certain subscriptions for or redemptions of Units satisfied by the in-specie transfer of any Irish situated securities or other types of assets.

### **Mandatory Disclosure Rules**

On 25 May 2018, the European and Financial Affairs Council (“**ECOFIN**”) formally adopted mandatory disclosure rules for certain cross-border arrangements. The Council Directive, known as “DAC6”, is the latest in a number of measures designed to prevent tax avoidance. The main goals of DAC6 are to strengthen tax transparency and to fight against what is regarded as aggressive cross-border tax planning.

DAC6 requires the disclosure of certain information regarding “cross-border” arrangements to the taxation authorities of each EU member state and, in a redacted form, to the European Commission. The information must be reported by persons who have acted as “intermediaries” in such transactions and, in certain cases, taxpayers themselves. An “intermediary” for these purposes includes any person that has designed, marketed or managed the implementation of a reportable arrangement. Broadly, a transaction/arrangement will be reportable under the Directive if it involves at least one EU member state and it has one or more of the “hallmarks” of a reportable arrangement set out in the Directive. These hallmarks are very broadly defined and will capture a wide range of transactions. Information that must be shared by intermediaries in respect of reportable arrangements includes details of any taxpayers to whom that arrangement was made available.

Details of reportable cross-border arrangements that occur from 1 January 2021 need to be reported to the Irish Revenue Commissioners within a prescribed 30 days timeline. Other jurisdictions may have differences in how they have implemented DAC6 and may have different deadlines for reporting transactions.

It is important to note that, unlike the domestic Irish mandatory disclosure rules, there are a limited number of exclusions for specific types of transactions (none of which should apply to the transactions contemplated under this document) and DAC6 does not contain any other exclusion for ordinary day-to-day tax advice that relies on ordinary tax planning using standard statutory exemptions and reliefs in a routine fashion for bona fide purposes.

## **Gift and Inheritance Tax**

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Units provided that:

- (a) the Units are comprised in the gift or inheritance both at the date of the gift or inheritance and at the “**valuation date**” (as defined for Irish capital acquisitions tax purposes);
- (b) the person from whom the gift or inheritance is taken (transferor) is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
- (c) the person taking the gift or inheritance (transferee) is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

## **FUND TAX CONSIDERATIONS--OTHER JURISDICTIONS**

### **Income Taxation**

The Fund has generally been constituted by the Manager with the objective that it would be viewed as tax transparent in Ireland, as well as, depending on the type and location of a particular Sub-Fund's investments, in most or all of a Sub-Fund's investment jurisdictions. However, the Manager makes no representations or warranties as to the tax transparency of the Fund or its Sub-Funds in any jurisdiction.

Distributions, interest and gains (if any) derived from a Sub-Fund's securities and other investments may be subject to taxes, including withholding taxes imposed by the country of source. It is generally not intended that the Fund will be able to benefit from double taxation agreements between Ireland and such countries (although in some markets domestic withholding tax exemptions may apply to the Fund). Where tax transparency of the Fund is respected and double taxation treaties apply, those treaties between the countries where the Unitholders and the investments are located will generally be relevant. The Manager reserves the right not to apply applicable double taxation treaties in practice, for example, in a scenario where the cost of filing treaty claims would outweigh the tax benefit.

### **Stamp Duties and Transfer Taxes and Fees**

Tax transparency for purposes of income and withholding taxation does not necessarily imply tax transparency for purposes of stamp duties or other taxes or fees imposed on the transfer of securities. Therefore, a Unitholder's eligibility for exemption from such duties, fees, and/or taxes may not extend, in whole or in part, to transfers of securities to or from a Sub-Fund. The Manager reserves the right not to pursue tax transparency or tax reclaims for purposes of such duties, fees, and/or taxes, in particular where the cost of pursuing tax transparency or tax reclaims exceeds the benefit in doing so.

## UNITHOLDER TAX CONSIDERATIONS--OTHER JURISDICTIONS

As Unitholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore, the Manager strongly recommends that Unitholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Units in the Fund and any investment returns from those Units. It is the Manager's intention to manage the affairs of the Fund so that it does not become resident outside of Ireland for tax purposes.

Distributions, interest and gains (if any) derived from a Sub-Fund's securities and other investments may be subject to taxes, including withholding taxes imposed by the country of source. Where the tax transparency of the Fund is respected and double taxation treaties apply, those treaties between the countries where the Unitholders and the investments are located will generally be relevant. See the section **Double Taxation Treaties** of this Prospectus for further information.

The Unitholders in the Fund may not be able to benefit from a reduction in the rate of withholding tax and may not therefore be able to prevent withholding taxes being deducted or be able to reclaim withholding taxes suffered in particular countries. If this position changes in the future and the application for a higher or lower rate results in an additional payment of tax or a repayment to the relevant Sub-Fund of the Fund respectively, the Net Asset Value of the relevant Sub-Fund will not be restated and the benefit or the cost will be allocated to the existing Unitholders of the relevant Sub-Fund rateably at the time of the adjustment.

### Tax Reclaims

Tax reclaims may be filed on behalf of Unitholders and may be recorded in the relevant class by accounting on an accrual basis. Therefore, reclaims may be shared at the time of origination amongst the existing Unitholders in a class of Units. The composition of Unitholders and/or their holdings in the class at the time at which reclaims are paid may change. Tax reclaims may be filed, provided the Unitholders are entitled to the benefits of a double taxation treaty and that transparency is recognised in both the Unitholder's jurisdiction and the jurisdiction of the investments, in accordance with the confirmations received in any Tax Documentation completed by the Unitholder.

Tax reclaim filings may not be successful, and, in those cases, Unitholders of the relevant class will share the burden of an unsuccessful reclaim. From time to time, tax reclaims may fall below the market or other minimum filing amounts for a Unitholder in the relevant class. Accrued reclaims which are written off will be written off at the Unit class level. The Net Asset Value of the relevant class will not be restated and the cost will be allocated to the existing class Unitholders at the time of the adjustment.

Where a tax authority seeks to collect past tax or reclaim funds which were previously reclaimed on

behalf of Unitholders, Unitholders shall indemnify and hold harmless the Manager and the Depositary from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by the Fund, any Sub-Fund or Unit class. The previous sentence includes, but is not limited to, claims, demands, proceedings, liabilities, damages, losses, costs and expenses related to the Manager's, Investment Manager's, Depositary's or other delegate's failure to provide correct information to the tax authority or failure to notify either the Unitholders or the tax authority of a change in circumstances.

### **Double Taxation Treaties**

It is intended that the Fund is treated as tax transparent in most or all countries, depending on the type and location of a particular Sub-Fund's investments, such that the treaty between the Unitholder's home country and country of investment would generally be applicable. However, this may not be the case for all Unitholders in every country of investment. The Manager also reserves the right not to apply applicable double taxation treaties in practice, for example, in a scenario where the cost of filing treaty claims would outweigh the tax benefit.

Unitholders participating in the same class of Units in a Fund must all be entitled to the same double taxation treaties allowing their unique withholding tax and tax reclaims to be isolated to those eligible to benefit from such treaties. Events which would cause a Unitholder's entitlements to treaty benefits, preferential withholding tax rates, or tax reclaims to diverge from the other Unitholders within the class include:

- (a) lack of valid Unitholder Tax Documentation for a particular market; and
- (b) divergence of tax treaty rates and domestic exemption applicability between Unitholders.

If a Unitholder does not timely provide or otherwise lacks valid Tax Documentation to receive treaty benefits in a particular market and where it is not possible to re-solicit documentation prior to expiration, the full statutory (i.e., non-treaty) rate of withholding tax may be applied to all Unitholders in the class pro rata for the undocumented market and relief may be obtained via reclaim resulting in a delayed benefit to the documented Unitholders participating in the class.

If a Unitholder fails to timely provide or otherwise lacks valid Tax Documentation to receive treaty benefits, the Manager, in its discretion, may either redeem the Unitholder's Units from the Fund or exchange the Unitholder's Units in the class for Units in a class where full statutory (i.e., non-treaty) rates of withholding tax are generally applied until valid documentation is received by the Depositary. When an investor's withholding rate or tax reclaim rate diverges from the other Unitholders in the class due to changes in double tax treaties, domestic exemptions or other relevant law covering the investor, the Manager, in its discretion, may either redeem the Unitholder's Units from the Fund or exchange the

investor's Units in a class for Units in a separate class.

## **CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

### **Compliance with the U.S. Foreign Account Tax Compliance Act**

The Foreign Account Tax Compliance Act ("**FATCA**"), effective 1 July 2014, of the Hiring Incentives to Restore Employment Act 2010 requires reporting of U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to the U.S. Internal Revenue Service ("**IRS**"). FATCA refers to sections 1471 through 1474 of the United States Internal Revenue Code and the regulations and other guidance thereunder, each as amended from time to time or any other agreement entered into with or between authorities for the implementation of FATCA. As an alternative to FATCA, pursuant to an intergovernmental agreement between the U.S. and Ireland ("**IGA**"), a fund may be deemed compliant, if it identifies and reports U.S. Unitholders to the Irish government. Ireland has also enacted regulations, known as the Financial Accounts Reporting (United States of America) Regulations 2014) and amendments thereunder, to introduce the provisions of the IGA into Irish law.

The Fund should generally not be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. FATCA withholding tax would only be envisaged to arise on US source payments to the Fund if the Fund did not comply with its FATCA registration and reporting obligations and the IRS specifically identified the Fund as being a 'non-participating foreign financial institution (FFI)' for FATCA purposes.

The Fund intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. The Fund or the Manager's authorised agents or distributors reserve the right to request such information or documents as is necessary in respect of the Fund to verify the identity and FATCA status of an applicant. This can include, but is not limited to, countries of citizenship, countries of tax residency, date of birth and associated taxpayer identification numbers. Failure to provide information as required may result in the rejection of the relevant application. The Manager shall have the right to require all Unitholders in the Fund to be compliant with FATCA. Unitholders that are nonparticipating FFIs or recalcitrant account holders as defined by FATCA may be reported to the local tax authority and redeemed at the sole discretion of the Manager. The Fund may disclose the information or documentation that it receives from or regarding investors to the Irish Revenue Commissioners, the IRS, other taxing authorities, or other parties as necessary to comply with FATCA, related intergovernmental agreements or other applicable law or regulation.

Vanguard does not support U.S. tax evasion or any request to help Unitholders avoid detection under FATCA. Vanguard is not able to provide tax advice and cannot determine the impact or compliance obligations of FATCA or an applicable IGA for Unitholders' business activities. Vanguard strongly encourages Unitholders to seek the advice of an experienced tax advisor to determine what actions

Unitholders may need to take.

### **OECD Common Reporting Standard**

The automatic exchange of information (“AEOI”) regime known as the “Common Reporting Standard” approved by the OECD has applied in Ireland from 1 January 2016. Under these measures, the Fund is expected to be required to report information to the Irish Revenue Commissioners relating to Unitholders, including the identity, residence and tax identification number of Unitholders, and details as to the amount of income and sale or redemption proceeds received by Unitholders in respect of the Units. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU Member States and other jurisdictions which implement the OECD Common Reporting Standard.

## Appendix 1

### The Sub-Funds

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#### Vanguard FTSE Developed World Common Contractual Fund

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##### 1. **Benchmark Index**

FTSE Developed Index (the “**Index**”).

##### 2. **Investment Objective**

The Sub-Fund seeks to track the performance of the Index, a widely recognised benchmark of stock market performance of global developed countries that is comprised of the stocks of large and mid cap sized companies in global developed markets. The Index is a free-float market-capitalisation weighted index derived from the FTSE Global Equity Index Series (“**GEIS**”), which covers 98% of the world’s investable market capitalisation. Further information on the composition of the Index, including current details as to its exact composition and methodology, may be obtained at <https://www.ftserussell.com/analytics/factsheets/home/constituentsweights> and <https://www.ftserussell.com/products/indices/geisac>.

##### 3. **Primary Investment Strategies**

The Sub-Fund employs a “passive management” – or indexing – investment approach, through physical acquisition of securities, designed to track the performance of the Index. In tracking the performance of the Index, the Sub-Fund will attempt to replicate the Index by investing all, or substantially all, of its assets in the physical stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index. When not practicable to fully replicate, the Sub-Fund uses a sampling process, meaning that it holds a range of securities that, in the aggregate, approximate the full Index in terms of key risk factors and other characteristics, including, but not limited to, asset type, credit quality and risk profile.

In tracking the Index, the Sub-Fund may invest in FDI such as warrants, swap agreements (excluding funded swap agreements but including total return swaps, as further detailed under the **Other Investment Policies** section below) and equity-linked notes which may be used to gain exposure to the constituents of the Index or to the performance of the Index itself, to reduce transaction costs or taxes or allow exposure in the case of illiquid stocks or stocks which are unavailable for market or regulatory reasons or to minimise tracking error. The Sub-Fund may invest in exchange traded futures and options contracts (typically equity index and foreign currency) to manage cash flows on a short



term basis and to achieve cost efficiencies, may invest in currency forwards and interest rate futures to protect against currency fluctuation and may invest in depository receipts which are securities, including ADRs and GDRs to gain exposure to the constituents of the Index.

For more information on the potential implications of this strategy to Unitholders please refer to the sections headed **Index Risk**, **Index Sampling Risk** and **Index Tracking Risk** of this Prospectus.

#### 4. **Other Investment Policies**

While the Sub-Fund attempts to be fully invested each day, the Sub-Fund may also invest in short-term, high quality Money Market Instruments (including government securities, bank certificates of deposits, or engage in overnight repurchase agreements) and/or money market funds for cash management purposes.

The Sub-Fund may also enter into overnight repurchase agreements for the purposes of efficient portfolio management in accordance with the limits and conditions specified under **Portfolio Investment Techniques** in **Appendix 3** to this Prospectus. Please see Repurchase and Reverse Repurchase Agreements and Securities Lending Arrangements in the **Risk Factors** section of this Prospectus.

Further details on the investment powers and restrictions for the Sub-Fund are available under **Investment Powers and Restrictions** in **Appendix 2** to this Prospectus.

The Sub-Fund will not be leveraged or geared through the use of derivative instruments that is, the total exposure of the Sub-Fund, including but not limited to its exposure from the use of any derivative instruments, shall not exceed the total net assets of the Sub-Fund.

For the purpose of efficient portfolio management, in tracking the Index and within the limits and conditions specified in the Prospectus, the Sub-Fund may utilise total return swaps to manage exposures to certain individual securities, a basket of securities, or securities indices, including in circumstances where local market, regulatory or other factors might prevent a direct holding, to reduce transaction costs or taxes, to allow exposure in the case of illiquid stocks or to minimise tracking error. For example, total return swaps can be used as an alternative means to obtain economic exposure to a security if the Sub-Fund is required to limit its investment in a particular issuer or industry, including in the context of management of exposure levels to certain securities by the Vanguard Group globally. The Sub-Fund will not be leveraged through the use of total return swaps, and they will not be used to gain exposure outside of the Index.

#### 5. **Tracking Error**

It is anticipated that, under normal market circumstances, the annualised ex-post Tracking Error of the

Sub-Fund will be up to 0.3%. While it is anticipated that the ex-post Tracking Error of the Sub-Fund under normal circumstances will not vary significantly from this level, there is no guarantee that this level of Tracking Error of the Sub-Fund will be realised and none of the Fund, the Manager or the Investment Manager or any of their affiliates will be liable for any discrepancies between the anticipated Tracking Error and the level of Tracking Error subsequently observed.

The annual report of the Fund will outline the Tracking Error and provide an explanation of any divergence between anticipated and realised Tracking Error for the relevant period in respect of the Sub-Fund. Please refer to the section headed **Plain Talk about Excess Return and Tracking Error** of this Prospectus for further information on Tracking Error.

The Index rebalances on a semi-annual basis in March and September. For the potential cost impacts of rebalancing, please see the section headed **Index Rebalancing and Costs** of this Prospectus for further information.

#### 6. **Profile of a Typical Investor**

- Investors seeking general capital formation and / or asset optimisation.
- Investors with a long-term investment horizon.
- Investors with at least a basic knowledge of and / or experience with financial products.
- Investors that can bear financial losses (up to the total loss of the invested amount) and attach no importance to capital guarantees.

Further information may be obtained at <https://www.vanguard.co.uk/uk-fund-directory>.

#### 7. **Primary Risks**

- Stock Market Risk
- Investment Style Risk
- Country Risk
- Currency Risk
- Index Sampling Risk
- Index Tracking Risk
- Ownership Limit Risk

For more information see the **Risk Factors** section of this Prospectus.

#### 8. **Sub-Fund Details**

**Investment Manager:** Vanguard Asset Management, Limited

**Base Currency:** Pound Sterling (“GBP”)

<b>Initial Offer Price</b>	<p>Un-launched classes of Units shall be issued at £100 per Unit.</p> <p>The Initial Offer Price may be adjusted to reflect any adjustment (“swing”) to the Net Asset Value per Unit of the Sub-Fund on the relevant Dealing Day, as set out in the <b>Swing Pricing</b> section in <b>Appendix 1</b> of this Prospectus.</p>
<b>Initial Offer Period</b>	<p>The un-launched classes of Units are offered from 10:00 am (Irish time) on 14 August 2025 until the earlier of the receipt of an initial subscription or 5:00 pm (Irish time) on 13 February 2026 (or such other date as may be determined by the Manager and notified to the Central Bank).</p>
<b>Purchase Price</b>	<p>After first issue at the NAV per Unit on the relevant Dealing Day.</p>
<b>Redemption Price</b>	<p>The NAV per Unit on the relevant Dealing Day.</p>
<b>Dealing Days</b>	<p>Each Business Day will be a Dealing Day except for any day on which, in the sole determination of the Investment Manager:</p> <p>(a) markets on which the securities included in the Index are listed or traded, or markets relevant to that Index, are closed and as a result of which 25% or more of the securities included in the Index may not be traded; or</p> <p>(b) the fair and accurate valuation of the Sub-Fund’s portfolio of securities, or a significant portion thereof, in accordance with the UCITS Regulations, this Prospectus and the Deed, is impeded; or</p> <p>(c) there is a public holiday in the jurisdiction in which the Investment Manager or a delegate of the Investment Manager which has been appointed in respect of the Sub-Fund is based;</p> <p>(each such Business Day, being a “<b>Fund Holiday</b>”) and in each case provided there is at least one Dealing Day per fortnight.</p> <p>A calendar of the Fund Holidays for the Sub-Fund is available on  <a href="https://fund-docs.vanguard.com/holiday-calendar-vanguard-investments-common-contractual-fund.pdf">https://fund-docs.vanguard.com/holiday-calendar-vanguard-investments-common-contractual-fund.pdf</a></p>

<b>Dealing Deadline - Subscriptions</b>	11.00 am (Irish time) on the relevant Dealing Day.
<b>Receipt of Subscription monies - Dealing Deadline</b>	GBP - 3.30 pm (Irish time) on the Settlement Date - where account held in the U.K. where the "Settlement Date" is the second Business Day after the relevant Dealing Day.
<b>Dealing Deadline - Redemptions</b>	11.00 am (Irish time) on the relevant Dealing Day.
<b>Payment of Redemptions monies - Dealing Deadline</b>	GBP - 3.30 pm (Irish time) on the Settlement Date - where account held in the U.K. where the "Settlement Date" is the second Business Day after the relevant Dealing Day.
<b>Distribution of Gross Income Payments – Distributing Units only</b>	<p>The Manager intends to declare Gross Income Payments in respect of the Distributing Units of the Sub-Fund.</p> <p>The Manager intends to distribute all or substantially all of the Gross Income of the Sub-Fund attributable to the Distributing Units of the Sub-Fund on a quarterly basis to Unitholders of the Distributing Units who are registered in the register as Unitholders as of the Gross Income Date. The Gross Income Date will normally be the last day of each calendar quarter. Gross Income Payments will normally be paid two weeks following the Gross Income Date. In the event such payment date falls on a non-Business Day, payment will be made on the first following Business Day.</p> <p>Declaration of Gross Income Payments is at the sole discretion of the Manager. See the <b>Gross Income Payments</b> section of the Prospectus for more information.</p>
<b>Publication of Unit Prices</b>	<a href="https://www.vanguard.co.uk/uk-fund-directory/product">https://www.vanguard.co.uk/uk-fund-directory/product</a>

<b>Classes of Units</b>	<b>Launch Date</b>	<b>ISIN</b>	<b>Minimum Initial Subscription</b>	<b>Accumulation or Distributing</b>
Institutional A GBP Accumulation Units - UK Pension	Not yet launched	IE00BRK93T50	£5,000,000	Accumulation
Institutional A GBP Accumulation Units - UK Life Ins. Co.	Not yet launched	IE00BRK93V72	£5,000,000	Accumulation
Institutional B GBP	5 February	IE00BRK93W	£30,000,000	

<b>Classes of Units</b>	<b>Launch Date</b>	<b>ISIN</b>	<b>Minimum Subscription</b>	<b>Initial</b>	<b>Accumulation or Distributing</b>
Accumulation Units – UK Charity	2015	89			Accumulation
Institutional A GBP Hedged Accumulation Units - UK Life Ins. Co.	Not yet launched	IE00BRK93X96	£5,000,000		Accumulation
Institutional A GBP Hedged Accumulation Units - UK Pension	Not yet launched	IE00BRK93Y04	£5,000,000		Accumulation
Institutional B GBP Hedged Accumulation Units - UK Charity	Previously launched and fully redeemed. Available for subscription.	IE00BRK93Z11	£30,000,000		Accumulation
Institutional B GBP Accumulation Units - UK Life Ins. Co.	20 July 2018	IE00BRK94038	£30,000,000		Accumulation
Institutional B GBP Accumulation Units - UK Pension	Not yet launched	IE00BRK94145	£30,000,000		Accumulation
Institutional A GBP Accumulation Units - UK Charity	Not yet launched	IE00BRK94251	£5,000,000		Accumulation
Institutional B GBP Hedged Accumulation Units - UK Life Ins. Co.	29 July 2016	IE00BRK94368	£30,000,000		Accumulation
Institutional B GBP Hedged Accumulation Units - UK Pension	Not yet launched	IE00BRK94475	£30,000,000		Accumulation
Institutional A GBP Hedged Accumulation Units - UK Charity	Not yet launched	IE00BRK94582	£5,000,000		Accumulation
Institutional A GBP Hedged Distributing Units - UK Life Ins. Co.	Not yet launched	IE00BRK94699	£5,000,000		Distributing
Institutional A GBP Hedged Distributing Units - UK Pension	Not yet launched	IE00BRK94707	£5,000,000		Distributing
Institutional A GBP Hedged Distributing Units - UK Charity	Not yet launched	IE00BRK94814	£5,000,000		Distributing

<b>Classes of Units</b>	<b>Launch Date</b>	<b>ISIN</b>	<b>Minimum Subscription</b>	<b>Initial</b>	<b>Accumulation or Distributing</b>
Institutional A GBP Distributing Units – UK Life Ins. Co.	Not yet launched	IE00BRK94921	£5,000,000		Distributing
Institutional A GBP Distributing Units – UK Pension	Not yet launched	IE00BRK94B42	£5,000,000		Distributing
Institutional A GBP Distributing Units – UK Charity	Not yet launched	IE00BRK94C58	£5,000,000		Distributing
Institutional B GBP Distributing Units – UK Life Ins. Co.	Not yet launched	IE00BRK94D65	£30,000,000		Distributing
Institutional B GBP Distributing Units – UK Pension	Not yet launched	IE00BRK94F89	£30,000,000		Distributing
Institutional B GBP Distributing Units – UK Charity	25 April 2017	IE00BRK94G96	£30,000,000		Distributing
Institutional B GBP Hedged Distributing Units – UK Life Ins. Co.	Not yet launched	IE00BRK94H04	£30,000,000		Distributing
Institutional B GBP Hedged Distributing Units – UK Pension	Not yet launched	IE00BRK94J28	£30,000,000		Distributing
Institutional B GBP Hedged Distributing Units – UK Charity	Not yet launched	IE00BRK94K33	£30,000,000		Distributing
Institutional A GBP Accumulation Units – Statutory	Not yet launched	IE00BRK94L40	£5,000,000		Accumulation
Institutional A GBP Hedged Accumulation Units – Statutory	Not yet launched	IE00BRK94M56	£5,000,000		Accumulation
Institutional A GBP Distributing Units – Statutory	Not yet launched	IE00BSQXL052	£5,000,000		Distributing
Institutional A GBP Hedged Distributing Units – Statutory	Not yet launched	IE00BSQXL169	£5,000,000		Distributing
Institutional B GBP Accumulation Units - TRCCF	Not yet launched	IE00BYZBMK98	£5,000,000		Accumulation

## 9. Mandatory Redemption Thresholds

- **Unitholding Threshold:** The Manager may redeem a Unitholder's entire holding if its redemption order results in the Net Asset Value of the Units held in the Sub-Fund falling beneath £50,000 or the equivalent in another currency.
- **Sub-Fund Threshold:** The Manager may redeem all the Units of the Sub-Fund if its Net Asset Value falls below £15 million or its equivalent in another currency.

## 10. Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold Units. The expenses shown under *Ongoing Charges* which will accrue daily and be paid monthly to the Manager may increase over time, but will not exceed, on an annual basis, 1.00% of the average net asset value of the Units. The Manager will absorb (directly or by way of refund to the Sub-Fund) any difference that may arise between the actual cost of the operations of the Sub-Fund and this fixed fee. Transaction costs incurred by the Sub-Fund for buying and selling securities are not reflected in the table.

<b>Unitholder Fees</b> <i>(fees paid directly from your investment)</i>					
		<b>Institutional A Units</b>	<b>Institutional A Hedged Units</b>	<b>Institutional B Units</b>	<b>Institutional B Hedged Units</b>
Sales Charge (Load) imposed on Purchases		None	None	None	None
Exchange Fee		None	None	None	None
Redemption Fee		None	None	None	None
<b>Ongoing Charges *</b> <i>(expenses deducted from the Sub-Fund's assets)</i>					
<b>Ongoing Charges</b>		<b>0.30%</b>	<b>0.32%</b>	<b>0.25%</b>	<b>0.27%</b>

\* All percentages are expressed as a percentage of the average Net Asset Value of the Sub-Fund. All annual fund-operating expenses are paid by the Sub-Fund.

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## Vanguard FTSE Developed World ex UK Common Contractual Fund

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### 1. **Benchmark Index**

FTSE Developed ex UK Index (the “**Index**”).

### 2. **Investment Objective**

The Sub-Fund seeks to track the performance of the Index, a widely recognised benchmark of stock market performance of global developed countries that is comprised of the stocks of large and mid cap sized companies in global developed markets excluding the UK. The Index is a free-float market-capitalisation weighted index derived from the FTSE Global Equity Index Series (“**GEIS**”), which covers 98% of the world’s investable market capitalisation. Further information on the composition of the Index, including current details as to its exact composition and methodology, may be obtained at <https://www.ftserussell.com/analytics/factsheets/home/constituentsweights> and <https://www.ftserussell.com/products/indices/geisac>.

### 3. **Primary Investment Strategies**

The Sub-Fund employs a “passive management” – or indexing – investment approach, through physical acquisition of securities, designed to track the performance of the Index. In tracking the performance of the Index, the Sub-Fund will attempt to replicate the Index by investing all, or substantially all, of its assets in the physical stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index. When not practicable to fully replicate, the Sub-Fund uses a sampling process, meaning that it holds a range of securities that, in the aggregate, approximate the full Index in terms of key risk factors and other characteristics, including, but not limited to, asset type, credit quality and risk profile.

In tracking the Index, the Sub-Fund may invest in FDI such as warrants, swap agreements (excluding funded swap agreements but including total return swaps, as further detailed under the section **Other Investment Policies** below) and equity-linked notes which may be used to gain exposure to the constituents of the Index or to the performance of the Index itself, to reduce transaction costs or taxes or allow exposure in the case of illiquid stocks or stocks which are unavailable for market or regulatory reasons or to minimise tracking error. The Sub-Fund may invest in exchange traded futures and options contracts (typically equity index and foreign currency) to manage cash flows on a short term basis and to achieve cost efficiencies, may invest in currency forwards and interest rate futures to protect against currency fluctuation and may invest in depository receipts which are securities, including ADRs and GDRs to gain exposure to the constituents of the Index.

For more information on the potential implications of this strategy to Unitholders please refer to the



sections headed **Index Risk**, **Index Sampling Risk** and **Index Tracking Risk** of this Prospectus.

#### 4. **Other Investment Policies**

While the Sub-Fund attempts to be fully invested each day, the Sub-Fund may also invest in short-term, high quality Money Market Instruments (including government securities, bank certificates of deposits, or engage in overnight repurchase agreements) and/or money market funds for cash management purposes.

The Sub-Fund may also enter into overnight repurchase agreements for the purposes of efficient portfolio management in accordance with the limits and conditions specified under **Portfolio Investment Techniques** in **Appendix 3** to this Prospectus. Please see Repurchase and Reverse Repurchase Agreements and Securities Lending Arrangements in the **Risk Factors** section of this Prospectus.

Further details on the investment powers and restrictions for the Sub-Fund are available under **Investment Powers and Restrictions** in **Appendix 2** to this Prospectus.

The Sub-Fund will not be leveraged or geared through the use of derivative instruments, that is, the total exposure of the Sub-Fund, including but not limited to its exposure from the use of any derivative instruments, shall not exceed the total net assets of the Sub-Fund.

For the purpose of efficient portfolio management, in tracking the Index and within the limits and conditions specified in the Prospectus, the Sub-Fund may utilise total return swaps to manage exposures to certain individual securities, a basket of securities, or securities indices, including in circumstances where local market, regulatory or other factors might prevent a direct holding, to reduce transaction costs or taxes, to allow exposure in the case of illiquid stocks or to minimise tracking error. For example, total return swaps can be used as an alternative means to obtain economic exposure to a security if the Sub-Fund is required to limit its investment in a particular issuer or industry, including in the context of management of exposure levels to certain securities by the Vanguard Group globally. The Sub-Fund will not be leveraged through the use of total return swaps, and they will not be used to gain exposure outside of the Index.

#### 5. **Tracking Error**

It is anticipated that, under normal market circumstances, the annualised ex-post Tracking Error of the Sub-Fund will be up to 0.2%. While it is anticipated that the ex-post Tracking Error of the Sub-Fund under normal circumstances will not vary significantly from this level, there is no guarantee that this level of Tracking Error of the Sub-Fund will be realised and none of the Fund, the Manager or the Investment Manager or any of their affiliates will be liable for any discrepancies between the

anticipated Tracking Error and the level of Tracking Error subsequently observed.

The annual report of the Fund will outline the Tracking Error and provide an explanation of any divergence between anticipated and realised Tracking Error for the relevant period in respect of the Sub-Fund. Please refer to the section headed **Plain Talk about Excess Return and Tracking Error** of this Prospectus for further information on Tracking Error.

The Index rebalances on a semi-annual basis in March and September. For the potential cost impacts of rebalancing, please see the section headed **Index Rebalancing and Costs** of this Prospectus for further information.

6. **Profile of a Typical Investor**

- Investors seeking general capital formation and / or asset optimisation.
- Investors with a long-term investment horizon.
- Investors with at least a basic knowledge of and / or experience with financial products.
- Investors that can bear financial losses (up to the total loss of the invested amount) and attach no importance to capital guarantees.

Further information may be obtained at <https://www.vanguard.co.uk/uk-fund-directory>.

7. **Primary Risks**

- Stock Market Risk
- Investment Style Risk
- Country Risk
- Currency Risk
- Index Sampling Risk
- Index Tracking Risk
- Ownership Limit Risk

For more information see the **Risk Factors** section of this Prospectus.

8. **Sub-Fund Details**

**Investment Manager:** Vanguard Asset Management, Limited

**Base Currency:** Pound Sterling ("**GBP**")

<b>Initial Offer Price</b>	Un-launched classes of Units shall be issued at £100 per Unit.  The Initial Offer Price may be adjusted to reflect any adjustment ("swing") to the Net Asset Value per Unit of the
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	Sub-Fund on the relevant Dealing Day, as set out in the <b>Swing Pricing</b> section in <b>Appendix 1</b> of this Prospectus.
<b>Initial Offer Period</b>	The un-launched classes of Units are offered from 10:00 am (Irish time) on 14 August 2025 until the earlier of the receipt of an initial subscription or 5:00 pm (Irish time) on 13 February 2026 (or such other date as may be determined by the Manager and notified to the Central Bank).
<b>Purchase Price</b>	After first issue at the NAV per Unit on the relevant Dealing Day.
<b>Redemption Price</b>	The NAV per Unit on the relevant Dealing Day.
<b>Valuation Point</b>	2.30 pm Irish time on the relevant Dealing Day.
<b>Dealing Days</b>	<p>Each Business Day will be a Dealing Day except for any day on which, in the sole determination of the Investment Manager:</p> <p>(a) markets on which the securities included in the Index are listed or traded, or markets relevant to that Index, are closed and as a result of which 25% or more of the securities included in the Index may not be traded; or</p> <p>(b) the fair and accurate valuation of the Sub-Fund's portfolio of securities, or a significant portion thereof, in accordance with the UCITS Regulations, this Prospectus and the Deed, is impeded; or</p> <p>(c) there is a public holiday in the jurisdiction in which the Investment Manager or a delegate of the Investment Manager which has been appointed in respect of the Sub-Fund is based;</p> <p>(each such Business Day, being a <b>"Fund Holiday"</b>) and in each case provided there is at least one Dealing Day per fortnight.</p> <p>A calendar of the Fund Holidays for the Sub-Fund is available on  <a href="https://fund-docs.vanguard.com/holiday-calendar-vanguard-investments-common-contractual-fund.pdf">https://fund-docs.vanguard.com/holiday-calendar-vanguard-investments-common-contractual-fund.pdf</a></p>
<b>Dealing Deadline - Subscriptions</b>	11.00 am (Irish time) on the relevant Dealing Day.
<b>Receipt of Subscription monies</b>	GBP - 3.30 pm (Irish time) on the Settlement Date - where

<b>- Dealing Deadline</b>	account held in the U.K. where the “Settlement Date” is the second Business Day after the relevant Dealing Day.
<b>Dealing Deadline - Redemptions</b>	11.00 am (Irish time) on the relevant Dealing Day.
<b>Payment of Redemptions monies</b> <b>- Dealing Deadline</b>	GBP - 3.30 pm (Irish time) on the Settlement Date - where account held in the U.K. where the “Settlement Date” is the second Business Day after the relevant Dealing Day.
<b>Distribution of Gross Income Payments – Distributing Units only</b>	<p>The Manager intends to declare Gross Income Payments in respect of the Distributing Units of the Sub-Fund.</p> <p>The Manager intends to distribute all or substantially all of the Gross Income of the Sub-Fund attributable to the Distributing Units of the Sub-Fund on a quarterly basis to Unitholders of the Distributing Units who are registered in the register as Unitholders as of the Gross Income Date. The Gross Income Date will normally be the last day of each calendar quarter. Gross Income Payments will normally be paid two weeks following the Gross Income Date. In the event such payment date falls on a non-Business Day, payment will be made on the first following Business Day.</p> <p>Declaration of Gross Income Payments is at the sole discretion of the Manager. See the <b>Gross Income Payments</b> section of the Prospectus for more information.</p>
<b>Publication of Unit Prices</b>	<a href="https://www.vanguard.co.uk/uk-fund-directory/product">https://www.vanguard.co.uk/uk-fund-directory/product</a>

<b>Classes of Units</b>	<b>Launch Date</b>	<b>ISIN</b>	<b>Minimum Initial Subscription</b>	<b>Accumulation or Distributing</b>
Institutional B GBP Accumulation Units - UK Pension	Not yet launched	IE00BYMSV843	£30,000,000	Accumulation
Institutional B GBP Accumulation Units - UK Life Ins. Co.	7 March 2016	IE00BYMSV959	£30,000,000	Accumulation
Institutional B GBP	Not yet	IE00BYMSVB	£30,000,000	Accumulation

<b>Classes of Units</b>	<b>Launch Date</b>	<b>ISIN</b>	<b>Minimum Initial Subscription</b>	<b>Accumulation or Distributing</b>
Accumulation Units – UK Charity	launched	78		
Institutional A GBP Accumulation Units - Statutory	Not yet launched	IE00BYMSVC 85	£5,000,000	Accumulation
Institutional B GBP Hedged Accumulation Units - UK Pension	Not yet launched	IE00BYMSVD 92	£30,000,000	Accumulation
Institutional B GBP Hedged Accumulation Units - UK Life Ins. Co.	Not yet launched	IE00BYMSVF 17	£30,000,000	Accumulation
Institutional B GBP Hedged Accumulation Units - UK Charity	Not yet launched	IE00BYMSVG 24	£30,000,000	Accumulation
Institutional A GBP Hedged Accumulation Units - Statutory	Not yet launched	IE00BYMSVH 31	£5,000,000	Accumulation
Institutional A GBP Accumulation Units - UK Pension	Not yet launched	IE00BYMSVJ 54	£5,000,000	Accumulation
Institutional A GBP Accumulation Units - UK Life Ins. Co.	Not yet launched	IE00BYMSVK 69	£5,000,000	Accumulation
Institutional A GBP Accumulation Units - UK Charity	Not yet launched	IE00BYMSVL 76	£5,000,000	Accumulation
Institutional A GBP Hedged Accumulation Units - UK Pension	Not yet launched	IE00BYMSVM 83	£5,000,000	Accumulation
Institutional A GBP Hedged	Not yet launched	IE00BYMSVN 90	£5,000,000	Accumulation

<b>Classes of Units</b>	<b>Launch Date</b>	<b>ISIN</b>	<b>Minimum Initial Subscription</b>	<b>Accumulation or Distributing</b>
Accumulation Units - UK Life Ins. Co.				
Institutional A GBP Hedged Accumulation Units - UK Charity	Not yet launched	IE00BYMSVP 15	£5,000,000	Accumulation
Institutional B GBP Hedged Distributing Units – UK Pension	Not yet launched	IE00BYMSVQ 22	£30,000,000	Distributing
Institutional B GBP Hedged Distributing Units – UK Life Ins. Co.	Not yet launched	IE00BYMSVR 39	£30,000,000	Distributing
Institutional B GBP Hedged Distributing Units – UK Charity	Not yet launched	IE00BYMSVS 46	£30,000,000	Distributing
Institutional A GBP Hedged Distributing Units – Statutory	Not yet launched	IE00BYMSVT 52	£5,000,000	Distributing
Institutional B GBP Distributing Units - UK Pension	Not yet launched	IE00BYMSVV 74	£30,000,000	Distributing
Institutional B GBP Distributing Units - UK Life Ins. Co.	Not yet launched	IE00BYMSVW 81	£30,000,000	Distributing
Institutional B GBP Distributing Units - UK Charity	Not yet launched	IE00BYMSVX 98	£30,000,000	Distributing
Institutional A GBP Distributing Units - Statutory	Not yet launched	IE00BYMSVY 06	£5,000,000	Distributing
Institutional A GBP Hedged Distributing Units - UK Pension	Not yet launched	IE00BYMSVZ 13	£5,000,000	Distributing
Institutional A GBP Hedged Distributing	Not yet launched	IE00BYMSW0 31	£5,000,000	Distributing

<b>Classes of Units</b>	<b>Launch Date</b>	<b>ISIN</b>	<b>Minimum Initial Subscription</b>	<b>Accumulation or Distributing</b>
Units - UK Life Ins. Co.				
Institutional A GBP Hedged Distributing Units - UK Charity	Not yet launched	IE00BYMSW148	£5,000,000	Distributing
Institutional A GBP Distributing Units - UK Pension	Not yet launched	IE00BYMSW254	£5,000,000	Distributing
Institutional A GBP Distributing Units - UK Life Ins. Co.	Not yet launched	IE00BYMSW361	£5,000,000	Distributing
Institutional A GBP Distributing Units - UK Charity	Not yet launched	IE00BYMSW478	£5,000,000	Distributing
Institutional B GBP Accumulation Units -TRCCF	Not yet launched	IE00BYZTMW52	£5,000,000	Accumulation

#### 11. **Mandatory Redemption Thresholds**

- **Unitholding Threshold:** The Manager may redeem a Unitholder's entire holding if its redemption order results in the Net Asset Value of the Units held in the Sub-Fund falling beneath £50,000 or the equivalent in another currency.
- **Sub-Fund Threshold:** The Manager may redeem all the Units of the Sub-Fund if its Net Asset Value falls below £15 million or its equivalent in another currency.

#### 12. **Fees and Expenses**

The following table describes the fees and expenses you may pay if you buy and hold Units. The expenses shown under *Ongoing Charges* which will accrue daily and be paid monthly to the Manager may increase over time, but will not exceed, on an annual basis, 1.00% of the average net asset value of the Units. The Manager will absorb (directly or by way of refund to the Sub-Fund) any difference that may arise between the actual cost of the operations of the Sub-Fund and this fixed fee. Transaction costs incurred by the Sub-Fund for buying and selling securities are not reflected in the table.

<b>Unitholder Fees</b> <i>(fees paid directly from your investment)</i>				
	<b>Institutional A Units</b>	<b>Institutional A Hedged Units</b>	<b>Institutional B Units</b>	<b>Institutional B Hedged Units</b>
Sales Charge (Load) imposed on Purchases	None	None	None	None
Exchange Fee	None	None	None	None
Redemption Fee	None	None	None	None
<b>Ongoing Charges *</b> <i>(expenses deducted from the Sub-Fund's assets)</i>				
<b>Ongoing Charges</b>	<b>0.25%</b>	<b>0.27%</b>	<b>0.20%</b>	<b>0.22%</b>

\* All percentages are expressed as a percentage of the average Net Asset Value of the Sub-Fund. All annual fund-operating expenses are paid by the Sub-Fund.



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## Vanguard FTSE Developed Europe ex UK Common Contractual Fund

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### 1. **Benchmark Index**

FTSE Developed Europe ex UK Index (the “**Index**”).

### 2. **Investment Objective**

The Sub-Fund seeks to track the performance of the Index, a widely recognised benchmark of stock market performance of European countries that is comprised of the stocks of large and mid cap sized companies in developed markets in Europe excluding the UK. The Index is a free-float market-capitalisation weighted index derived from the FTSE Global Equity Index Series (“**GEIS**”), which covers 98% of the world’s investable market capitalisation. Further information on the composition of the Index, including current details as to its exact composition and methodology, may be obtained at <https://www.ftserussell.com/analytics/factsheets/home/constituentsweights> and <https://www.ftserussell.com/products/indices/geisac>.

### 3. **Primary Investment Strategies**

The Sub-Fund employs a “passive management” – or indexing – investment approach, through physical acquisition of securities, designed to track the performance of the Index. In tracking the performance of the Index, the Sub-Fund will attempt to replicate the Index by investing all, or substantially all, of its assets in the physical stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index. When not practicable to fully replicate, the Sub-Fund uses a sampling process, meaning that it holds a range of securities that, in the aggregate, approximate the full Index in terms of key risk factors and other characteristics, including, but not limited to, asset type, credit quality and risk profile.

In tracking the Index, the Sub-Fund may invest in FDI such as warrants, swap agreements (excluding funded swap agreements but including total return swaps, as further detailed under **Other Investment Policies** below) and equity-linked notes which may be used to gain exposure to the constituents of the Index or to the performance of the Index itself, to reduce transaction costs or taxes or allow exposure in the case of illiquid stocks or stocks which are unavailable for market or regulatory reasons or to minimise tracking error. The Sub-Fund may invest in exchange traded futures and options contracts (typically equity index and foreign currency) to manage cash flows on a short term basis and to achieve cost efficiencies, may invest in currency forwards and interest rate futures to protect against currency fluctuation and may invest in depository receipts which are securities, including ADRs and GDRs to gain exposure to the constituents of the Index.

For more information on the potential implications of this strategy to Unitholders please refer to the sections headed **Index Risk**, **Index Sampling Risk** and **Index Tracking Risk** of this Prospectus.

#### 4. **Other Investment Policies**

While the Sub-Fund attempts to be fully invested each day, the Sub-Fund may also invest in short-term, high quality Money Market Instruments (including government securities, bank certificates of deposits, or engage in overnight repurchase agreements) and/or money market funds for cash management purposes.

The Sub-Fund may also enter into overnight repurchase agreements for the purposes of efficient portfolio management in accordance with the limits and conditions specified under **Portfolio Investment Techniques** in **Appendix 3** to this Prospectus. Please see Repurchase and Reverse Repurchase Agreements and Securities Lending Arrangements in the **Risk Factors** section of this Prospectus.

Further details on the investment powers and restrictions for the Sub-Fund are available under **Investment Powers and Restrictions** in **Appendix 2** to this Prospectus.

The Sub-Fund will not be leveraged or geared through the use of derivative instruments, that is, the total exposure of the Sub-Fund, including but not limited to its exposure from the use of any derivative instruments, shall not exceed the total net assets of the Sub-Fund.

For the purpose of efficient portfolio management, in tracking the Index and within the limits and conditions specified in the Prospectus, the Sub-Fund may utilise total return swaps to manage exposures to certain individual securities, a basket of securities, or securities indices, including in circumstances where local market, regulatory or other factors might prevent a direct holding, to reduce transaction costs or taxes, to allow exposure in the case of illiquid stocks or to minimise tracking error. For example, total return swaps can be used as an alternative means to obtain economic exposure to a security if the Sub-Fund is required to limit its investment in a particular issuer or industry, including in the context of management of exposure levels to certain securities by the Vanguard Group globally. The Sub-Fund will not be leveraged through the use of total return swaps, and they will not be used to gain exposure outside of the Index.

#### 5. **Tracking Error**

It is anticipated that, under normal market circumstances, the annualised ex-post Tracking Error of the Sub-Fund will be up to 0.3%. While it is anticipated that the ex-post Tracking Error of the Sub-Fund under normal circumstances will not vary significantly from this level, there is no guarantee that this level of Tracking Error of the Sub-Fund will be realised and none of the Fund, the Manager or the Investment Manager or any of their affiliates will be liable for any discrepancies between the

anticipated Tracking Error and the level of Tracking Error subsequently observed.

The annual report of the Fund will outline the Tracking Error and provide an explanation of any divergence between anticipated and realised Tracking Error for the relevant period in respect of the Sub-Fund. Please refer to the section headed **Plain Talk about Excess Return and Tracking Error** of this Prospectus for further information on Tracking Error.

The Index rebalances on a semi-annual basis in March and September. For the potential cost impacts of rebalancing, please see the section headed **Index Rebalancing and Costs** of this Prospectus for further information.

6. **Profile of a Typical Investor**

- Investors seeking general capital formation and / or asset optimisation.
- Investors with a long-term investment horizon.
- Investors with at least a basic knowledge of and / or experience with financial products.
- Investors that can bear financial losses (up to the total loss of the invested amount) and attach no importance to capital guarantees.

Further information may be obtained at <https://www.vanguard.co.uk/uk-fund-directory>.

7. **Primary Risks**

- Stock Market Risk
- Investment Style Risk
- Country Risk
- Currency Risk
- Index Sampling Risk
- Index Tracking Risk
- Ownership Limit Risk

For more information see the **Risk Factors** section of this Prospectus.

8. **Sub-Fund Details**

**Investment Manager:** Vanguard Asset Management, Limited

**Base Currency:** Pound Sterling ("**GBP**")

<b>Initial Offer Price</b>	Un-launched classes of Units shall be issued at £100 per Unit.  The Initial Offer Price may be adjusted to reflect any adjustment ("swing") to the Net Asset Value per Unit of the Sub-Fund on the relevant Dealing Day, as set out in the <b>Swing</b>
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	<b>Pricing</b> section in <b>Appendix 1</b> of this Prospectus.
<b>Initial Offer Period</b>	The un-launched classes of Units are offered from 10:00 am (Irish time) on 14 August 2025 until the earlier of the receipt of an initial subscription or 5:00 pm (Irish time) on 13 February 2026 (or such other date as may be determined by the Manager and notified to the Central Bank).
<b>Purchase Price</b>	After first issue at the NAV per Unit on the relevant Dealing Day.
<b>Redemption Price</b>	The NAV per Unit on the relevant Dealing Day.
<b>Valuation Point</b>	2.30 pm Irish time on the relevant Dealing Day.
<b>Dealing Days</b>	<p>Each Business Day will be a Dealing Day except for any day on which, in the sole determination of the Investment Manager:</p> <p>(a) markets on which the securities included in the Index are listed or traded, or markets relevant to that Index, are closed and as a result of which 25% or more of the securities included in the Index may not be traded; or</p> <p>(b) the fair and accurate valuation of the Sub-Fund's portfolio of securities, or a significant portion thereof, in accordance with the UCITS Regulations, this Prospectus and the Deed, is impeded; or</p> <p>(c) there is a public holiday in the jurisdiction in which the Investment Manager or a delegate of the Investment Manager which has been appointed in respect of the Sub-Fund is based;</p> <p>(each such Business Day, being a <b>"Fund Holiday"</b>) and in each case provided there is at least one Dealing Day per fortnight.</p> <p>A calendar of the Fund Holidays for the Sub-Fund is available on  <a href="https://fund-docs.vanguard.com/holiday-calendar-vanguard-investments-common-contractual-fund.pdf">https://fund-docs.vanguard.com/holiday-calendar-vanguard-investments-common-contractual-fund.pdf</a>.</p>
<b>Dealing Deadline - Subscriptions</b>	11.00 am (Irish time) on the relevant Dealing Day.
<b>Receipt of Subscription monies</b>	GBP - 3.30 pm (Irish time) on the Settlement Date - where account held in the U.K.

<b>- Dealing Deadline</b>	where the “Settlement Date” is the second Business Day after the relevant Dealing Day.
<b>Dealing Deadline - Redemptions</b>	11.00 am (Irish time) on the relevant Dealing Day.
<b>Payment of Redemptions monies</b>	GBP - 3.30 pm (Irish time) on the Settlement Date - where account held in the U.K.
<b>- Dealing Deadline</b>	where the “Settlement Date” is the second Business Day after the relevant Dealing Day.
<b>Distribution of Gross Income Payments – Distributing Units only</b>	<p>The Manager intends to declare Gross Income Payments in respect of the Distributing Units of the Sub-Fund.</p> <p>The Manager intends to distribute all or substantially all of the Gross Income of the Sub-Fund attributable to the Distributing Units of the Sub-Fund on a quarterly basis to Unitholders of the Distributing Units who are registered in the register as Unitholders as of the Gross Income Date. The Gross Income Date will normally be the last day of each calendar quarter. Gross Income Payments will normally be paid two weeks following the Gross Income Date. In the event such payment date falls on a non-Business Day, payment will be made on the first following Business Day.</p> <p>Declaration of Gross Income Payments is at the sole discretion of the Manager. See the <b>Gross Income Payments</b> section of the Prospectus for more information.</p>
<b>Publication of Unit Prices</b>	<a href="https://www.vanguard.co.uk/uk-fund-directory/product">https://www.vanguard.co.uk/uk-fund-directory/product</a>

<b>Classes of Units</b>	<b>Launch Date</b>	<b>ISIN</b>	<b>Minimum Initial Subscription</b>	<b>Accumulation or Distributing</b>
Institutional B GBP Accumulation Units - UK Pension	Not yet launched	IE00BYMSW585	£30,000,000	Accumulation
Institutional B GBP Accumulation Units - UK Life Ins. Co.	7 March 2016	IE00BYMSW692	£30,000,000	Accumulation
Institutional A GBP Accumulation Units -	Not yet launched	IE00BYMSW817	£5,000,000	Accumulation

<b>Classes of Units</b>	<b>Launch Date</b>	<b>ISIN</b>	<b>Minimum Initial Subscription</b>	<b>Accumulation or Distributing</b>
Statutory				
Institutional B GBP Hedged Accumulation Units - UK Pension	Not yet launched	IE00BYMSW924	£30,000,000	Accumulation
Institutional B GBP Hedged Accumulation Units - UK Life Ins. Co.	Not yet launched	IE00BYMSWB44	£30,000,000	Accumulation
Institutional A GBP Hedged Accumulation Units - Statutory	Not yet launched	IE00BYMSW D67	£5,000,000	Accumulation
Institutional A GBP Accumulation Units - UK Pension	Not yet launched	IE00BYMSWF81	£5,000,000	Accumulation
Institutional A GBP Accumulation Units - UK Life Ins. Co.	Not yet launched	IE00BYMSW G98	£5,000,000	Accumulation
Institutional A GBP Hedged Accumulation Units - UK Pension	Not yet launched	IE00BYMSWJ20	£5,000,000	Accumulation
Institutional A GBP Hedged Accumulation Units - UK Life Ins. Co.	Not yet launched	IE00BYMSWK35	£5,000,000	Accumulation
Institutional B GBP Hedged Distributing Units - UK Pension	Not yet launched	IE00BYMSW M58	£30,000,000	Distributing
Institutional B GBP Hedged Distributing Units - UK Life Ins. Co.	Not yet launched	IE00BYMSW N65	£30,000,000	Distributing
Institutional A GBP Hedged Distributing Units - UK Life Ins. Co.	Not yet launched	IE00BYMSW Q96	£5,000,000	Distributing

<b>Classes of Units</b>	<b>Launch Date</b>	<b>ISIN</b>	<b>Minimum Initial Subscription</b>	<b>Accumulation or Distributing</b>
Units - Statutory				
Institutional B GBP Distributing Units – UK Pension	Not yet launched	IE00BYMSW R04	£30,000,000	Distributing
Institutional B GBP Distributing Units – UK Life Ins. Co.	Not yet launched	IE00BYMSWS 11	£30,000,000	Distributing
Institutional A GBP Distributing Units – Statutory	Not yet launched	IE00BYMSWV 40	£5,000,000	Distributing
Institutional A GBP Hedged Distributing Units - UK Pension	Not yet launched	IE00BYMSW W56	£5,000,000	Distributing
Institutional A GBP Hedged Distributing Units - UK Life Ins. Co.	Not yet launched	IE00BYMSWX 63	£5,000,000	Distributing
Institutional A GBP Distributing Units – UK Pension	Not yet launched	IE00BYMSWZ 87	£5,000,000	Distributing
Institutional A GBP Distributing Units – UK Life Ins. Co.	Not yet launched	IE00BYMSX0 05	£5,000,000	Distributing

### 13. **Mandatory Redemption Thresholds**

- **Unitholding Threshold:** The Manager may redeem a Unitholder's entire holding if its redemption order results in the Net Asset Value of the Units held in the Sub-Fund falling beneath £50,000 or the equivalent in another currency.
- **Sub-Fund Threshold:** The Manager may redeem all the Units of the Sub-Fund if its Net Asset Value falls below £15 million or its equivalent in another currency.

### 14. **Fees and Expenses**

The following table describes the fees and expenses you may pay if you buy and hold Units. The

expenses shown under *Ongoing Charges* which will accrue daily and be paid monthly to the Manager may increase over time, but will not exceed, on an annual basis, 1.00% of the average net asset value of the Units. The Manager will absorb (directly or by way of refund to the Sub-Fund) any difference that may arise between the actual cost of the operations of the Sub-Fund and this fixed fee. Transaction costs incurred by the Sub-Fund for buying and selling securities are not reflected in the table.

<b>Unitholder Fees</b> <i>(fees paid directly from your investment)</i>				
	<b>Institutional A Units</b>	<b>Institutional A Hedged Units</b>	<b>Institutional B Units</b>	<b>Institutional B Hedged Units</b>
Sales Charge (Load) imposed on Purchases	None	None	None	None
Exchange Fee	None	None	None	None
Redemption Fee	None	None	None	None
<b>Ongoing Charges *</b> <i>(expenses deducted from the Sub-Fund's assets)</i>				
<b>Ongoing Charges</b>	<b>0.19%</b>	<b>0.21%</b>	<b>0.14%</b>	<b>0.16%</b>

\* All percentages are expressed as a percentage of the average Net Asset Value of the Sub-Fund. All annual fund-operating expenses are paid by the Sub-Fund.



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### **Determination of Net Asset Value**

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The Net Asset Value of a Sub-Fund, and the Net Asset Value per Unit in the Sub-Fund, shall be calculated as of the Valuation Point on each Business Day by the Administrator to four decimal places (unless specified otherwise for the Sub-Fund) in the base currency of the Sub-Fund.

The Net Asset Value of a Sub-Fund shall be calculated by ascertaining the value of the assets of the Sub-Fund and deducting from such amount the liabilities of the Sub-Fund, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Sub-Fund. The Net Asset Value per Unit in respect of a Sub-Fund will be calculated by dividing the Net Asset Value of the Sub-Fund by the number of Units issued in the relevant class. The Net Asset Value per Unit of any class of Units issued in a Sub-Fund will be calculated by calculating the amount of the Net Asset Value of the Sub-Fund attributable to the relevant class of Units and dividing the resultant figure by the total number of issued Units of the relevant class or deemed to be issued as of the relevant Valuation Point subject to adjustments, if any, as may be necessary to reflect different fee arrangements, or ongoing charges, in respect of different classes of Units in the Sub-Fund.

The Net Asset Value per Unit will be published on each Business Day on <https://www.vanguard.co.uk/uk-fund-directory/product>, or in such newspapers and on or through such other media, as the Manager may from time to time determine. The Net Asset Value per Unit will also be available from the offices of the Administrator.

In determining the value of the assets of a Sub-Fund as at each Valuation Point, each asset which is quoted, listed or traded on or under the rules of any Regulated Market shall be valued at the last traded price save that the opening price shall be used in respect of relevant Regulated Markets located in the United States and Canada and the official closing price shall be used in respect of relevant Regulated Markets located in Asia, Australia and New Zealand. The value of any securities listed, quoted or traded on a Regulated Market but acquired or traded at a premium or discount outside of or off the Regulated Market may be valued taking into account the level of premium or discount at the date of valuation and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security. If the security is normally quoted, listed or traded on or under the rules of more than one Regulated Market, the relevant Regulated Market shall be that which the Manager determines provides the fairest criterion of value for the investment. If prices for a security quoted, listed or traded on the relevant Regulated Market are not available at the relevant time, or are unrepresentative in the opinion of the Manager, such investment shall be valued at such value as shall be certified with care and in good faith at the probable realisation value of the investment by a competent professional person, firm or corporation appointed for such purpose by the Manager in consultation with the Investment Manager and approved for the purpose by the Manager and the Depositary. Neither the Manager nor the Administrator, Investment Manager or Depositary

shall be under any liability if a price reasonably believed by them to be the opening price, the official closing price, the last traded price or, as the case may be, the most recent close of business price for the time being, may be found not to be such.

Subject to the provisions described below in relation to a Sub-Fund primarily comprising short-term debt securities, debt securities traded on a Regulated Market will be valued on the basis of valuations provided by a principal market maker or a pricing service, both of which generally utilise electronic data-processing techniques to determine valuations for normal institutional trading units of debt securities without exclusive reliance upon quoted prices.

The value of any investment that is not normally quoted, listed or traded on or under the rules of a Regulated Market, shall be valued at its probable realisation value estimated with care and in good faith by the Manager (who shall be approved for the purpose by the Depositary) in consultation with the Investment Manager and the Administrator or by a competent person, firm or corporation appointed for such purpose by the Manager in consultation with the Investment Manager and approved for such purpose by the Manager and the Depositary.

Units or shares in collective investment schemes that are not valued in accordance with the above provisions shall be valued on the basis of the latest available net asset value per unit or share or the latest market price where the collective investment scheme is listed on a regulated market.

Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Manager (in consultation with the Investment Manager and the Depositary) any adjustment should be made to reflect the fair value thereof.

Derivative instruments, including interest rate futures contracts, equity index futures and other financial futures contracts, that are dealt in on a Regulated Market shall be valued at the settlement price as at the Valuation Point as determined by the relevant Regulated Market, save as outlined below. Such derivative instruments traded on European Regulated Markets shall be valued at the last traded price as at the Valuation Point and such derivative instruments traded on a Regulated Market in the United States or Canada shall be valued at the last traded price at the time the New York Stock Exchange opens. Where it is not the practice of the relevant Regulated Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Manager (who shall be approved for the purpose by the Depositary) in consultation with the Investment Manager, or by a competent professional person, body, firm or corporation (appointed for such purpose by the Manager in consultation with Investment Manager and approved for such purpose by the Depositary).

The value of forward foreign exchange contracts which are dealt in on a Regulated Market shall be calculated by reference to the price appearing to the Manager to be the price at which a new forward

contract of the same size, currency and maturity as determined by the relevant Regulated Market could be effected as at the Valuation Point, provided that if such market price is not available for any reason, such value shall be calculated in such manner as the Manager (who shall be approved for the purpose by the Depositary) shall, in consultation with the Investment Manager, determine to be the price at which a new forward contract of the same size, currency and maturity could be effected.

OTC derivatives will be valued either using the counterparty's valuation or an alternative valuation, including valuation by a Sub-Fund or by an independent pricing vendor. OTC derivatives shall be valued at least daily. If using the counterparty's valuation, such valuation must be approved or verified by a party independent of the counterparty and approved by the Depositary (which may include the Sub-Fund or a party related to the OTC counterparty provided that it is an independent unit within the same group and which does not rely on the same pricing models employed by the counterparty) on a weekly basis. If using an alternative valuation, the Manager will follow international best practice. In the event that the Manager opts to use an alternative valuation, the Manager will appoint a competent person, approved for this purpose by the Manager and the Depositary, or will use such other method approved by the Depositary and such alternative valuation will be reconciled with the counterparty's valuation on a monthly basis. Any significant differences to the counterparty valuation will be promptly investigated and explained. Forward foreign exchange and interest rate swaps which are OTC derivative contracts may be valued in accordance with the preceding provisions or alternatively by reference to freely available market quotations.

Certificates of deposit shall be valued by reference to the latest available sale price for certificates of deposit of like maturity, amount and credit risk at the Valuation Point, or, if such price is not available, at the latest bid price or, if such price is not available or is unrepresentative of the value of such certificate of deposit in the opinion of the Manager, at probable realisation value estimated with care and in good faith by a competent person approved for the purpose by the Depositary. Treasury bills and bills of exchange shall be valued with reference to prices ruling in the relevant markets for such instruments of like maturity, amount and credit risk at the Valuation Point. Where a Sub-Fund consists substantially of money market instruments or securities which (a) have a residual maturity until the legal redemption date of less than or equal to 397 days, and where (b) the weighted average to maturity of the Sub-Fund does not exceed 60 days and (c) the weighted average life of the Sub-Fund does not exceed 120 days ("**Short Term Securities**") and in addition to (a), (b) and (c), the Sub-Fund complies with any additional requirements of the Central Bank for short-term money market funds the Sub-Fund shall be a Short Term Money Market Fund. Where a Sub-Fund is a Short Term Money Market Fund the Manager may determine that the Short Term Securities shall be valued by using the amortised cost method of valuation where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines and where an instrument is valued at its cost of acquisition adjusted for amortisation of premium or accretions of discount on the security. The Manager, or the Administrator as its delegate, will review the valuation of Short Term

Securities to determine whether the value of the Short Term Securities calculated pursuant to the amortised cost method of valuation deviates from the value of such Short Term Securities if valued on a mark-to-market basis and, if so, whether such deviation may result in a material dilution or other unfair results to the Unitholders in the Short Term Money Market Fund. Any such review of the amortised cost valuation will be carried out in accordance with the Central Bank's requirements. While this method provides certainty in valuation, it may result in periods during which the value of some of all of the Short Term Securities, as determined by the amortised cost method of valuation, is higher or lower than the price the Short-Term Money Market Fund would receive if the Short Term Securities were sold. During such periods, the daily yield on Units of the Short-Term Money Market Fund may differ somewhat from an identical computation made by an investment fund with identical investments utilising available indications as to market value in order to value its portfolio securities.

For a non-Short Term Money Market Fund the amortised cost method may only be used for securities with a residual maturity not exceeding three months, which do not have any specific sensitivity to market parameters, including credit risk and it may only be used in accordance with the requirements of the Central Bank.

Notwithstanding the above provisions, the Manager may, with the prior consent of the Depositary,

- (i) adjust the valuation of any listed investment or
- (ii) permit some other method of valuation, approved by the Depositary, to be used if, having regard to currency, applicable rate of interest, maturity, marketability and / or such other considerations as they deem relevant, they consider that such adjustment or alternative method of valuation is required to reflect more fairly the value thereof.

The Manager may invoke these powers if, for example, the value of a security held by a Sub-Fund is materially affected by events occurring after the close of the primary markets or exchanges on which the security is traded, or if, for further example, a Sub-Fund is to be valued on a day on which a market on which a significant proportion of the Sub-Fund's assets are traded is closed, when the Manager may, with the prior approval of the Depositary, in lieu of declaring a suspension of valuation of the Sub-Fund on that day, adjust the value of any investment traded on that market, or adopt a different method of valuation for any such asset, in the event that they believe that such adjustment or alternative method of valuation is required to reflect more fairly the value of the relevant investment.

In determining a Sub-Fund's Net Asset Value per Unit, the valuation principles must be applied on a consistent basis through the life of the Sub-Fund.

Where an asset is to be valued at the opening price of a given Regulated Market and the opening time of such Regulated Market coincides with the Valuation Point of the Sub-Fund, the Manager shall have regard to the opening price on such Dealing Day. Where an asset is to be valued at the official closing

price on a Regulated Market but no official closing price has been published in respect of such Regulated Market (whether due to an external event, systems failure or otherwise) the Manager may have regard to the last traded price on the relevant Regulated Market.

In determining the Sub-Fund's Net Asset Value per Unit, all assets and liabilities initially expressed in foreign currencies will be converted into the currency of the Sub-Fund using the officially quoted daily exchange rates used by WM Reuters in calculating various benchmarks. This officially quoted exchange rate may be determined prior to or after the close of a particular securities market. If such quotations are not available, the rate of exchange will be determined in accordance with policies established in good faith by the Manager.

## Swing Pricing

Notwithstanding the above provisions, on any Dealing Day on which there are net subscriptions into or net redemptions out of a Sub-Fund, the actual cost of acquiring or disposing of assets on behalf of the relevant Sub-Fund, due to dealing charges, taxes, and any spread between acquisition and disposal prices of assets, may be such as to affect the Net Asset Value of the Sub-Fund to the detriment of Unitholders in the Sub-Fund as a whole. The adverse effect that these costs could have on the Net Asset Value is known as “dilution”.

In order to seek to mitigate the effect of dilution, the Directors may determine, at their discretion, to “swing” the Net Asset Value to counter the possible negative effects of dilution. Where they so determine, the Administrator will calculate the Net Asset Value for the relevant Sub-Fund, as described above, and then adjust (“swing”) the Net Asset Value by a pre-determined amount. Such adjustment may vary from Sub-Fund to Sub-Fund and will not exceed 2% of the original Net Asset Value per Unit. The direction of the swing will depend on whether there are net subscriptions or redemptions in the relevant Sub-Fund on the relevant Dealing Day that exceed a pre-determined level (the “**Swing Threshold**”), while the magnitude of the swing will be based on pre-determined estimates of the average trading costs in the relevant asset class(es) in which the Sub-Fund is invested. For example, if the relevant Sub-Fund is experiencing net inflows, where the Swing Threshold has been reached, its Net Asset Value will be swung upwards, so that the incoming Unitholders are effectively bearing the costs of the dealing that their subscriptions generate by paying a higher Net Asset Value per Unit than they would otherwise be charged. Conversely, where there are net redemptions in the Sub-Fund and the Swing Threshold has been reached, the Net Asset Value will be swung downwards, so that the outgoing investors are effectively bearing the costs of the dealing that their redemptions generate by receiving a lower Net Asset Value per Unit than they would otherwise receive. These swings are intended to protect non-dealing Unitholders from the impact of trading costs triggered by dealing investors.

If the Swing Threshold has been reached on a Dealing Day, the determination as to whether to swing the Net Asset Value in respect of a Sub-Fund will be made following a consideration of the dealing activity (i.e. level of subscriptions and redemptions) in the relevant Sub-Fund on a Dealing Day, in accordance with criteria set by the Directors from time to time. These criteria will include whether the costs of investing or divesting the net inflows into or outflows from a Sub-Fund on a Dealing Day will create, in the Directors' opinion, a material dilutive impact. Swing pricing will only be exercised for the purpose of reducing dilution in the interests of the Unitholders in a Sub-Fund as a whole and will be applied consistently in respect of a Sub-Fund and in respect of all assets of that Sub-Fund. In the event that the Net Asset Value of a Sub-Fund is swung on any particular Dealing Day in accordance with the criteria outlined above, the Net Asset Value per Unit of any Class, prior to the application of swing pricing, will also be available to investors on request.

The Initial Offer Price may be adjusted to reflect any adjustment to the Net Asset Value of a Sub-Fund on the relevant Dealing Day, as set out above.

### **Disclaimer**

The past performance of the relevant Index utilized by the Sub-Funds (the "**Indices**") is not a guide to future performance. The Manager, the Investment Manager, the Fund and affiliates do not guarantee the accuracy or completeness of the Indices or any data included therein and the Manager, the Investment Manager, the Fund and affiliates shall have no liability for any errors, omissions or interruptions therein. The Manager, the Investment Manager, the Fund and affiliates make no warranty, express or implied, to any person or entity, as to the results obtained by the Sub-Funds from the use of the Indices or any data included therein. In no event shall the Manager, the Investment Manager, the Fund or affiliates have any liability for any special, direct, indirect or consequential damages (including loss of profit) arising from such inaccuracies, omissions or other errors in or as a result of the Indices, even if notified of the possibility of such damages. The Manager, the Investment Manager, the Fund and affiliates are not responsible for screening the constituents of the Indices.

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## Appendix 2

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### Investment Powers and Restrictions

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The Fund has been established for the purpose of investing in Transferable Securities and Money Market Instruments in accordance with the UCITS Regulations. The investment objective and policies for each Sub-Fund, and investment restrictions in relation thereto, will be formulated by the Directors at the time of its creation and as set out in **Appendix 1** to this Prospectus.

The Investment Manager is subject to the RMP of the Fund which enables it to accurately measure, monitor and manage the various risks associated with FDI. A statement of this RMP has been submitted to the Central Bank. The Fund will only utilise those derivatives that are listed in the RMP and that have been cleared by the Central Bank. The Manager will, on request, provide supplementary information to Unitholders relating to the RMP employed by the Manager on behalf of the Fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The assets of each Sub-Fund will be invested in accordance with the investment powers and restrictions contained in the UCITS Regulations, and summarised below, and such additional investment restrictions, if any, as may be adopted by the Manager for each Sub-Fund as set out in **Appendix 1** to this Prospectus. The Fund will comply with all notices issued by the Central Bank. References below to the Fund means the Fund acting for the account of the Sub-Funds.

If the limits set forth below are exceeded for reasons beyond the control of the Investment Manager, the Investment Manager must adopt as its primary objective in its sale transactions the remedying of such situation, taking due account of the interests of the Unitholders.

(i) **Permitted Investments**

A Sub-Fund may invest in:

- (a) Transferable Securities and Money Market Instruments which are either admitted to official listing on a Regulated Market in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State;
- (b) recently issued Transferable Securities which will be admitted to official listing on a Regulated Market within a year;



- (c) Money Market Instruments, other than those dealt on a Regulated Market;
- (d) units of UCITS;
- (e) units of alternative investment funds (AIFs);
- (f) deposits with credit institutions; and
- (g) FDI.

(ii) **Investment Restrictions**

- (a) A Sub-Fund may invest no more than 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to in paragraph (i).
- (b) A Sub-Fund may invest no more than 10% of net assets in recently issued Transferable Securities which will be admitted to official listing on a Regulated Market within a year. This restriction will not apply in relation to investment by a Sub-Fund in certain U.S. securities known as Rule 144A securities provided that:
  - (i) they satisfy the requirements of paragraph (i)(a) above or (ii) the securities are issued with an undertaking to register with the U.S. Securities and Exchanges Commission within one year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by a Sub-Fund within seven days at the price, or approximately at the price, at which they are valued by the Sub-Fund.
- (c) A Sub-Fund may invest no more than 10% of net assets in Transferable Securities or Money Market Instruments issued by the same body provided that the total value of Transferable Securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- (d) The limit of 10 per cent (in (ii) (c)) is raised to 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- (e) The Transferable Securities and Money Market Instruments referred to in (ii)(d) shall not be taken into account for the purpose of applying the limit of 40% referred to in (ii) (c).
- (f) A Sub-Fund may not invest more than 20% of net assets in deposits made with the

same credit institution. Deposits, or cash booked in accounts and held as ancillary liquidity, shall only be made with a credit institution, which is within at least one of the following categories: (i) a credit institution authorised in the EEA; (ii) a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, the United Kingdom and the United States of America) or (iii) a credit institution in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

- (g) The risk exposure of a Sub-Fund to a counterparty to an OTC derivative may not exceed 5% of net assets. This limit is raised to 10% in the case of a credit institution authorised: (i) in the EEA; (ii) within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988 or (iii) in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- (h) Notwithstanding paragraphs (ii) (c), (ii) (f) and (ii) (g) above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
  - investments in Transferable Securities or Money Market Instruments;
  - deposits, and/or
  - risk exposures arising from OTC derivatives transactions.
- (i) The limits referred to in (ii) (c), (ii) (d), (ii) (f), (ii) (g) and (ii) (h) above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- (j) Group companies are regarded as a single issuer for the purposes of (ii) (c), (ii) (d), (ii) (f), (ii) (g) and (ii) (h). However, a limit of 20% of net assets may be applied to investment in Transferable Securities and Money Market Instruments within the same group.
- (k) A Sub-Fund may invest up to 100% of net assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international body of which one or more EU Member States are members.

The individual issuers may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), the Governments of Brazil or India (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, and Straight-A Funding LLC and such other governments, local authorities and public bodies as the Central Bank may permit pursuant to the UCITS Regulations.

Where a Sub-Fund has invested 100% of net assets in the above manner the relevant Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its net assets.

(iii) **Investment in Collective Investment Schemes ("CIS")**

- (a) A Sub-Fund may not invest more than 10% of net assets in CIS provided that such limit may be raised in respect of the Sub-Fund if specified in the investment policy of that Sub-Fund as set out in **Appendix 1** to this Prospectus.
- (b) Investment by a Sub-Fund in AIFs may not, in aggregate, exceed 10% of net assets.
- (c) The CIS in which a Sub-Fund may invest are prohibited from investing more than 10% of their net assets in other open-ended CIS.
- (d) When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, the Manager or other company will not charge subscription, conversion or redemption fees on account of the Sub-Fund's investment in the units of such other CIS.
- (e) Where by virtue of investment in the units of another investment fund, a Sub-Fund, the Manager, the Investment Manager or any Sub-Investment Manager receives a commission on behalf of the Sub-Fund (including a rebated commission), the Manager shall ensure that the relevant commission is paid into the assets of the relevant

Sub-Fund.

(iv) **Index Tracking UCITS**

- (a) A Sub-Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the relevant Sub-Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and which is recognised by the Central Bank.
- (b) The limit in (iv) (a) may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions

(v) **General Provisions**

- (a) The Fund or the Manager, acting in connection with all of the collective investment undertakings that it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (b) A Sub-Fund may acquire no more than:
  - (1) 10% of the non-voting shares of any single issuing body;
  - (2) 10% of the debt securities of any single issuing body;
  - (3) 25% of the units of any single CIS (if a Sub-Fund acquires Units or shares in an umbrella fund, including the Fund, this restriction shall be applied to the aggregate number of shares issued by all of the sub-funds of the umbrella); or
  - (4) 10% of the Money Market Instruments of any single body.

The limits laid down in (v) (b) (2), (3) and (4) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

- (c) (v) (a) and (v) (b) shall not be applicable to:
  - (1) Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State or its local authorities;
  - (2) Transferable Securities and Money Market Instruments issued or guaranteed by a non-EU Member State;

- (3) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more EU Member States are members;
  - (4) shares held by a Sub-Fund in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that non-EU Member State, where under the legislation of that non-EU Member State such a holding represents the only way in which a Sub-Fund can invest in the securities of issuing bodies of that non-EU Member State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in (ii) (c) to (ii) (j), (iii) (a), (iii) (b), (v) (a), (v) (b), (v) (d), (v) (e) and (v)(f) and provided that where these limits are exceeded, paragraphs (v) (e) and (v) (f) below are observed.
  - (5) Shares held by an investment company or investment companies or an Irish collective asset-management vehicle ("ICAV") or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at unitholders' request exclusively on their behalf.
- (d) A Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of their assets.
  - (e) The Central Bank may allow a recently authorised Sub-Fund to derogate from the provisions of (ii) (c) to (ii) (k), (iii) (a) and (iii) (b), (iv) (a) and (iv) (b) for six months following the date of its authorisation, provided it observes the principle of risk spreading.
  - (f) If the limits laid down herein are exceeded for reasons beyond the control of the Fund, or as a result of the exercise of subscription rights, the relevant Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Unitholders.
  - (g) The Fund will not carry out uncovered sales of:
    - Transferable Securities;

- Money Market Instruments\*;
- units of CIS; or
- FDIs.

(h) A Sub-Fund may hold ancillary liquid assets.

(vi) **FDI and Global Exposure**

- (a) A Sub-Fund's global exposure relating to FDI must not exceed its total net asset value.
- (b) Position exposure to the underlying assets of FDI, including embedded FDI in Transferable Securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
- (c) A Sub-Fund may invest in FDI dealt over-the-counter ("**OTC**") provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Investment in FDI is subject to the conditions and limits laid down by the Central Bank. Only those FDIs that are listed in the RMP cleared by the Central Bank will be utilised by the Sub-Funds.

Without limitation, the Manager, in accordance with the requirements of the Central Bank, may adopt additional investment restrictions to facilitate the distribution of Units in other jurisdictions.

**Borrowing Policy**

A Sub-Fund may not borrow money, grant loans or act as guarantor on behalf of third parties, except as follows:

- (i) where a Sub-Fund has foreign currency borrowings which exceed the value of a back-to-back deposit, the Manager shall ensure that excess is treated as borrowing for the purpose of the UCITS Regulations; and

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

- (ii) a Sub-Fund may incur temporary borrowings in an amount not exceeding 10% of its Net Asset Value. Repurchase agreements are not treated as borrowings for these purposes.

### **Cross Investment**

Where it is appropriate to its investment objective and policies, a Sub-Fund may also invest in other Sub-Funds in accordance with the requirements of the Central Bank UCITS Regulations. A Sub-Fund (the “**Investing Sub-Fund**”) may only invest in another Sub-Fund (the “**Receiving Sub-Fund**”) if the Receiving Sub-Fund does not itself hold Units in any other Sub-Fund. The Sub-Fund shall not invest in its own Units. Any commission received by the Manager or any Investment Manager in respect of such investment will be paid into the assets of the Investing Sub-Fund. Where the Investing Sub-Fund invests in the Receiving Sub-Fund, the rate of the annual management fee by which investors in the Investing Sub-Fund are charged in respect of that portion of the Investing Sub-Fund’s assets invested in Receiving Sub-Fund (whether such fee is paid directly at Investing Sub-Fund level, indirectly at the level of the Receiving Sub-Fund or a combination of both) shall not exceed the rate of the maximum annual management fee which investors in the Investing Sub-Fund may be charged in respect of the balance of the Investing Sub-Fund’s assets, such that there shall be no double charging of the annual management fee to the Investing Sub-Fund as a result of its investments in the Receiving Sub-Fund. Further, the Manager will not charge any subscription, conversion or redemption fees on any such cross investments by a Sub-Fund.

## Appendix 3

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### Portfolio Investment Techniques

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The Manager may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments relating to Transferable Securities (**"Portfolio Investment Techniques"**). These Portfolio Investment Techniques may be used for efficient portfolio management purposes (with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to a Sub-Fund and may not be speculative in nature) or where disclosed in a Sub-Fund's investment strategies, for direct investment purposes. Such techniques and instruments may include investment in Money Market Instruments and/or money market funds and investments in FDI such as exchange traded futures and options contracts (which may be used to manage cash flows on a short term basis and to achieve cost efficiencies), warrants, swap agreements (including total return swaps, which may be used as an alternative means to obtain economic exposure to a security if a Sub-Fund is required to limit its investment in a particular issuer or industry, including in the context of management of exposure levels to certain securities by the Vanguard Group globally) and equity-linked notes (which may be used to gain market exposure or exposure to a particular asset class) and currency forwards and interest rate futures (which may be used to protect against currency fluctuations). Except as may be permitted by the Central Bank under the UCITS Regulations, the Manager may not leverage or gear a Sub-Fund through the use of FDI, that is, the total exposure of a Sub-Fund, including but not limited to its exposure from the use of FDI, must not exceed the total net assets of the Sub-Fund. Global exposure of the Sub-Funds will be measured and monitored using the commitment approach. Leverage resulting from the use of FDI will not exceed 100% of the Net Asset Value of the relevant Sub-Fund and will be done in accordance with the UCITS Regulations. FDI used for efficient portfolio management shall comply with the UCITS Regulations.

Techniques and instruments which relate to Transferable Securities or Money Market Instruments and which are used for the purpose of efficient portfolio management, including FDIs which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (i) they are economically appropriate in that they are realised in a cost effective way;
- (ii) they are entered into for one or more of the following specific aims:
  - (a) reduction of risk;
  - (b) reduction of cost;



- (c) generation of additional capital or income for a Sub-Fund with an appropriate level of risk which is consistent with the risk profile of a Sub-Fund and the risk diversification rules stipulated under the UCITS Regulations;
- (iii) their risks are adequately captured by the risk management procedures implemented by the Manager on behalf of the Fund, and
- (iv) they cannot result in a change to a Sub-Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

While the use of Portfolio Investment Techniques will be in the best interests of a Sub-Fund, individual techniques may result in increased counterparty risk and potential conflicts of interest. Details of the proposed Portfolio Investment Techniques and policies adopted by the Manager in relation to their use by the Sub-Funds are set out below. Details of the relevant risks are set out in the **Risk Factors** section of this Prospectus.

The Manager shall ensure that all revenues arising from Portfolio Investment Techniques, net of direct and indirect costs, are returned to the relevant Sub-Fund.

The Manager will ensure, at all times, that the use of Portfolio Investment Techniques, including any investment of cash collateral, will not impact on a Sub-Fund's ability to meet with its redemption obligations.

The annual report of the Fund will contain details of (i) the counterparty exposure obtained through Portfolio Investment Techniques, (ii) counterparties to the Portfolio Investment Techniques, (iii) the type and amount of collateral received by a Sub-Fund to reduce counterparty exposure and (iv) revenues arising from Portfolio Investment Techniques for the reporting period, together with direct and indirect costs and fees incurred.

The Manager may enter into Portfolio Investment Techniques on behalf of a Sub-Fund with certain brokers, securities lending agents, derivative counterparties and financial institutions. There may be direct and indirect operational costs or fees arising from such transactions, but these will at all times be paid at normal commercial rates and there will be no hidden fees or revenue payable to any of these entities. Entering into a total return swap contract may involve transaction costs which are not separately identifiable and instead form part of the investment performance of the relevant Sub-Fund. Such amounts are not received by any entity within the Vanguard Group of Companies or related party to the Manager.

The Manager does not envisage any other direct or indirect operational costs or fees payable by a Sub-Fund as a result of its Portfolio Investment Techniques and, to the extent there are any additional

direct or indirect operation costs or fees payable by a Sub-Fund, this will be disclosed in the annual report of the Fund. The Manager shall not enter into Portfolio Investment Techniques with any entities within the Vanguard Group of Companies and no entity within the Vanguard Group of Companies shall derive any direct or indirect fees from a Sub-Fund's use of Portfolio Investment Techniques. As noted above, all other counterparties to Portfolio Investment Techniques shall be disclosed in the annual report of the Fund in accordance with the ESMA Guidelines for Competent Authorities and UCITS Management Companies on ETFs and other UCITS issues.

## **HEDGING CURRENCY RISK**

Except as may be permitted by the Central Bank under the UCITS Regulations and specified in this Prospectus, the Manager may not leverage or gear a Sub-Fund through the use of derivative instruments, that is, the total exposure of a Sub-Fund, including but not limited to its exposure from the use of any derivative instruments, shall not exceed the total net assets of a Sub-Fund. FDI used for efficient portfolio management shall comply with the UCITS Regulations.

A Sub-Fund may invest in securities denominated in a currency other than the base currency of the Sub-Fund and may purchase currencies to meet settlement requirements. In addition, subject to the restrictions imposed by the UCITS Regulations, a Sub-Fund may enter into various currency transactions, i.e. forward foreign currency contracts, currency swaps, foreign currency or currency index futures contracts and put and call options on such contracts or on currencies, to protect against uncertainty in future exchange rates. Forward foreign currency contracts are agreements to exchange one currency for another at a future date. The future date, the amount of currency to be exchanged and the price at which it will take place are fixed for the term of the contract once negotiated.

Currency transactions undertaken by a Sub-Fund to alter the currency exposure characteristics of Transferable Securities held by a Sub-Fund through the purchase or sale of currencies other than the currency of denomination of that Sub-Fund or the relevant Transferable Securities shall not be speculative in nature i.e. they will not constitute an investment in their own right. To the extent that such currency transactions alter the currency characteristics of Transferable Securities of the Sub-Fund, they must be fully covered by the cash flows of the Transferable Securities held by that Sub-Fund, including any income therefrom.

The performance of a Sub-Fund may be strongly influenced by movements in currency rates because currency positions held by that Sub-Fund may not correspond with the securities positions held.

A Sub-Fund may “**cross-hedge**” one foreign currency exposure by selling a related foreign currency into the base currency of the Sub-Fund. Also, in emerging or developing markets, local currencies are often expressed as a basket of major market currencies such as the U.S. Dollar, Euro or Japanese Yen; the Sub-Fund may hedge the exposure to currencies other than its base currency in the basket by

selling a weighted average of those currencies forward into the base currency.

See the **Units** section of this Prospectus for more information on currency hedging at a Unit class level.

## **FOREIGN EXCHANGE SPOTS**

Each of the Sub-Funds may invest in foreign exchange spots. A foreign exchange spot trade involves the purchase or sale of a foreign currency and typically settles in the region of two business days after the trade date.

## **USE OF REPURCHASE / REVERSE REPURCHASE AGREEMENTS AND SECURITIES LENDING ARRANGEMENTS**

Where applicable, a Sub-Fund may enter into repurchase agreements, reverse repurchase agreements ("**repo contracts**") and securities lending arrangements only for the purposes of efficient portfolio management subject to the conditions and limits set out in the Central Bank UCITS Regulations.

A Sub-Fund may enter into repurchase agreements, under which it sells a security and agrees to repurchase it at a mutually agreed upon date and price. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchased security. Where a Sub-Fund enters into a repurchase agreement, the Sub-Fund will have the right to recall any securities subject to the agreement or to terminate the repurchase at any time.

Under a reverse repurchase agreement, the Sub-Fund acquires securities from a seller (for example, a bank or securities dealer) who agrees, at the time of sale, to repurchase the securities at a mutually agreed-upon date (usually not more than seven days from the date of purchase) and price, thereby determining the yield to the relevant Sub-Fund during the term of the reverse repurchase agreement. Where a Sub-Fund enters into a reverse repurchase agreement, it will have the right to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued or a mark-to-market basis at any time. Where the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the purposes of the calculation of the Net Asset Value of the relevant Sub-Fund.

Fixed term repo contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the relevant Sub-Fund.

A Sub-Fund may lend its securities to brokers, dealers and other financial institutions. The relevant Sub-Fund will have the right at any time to terminate any securities lending arrangement into which it has entered or to demand the return of any or all of the securities loaned. The securities lending agreement must provide that once such notice is given, the borrower is obligated to redeliver the

securities within five business days or other period as normal market practice dictates. Securities lending arrangements will typically include provisions to protect the counterparty, or any agent through which securities are lent, against any losses incurred by them that are caused by any default by the Sub-Fund. A Sub-Fund will limit its use of securities lending so that no more than 50% of its net assets are subject to securities lending arrangements and that no more than 20% of its net assets are subject to securities lending arrangements with any single counterparty.

Repo contracts, securities borrowing or securities lending do not constitute borrowing or lending for the purposes of the UCITS Regulations.

## MANAGEMENT OF COLLATERAL

Subject to the UCITS Regulations, a Sub-Fund may enter into Portfolio Investment Techniques provided that collateral obtained under the relevant Portfolio Investment Techniques complies at all times with the following criteria:

- (i) **Liquidity:** collateral (other than cash) must be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a robust price that is close to its pre-sale valuation. Collateral should comply with the provisions of Regulation 74 of the UCITS Regulations;
- (ii) **Valuation:** collateral must be capable of being valued on a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place. Collateral may be marked to market daily by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to variation margin requirements;
- (iii) **Issuer credit quality:** collateral must be of high quality. In making such a determination (i) where the issuer is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process; and (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (i) this shall result in a new credit assessment of the issuer being conducted without delay;
- (iv) **Correlation:** collateral must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (v) **Diversification:** subject to the below, collateral must be sufficiently diversified in terms of country, markets and issuers. Non-cash collateral will be considered to be sufficiently diversified if a Sub-Fund receives from a counterparty a basket of collateral with a maximum exposure to any one issuer of 20% of the Sub-Fund's net asset value. When a Sub-Fund is

exposed to a variety of different counterparties, the various baskets of collateral are aggregated to ensure exposure to a single issuer does not exceed 20% of net asset value.

A Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Any such Sub-Fund shall receive securities from at least 6 different issues, but securities from any single issue should not account for more than 30 per cent of the Sub-Fund's net asset value. A Sub-Fund may be fully collateralised in securities issued or guaranteed by any of the issuers listed in section (ii) (k) of the **Investment Powers and Restrictions** section of the Prospectus.

All assets received in respect of a Sub-Fund in the context of Portfolio Investment Techniques will be considered as collateral for the purposes of the UCITS Regulations and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Sub-Fund.

Where there is a title transfer, the collateral received will be held by the Depositary, or its agent. For other types of collateral arrangement the collateral may be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

Collateral received shall be capable of being fully enforced by the Manager at any time without reference to or approval from the counterparty. Accordingly collateral will be immediately available to the Sub-Fund without recourse to the counterparty in the event of default by that entity.

## **PERMITTED TYPES OF COLLATERAL**

In accordance with the above criteria, it is proposed that the Fund will accept the following types of collateral in respect of Portfolio Investment Techniques:

- cash;
- government or other public securities;
- certificates of deposit issued by Relevant Institutions;
- bonds/commercial paper issued by Relevant Institutions or by non-bank issuers where the issue or the issuer are rated A1 or equivalent;
- letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions; or
- equity securities traded on a stock exchange in the EEA, Switzerland, the United Kingdom, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New

Zealand.

## **REINVESTMENT OF COLLATERAL**

Cash received as collateral in respect of Portfolio Investment Techniques may not be invested or used other than as set out below:

- placed on deposit with Relevant Institutions;
- invested in high quality government bonds;
- used for the purpose of reverse repurchase agreements provided that the transactions are with credit institutions subject to prudential supervision and the relevant Sub-Fund is able to recall at any time the full amount of cash on an accrued basis; or
- invested in short term money market funds.

Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

Non-cash collateral can not be sold, pledged or re-invested.

Without prejudice to the requirements set out above with respect to non-cash and cash collateral, a Sub-Fund may be permitted to undertake repo pursuant to which additional leverage is generated through the re-investment of collateral. In which case the repo transaction will be taken into consideration for the determination of global exposure as required by the UCITS Regulations. Any global exposure generated shall be added to the global exposure created through the use of derivatives and the total of these shall not be greater than 100% of the relevant Sub-Fund's net asset value. Where collateral is re-invested in financial assets that provide a return in excess of the risk-free return a Sub-Fund shall include, in the calculation of global exposure: (i) the amount received if cash collateral is held; (ii) the market value of the instrument concerned if non-cash collateral is held.

## **STRESS TESTING POLICY**

In the event that a Sub-Fund receives collateral for at least 30% of its net assets, the Manager will implement a stress testing policy to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.

## **HAIRCUT POLICY**

The Manager has implemented a haircut policy on behalf of the Fund in respect of each class of assets received as collateral. This policy takes account of the characteristics of the relevant asset

class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The value of the collateral, adjusted in light of the haircut policy, shall equal or exceed, in value, at all times, the relevant counterparty exposure.

## **ACCEPTABLE COUNTERPARTIES**

A Sub-Fund may only enter into OTC derivatives, repo contracts and securities lending arrangements with counterparties in accordance with the requirements of the Central Bank UCITS Regulations where a credit assessment has been undertaken. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

Where the Manager enters into total return swaps (or invests in other financial derivative instruments with the same characteristics) on behalf of the relevant Sub-Fund, it will only do so with institutions which meet the requirements (including minimum credit rating requirements, if applicable) set down by the Central Bank from time to time. Subject to compliance with those conditions, the Manager has full discretion as to the appointment of counterparties when entering into total return swaps in furtherance of the relevant Sub-Fund's investment objective and policies. It is not possible to comprehensively list all the counterparties as they have not, as of the date of issue of this Prospectus, been selected and they may change from time to time. The relevant counterparty will not assume any discretion over the assets or management of the Fund or over the underlying of the FDIs and their approval will not be required in respect of any FDI related transaction.

## **OTHER PROVISIONS IN RELATION TO REPO CONTRACTS AND SECURITIES LENDING**

Each Sub-Fund will have the right to terminate a securities lending arrangement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within five business days or other period as normal market practice dictates. Securities lending arrangements will typically include provisions to protect the counterparty, or any agent through which securities are lent, against any losses incurred by them that are caused by any default by the relevant Sub-Fund. The relevant Sub-Fund will limit its use of securities lending so that no more than 50% of its net assets are subject to securities lending arrangements and that no more than 20% of its net assets are subject to securities lending arrangements with any single counterparty.

Where a Fund enters into a reverse repurchase agreement, it will have the right to recall the full

amount of cash or to terminate the reverse repurchase agreement on either an accrued or a mark-to-market basis at any time. Where the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the purposes of the calculation of the net asset value of the relevant Sub-Fund.

Where a Sub-Fund enters into a repurchase agreement, the relevant Sub-Fund will have the right to recall any securities subject to the agreement or to terminate the repurchase agreement at any time.

Fixed term repo contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by a Sub-Fund.

Repo contracts, securities borrowing or securities lending do not constitute borrowing or lending for the purposes of the UCITS Regulations.

Any interest or dividends paid on securities which are the subject of such securities lending arrangements shall accrue to the benefit of the relevant Sub-Fund.

#### **WHEN-ISSUED AND FORWARD-COMMITMENT SECURITIES**

A Sub-Fund may purchase securities on a **“when-issued”** basis and may purchase or sell securities on a **“forward- commitment”** basis. The price, which is generally expressed in yield terms, is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. When-issued securities and forward-commitments may be sold prior to the settlement date, but the relevant Sub-Fund will usually enter into when-issued and forward commitments only with the intention of actually receiving or delivering the securities or to avoid currency risk, as the case may be. No income accrues on securities that have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery of the securities. If the relevant Sub-Fund disposes of the right to acquire a when-issued security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, the Sub-Fund may incur a gain or loss. There is a risk that the securities may not be delivered and that the Sub-Fund may incur a loss. **“When-issued”** and **“forward-commitment”** securities are taken into account when calculating the limits set out in the restrictions under **Investment Powers and Restrictions** in **Appendix 3** to this Prospectus.

#### **REGULATION ON THE REPORTING AND TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS**

The Manager is subject to the provisions of the European Regulation on Reporting and Transparency of Securities Financing Transactions (the **“SFTR”**). The SFTR sets out certain disclosure requirements regarding the use of securities financing transactions (**“SFTs”**) and total return swaps, as set out below.



The Sub-Funds may use SFTs, which are defined in the SFTR as a repurchase transaction or reverse-repurchase transaction, securities lending and securities borrowing, a buy-sell back transaction or sell-buy back transaction or a margin lending transaction for efficient portfolio management purposes. A Sub-Fund may also use total return swaps where outlined in the relevant Sub-Fund's disclosure in **Appendix 1**. The Sub-Funds' use of SFTs, and where relevant total return swaps, is consistent with their respective investment objectives and policies, and accordingly SFTs and total return swaps may be used to reduce risk, reduce cost and/or generate additional capital or income with a risk level that is consistent with that of the relevant Sub-Fund.

Subject to the limitations referred to above, any assets of a Sub-Fund may be subject to SFTs and total return swaps. Up to 50% of a Sub-Fund's assets may be the subject of SFT(s), with an expectation that at any time less than 25% of a Sub-Fund's assets will be subject to such arrangements. Up to 5% of a Sub-Fund's assets may be the subject of total return swaps, with an expectation that at any time less than 2% of a Sub-Fund's assets will be subject to such arrangements.

The types of acceptable counterparty, acceptable collateral, as well as the diversification requirements, are explained above in this **Appendix 3**. A Sub-Fund may only enter into SFTs and total return swaps with counterparties that have been selected and assessed in accordance with Central Bank requirements. The acceptable counterparties will be entities with legal personality and located in OECD jurisdictions. They will be subject to ongoing supervision by a public authority, be financially sound and have the necessary organisational structure and resources for the relevant type of transaction. Any collateral obtained by a Sub-Fund pursuant to an SFT or total return swap will be valued in accordance with the Manager's valuation and haircut policy.

The section of this Prospectus entitled "Risk Factors" provides a description of the risks associated with the use of derivatives, securities lending, repurchase and reverse repurchase agreements, and other investment techniques which are likely to fall within the definition of SFTs and total return swaps.

The assets of a Sub-Fund that are subject to SFTs and total return swaps, and any collateral received are held by the Depositary.



## Appendix 4

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### Regulated Markets

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**“Regulated Market”**

- (i) Any stock exchange in any EU Member State (excluding Malta) or in any of the following member countries of the OECD:

Australia, Canada, Japan, New Zealand, Norway, Switzerland, the United Kingdom and the United States of America.

- (ii) Any of the following stock exchanges:

- |                   |   |
|-------------------|---|
| - Argentina       | Bolsa de Comercio de Buenos Aires (Buenos Aires Stock Exchange)<br>Mercado Abierto Electronico S.A. |
| - Brazil          | B3 S.A. (Brasil Bolsa Balcão)   |
| - Chile           | Bolsa Electronica de Chile<br>Bolsa de Santiago (Santiago Exchange)                                 |
| - China           | Shenzhen Stock Exchange<br>Shanghai Stock Exchange  |
| - Colombia        | Bolsa De Valores De Colombia (Colombia Exchange)  |
| - Egypt           | Egyptian Exchange   |
| - Hong Kong       | Hong Kong Stock Exchange  |
| - Iceland         | NASDAQ Iceland hf.  |
| - India           | Bombay Stock Exchange<br>National Stock Exchange of India   |
| - Indonesia       | Indonesia Stock Exchange  |
| - Israel          | Tel Aviv Stock Exchange   |
| - Jordan          | Amman Stock Exchange  |
| - Korean Republic | Korea Exchange (KRX)<br>Korea Exchange (Stock Market)<br>Korea Exchange (KOSDAQ)                    |
| - Kuwait          | Boursa Kuwait (Kuwait Stock Exchange)   |
| - Malaysia        | Bursa Malaysia Berhad   |
| - Mexico          | Bolsa Mexicana de Valores (Mexican Stock Exchange)  |

- Morocco Bourse de Casablanca (Casablanca Stock Exchange)
- Nigeria Nigerian Stock Exchange
- Pakistan Pakistan Stock Exchange
- Peru Bolsa de Valores de Lima (Lima Stock Exchange)
- Philippines Philippine Stock Exchange
- Qatar Qatar Stock Exchange
- Saudi Arabia Saudi Stock Exchange
- Singapore Singapore Exchange  
Singapore Exchange (Catalist)
- South Africa Johannesburg Stock Exchange
- Taiwan Taiwan Stock Exchange  
Taipei Exchange
- Thailand Stock Exchange of Thailand  
Market for Alternative Investments
- Turkey Borsa Istanbul
- United Arab Emirates Abu Dhabi Securities Exchange  
NASDAQ Dubai  
Dubai Financial Market
- Vietnam Ho Chi Minh Stock Exchange  
Hanoi Stock Exchange  
Unlisted Public Companies Market (UPCOM)
- Zambia Lusaka Securities Exchange

(iii) The following exchanges or markets:

- the market organised by the members of the International Capital Market Association;
- the market conducted by “**listed money market institutions**” as described in the Bank of England publication “**The Regulations of the Wholesale Cash and OTC Derivatives Markets (in Sterling, Foreign Exchange and Bullion)**” dated April, 1988, (as amended from time to time);
- (a) NASDAQ in the United States, (b) the market in the U.S. government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and by the Financial Industry Regulatory Authority (“**FINRA**”) (and by banking institutions regulated by the U.S. Comptroller of Currency,

the Federal Reserve System or Federal Deposit Insurance Corporation); and (d) the Chicago Mercantile Exchange, and any other exchanges and markets, including any board of trade or similar entity, or automated quotation system, which markets and exchanges are regulated, operating regularly, recognised and open to the public and in an EU Member State (excluding Malta) or EEA member state (being EU Member States and including Norway, Iceland but excluding Liechtenstein);

- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- AIM - the alternative investment market in the United Kingdom regulated and operated by the LSE;
- the French market for “**Titres de Creance Negotiable**” (over-the-counter market in negotiable debt instruments); and
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

(iv) In relation to FDI in the following markets:

- NASDAQ in the United States;
- Chicago Mercantile Exchange;
- B3 S.A. (Brasil Bolsa Balcão);
- China Financial Futures Exchange;
- National Stock Exchange of India;
- Bursa Malaysia Derivatives Berhad;
- Mercado Mexicano de Derivados;
- Johannesburg Stock Exchange (Derivatives);
- Taiwan Futures Exchange;
- Thailand Futures Exchange;
- Stock Exchange of Thailand;
- Korea Exchange (Derivatives);
- Chicago Board of Trade;
- CBOE Futures Exchange;
- Montreal Exchange;
- Borsa Istanbul;
- Hong Kong Futures Exchange;

- Singapore Exchange;
- NYSE;
- ICE Futures Europe;
- ICE Futures Singapore;
- ICE Futures U.S.;
- Eurex Exchange;
- Euronext;
- ASX 24;
- Tokyo Stock Exchange;
- Osaka Exchange; and

any other exchanges or markets including any board of trade or similar entity, or automated quotation system, which markets and exchanges are regulated, operating regularly, recognised and open in an EU Member State, an EEA State (but excluding Liechtenstein and Malta) or the United Kingdom.

These exchanges and markets are listed in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved exchanges and markets.

## **FUTURES AND OPTIONS MARKETS**

For the purposes only of valuing the assets of a Fund in accordance with Clause 11 of the Deed of Constitution, the term “**Regulated Market**” also includes, in relation to any futures or options contract invested in by the Fund for the purposes of efficient portfolio management, any organised exchange or market on which such futures or options contract is regularly traded.

## **Appendix 5**

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### **General Information**

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#### **Accounting Periods and Annual and Interim Reports**

The Manager shall cause to be prepared an annual report and audited annual accounts for the Fund and each Sub-Fund for the period ending 31 December in every year. The annual report and audited annual accounts shall be published by the Manager on behalf of the Fund and made available to the Unitholders within four months of the end of the relevant accounting period. In addition, the Manager shall prepare a half-yearly report to 30 June in each year that shall include unaudited half-yearly accounts for the Fund and its Sub-Funds. The unaudited half-yearly report will be made available to Unitholders, the Central Bank within two months of the end of the relevant accounting period. The annual and half-yearly reports will be made available to each Unitholder within the specified time outlined above and may be obtained from and inspected at the registered office of the Administrator.

#### **Modification of Deed of Constitution and Variation of Unitholders' Rights**

With respect to any proposed modification to the Deed of Constitution, the Manager and the Depositary may, subject to the requirements of the Central Bank, modify, alter or add to the provisions of the Deed of Constitution in such manner and to such extent as they may consider necessary or expedient for any purpose other than one which would cause the Fund to cease to be an authorised Common Contractual Fund. The Depositary must certify in writing that in its opinion, such modification, alteration or addition of or to the Deed of Constitution does not materially prejudice the interests of the Unitholders, nor does it operate to release the Manager or the Depositary from any responsibility to the Unitholders. If the Depositary does not issue such certification, unless such modification, alteration or addition shall be required by virtue of legislation or any regulation made or notice issued by the Central Bank under UCITS Regulations, no such modification, alteration or addition shall be made unless, of the Unitholders in the Fund or, in the case of a modification, alteration or addition affecting only one or more Sub-Funds, the relevant Sub-Fund or Sub-Funds, responding to a request for confirmation, at least 50% of written responses, by Net Asset Value, consent to the change and provided also that no such modification, alteration or addition shall impose upon any Unitholder any obligation to make any further payment in respect of his Units or to accept any liability in respect thereof.

In the event of any such modification, alteration or addition as aforesaid in the provisions of the Deed of Constitution, the Manager shall, within 21 days of the execution of such supplemental Deed of Constitution, deposit with the Central Bank a copy of the Deed of Constitution as so modified, altered

or added to, or containing the said modifications, alterations or additions.

The rights attaching to Units issued in the Fund or any Sub-Fund or class of Units may be varied or abrogated provided, of the Unitholders in the Fund or the relevant Sub-Fund or class of Units in question responding to a request for confirmation, at least 50% of written responses, by Net Asset Value, consent to the variation or abrogation, provided always that the rights conferred upon the holders of Units in the Fund or any Sub-Fund or class of Units which have been issued with other rights shall not, unless otherwise expressly provided by the terms of issue of Units in the Fund or relevant Sub-Fund or class of Units be deemed to be varied by the creation or issue of further Units ranking *pari passu* therewith.

### **Meetings**

As a Common Contractual Fund, the Fund is an unincorporated entity which does not have a legal personality and the Fund will not hold Unitholder meetings.

### **Notification of Changes to the Fund and / or a Sub-Fund**

The investment objective of a Sub-Fund will not at any time be altered unless, of the Unitholders in the Sub-Fund responding to a request for confirmation, at least 50% of written responses, by Net Asset Value, consent to the change. Changes to investment policies which are material in nature may only be made if, of the Unitholders in the relevant Sub-Fund responding to a request for confirmation, at least 50% of written responses, by Net Asset Value, consent to the change. In the event of a change of investment objective and/or material change of investment policy, a reasonable notification period will be provided by the Manager, and the Manager will provide facilities to enable Unitholders in the relevant Sub-Fund to redeem their Units prior to implementation of these changes if they so wish.

### **Documents of the Fund**

Copies of the following documents may be inspected at the registered office of the Manager at 70 Sir John Rogerson's Quay, Dublin 2, Ireland, during normal business hours on any day which is not a public holiday in Ireland:

- (i) the Deed of Constitution; and
- (ii) the UCITS Regulations and Central Bank UCITS Regulations.

Copies of the Deed of Constitution, this Prospectus, and of any yearly or half-yearly reports may be obtained from the Manager free of charge or may be inspected at the registered office of the Manager during normal business hours on any day which is not a public holiday in Ireland. The Manager will also provide supplementary information to Unitholders relating to the risk management methods employed in respect of the Fund, including quantitative limits that are applied and any recent



developments in the risk and yield characteristics of the main categories of investments.

### **Material Contracts**

The following contracts, which are summarised in the sections dealing with **Management and Administration** and **Fees and Expenses** of the Fund above, have been entered into and are, or may be, material:

- (i) Deed of Constitution;
- (ii) Investment Management Agreement;
- (iii) Administration Agreement;
- (iv) Depositary Agreement; and
- (v) Distribution Agreement.

### **Electronic Communication**

The Manager has arranged for electronic communication on behalf of the Fund or any other person on behalf of the Fund, with any Unitholder or any other person of, without limitation, the following:

- the annual reports and audited accounts;
- the semi-annual reports and unaudited financial statements;
- the Net Asset Value;
- periodic account statements; and
- all other Unitholder correspondence.

All communication of such accounts, confirmations and Net Asset Values or other Unitholder material by the Manager on behalf of the Fund or any other person on behalf of the Fund will be exclusively by electronic communication to those Unitholders electing to avail of the service. Unitholders should note that electronic communications to and from Unitholders may be sent out in an unencrypted manner. As a result, there is a risk that client information may be accessed by unauthorised resources.

Unitholders electing to avail of electronic communication shall be deemed to have consented to the receipt of electronic communications from the Manager on behalf of the Fund or any of its delegates or service providers. All Unitholder documents and material sent by electronic communication will remain available in hard copy and will be sent by post without postal charges to those Unitholders not availing of electronic communication. Unitholders may at any time change their election to or from electronic

communication by contacting the Administrator.

### **Further Information**

All information concerning the Fund and about investing in Units of a Sub-Fund are available from the Administrator. All applications for Units are made solely on the basis of the current prospectus of the Fund, and investors should ensure that they have the most up-to-date version.

### **Complaints Procedure**

If any Unitholder wishes to file a complaint against the Manager, they may do so free of charge. Information with respect to the complaints procedure is available, free of charge, upon request to the Administrator.

## Appendix 6

### List of Depositary Sub-Delegates

The Depositary has delegated custody and safekeeping of the Fund's assets to Brown Brothers Harriman & Co. ("**BBH&Co.**"), its global sub-custodian. As at the date of this Prospectus, BBH&Co. has in turn appointed the following third-party delegates as its local sub-custodians in the specified markets.

The below list includes multiple sub-custodians/correspondents in certain markets. Confirmation of which sub-custodian/correspondent is holding assets in each of those markets with respect to a client is available upon request. The list does not include prime brokers, third party collateral agents or other third parties who may be appointed from time to time as a delegate pursuant to the request of one or more clients (subject to BBH&Co.'s approval). Confirmations of such appointments are also available upon request.

\* In these markets, cash held by clients is a deposit obligation of the sub-custodian. For all other markets, cash held by clients is a deposit obligation of BBH & Co. or one of its affiliates.

Up-to-date information regarding the entities to whom safekeeping of the Fund's assets have been delegated or sub-delegated shall be made available to investors upon request to the Manager.

COUNTRY	SUB-CUSTODIAN
ARGENTINA	CITIBANK, N.A. BUENOS AIRES BRANCH
AUSTRALIA	CITIGROUP PTY LIMITED FOR CITIBANK, N.A
	HSBC BANK AUSTRALIA LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
AUSTRIA	DEUTSCHE BANK AG
	UNICREDIT BANK AUSTRIA AG
BAHRAIN*	HSBC BANK MIDDLE EAST LIMITED, BAHRAIN BRANCH FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BANGLADESH*	STANDARD CHARTERED BANK, BANGLADESH BRANCH
BELGIUM	BNP PARIBAS S.A,
	DEUTSCHE BANK AG, AMSTERDAM BRANCH
BOSNIA*	UNICREDIT BANK D.D. FOR UNICREDIT BANK AUSTRIA AG

COUNTRY	SUB-CUSTODIAN
<b>BOTSWANA*</b>	STANDARD CHARTERED BANK BOTSWANA LIMITED FOR STANDARD CHARTERED BANK
<b>BRAZIL*</b>	CITIBANK, N.A. SÃO PAULO
	ITAÚ UNIBANCO S.A.
<b>BULGARIA*</b>	CITIBANK EUROPE PLC, BULGARIA BRANCH FOR CITIBANK N.A.
<b>CANADA</b>	RBC INVESTOR SERVICES TRUST FOR ROYAL BANK OF CANADA (RBC)
<b>CHILE*</b>	BANCO DE CHILE FOR CITIBANK, N.A.
<b>CHINA*</b>	BANK OF CHINA LIMITED
	CHINA CONSTRUCTION BANK CORPORATION
	CITIBANK (CHINA) CO., LTD. FOR CITIBANK N.A.
	HSBC BANK (CHINA) COMPANY LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
	INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
	STANDARD CHARTERED BANK (CHINA) LIMITED FOR STANDARD CHARTERED BANK
<b>COLOMBIA*</b>	CITITRUST COLOMBIA S.A., SOCIEDAD FIDUCIARIA FOR CITIBANK, N.A
<b>CROATIA</b>	ZAGREBACKA BANKA D.D. FOR UNICREDIT BANK AUSTRIA AG
<b>CYPRUS</b>	BNP PARIBAS S.A. ATHENS BRANCH
<b>CZECH REPUBLIC</b>	CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOZKA FOR CITIBANK, N.A.
<b>DENMARK</b>	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), DANMARK BRANCH
<b>EGYPT*</b>	CITIBANK, N.A. - CAIRO BRANCH
	HSBC BANK EGYPT S.A.E. FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>FINLAND</b>	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), HELSINKI BRANCH
<b>FRANCE</b>	BNP PARIBAS S.A.
	CACEIS BANK
	DEUTSCHE BANK AG, AMSTERDAM BRANCH
<b>GERMANY</b>	BNP PARIBAS S.A. NIEDERLASSUNG DEUTSCHLAND
	DEUTSCHE BANK AG

<b>COUNTRY</b>	<b>SUB-CUSTODIAN</b>
<b>GHANA*</b>	STANDARD CHARTERED BANK GHANA PLC FOR STANDARD CHARTERED BANK
<b>GREECE</b>	BNP PARIBAS S.A., ATHENS BRANCH
<b>HONG KONG</b>	STANDARD CHARTERED BANK (HONG KONG) LIMITED FOR STANDARD CHARTERED BANK
	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>HONG KONG – BOND CONNECT</b>	STANDARD CHARTERED BANK (HONG KONG) LIMITED FOR STANDARD CHARTERED BANK
	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>HONG KONG – STOCK CONNECT</b>	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>HUNGARY</b>	CITIBANK EUROPE PLC, HUNGARIAN BRANCH OFFICE FOR CITIBANK, N.A.
	UNICREDIT BANK HUNGARY ZRT FOR UNICREDIT BANK HUNGARYZRT AND UNICREDIT S.P.A.
<b>ICELAND*</b>	LANDSBANKINN HF.
<b>INDIA*</b>	CITIBANK, N.A. - MUMBAI BRANCH
	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - INDIA BRANCH
<b>INDONESIA</b>	CITIBANK, N.A. - JAKARTA BRANCH
	STANDARD CHARTERED BANK, INDONESIA BRANCH
<b>IRELAND</b>	HSBC BANK PLC
<b>ISRAEL</b>	BANK HAPOALIM BM
	CITIBANK, N.A., ISRAEL BRANCH
<b>ITALY</b>	BNP PARIBAS S.A, SURCCURSALE ITALIA
	SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES S.P.A. (SGSS S.P.A.)
<b>IVORY COAST*</b>	STANDARD CHARTERED BANK COTE D'IVOIRE FOR STANDARD CHARTERED BANK
<b>JAPAN</b>	MIZUHO BANK LTD
	MUFG BANK, LTD.
	SUMITOMO MITSUI BANKING CORPORATION
<b>KAZAKHSTAN*</b>	JSC CITIBANK KAZAKHSTAN FOR CITIBANK, N.A.

COUNTRY	SUB-CUSTODIAN
KENYA*	STANDARD CHARTERED BANK KENYA LIMITED FOR STANDARD CHARTERED BANK
KUWAIT*	HSBC BANK MIDDLE EAST LIMITED - KUWAIT BRANCH FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
LUXEMBOURG	BNP PARIBAS S.A., SUCCURSALE DE LUXEMBOURG *** Utilized for mutual funds holdings only. ***
MALAYSIA*	HSBC BANK MALAYSIA BERHAD (HBMB) FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
	STANDARD CHARTERED BANK MALAYSIA BERHAD FOR STANDARD CHARTERED BANK
MAURITIUS*	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - MAURITIUS BRANCH
MEXICO	BANCO NACIONAL DE MEXICO, SA (BANAMEX) FOR CITIBANK, N.A.
	BANCO S3 CACEIS MEXICO, S.A. INSTITUCION DE BANCA MULTIPLE FOR BANCO SANTANDER, S.A. AND BANCO S3 CACEIS MEXICO, S.A. INSTITUCION DE BANCA MULTIPLE
MOROCCO	CITIBANK MAGHREB S.A. FOR CITIBANK, N.A.
NAMIBIA*	STANDARD BANK NAMIBIA LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NETHERLANDS	BNP PARIBAS S.A.
	DEUTSCHE BANK AG, AMSTERDAM BRANCH
NEW ZEALAND	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - NEW ZEALAND BRANCH
NIGERIA*	STANBIC IBTC BANK PLC FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NORWAY	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), OSLO
PAKISTAN*	STANDARD CHARTERED BANK (PAKISTAN) LIMITED FOR STANDARD CHARTERED BANK
PERU*	CITIBANK DEL PERÚ S.A. FOR CITIBANK, N.A.
PHILIPPINES*	STANDARD CHARTERED BANK - PHILIPPINES BRANCH
	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - PHILIPPINE BRANCH
POLAND	BANK HANDLOWY W WARSZAWIE SA (BHW) FOR CITIBANK NA

COUNTRY	SUB-CUSTODIAN
	BANK POLSKA KASA OPIEKI SA
PORTUGAL	BNP PARIBAS S.A.
QATAR*	HSBC BANK MIDDLE EAST LTD - QATAR BRANCH FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ROMANIA	CITIBANK EUROPE PLC, DUBLIN - SUCURSALA ROMANIA FOR CITIBANK, N.A.
RUSSIA*	AO CITIBANK FOR CITIBANK, N.A.
SAUDI ARABIA*	HSBC SAUDI ARABIA AND SAUDI AWWAL BANK (SAB) FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
SERBIA*	UNICREDIT BANK SERBIA JSC FOR UNICREDIT BANK AUSTRIA AG
SINGAPORE	DBS BANK LTD (DBS)
	STANDARD CHARTERED BANK (SINGAPORE) LIMITED FOR STANDARD CHARTERED BANK
	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SINGAPORE BRANCH
SLOVAKIA	CITIBANK EUROPE PLC, POBOČKA ZAHRANIČNEJ BANKY FOR CITIBANK, N.A.
SLOVENIA	UNICREDIT BANKA SLOVENIJA DD FOR UNICREDIT BANKASLOVENIJA DD AND UNICREDIT S.P.A.
SOUTH AFRICA	STANDARD BANK OF SOUTH AFRICA LIMITED (SBSA)
	STANDARD CHARTERED BANK, JOHANNESBURG BRANCH
SOUTH KOREA*	CITIBANK KOREA INC. FOR CITIBANK, N.A.
	KEB HANA BANK
	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED - KOREA BRANCH
SPAIN	BANCO BILBAO VIZCAYA ARGENTARIA SA
	BNP PARIBAS S.A., SUCURSAL EN ESPAÑA
	SOCIÉTÉ GÉNÉRALE SUCURSAL EN ESPAÑA
SRI LANKA*	THE HONG KONG AND SHANGHAI BANKING CORPORATION

COUNTRY	SUB-CUSTODIAN
	LIMITED (HSBC) - SRI LANKA BRANCH
SWEDEN	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)
SWITZERLAND	CREDIT SUISSE (SWITZERLAND) LTD.
	UBS SWITZERLAND AG
TAIWAN*	HSBC BANK (TAIWAN) LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
	STANDARD CHARTERED BANK (TAIWAN) LTD FOR STANDARD CHARTERED BANK
TANZANIA*	STANDARD CHARTERED BANK TANZANIA LIMITED AND STANDARD CHARTERED BANK (MAURITIUS) LIMITED FOR STANDARD CHARTERED BANK
THAILAND	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - THAILAND BRANCH
TRANSNATIONAL (CLEARSTREAM)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
TRANSNATIONAL (EUROCLEAR)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
TUNISIA*	UNION INTERATIONALE DE BANQUES (UIB)
TURKEY	CITIBANK ANONIM SIRKETI FOR CITIBANK, N.A.
	DEUTSCHE BANK A.S. FOR DEUTSCHE BANK A.S. AND DEUTSCHE BANK AG
UGANDA*	STANDARD CHARTERED BANK UGANDA LIMITED FOR STANDARD CHARTERED BANK
UKRAINE*	JOINT STOCK COMPANY "CITIBANK" (JSC "CITIBANK") FOR CITIBANK, N.A.
UNITED ARAB EMIRATES*	HSBC BANK MIDDLE EAST LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
UNITED KINGDOM	CITIBANK, N.A., LONDON BRANCH
	HSBC BANK PLC
UNITED STATES	BBH&CO.
URUGUAY	BANCO ITAÚ URUGUAY S.A. FOR BANCO ITAÚ URUGUAY S.A. AND ITAÚ UNIBANCO S.A.
VIETNAM*	HSBC BANK (VIETNAM) LTD. FOR THE HONG KONG AND



COUNTRY	SUB-CUSTODIAN
	SHANGHAI BANKING CORPORATION LIMITED (HSBC)
<b>ZAMBIA*</b>	STANDARD CHARTERED BANK ZAMBIA PLC FOR STANDARD CHARTERED BANK
<b>ZIMBABWE*</b>	STANBIC BANK ZIMBABWE LIMITED FOR STANDARD BANK OF SOUTH AFRICA LIMITED

## Appendix 7

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### Information for Investors in the U.K.

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#### UNITED KINGDOM

The Manager will appoint **Vanguard Asset Management, Limited, 4th Floor, The Walbrook Building 25 Walbrook, London EC4N 8AF, United Kingdom** as UK Facilities, Marketing and Sales Agent of the Fund where the following may be obtained:

1. information in writing about the Fund's most recently published prices for Units in each Sub-Fund;
2. Unitholders may redeem or arrange for redemption of their Units in any of the Sub-Funds and from which payment of the price on redemption may be obtained;
3. the following documents concerning the Fund are available for inspection free of charge and for which copies in English can be obtained free of charge:
  - 3.1 the Deed of Constitution for the Fund and any amendments thereto;
  - 3.2 the most recently prepared Prospectus;
  - 3.3 the most recent KIIDs available at <https://www.vanguard.co.uk/uk-fund-directory/product>;
  - 3.4 the most recently prepared annual and semi-annual reports relating to the Fund; and
  - 3.5 any Unitholder or other person can submit a complaint about any aspect of the service including the operations of the Fund, or requests to obtain a copy of the Complaints Handling Procedure for further transmission to the Manager's head office.

It is expected that the Fund will obtain authorisation by the Financial Conduct Authority for the purposes of distribution, potential investors in the UK are advised that the rules made under FSMA do not in general apply to the Fund in relation to its investment business. Unitholders will not be covered by the Financial Services Compensation Scheme nor will they have any cancellation rights.

It is expected that Investors will obtain information about the most recent prices and redemption facilities from the office of the UK Facilities, Marketing and Sales Agent detailed above. Updated prices are also available under <https://www.vanguard.co.uk/uk-fund-directory/product>.

Concerning the nature of the classes of Units, please refer to the section of this Prospectus entitled "Units".

UK resident investors should seek their own professional advice as to tax matters and other relevant considerations. Please note that investors making investments in the Fund may not receive back their entire investment.