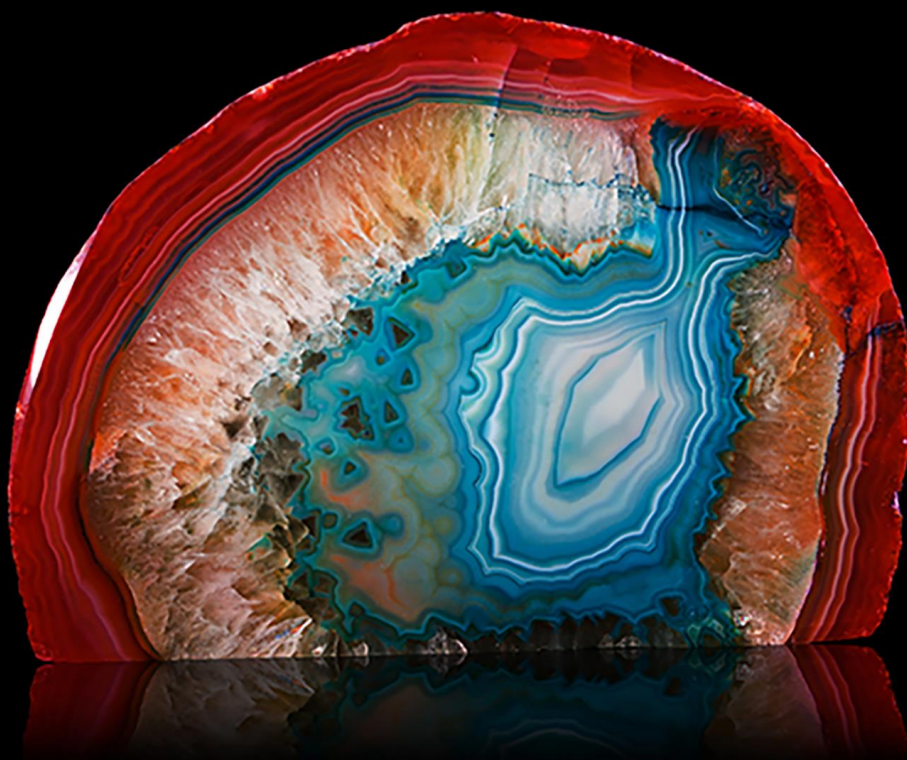


Asset Management

HSBC Specialist Funds Limited

Propectus

Date: 4 October 2022



HSBC

Opening up a world of opportunity

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1. Important Information

THIS PROSPECTUS IS IMPORTANT; IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, OR AN INDEPENDENT FINANCIAL ADVISER.

The Directors, whose names appear in Section 5.1, 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 Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus comes are required by HSBC Specialist Funds Limited (the "Company") to inform themselves about, and to observe, such restrictions. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The Shares are offered on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorized by the Company or its Directors. Neither the delivery of this Prospectus nor the allotment or issue of Shares shall under any circumstances create any implication that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus.

Certain provisions of the Bye-Laws and other documents are summarized in this Prospectus, but it should not be assumed that the summaries are complete and such summaries are qualified in their entirety by the contents of the documents they purport to summarize.

The Company has been authorized as a Bermuda Standard Fund by the Bermuda Monetary Authority (the "BMA") pursuant to the Investment Funds Act 2006, as amended (the "IFA"). As such, the Company is subject to regulation and supervision as provided for in the IFA. However, the Company should be viewed as an investment suitable only for investors who can fully evaluate and bear the risks involved.

Permission under the Exchange Control Act, 1972 (and Regulations made thereunder) has been obtained from the BMA for the issue of up to 9,999,900 common Shares of US\$0.01 par value each. Approvals or permissions received from the BMA do not constitute a guarantee by the BMA as to the performance of the Company or creditworthiness of the Company. Furthermore, in giving such approvals or permission, the BMA shall not be liable for the performance or default of the Company or for the correctness of any opinions or statements expressed. In addition, a copy of this Prospectus has been delivered to the Registrar of Companies in Bermuda for filing pursuant to The Companies Act, 1981 of Bermuda. In accepting this Prospectus for filing, the Registrar of Companies in Bermuda accepts no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed with regard to them.

Persons interested in acquiring Shares should inform themselves as to (i) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for such acquisition; (ii) any foreign exchange restrictions or exchange control requirements which they might encounter on the subscription, acquisition, sale or redemption of Shares; and (iii) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Shares.

The Shares of the Company, issued or to be issued, have been listed on The Bermuda Stock Exchange. It is not anticipated, at the time, that the Shares will be listed on any other stock exchange.

This Prospectus includes particulars given in compliance with the Listing Regulations of The Bermuda Stock Exchange for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading. This Prospectus is being issued by the Company and the Directors of the Company are responsible for its contents, wherever issued.

The Bermuda Stock Exchange takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

This Prospectus should be read in its entirety, including any relevant Supplement, before making any application for Shares.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Memorandum of Association and Bye-laws of the Company.

Restrictions

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

Distribution of this Prospectus is not authorized in any jurisdiction after publication of the latest annual report and audited accounts of the Company unless accompanied by a copy of such report and audited accounts or the then latest published annual report and audited accounts of the Company and, if published after such report or annual report, a copy of the latest semi-annual report and unaudited accounts. Such reports and this Prospectus together with any relevant Supplement form the Prospectus for the issue of Shares in the Company.

The Shares in the Company have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") or under the securities laws of any state and the Company has not been and will not be registered under the Investment Company Act 1940 (the "Investment Company Act"). This Prospectus may not be distributed, and the Shares in the Company may not be offered or sold within the United States or to US Persons, (as specified under "US Person" definition of the Prospectus), except in a transaction not subject to, or pursuant to an exemption from, the registration requirements of the Securities Act and any applicable state securities laws and which would not require the Company to register under the Investment Company Act.

The Shares described in this Prospectus may only be distributed in Canada through HSBC Global Asset Management (Canada) Limited, and this Prospectus may not be used to solicit, and will not constitute a solicitation of, an offer to buy Shares in Canada unless such solicitation is made by HSBC Global Asset Management (Canada) Limited. A distribution or solicitation may be deemed to occur in Canada where a distribution or solicitation is made to a person (including an individual, corporation, trust, partnership or other entity, or other legal person) resident or otherwise located in Canada at the applicable time.

The Bye-laws of the Company give powers to the Directors to impose restrictions on the holding of Shares or the transfer of Shares in certain circumstances.

Shares are offered only on the basis of the information contained in this Prospectus, which includes any relevant Supplement. Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on Bermuda law and practice currently in force.

2. Summary

2.1. The Company

HSBC Specialist Funds Limited (the “Company”), has been incorporated in Bermuda as an exempted company to carry on the business of a mutual fund and, as such, has the power to issue and redeem its Shares at the Net Asset Value as calculated in the manner described herein.

The Company is a mutual fund company incorporated with limited liability in Bermuda and with unlimited duration on 5 September 2001, in accordance with the Companies Act 1981 (the “Act”) and is authorized as a Standard Fund under the Act. The Company is open-ended in that it can issue and redeem its Shares at prices based upon the Net Asset Value per Share. The Shares of the Company may be divided into several Classes one or more of which will be related to a Fund within the Company, the details of which are set out in the Supplement(s) enclosed with this Prospectus. Each Fund will have its own specific investment policies allowing for either a fund of funds structure, a direct investment structure or a combination of the two. Additional Classes of Shares may also be created from time to time at the discretion of the Directors.

A revised Prospectus or Supplement containing details of any new Fund or class of Shares will be issued by the Directors at the time of the creation of such Fund or class of Shares.

In order to give effect to the various rights and privileges, fee structure and other terms attaching to each Class of Share, each Fund’s assets and liabilities will be segregated into separate Classes with a Fund. Proceeds from the issuance of Shares of a particular Class will be applied in the books of the Company to the applicable Class within each Fund.

Supplemental prospectus in issue are:

- ◆ Short Duration Fixed Income Fund
- ◆ Alternative Fund

The Company is managed by HSBC Global Asset Management (Bermuda) Limited (the “Manager”), a wholly-owned subsidiary of HSBC Bank Bermuda Limited.

The assets, liabilities, income earnings, costs and expenses attributable to a Fund will, in accordance with the Bye-Laws, be applied to that Fund and kept separate and segregated from those generally attributable to the Company and/or other Funds. Any assets, liabilities, income, earnings, costs and expenses not attributable to a particular Fund will be allocated between all Funds in such manner, and on such basis, as the Directors in their discretion shall deem fair and equitable (which basis may be varied from time to time).

The Directors may, from time to time, determine when a Class is open or closed for subscriptions.

The Company has the power to issue and redeem its Shares at prices based upon the value of the net assets of the underlying Fund. Details concerning issues and redemptions and the calculation of the applicable subscription and redemption prices are set out below and in the particular Supplement for each Fund.

The proceeds of issued Shares of any Class are allocated to the relevant Fund, the assets of which are held exclusively for the benefit of the holders of Shares of the relevant Class and not for the benefit of any holders of Shares of any other Class or Fund. Investments acquired are held by and all income and capital gains earned on the investments shall accrue to the relevant Fund and all expenses and liabilities related to a particular Fund are charged to and any dividends or redemptions of Shares of any Class are paid out of the assets of the relevant Fund. Thus, the trading results of any one Fund will have no effect on the value of any other Fund and the holders of any Class of Shares will not have any interest in the assets of the Company other than the Fund attributable to the Class of Shares held by them. The assets of each Fund will, however, be subject to the rights of the general creditors of the Company.

It should be remembered that the price of Shares might go down as well as up.

Shares of each Class are available for issue, subject as hereinafter provided, at the applicable subscription price per Share plus a placing fee (for details see Supplement(s) for each Fund enclosed with this Prospectus) which will be payable by the applicants to the Manager, out of which a commission may, at the Manager's discretion, be allowed to dealers in securities or other intermediaries.

2.2. Share Dealing

Shares can normally be purchased or sold on any Business Day..

Retail Investors are required by the Banker, as a distributor of the Company Shares, to hold their interest in Shares with respect to each Fund through a third party as their shareholder custodian for such shareholding. The Banker will assist with the establishment of a shareholder custody account with the shareholder custodian. The Banker will, on behalf of Retail Investors, conduct all dealing in Shares through such shareholder custody account.

It should be noted that Shares acquired through the Banker and held by a shareholder custodian on behalf of Retail Investors, will be registered in the name of the shareholder custodian and not the Retail Investor.

2.3. Pricing

There is a single price for buying and selling Shares of a Class in a given Fund. This is represented by the Net Asset Value per Share of the relevant Class of Shares of the relevant Fund. The Net Asset Value per Share will be quoted to two decimal places.

2.4. Valuation Point

The Net Asset Value per Share of each Class of each Fund will be calculated at the relevant Valuation Point for the applicable Fund; See Supplemental Prospectus for further details.

2.5. Subscriptions and Minimum Holdings

The Minimum Initial Subscription, Minimum Subsequent Transaction Level and Minimum Holdings in any Fund or Class of Shares will be determined by the Directors at the time of the creation of a Fund or Class of Shares. This amount may be increased or decreased at the Directors' discretion, either generally or in any particular case. See the Supplemental Prospectus for further details

2.6. Base Currency and Denomination

The base currency of each Fund and the denomination of each Class of Shares will be determined by the Directors at the time of creation of a Fund or Class of Shares; see Part One for further details.

2.7. Dividend Policy

The dividend policy for each Class of Shares will be determined by the Directors; see the Supplements to the Prospectus for further details.

2.8. Reporting Currency

For the purposes of the compilation of the annual report and accounts of the Company, the reporting currency for each Fund will be the Base Currency.

2.9. Charges and Expenses

The Company will pay a fee to the Manager. The Company bears all other costs and operating expenses of the Company.

2.10. Rating

Any applicable credit rating agency rating for a Fund will be set out in the applicable Supplement to the Prospectus.

2.11. Investment Objective and Policies of the Fund

Each Fund will have its own objectives and policies, the details of which are or will be set out in the Supplement(s) enclosed with this Prospectus.

2.12. Manager

The Manager of the Company is HSBC Global Asset Management (Bermuda) Limited.

2.13. Administrator

HSBC Securities Services (Bermuda) Limited serves as the Company's Administrator and provides fund accounting and net asset value calculations for the Company.

2.14. Custodian

HSBC Continental Europe serves as custodian to the Company.

2.15. Definitions

In this Prospectus:

Administrator	means HSBC Securities Services (Bermuda) Limited or such other person from time to time appointed by the Company as the administrator of the Company;
Administration Agreement	means the agreement dated 8 November 2017 between the Company and the Administrator as amended, supplemented or otherwise modified from time to time;
Banker	means HSBC Bank Bermuda Limited;
Base Currency	means the currency of account of a Fund as determined by the Directors at the time of the creation of a Fund;
Business Day	means a day on which the banks in Bermuda are open for business and/or such other day or days in addition thereto or in substitution therefor as may from time to time be determined by the Directors either in any particular case or generally;
Bermuda Stock Exchange	means the Bermuda Stock Exchange and any successor thereto;
BMA	means the Bermuda Monetary Authority or any successor authority;
Bye-laws	means the Bye-laws of the Company as may be amended from time to time;
Company	means HSBC Specialist Funds Limited;
Canadian Resident	<ol style="list-style-type: none"> 1. An individual, if <ol style="list-style-type: none"> a. the individual's primary principal residence is located in Canada; or b. the individual is physically located in Canada at the time of the offer, sale or other relevant activity. 2. A corporation, if <ol style="list-style-type: none"> a. the corporation's head office or principal office is located in Canada; or

- b. securities of the corporation that entitle the holder to elect a majority of the directors are held by Canadian Resident individuals (as described above) or by legal persons resident or otherwise located in Canada; or
 - c. the individuals that make investment decisions or provide instructions on behalf of the corporation are Canadian Resident individuals (as described above).
3. A trust, if
- a. the principal office of the trust (if any) is located in Canada; or
 - b. the trustee (or in the case of multiple trustees, the majority of trustees) are Canadian Resident individuals (as described above) or are legal persons resident or otherwise located in Canada; or
 - c. the individuals that make investment decisions or provide instructions on behalf of the trust are Canadian Resident individuals (as described above).
4. A partnership, if
- a. the partnership's head office or principal office (if any) is located in Canada; or
 - b. the holders of the majority of the interests of or in the partnership are held by Canadian Residents (as described above); or
 - c. the general partner (if any) is a Canadian Resident (as described above); or
 - d. the individuals that make investment decisions or provide instructions on behalf of the partnership are Canadian Resident individuals (as described above).

Class	means a sub-division of the share capital of the Company into classes of Shares, one or more of which may participate in a separate portfolio of assets and/or Fund;
Companies Act	means the Companies Act 1981 of Bermuda (as amended, consolidated or supplemented from time to time);
Custodian	means HSBC Continental Europe or such other person from time to time appointed by the Company as the custodian of the Company;
Custodian Agreement	means the agreement dated 4 January 2021 between the Company and the Custodian as amended, supplemented or otherwise modified from time to time;
Dealing Day	shall have the meaning set out in any applicable Supplement to this Prospectus applicable to a Fund and/or a Class of Shares and shall include such other day in addition thereto or in substitution therefor as may from time to time be determined by the Directors either in any particular case or generally;
Dealing Deadline	in relation to a Fund and/or Class the time by which an application for subscription or a request for conversion or redemption must be received by the Company, as is set out Part One and in any applicable Supplement to this Prospectus applicable to a Fund and/or Class of Shares, as may be amended from time to time, or such other time(s) or day(s) as the Directors may from time to time determine either in any particular case or generally;
Directors	means the directors of the Company for the time being and any duly constituted committee thereof;
Dollar or US\$ or \$	means the United States Dollar, the lawful currency of the United States of America and includes any successor currency;
Euro or EUR or €	means the European currency unit;
FATCA	means (i) sections 1471 to 1474 of the United States Internal Revenue Code of 1986 and any associated legislation, regulations or guidance, or similar legislation, regulations or guidance enacted in any jurisdiction which seeks to implement similar tax reporting and withholding tax regimes and common reporting standards to include the Organisation for Economic Co-Operation and Development Standard for Automatic Exchange of Financial Account Information in Tax Matters as amended from time to time; (ii) any intergovernmental agreement, common reporting standard, treaty, regulation, guidance or any other agreement between Bermuda (or any Bermuda government body) and the United States, the United Kingdom or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations or guidance described in paragraph including without limitation (a) the Agreement between the Government of Bermuda and the Government of the United States of America for Cooperation to Facilitate the Implementation of FATCA signed on 19 December 2013; (b) the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of

	Bermuda to improve international tax compliance signed on the 25 November 2013 and (c) the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information; and (iii) any legislation, regulations or guidance in Bermuda giving effect to the matters outlined in the preceding paragraphs (i) and (ii) above including without limitation the USA-Bermuda Tax Convention Act 1986 as amended and the International Co-Operation (Tax Information Exchange Agreements) Act 2005;
Fund	means a segregated fund established and maintained by the Company in connection with one or more Classes of Shares created for issue and within which a separate portfolio of all assets and all liabilities attributable to the relevant Class or Classes of Shares will be held.
Manager	means HSBC Global Asset Management (Bermuda) Limited;
Minimum Holding	means any minimum aggregate holding of Shares in either a Fund or Class that must be maintained by a Shareholder the details of which are contained in the Supplement to this Prospectus.
Minimum Initial Subscription	means any minimum aggregate subscription amount required to initially be invested in the Company, a Fund or a Class of Shares by a new subscriber, as the case may require the details of which are contained in the Supplement to this Prospectus.
Minimum Subsequent Transaction Level	means any minimum aggregate additional subscription amount required to be investment in the Company, a Fund or a Class, by an existing Shareholder from time to time, details of which are contained in the Supplement to this Prospectus.
Master Fund	means any collective investment scheme or vehicle through which a Fund or a Class of Shares invests substantially all of its assets, details of which are contained in the applicable Supplement to this Prospectus.
Moody's	means Moody's Investor Service Inc.
Net Asset Value of a Fund or Net Asset Value per Share	means the net asset value of a Fund, the net asset value of a Class of Shares or per Share, as appropriate determined in accordance with the Company's Bye-laws and in accordance with principles set out under Net Asset Value as being the Net Asset Value per Share of a Fund or a Class of Shares in a Fund," as the case may be;
OECD	means the Organisation for Economic Co-Operation and Development. Current membership can be found at http://www.oecd.org/about/membersandpartners/ ;
Offer Price	means the price at which Shares are offered, details of which are contained in Part One or in the relevant Supplement issued at the time of creation of a Fund or Class of Share;
Placing Fee	means a charge which may be payable on a share subscription , further details of which is set out under "Subscriptions and Minimum Holdings" in section 4.3;
Redemption Fee	means a charge which may be deducted from the redemption proceeds of Shares, further details of which is set out under "Redemptions" in section 4.4;
Retail Investor	Means an individual investor or individual person
Secretary	means HSBC Securities Services (Bermuda) Limited;
Shares	means a common share in the capital of the Company, other than a Founders Share, of a par value of US\$0.01 and which may be attributable to any Fund or Class of Shares;
Shareholder	means a holder of Shares;
Standard & Poor's	means Standard & Poor's Corporation;
Supplement	means any supplement to this Prospectus;

US Law

the laws of the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction. US Law shall additionally include all applicable rules and regulations, as supplemented and amended from time to time, as promulgated by any US regulatory authority, including, but not limited to, the Securities and Exchange Commission and the Commodity Futures Trading Commission;

for the purposes of this restriction, the term US Person ("USP") shall mean the following:

1. An individual who is a resident of the US under any US Law;
2. A corporation, partnership, limited liability company, collective investment vehicle, investment company, pooled account, or other business, investment, or legal entity:
 - a. created or organised under US Law;
 - b. created (regardless of domicile of formation or organisation) principally for passive investment (e.g. an investment company, fund or similar entity excluding employee benefit or pension plans):
 - i. and owned directly or indirectly by one or more USPs who hold, directly or indirectly, in aggregate a 10% or greater beneficial interest, provided that any such USP is not defined as a Qualified Eligible Person under CFTC Regulation 4.7(a);
 - ii. where a USP is the general partner, managing member, managing director or other position with authority to direct the entity's activities;
 - iii. where the entity was formed by or for a USP principally for the purpose of investing in securities not registered with the SEC unless such entity is comprised of non-natural Accredited Investors; or
 - iv. where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned by USPs.
 - c. that is an agency or branch of a non-US entity located in the US; or
 - d. that has its principal place of business in the US;
3. A trust created or organised under US Law. A trust (regardless of domicile of formation or organisation) where:
 - a. any settlor, founder, trustee, or other person responsible in whole or in part for investment decisions for the trust is a USP;
 - b. the administration of the trust or its formation documents are subject to the supervision of one or more US courts; or
 - c. the income of which is subject to United States income tax regardless of source.
4. An estate of a deceased resident of the United States at the time of death or the income of which is subject to United States income tax regardless of source. An estate of a deceased person, regardless of the deceased person's residence while alive, where an executor or administrator having sole or shared investment discretion is a USP or the estate is governed by US Law.
5. An employee benefit or pension plan established and administered in accordance with US Law. An employee benefit or pension plan established for employees of a legal entity that is a USP or has its principal place of business in the US.
6. A discretionary or non-discretionary or similar account (including a joint account) where one beneficial owner is a USP or held for the benefit of a USP. A discretionary or similar account held by a dealer or fiduciary organised in the US.

If, subsequent to a Shareholder's investment in the Company, the Shareholder becomes a US Person, such Shareholder (i) will be restricted from making any additional investments in the Company and (ii) as soon as practicable have its Shares compulsorily redeemed by the Company (subject to the requirements of the Bye-laws and the applicable law).

The Company may, from time to time, waive or modify the above restrictions.

US Person**Valuation Point**

in relation to a Fund or any Class of Shares, has the meaning set out in the Supplements to this Prospectus. The Valuation Point for new Funds or Classes of Shares will be decided by the Directors at the time of creation of such Funds or Classes of Shares;

3. Part One

3.1. The Funds

The Supplements to this Prospectus contain particulars relating to the Funds of the Company existing on the date of this Prospectus. The Directors may create and add other Funds and Classes of Shares in the future, without Shareholder approval. Each Class of Share in a Fund may have different characteristics including, without limitation, dividend policies, redemption terms, fee structures and the Minimum Initial Subscription. Details of the specific provisions applicable to a Fund and the Classes of Shares associated therewith are set out in the applicable Supplement to this Prospectus.

4. General Fund Information

4.1. Investment Objective and Policies

The investment objective and policy for each Fund is detailed in the Supplements to this Prospectus.

The return to Shareholders in a particular Fund will be determined by the performance of the portfolio of investments held by the relevant Fund and the techniques and instruments used in relation to that Fund. There can be no assurance that the investments of the Funds will be successful or that the objectives of the Funds will be attained.

4.2. Investment Restrictions

The Bye-laws contain no restrictions on the investment powers of the Directors in respect of the Funds. However, the Directors intend that the Company shall not for the account of any Fund:

- i. make investments which will result in the Company exercising legal or management control of any underlying investments;
- ii. acquire any asset or investment which would involve the assumption of unlimited liability (which does not include market related activity such as short sales) unless a corresponding hedge transaction is entered into in respect to that asset or investment; and
- iii. make loans (except to the extent that the acquisition of an investment might constitute a loan) or guarantee the repayment of loans other than the making of deposits with the Banker or any bank or deposit-taking institution approved by the Banker.

The Manager shall not in any case be obliged to reduce any holding if any such limit were exceeded owing to the appreciation or depreciation of investments, the receipt of profits, bonuses or benefits in the nature of capital, any scheme of arrangement or amalgamation, reconstruction, conversion or exchange, any redemption of Shares or fluctuations in exchange rates. However, if these limits are exceeded, the Manager may not add further to such investments.

4.3. Subscriptions and Minimum Holdings

Investors purchasing Shares for the first time should complete the relevant application form obtainable from the Administrator, the Banker or the Company and forward it to the Administrator or Banker by hand, post or email in accordance with the details set out in the relevant application form by the applicable Dealing Deadline for the applicable Fund as set out in the relevant Supplement. Investors who send the duly completed application form via email must also forward the original application form to the Administrator or Banker, as appropriate, together with all referenced supporting documentation including but not limited to any and all money laundering prevention information ("AML Information") by no later than the applicable Dealing Deadline. In the event of a delay or failure on the part of the investor in producing any required AML Information, the Banker, the Company and/or the Administrator may refuse to accept the application for Shares or delay processing the application until such time as all required AML Information has been duly received and reviewed for and on behalf of the Company. In the event of a refusal to accept the application for Shares, any funds received from the investor will be returned, without interest, in due course to the account from which they were originally debited or dealt with in accordance with Bermuda law. Subsequent investments may be made by post or email. In the case of a subsequent subscription, original versions of the application are not required.

Except as set out herein, applications received by the Administrator or the Banker up to the applicable Dealing Deadline will be dealt with on the applicable Dealing Day. Any applications received after the relevant Dealing Deadline will be dealt with on the following Dealing Day. The Company reserves the right to refuse applications for subscriptions at its discretion.

Shares are issued at a subscription price based upon the Net Asset Value per Share of the relevant Class as at the applicable Dealing Day.

Retail Investors are required by the Banker, as a distributor of the Company Shares, to hold their interest in Shares with respect to each Fund through a third party as their shareholder custodian for such shareholding. The Banker will assist with the establishment of a shareholder custody account with the shareholder custodian. The Banker will, on behalf of Retail investors, conduct all dealing in Shares through such shareholder custody account.

It should be noted that Shares acquired through the Banker and held by a shareholder custodian on behalf of Retail Investors, will be registered in the name of the shareholder custodian and not the Retail Investor. All rights in respect of those Shares will be exercisable against the Company only through the shareholder custodian. The Company will deal with the shareholder custodian as the registered Shareholder.

See the Supplements to the Prospectus for further details concerning the terms of issue and related information specific to a Fund and a Class of Share of the Company. Any stated Minimum Initial Subscription, Minimum Holding or Minimum Subsequent Transaction Level applicable to a Fund or Class of Shares may be waived, increased or reduced in the sole discretion of the Directors either generally or in any particular case.

A placing fee of up to five percent of the aggregate subscription amount is payable on subscription. This fee may be altered or waived at the discretion of the Manager. The subscription price together with the placing fee is payable in cleared funds, in full, on application.

Shares may not be issued during any period when the calculation of the Net Asset Value per Share of the relevant Fund is suspended in the manner described under "Suspension of Determination of Net Asset Value". Applicants for Shares will be notified of such suspension and, unless withdrawn, their applications will be effected as at the next Dealing Day following the ending of such suspension.

In circumstances where the Manager considers there to be a lack of liquidity in relation to the underlying investments, which may occur on the day immediately preceding or immediately following public holidays, the Directors may in their absolute discretion determine to suspend dealing and as a result no subscription or redemption requests will be processed. Where possible, Shareholders will be notified of affected days in advance. Such requests will be dealt with on the next following Dealing Day.

The number of Shares allocated will be rounded to the nearest one thousandth of a Share.

Subscription proceeds will normally be required to be sent via wire transfer to be received by the applicable Settlement Date. The Company has the right to cancel any subscription for Shares when not paid for in full as set out herein. The applicant remains liable for any loss incurred by the Company in the case of non-settlement.

4.4. Redemptions

A duly completed request to redeem Shares should be addressed to the Administrator and may be made by post, email and must be received by the Administrator by no later than the applicable Dealing Deadline in order to be dealt with as of that Dealing Day. Redemption requests received after the Dealing Deadline will be held over and processed on the next occurring Dealing Day. Redemption requests will not be processed until the duly completed redemption request form and supporting documentation have been received and cleared.

The Directors may, from time to time, for any Fund and/or Class of Shares set a required minimum aggregate dollar amount which must remain invested by an investor in such Fund and/or Class of Shares (the "Minimum Holding"). Where a Shareholder's Minimum Holding falls below this threshold amount, the Manager may cause notice to be delivered to such Shareholder either; (i) requiring it to convert its investment in the Fund and/or Class of Shares into an alternate Fund and/or Class of Shares with a reduced or no Minimum Holding; or (ii) notifying such Shareholder of the Manager's intent to cause the compulsory redemption of such below Minimum Holding as at a certain date.

Shares will be redeemed at the Net Asset Value per Share of the relevant Class of Shares in a Fund determined as of the relevant Valuation Point for such Dealing Day.

Retail Investors are required by the Banker, as a distributor of the Company Shares, to hold their interest in Shares with respect to each Fund through a third party as their shareholder custodian for such shareholding. The Banker will assist with the establishment of a shareholder custody account with the shareholder custodian. The Banker will, on behalf of Retail investors, conduct all dealing in Shares through such shareholder custody account.

It should be noted that Shares acquired through the Banker and held by a shareholder custodian on behalf of Retail Investors, will be registered in the name of the shareholder custodian and not the Retail Investor.

Settlement of redemption proceeds (other than in respect of a redemption pursuant to a standing request) will be made by wire transfer by the Settlement Date (as defined in the relevant Supplement). Payment will be made in the Base Currency of the relevant Fund to the Shareholder's bank account designated in its subscription documents. A Shareholder may change the designated bank account by providing a written original request to the Banker in advance of tendering a redemption request, in such form as the Banker may approve from time to time.

The Directors have power on any redemption to divide in specie the whole or any part of the assets of the relevant Fund and to distribute such assets in satisfaction or part satisfaction of the payment of redemption proceeds.

Shares may not be redeemed during any period when the calculation of the Net Asset Value per Share of a Fund is suspended. Shareholders requesting redemption will be notified of such suspension and, unless the redemption request is withdrawn by the Shareholder, the redemption will be effect, following the lifting of the suspension, as at the next Dealing Day.

In circumstances where the Manager considers there to be a lack of liquidity in relation to a Fund's underlying investments, which may occur on the day immediately preceding or immediately following public holidays, the Directors may in their absolute discretion refuse to accept redemption requests for such day or days. Where possible, Shareholders will be notified of such treatment in advance and the redemption requests, unless revoked by the Shareholder, will be dealt with on the next following Dealing Day.

The Manager reserves the right to charge a Redemption Fee of 0.25% when switching investments for a Shareholder between different Funds. Any Redemption Fee charged shall be paid by deducting the amount of such fee from the redemption proceeds otherwise payable to the Shareholder and such Redemption Fee shall be retained by the relevant Fund.

4.5. Switching

Shareholders will be able to exchange their Shares in one Class of Shares in a Fund for Shares of the same or another Class in the same or another Fund of the Company (the "Target Fund") as long as there is a common Base Currency as between the applicable Funds and Classes. Instructions to switch Shares must be sent to the Administrator or the Banker by hand, post, email and, where Shares are held jointly, must be given by all joint Shareholders, if applicable. Instructions should include full registration details together with the number of Shares to be switched between the named Funds and Classes, as applicable.

Switching instructions received up to the applicable Dealing Deadline for the Target Fund will be processed on the applicable Dealing Day. Instructions received after the applicable Dealing Deadline for the Target Fund will be processed on the next applicable Dealing Day.

The number of Shares to be issued as a result of a switch will be rounded up or down to the nearest one thousandth of a Share.

A request to switch Shares in one Fund and/or Class for Shares into another Fund and/or Class (whether as an initial investment into a new Fund or otherwise) may only be made if the value of the Shares to be exchanged is equal to or exceeds the Minimum Initial Subscription or Minimum Holding, as the case may require, for the Target Fund and further provided any Shares remaining invested in the original Fund and/or Class meets the applicable minimums for such Fund and/or Class.

The rate at which all or any part of a holding of Shares of any Fund and Class (the “Original Class”) will be converted into Shares of the Target Fund will be determined in accordance (or as nearly as may be in accordance) with the following formula:

$$A = \frac{B \times (RP - CF)}{SP}$$

where:

A is the number of Shares of the new Shares of the Target Fund to be issued;

B is the number of Shares of the Original Class to be converted;

CF is the Redemption Fee applicable to the Original Class of up to 0.25 per cent of the RP;

RP is the Redemption Price per Share of the Original Class determined for the relevant Dealing Day; and

SP is the Subscription Price per Share of the Target Fund determined for the relevant Dealing Day and excludes the placing fee of up to 5 per cent, which is waived on switching.

4.6. Compulsory Redemption

The Bye-laws of the Company empower the Directors in their sole and absolute discretion to compulsorily redeem all or a portion of a Shareholder’s Shares at any time for any reason, at the relevant redemption price per Share. The Directors anticipate exercising such powers if, among other things, as a result of any transfer or redemption, a Shareholder’s holding of Shares falls below a Net Asset Value equal to the Minimum Holding of the relevant Class of Shares, or if to do so, in the Directors’ sole opinion, would eliminate or reduce the exposure of the Company or any Fund or its Shareholders to adverse tax consequences under the laws of any country or if the acquisition or holding of Shares might be expected to prejudice, or risk prejudicing, in any way the Company, any Fund or the Shareholders. The Directors are required by the Company’s Bye-laws to give 30 days’ written notice to Shareholders before exercising this power.

4.7. Borrowing Powers and Investment Restrictions

The Bye-laws of the Company contain no restrictions on the investments or borrowing powers of the Directors in respect of any Fund.

Although the Company does not currently intend to leverage its portfolio through borrowing, it is authorized to directly borrow up to 10 per cent of the value of the net assets of a Fund from banks and other financial institutions in order to meet requests for redemption or when funds are required for investment. Assets of the Company may be pledged to such lenders as security for such loans. Money borrowed will be subject to interest and other costs (which may include commitment fees and/or the cost of maintaining minimum average balances), which may or may not exceed the income received from the instruments purchased with borrowed funds. The use of margin accounts by the Company in connection with portfolio transactions entered into for the account of any of its Funds is also a form of leverage. Additionally, the Company may invest in collective investment schemes and/or mutual funds or similar entities which may use leverage through borrowing.

4.8. Risk Warnings

4.8.1. General

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities or other instruments and there can be no assurance that any appreciation in value of investments will occur. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. An investment should only be made by those persons who are able to sustain a loss on their investment.

There can be no guarantee that the investment objective of a Fund will actually be achieved. An investment in any of the Funds is not guaranteed.

It should be noted that an investment in a Fund is different in nature from a bank deposit. In particular investors should note that the principal value of assets of a Fund is capable of fluctuation and therefore there is no guarantee that a stable net asset value will be maintained.

Shareholders may not recoup the original amount invested in a particular Fund. The risk factors relating to the Funds are set out in the Supplements to the Prospectus.

4.8.2. Credit Risk

An issuer that a Fund is exposed to may default and not make payments on all securities potentially leading to a Fund incurring a loss of principal. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell, which could adversely affect a Fund's principal value.

Additionally, while it is intended that the Fund will be invested in securities which have the credit rating as set out within the Supplement to the Prospectus of the relevant Fund, there may be market conditions which lead to a wider downgrade of credit ratings affecting some or all of those securities including government issued securities. In such circumstances, the Company shall take such action as it considers appropriate and in the best interest of Shareholders taking into account relevant advice and any guidance or direction from any regulatory authority (where applicable). If a counterparty is subsequently downgraded below the minimum rating and the Company believes it is in the best interests of the Shareholders in the relevant Fund, the exposure may continue to be held.

4.8.3. Derivative Risk

Derivatives (such as swaps) are highly specialised instruments that require investment techniques and risk analyses different from those associated with equities and debt securities. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a derivative transaction adds to a portfolio. In an environment of interest rate volatility, derivative instruments, such as interest rate swaps, may be used in order to hedge a Fund against large variations of the market value. These instruments will be used for hedging interest rate risks purposes only. There can be no guarantee or assurance that the use of derivatives will meet or assist in meeting the investment objectives of a Fund.

Where a Fund enters into derivative techniques, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that on-going derivative transactions will be terminated unexpectedly as a result of events outside the control of the Investment Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Manager's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, a Fund's investment objective.

A Fund may utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps and options for efficient portfolio management. These instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

4.8.4. Conflict of Interest

Investors should refer to the section entitled "Conflicts of Interest" below for further details.

4.8.5. Legal Risk

Legal risk is the risk of loss due to unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly in the context of financial derivative instruments.

4.8.6. Counterparty and Settlement Risk

Settlement risk occurs when a transaction is not completed as duly agreed between the parties. This may be due to an error or omission in the necessary settlement, clearing or registration processes or due to the lack of creditworthiness of one of the parties to the transaction.

Counterparty risk occurs when a party to a contract fails to honour and defaults on its obligations thereunder. Funds which are party to these risks can incur considerable losses.

4.8.7. Market and Liquidity Risk

Trading counterparties may from time to time refrain from making a market in a particular financial contract or instrument, with the result that those persons already holding such a contract or instrument are unable to liquidate their exposure. Such characteristics can lead to considerable losses being incurred by those exposed to such instruments.

4.8.8. Correlation Risk

A Fund may utilize forward contracts and currency options to seek to hedge against fluctuations in the relative values of a Fund's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for a Fund to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Fund is not able to enter into a hedging transaction at a price sufficient to protect the Fund from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

4.8.9. Currency Transactions

A Fund may engage in currency transactions in order to hedge instruments not denominated in its Base Currency. In this regard, spot transactions and forward contracts are subject to the risk that counterparties will default on their obligations. Since a forward contract is not guaranteed by an exchange or clearinghouse, a default on the contract would deprive a Fund of the hedging benefits of the contract and force a Fund to cover its purchase or sale commitments, if any, at the current market price. The Company, on behalf of a Fund will not enter into such transactions unless the credit quality of the unsecured senior debt or the claims-paying ability of the spot or forward contract counterparty thereto is rated 'A' or better by both Standard & Poor's and Moody's.

4.8.10. Currency of Reference

Depending on the investor's currency of reference, currency fluctuations may adversely affect the value of an investment.

4.8.11. Suspension of Valuation

The ability to subscribe for, or redeem Shares may be affected by a temporary suspension of the determination of the Net Asset Value of a Fund which may take place upon the occurrence of certain events as described under "Temporary Suspension of Determination of Net Asset Value".

4.8.12. Segregation of Assets and Liabilities between Funds and the Classes and Winding Up

Each Fund and Class (and any other Fund and/or Class maintained from time to time) of the Company is not a separate legal entity. The Company will, in its books and records, segregate the assets and liabilities of each Fund and Class attributable to it, as the case may require. Whilst the Company may segregate the assets and liabilities attributable to each Fund and Class it maintains in its books and records, any third party creditor will be a creditor of the Company as the legal entity and if the Company defaults under any liability owed to one or more third parties where the relevant liability is attributable to a particular Fund and or Class, such third party or third parties will have recourse to all the assets of the Company (i.e. the assets attributable to all Funds and Classes, and not just the assets of the Fund and/or Class to which the relevant liability is attributable in the books and records of the Company) to satisfy such liability or liabilities.

In the event of the Company being wound up, the Bye-laws provide that the liquidator will apply the assets of the Company in satisfaction of creditors' claims in such manner and order as it thinks fit. The liquidator shall in relation to the assets available for distribution among shareholders make in the books of the Company such transfers thereof to and from each Fund as may be necessary in order that the effective burden of such creditors' claims may be shared between the holders of Shares of each of the Fund in such proportions as the liquidator in his absolute discretion may think equitable having regard to the above provisions. The assets available for distribution among the Shareholders shall then be applied in the following priority:

- i. first, in the payment to the holders of Shares in each Class and/or Fund, a sum equal to the par value of the Shares of such Class and/or Fund held by such holders, provided that there are sufficient assets attributable to the relevant Class and/or Fund to enable such payment to be made;
- ii. second, in payment to the holders of Shares in each Class and/or Fund, a sum equal to the balance (if any) then remaining and attributable to such Class and/or Fund, such sum then being allocated, pro rata, to each Class and/or Fund based on their respective aggregate Net Asset Values and then paid in proportion to the number of Shares held in the relevant Class and/or Fund; and
- iii. third, in the payment to the holders of Shares in each Class and/or Fund, a sum equal to any remaining balance which is not attributable or allocated to any Class and/or Fund, such sum then being allocated, pro rata, to each Class and/or Fund based on their respective aggregate Net Asset Values and then made in proportion to the number of Shares held in the relevant Class and/or Fund.

4.8.13. Changes to Share Value

The value of the Shares, a Class and a Fund and the income from them may fall as well as rise, and Shareholders may not get back the amount they originally invested. For all Classes and Funds, changes in exchange rates may cause the value of Shares to go up or down.

4.8.14. Political and/or Regulatory Risks

The value of the assets of a Class and a Fund may be adversely affected by uncertainties such as international political and economic developments and change in market conditions, government policies and in legal, regulatory and tax requirement.

4.8.15. Foreign Account Tax Compliance Act (FATCA)

Please see the following Tax section for further details on how FATCA could affect your investment.

4.8.16. Pandemic Risk

An outbreak of an infectious disease, pandemic or any other serious public health concern could occur in any jurisdiction in which a Fund may invest, leading to changes in regional and global economic conditions and cycles which may have a negative impact on the Fund's investments and consequently its Net Asset Value. Any such outbreak may also have an adverse effect on the wider global economy and/or markets which may negatively impact a Fund's investments more generally. In addition, a serious outbreak of infectious disease may also be a force majeure event under contracts relating to the Company thereby relieving a counterparty of the timely performance of the services such counterparties have contracted to provide to the Funds (the nature of the services will vary depending on the agreement in question).

4.8.17. No Investment Guarantee Equivalent to Deposit Protection

Investment in a mutual fund company is not the same as a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

4.8.18. Legal Requirements

Persons interested in purchasing Shares should inform themselves as to (a) the legal requirements within their own countries for the purchase of Shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase, switching and redemption of Shares.

4.8.19. Sanctions Risk

The Company is required to comply with applicable requirements of international financial sanctions, in particular, in relation to the application of such international financial sanctions to its investors.

4.8.20. Legal Risk

Legal risk is the risk of loss due to unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly in the context of financial and or other derivative instruments.

4.9. Taxation

The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or

otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this Prospectus and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

4.9.1. Bermuda Taxation

The Company

At the date of this Prospectus, there is no Bermuda income, corporation, or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or its Shareholders, other than Shareholders ordinarily resident in Bermuda. The Company is not subject to stamp duty on the issue, transfer or redemption of its Shares. The Company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act, 1966 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until 31 March 2035 be applicable to the Company or to any of its operations, or to the Shares, debentures or other obligations of the Company except in so far as such tax applies to persons ordinarily resident in Bermuda and holding such Shares, debentures or other obligations of the Company or any land leased or let to the Company.

As an exempted company, the Company is liable to pay in Bermuda a registration fee based upon its authorized share capital, currently BD\$4,315 per annum.

The Company has been classified as non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority whose permission for the issue of Shares in the Company has been obtained. The transfer of Shares between persons regarded as non-resident of Bermuda for exchange control purposes and the issue and redemption of Shares to or by such persons may be effected without specific consent.

Any person regarded as resident in Bermuda for exchange control purposes may require specific authorization under that Act. The Company, by virtue of being non-resident of Bermuda for exchange control purposes, is free to acquire, hold and sell any foreign currency and securities without restriction.

Prospective purchasers should consult their own tax advisers in the countries of their nationality, citizenship, residence, domicile, ordinary residence and place of business to determine the possible tax or other consequences of purchasing, holding and redeeming shares of the Company under the laws of their respective jurisdictions.

Foreign Account Tax Compliance Act (FATCA)

The US. Foreign Account Tax Compliance Act ("**FATCA**") provisions of the Hiring Incentives to Restore Employment Act of 2010 require certain foreign financial institutions (**FFIs**) (which may include the Company) to enter into an agreement with the U.S. Internal Revenue Service (**IRS**) to disclose to the IRS the name, address, tax identification number, and other specified information of certain U.S. and non-U.S. persons who own a direct or indirect interest (a "financial account") in the FFI, and to withhold on certain investors that fail to provide such information, or otherwise be subject to a 30% withholding tax with respect to certain U.S. source income (including interest and dividends) and gross proceeds from any sale or distribution of property that can produce U.S. source dividends and interest ("withholdable payments") and "pass thru" payments (generally withholdable payments and payments that are attributable to withholdable payments) made by FFIs. Further, if the Company is not characterized as an FFI, it may be characterized as a passive non-financial foreign entity, in which case it may be subject to such 30% withholding tax on certain payments unless it either provides information to withholding agents with respect to its "substantial U.S. owners" or makes certain certifications. The regulations issued under FATCA provide that the FATCA withholding tax is currently imposed with respect to payments of U.S. source income but will not be imposed with respect to pass

thru payments before the date that is two years after the date of publication of final regulations defining the term "foreign pass thru payment."

The Bermuda government has entered into a Model 2 Intergovernmental Agreement (an "IGA") with the United States to facilitate the implementation of FATCA. Under the Model 2 IGA, the Company has registered with the IRS and is subject to the requirements of FATCA, including due diligence, reporting and withholding. Assuming registration and compliance pursuant to the Model 2 IGA, an FFI would be treated as compliant with FATCA and not subject to withholding.

The Company may be subject to the requirements imposed on foreign financial institutions or passive non-financial foreign entities under FATCA and will use reasonable efforts to avoid the imposition of a withholding tax under FATCA, which may include entering into an agreement with the IRS. In this event, a Shareholder will be required to provide any information, tax documentation and waivers that the Company determines are necessary to avoid the imposition of such withholding tax. The ability of the Company to satisfy such obligations will depend on each Shareholder providing, or causing to be provided, any information, tax documentation and waivers, including information concerning the direct or indirect owners of such Shareholder, that the Company determines are necessary to satisfy such obligations. The Shareholder understands that the Board may compulsorily redeem the Shares of any Shareholder who does not provide this information. Furthermore, if the Shareholder fails to provide such information upon request, the Shareholder acknowledges and agrees that the Company may specially allocate any withholding penalties or other costs or expenses incurred by the Company to the Shares held by the Shareholder.

Companion provisions of FATCA may require individual holders of Shares to annually report with their U.S. federal income tax returns certain information with respect to the Shares issued by the Company (a "specified foreign financial asset") on IRS Form 8938 ("Statement of Specified Foreign Financial Assets").

Common Reporting Standard

The Standard for Automatic Exchange of Financial Account Information in Tax Matters (commonly referred to as the "**Common Reporting Standard**" or "**CRS**") is a regime developed by the Organization for Economic Co-operation and Development ("OECD") to facilitate and standardize the exchange of information on residents' assets and income, primarily for taxation purposes, between numerous jurisdictions around the world ("participating foreign jurisdictions"). Bermuda is a signatory to The Multilateral Convention on Mutual Administrative Assistance in Tax Matters which permits participating foreign jurisdictions to enter into agreements that provide for the automatic exchange of information with respect to certain tax matters. On October 29, 2014, Bermuda signed The Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the "MCAA") which provides the legal basis through which participating foreign jurisdictions can agree to the CRS. Bermuda, together with over 90 other participating foreign jurisdictions, has committed to implement CRS with effect from January 1, 2016 and as a result, the Company is required to identify accounts held directly or indirectly by residents in participating foreign jurisdictions and to report information on such persons to the relevant tax authority in Bermuda, which will then exchange such information annually with foreign fiscal authorities.

Other Jurisdictions

The central management and control and the day-to-day management of the Company are undertaken in Bermuda and it is not intended that the Company will operate in such a manner as to be engaged in a trade or business, directly or through a branch or agency, in any other jurisdiction. Accordingly, it is not expected that the Company will be subject to foreign taxation other than withholding taxes on certain investment income.

4.10. Net Asset Value

The subscription and redemption price of a Share is determined at the applicable Valuation Point and is calculated by reference to the value of the net assets attributable to the relevant Class within the relevant Fund, subject to the valuation policies described below.

Where at the relevant time there are no Shares of the relevant Class in issue, the subscription price shall be such amount in the underlying Base Currency as the Directors shall determine.

The assets of a Fund comprise the aggregate of:

1. investments owned or contracted to be acquired by the Fund;
2. cash on hand or on deposit, including accrued interest on such deposits;
3. cash payments outstanding on any Shares allotted by the Fund;
4. bills and demand notes and amounts receivable including net amounts receivable in respect of investments contracted to be realised by the Fund;
5. interest accrued on interest-bearing investments of the Fund, except that accrued on securities which is included in the quoted price; and
6. other property and assets of any kind and nature of the Fund, including prepaid expenses and unamortised preliminary expenses as valued and defined from time to time by the Directors.

The liabilities of a Fund are deemed to include:

1. investments contracted to be sold by the Fund;
2. bills and accounts payable by the Fund;
3. management and administrative expenses payable and/or accrued (the latter on a day-to-day basis) in respect of the Fund;
4. the gross acquisition consideration of investments or other property contracted to be purchased by the Fund;
5. reserves authorised or approved by the Directors for duties and charges or taxes or contingencies (accrued where appropriate on a day-to-day basis);
6. the aggregate amount of all borrowings and interest commitment fees and other charges of the Fund arising in connection therewith (accrued where appropriate on a day-to-day basis); and
7. other liabilities of the Fund of whatsoever nature (which shall, where appropriate, be deemed to accrue from day to day), including outstanding payments on any Shares previously redeemed and, as from the record date in respect thereof, any dividends declared and not paid (contingent liabilities, if any, being valued in such manner as the Directors may determine from time to time or in any particular case).

The value of the net assets of a Fund is determined in accordance with the Bye-laws of the Company which also provide, **inter alia**, that:

1. the Directors at their absolute discretion may permit some other method of valuation to be used if they consider that such valuation better reflects the fair value of any investment or investments;
2. the value of any cash in hand or on deposit, bills and demand notes and amounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Directors shall have determined that the same is not worth the full amount thereof, in which event the value thereof shall be such as the Directors deem to be the reasonable value thereof;
3. the preliminary expenses of the Company have already been amortised. The preliminary expenses of any additional Fund are to be amortised over a maximum period of five years from the launch of the relevant Fund and are to be included as an asset valued at cost, less amounts amortised;
4. where a Fund has entered into a forward contract for the sale or purchase of currency, the currency required to be delivered by the relevant Fund shall be included in the assets of the relevant Fund at the price payable to the relevant Fund under such contract and there shall be included in the liabilities of the relevant Fund the cost of

purchasing as advised to the Fund for the relevant Dealing Day, the contract quantity of that currency on the date for performance of the contract; and

5. any value (whether of a security or of cash) otherwise than in the underlying currency of the relevant Fund is to be converted into such currency at the rate (whether official or otherwise) which the Directors shall, in their absolute discretion, deem appropriate to the circumstances having regard, inter alia, to any premium or discount which they consider may be relevant and to costs of exchange.

The Bye-laws provide that any certification as to the Net Asset Value per Share given in good faith by or on behalf of the Directors is binding on all parties.

In each case, Shares will be sold and redeemed after declaring dividends of substantially all of the Funds' net investment income and net realized investment gains attributable to the Shares daily and by valuing the Company's investments using the amortized cost method. Under this valuation method, the Company's investments are valued at their acquisition cost as adjusted for amortization of premium or accretion of discount rather than at current market value. The Manager will continually monitor any deviation between the value of assets using this method and the current market value and recommend changes, where necessary to ensure that the Company's investments are valued at their fair value as determined in good faith by the Directors. If material deviation occurs, the value of the assets will be adjusted. This method will only be used for investments with a residual maturity of less than 13 months and with a minimum credit rating of investment grade.

The Net Asset Value of any Class of Shares within a Fund is determined by taking the total value of the investments and other assets and income thereon within the relevant Fund attributable to that Class and deducting that Class' expenses and liabilities, in all cases in a manner determined by the Directors. The Net Asset Value per Share of any Class shall be calculated at the time of each determination by dividing the Net Asset Value of the relevant Class by the number of Shares of the relevant Class outstanding.

4.11. Temporary Suspension of Determination of Net Asset Value

The Manager may suspend the determination of the Net Asset Value per Share of any Class for the whole or any part of a period during which any exchange or over-the-counter market on which any significant portion of the investments of a Fund are listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closings) or trading on any such exchange or market is restricted; when circumstances exist as a result of which in the opinion of the Manager it is not reasonably practicable for the Company to dispose of investments comprised in a Fund or as a result of which any such disposal would be materially prejudicial to Shareholders; when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or when for any other reason the value of any of the investments or other assets of a Fund cannot reasonably or fairly be ascertained; or during which the Company is unable to repatriate funds required for the purpose of making payments due on redemption of the Shares of the relevant Class or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemptions of the Share cannot in the opinion of the Manager be effected at normal rates of exchange.

No Shares may be issued, converted or redeemed during such period of suspension. The Directors will use their best endeavours to cause notice of their declaration of such suspension to be published and will cause another notice to be so published at the end of any such period of suspension.

4.12. Publication of Prices and Other Information

Details of the most recent subscription and repurchase price of Shares may be obtained from the Company and, where listed, will be notified by the Administrator without delay to the Bermuda Stock Exchange following calculation. They are also listed daily on <https://www.assetmanagement.hsbc.bm> and are available on Bloomberg.

5. Part Two

5.1. Management and Administration

5.1.1. Directors

The Directors of the Company are:

Faith A. Outerbridge, Bermudian, is the Head of HSBC Global Asset Management Bermuda. She originally joined The Bank of Bermuda Limited in 1993 as a Fund Manager, bringing the previously outsourced money market fund management in-house. She then progressed to the role of Senior Fund Manager in 2000 with oversight of all in house managed money market funds, including the sterling and euro funds. In 2003, she became the Director of Investment Management, an expanded role including oversight of all other non-liquidity in-house managed funds, most notably the fund of funds business. Ms. Outerbridge was promoted to the Regional CIO for Liquidity in 2006 and had oversight for the management of all liquidity funds managed in the Americas. She was promoted to her current role in April 2011. Prior to joining the bank, she worked at ACE Ltd and The Bank of Butterfield & Son, Limited. She obtained her BA in Administrative and Commercial Studies from the University of Western Ontario in 1989, her MBA from Dalhousie University in 1991 and her CFA designation in 1996.

Anthony T. Riker, British, is a Vice President and Head of the Middle Office, Commercial Banking, HSBC Bank Bermuda Limited. He graduated in 1982 from Boston University with a degree in Economics. Following graduation, Mr. Riker entered the management trainee program at The Bank of Bermuda Limited (the "Bank"), working in Internal Audit. He left the Bank in 1987 as an Audit Senior and went to work for Boston Safe Deposit and Trust Company as an Audit Officer. In 1992, he transferred to their London office to work as Credit Officer and Audit Manager. Mr. Riker returned to the Bank in 1993, where he has held various positions in the Alternative Fund Services group and Corporate Banking including Head of Sales, Senior Relationship Manager in Bermuda and Head of Corporate Banking at HSBC Bank (Cayman) Limited.

Julie E. McLean, British, is a Director in the Corporate Department of Conyers Dill & Pearman Limited in Bermuda, which she joined in 1993. Ms. McLean also spent two years in the Hong Kong office of Conyers Dill & Pearman specialising in the initial public offerings of Bermuda companies listed on the Hong Kong Stock Exchange. Ms. McLean has an LLB from the University of British Columbia and a BA from the University of Western Ontario.

Barry Harbison, British, is Americas Head of Liquidity Investment Specialists and has been working in the industry since 2006. Barry is responsible for representing HSBC Asset Management's Liquidity and Short Duration Fixed Income products to corporate and financial institution clients of HSBC in the Americas, acting as a subject matter expert on off-balance sheet cash investment solutions. Prior to joining HSBC in 2008, Mr. Harbison worked as an attorney at A&L Goodbody Solicitors (Dublin, Ireland) where he specialized in advising a variety of mutual funds. He holds a LL.B. (Hons) Bachelor of Laws from Queens University in Belfast, Northern Ireland.

Robin Masters, Bermudian, has over twenty years of diverse board experience with a strong background in the role of the board and the critical duties and responsibilities of an independent director. She is a Non-Executive Director of the Bermuda Monetary Authority, serves as an Independent Trustee of Legg Mason funds. She chaired the Bermuda Government Public Funds Investment Committee 2013 - 2017 and has served on the board of a number of non-profits in Bermuda. She received the Chartered Financial Analysts (CFA) designation in 1992, is a member of the CFA Institute and serves on the board of CFA Society Bermuda. She retired as Chief Investment Officer and Treasurer of ACE Limited in May 2000.

No director has:

1. had any unspent convictions in relation to indictable offences; or
2. been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or

3. been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company. For the purposes of the Prospectus, the address of all the Directors is the registered office of the Company.

5.1.2. Investment Manager

The Directors of the Company are responsible for the overall investment policy and administration of the Company and the Fund.

The Company has delegated the powers of determining investment policy and investment management of the Company in of each of the Funds to HSBC Global Asset Management (Bermuda) Limited (the “Manager”) pursuant to the terms of the investment management agreement, further details of which are contained under “Material Contracts”.

In addition, the Manager shall be responsible for supervising the administration of the Company. The Manager is a wholly owned subsidiary of HSBC Bank Bermuda Limited.

5.1.3. Custodian

The Company has appointed HSBC Continental Europe to act as the Custodian to the Company pursuant to the custodian agreement.

5.1.4. Administrator and Registrar

The Company has appointed HSBC Securities Services (Bermuda) Limited to act as administrator, registrar and transfer agent of the Company.

5.1.5. Auditors

KPMG Audit Limited, have been appointed auditors to the Company. This appointment is subject to approval at each annual general meeting.

5.2. Meeting and Reports to Shareholders

The Directors intend that the annual general meeting of Shareholders will be held in Bermuda within each calendar year.

The financial year of the Company ends on 30th June each year.

The annual report of the Company incorporating audited financial statements (made up to 30 June in each year) are available at the registered office of the Company and will be sent to Shareholders upon request. Annual general meetings will usually be held in Bermuda on such date as the Directors may determine. Notices convening each annual general meeting will be sent to the Shareholders not later than 21 days before the date fixed for the meeting with a cover letter providing a website link to the accounts. The financial statements of the Company will be maintained in US Dollar and comprise the accounts of each Fund.

5.3. Conflicts of Interest

The Directors, the Manager, the Administrator and the Custodian may from time to time act as director, manager, custodian, registrar, broker, administrator, investment advisor or dealer in relation to, or be otherwise involved in, other investment funds established by parties other than the Company. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Company, particularly if such other investment funds have similar objectives to those of the Company. The Directors and the Manager will, at all times, have regard in such event to their respective obligations to the Company and will endeavor to ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with the Company, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. The Directors and the Manager or any of their respective affiliates or any person connected with them may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Company. Neither the Manager nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Company and other clients.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Company.

The Directors will seek to ensure that any conflict of interest of which they are aware is resolved fairly.

5.4. Fees, Charges and Expenses

5.4.1. Management Fees

The charges and expenses of the Manager which will be paid by the Company out of the assets of each Class within a Fund as set out in the particular Supplement for each such Fund.

5.4.2. Directors Fees

Each Director is entitled to receive from the Company a fee at such rate as may be determined from time to time by the Board of Directors provided such remuneration shall not exceed an aggregate amount of US\$30,000 in any financial year without the prior consent of Shareholders in a general meeting. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending meetings of the Company.

5.4.3. Other Expenses

The following expenses shall be borne by the Company: -

1. Directors, audit, legal, regulatory and out of pocket reasonable fees and expenses; and
2. Interest on borrowings and bank charges incurred in negotiating, effecting or varying the terms of such borrowings.

6. General Information

6.1. Incorporation and Share Capital

HSBC Specialist Funds Limited, formerly All Points Absolute Return Funds Limited, is a mutual fund company incorporated with limited liability and with unlimited duration in Bermuda on 5 September 2001 in accordance with The Companies Act 1981. The name of the Company was changed to HSBC Specialist Funds Limited on 5 January 2005.

6.2. Description of Shares

The present authorized share capital of the Company is US\$9,999,900 consisting of 100 founders' shares of US\$.01 par value. The founders' shares have been issued, and are owned by, the Manager. The founders' shares are not entitled to vote unless there are no other Shares in issue, are not entitled to any dividends and, in the event of a winding-up or of dissolution of the Company, whether voluntary or involuntary or for the purposes of a reorganization or otherwise or upon distribution of capital, shall be entitled, *pari passu* with the Shareholders, only to the amount paid up in respect of each founders' share. The common Shares have the rights and are issued and redeemed at prices described in this Prospectus. The Directors have the power at their discretion to create such number of Funds and Classes of Shares attributable thereto as they may determine. On the creation of a new Class or Classes of Shares, the Directors may either determine that such new Class or Classes shall relate to an existing Fund or Funds or may establish and maintain a Fund or Funds attributable to one or more such new Class or Classes of Shares and shall specify the Base Currency of such Fund or Funds.

Shares in the Company will be issued in non-certificated form and will be evidenced by entries in the register and confirmed by the issue of written confirmations of ownership.

6.3. Bye-laws

The following section is a summary of the principal provisions of the Bye-laws of the Company, not otherwise summarized in this document. Defined terms in this section bear the same meanings as defined in the Company's Bye-laws.

6.3.1. Variation of Class Rights

All or any of the special rights for the time being attached to any Class for the time being issued (of which there are none at present save as referred to herein) may (unless otherwise provided by the terms of issue of the Shares of the Class) from time to time be altered or abrogated with the sanction of a resolution passed by a majority of three-fourths of the holders of such Shares, voting in person or by proxy at a general meeting.

The rights attached to any Class shall (unless otherwise expressly provided by the conditions of issue of such Shares) not be deemed to be varied by the creation, allotment or issue of further Shares ranking *pari passu* therewith.

6.3.2. Voting Rights

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every Shareholder who, being an individual, is present in person or, being a corporation, is present by a duly authorised representative shall have one vote. On a poll every Shareholder present as aforesaid or by proxy shall have one vote for every Share held.

The Company will deal with any nominee service provider or shareholder custodian as registered Shareholder of the Company's Shares.

To be passed, resolutions of the Company in general meeting will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the votes cast by the Shareholders present in person or by proxy and (being entitled to vote) voting in general meeting is required in order to rescind, alter or amend a Bye-law or make a new Bye-law. Further, no Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made unless the same shall have been proposed at a meeting of the Directors.

6.3.3. Changes in Share Capital

The Company in general meeting may from time to time by resolution increase its capital, alter the share capital of the Company and reduce its share capital to such sum not less than US\$12,000.

6.3.4. Directors' Interests

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his/her office of Director, or may act in a professional capacity to the Company on such terms as the Directors may determine.

A Director, notwithstanding his/her interest, may be counted in the quorum present at any meeting at which he/she or any other Director is appointed to hold any such office or position of profit under the Company or at which the terms of any such appointment are arranged, and he/she may vote on any such appointment or arrangement other than his/her own appointment or the arrangement of terms thereof.

No Director shall be disqualified by his/her office from contracting with the Company in any capacity, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be voided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established, provided that the nature of his/her interest is disclosed by him in accordance with the Bye-laws. However, with certain exceptions, a Director shall not vote and shall not be counted in the quorum in respect of any contract or arrangement in which he/she is so interested and, if he/she shall vote, his/her vote shall not be counted.

6.3.5. Retirement of Directors

There is no provision for the retirement of Directors on their attaining a certain age.

6.3.6. Transfer of Shares

Shares in the Company are transferable by instrument in writing signed by the transferor provided that it would not result in either the transferor or the transferee being registered as the holder of Shares of any Class having a value of less than the Minimum Holding, subject to the Manager's sole and absolute discretion, in any particular case or generally, of the relevant Class of Shares.

6.3.7. Unclaimed Dividend

All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No dividend or distribution shall bear interest as against the Company.

6.3.8. Indemnities

No Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act of conformity or for any loss or expense to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgment, omission, default or oversight on their part or for any other loss, damage or misfortune whatever which shall happen in the

execution of the duties of their office or in relation thereto, unless the same happens through their own fraud or dishonesty.

Each Director, Secretary or other officer of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses which any such Director or officer may incur or become liable for by reason of any contract entered into, or act or thing done by him as such Director or officer, or in any way in the discharge of his/her duties, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company, and have priority as between the Shareholders over all other claims except as respects any such Director or officer where any such cost, loss or expense shall happen through his/her own fraud or dishonesty.

The Company has agreed to indemnify each of the Manager, the Custodian and the Administrator from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses and disbursements of any kind or nature whatsoever other than those (a) resulting from fraud, wilful misconduct or gross negligence on the part of the Manager and Administrator or any agent appointed by them; or (b) resulting from fraud, wilful misconduct or negligence on the part of the Custodian or any agent appointed by it which may be imposed on, incurred by or asserted against the Manager, Custodian or Administrator, as the case may be, in performing their respective obligations or duties under their respective agreements with the Company.

6.4. Material Contracts

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

6.4.1. Management Agreement

Under the Management Agreement between the Company and HSBC Global Asset Management (Bermuda) Limited, the Manager has agreed to provide the Company with investment management and advisory services in relation to the assets of the Company and to act with day to day authority, power and responsibility for the investment and reinvestment of such assets. The Management Agreement may be terminated by either party on not less than ninety (90) days written notice although in certain circumstances, the Management Agreement may be terminated forthwith by notice in writing by either party to the other. The Management Agreement also contains certain indemnities in favour of the Manager which are restricted to exclude matters arising by reason of the negligence, fraud, bad faith, willful misfeasance or willful default of the Manager in their performance of their duties.

6.4.2. Custodian Agreement

Under the Custody Agreement between the Company and the Custodian, the Custodian has agreed to act as Custodian of the Company's monies and assets. The Custodian is entitled to appoint sub-custodians for the safekeeping of the Company's assets in accordance with the terms of the Custody Agreement. The Custodian Agreement limits the liability of the custodian for losses suffered by the Company for actions or omissions of the custodian, in the absence of fraud, negligence or willful misconduct on the part of the Custodian. The Custody Agreement may be terminated by either party on not less than thirty (30) days' written notice to the other although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. The Custody Agreement contains certain indemnities in favour of the Custodian which are restricted to exclude losses arising by reasons of the Custodian's fraud, willful misconduct or negligence.

6.4.3. Administration Agreement

The Administrator is licensed by the Bermuda Monetary Authority under the Investments Fund Act 2006 and the Corporate Service Provider Business Act 2012 of Bermuda. Under the Administration Agreement between the Company, the Global Service Provider and the Administrator, the Administrator has agreed act as the corporate secretary, registrar and administrator of the Company and to provide a registered office and perform the Services (as defined in the Administration Agreement). The Administration Agreement limits the liability of the Administrator for

losses suffered by the Company for actions or omissions of the Administrator, in the absence of fraud, gross negligence or willful default on the part of the Administrator. The Administration Agreement may be terminated by either party on not less than ninety (90) days' written notice to the other although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude losses arising by reason of the Administrator's gross negligence, fraud or willful default.

6.5. Litigation and Arbitration

The Company is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company

6.6. Miscellaneous

There are no service contracts in existence between the Company and any of its Directors nor are any such contracts proposed.

No Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

At the date of this Prospectus neither the Directors nor their spouses nor their infant children, nor any connected person have any interest in the share capital of the Company or any options in respect of such capital.

No events have occurred subsequent to the date of the most recent audited financial statements of the Company and prior to the date of issue of this Prospectus which either provide material additional information relating to conditions that existed at the date of such audited financial statements or which cause significant changes to assets or liabilities relating to the Funds or which will or may have a significant effect on the future operations of any such Fund or the Company.

Ms. Faith A. Outerbridge is a Director of the Manager. The Manager receives the Management Fee as set out in this Prospectus.

The Auditors have given and have not withdrawn their written consent to the inclusion of their name in this Prospectus as having accepted the appointment as auditors and the references to them in the form and context in which they are included.

The Company does not have any subsidiaries.

The Manager will pay associates, including the Banker, commissions based on the total net asset values of Shares by any subscriber introduced to the Manager by such associates pursuant to an intermediary agreement entered into by the Manager and such associates.

Any notice or document may be given by the Company to any Shareholder either by delivering it to such Shareholder in person or by sending it to such Shareholder's address or to such other address given for the purpose. For this purpose, a notice or document may be sent by letter, mail, courier service, cable, telex, tele-copier, email or other mode of representing words in a legible form.

6.7. Documents for Inspection

Copies of the following documents are available for inspection, free of charge, during normal business hours on weekdays (except for Saturdays, Sundays and public holidays) at the registered office of the Company.

- ◆ Memorandum of Association and Bye-laws of the Company;
- ◆ the material contracts referred to above;
- ◆ the most recent Prospectus and Supplements;
- ◆ the latest audited financial accounts of the Company; and
- ◆ the Companies Act, 1981 (as amended) of Bermuda

7. Appendix 1

7.1. Directory – HSBC Specialist Funds Limited

Directors

Robin Masters
 Faith Outerbridge
 Anthony T. Riker
 Julie E. McLean
 Barry Harbison
 all c/o the Registered Office address of the Company

Secretary and Registered Office

HSBC Securities Services (Bermuda) Limited
 37 Front Street
 Hamilton HM 11, Bermuda

Manager

HSBC Global Asset Management (Bermuda) Limited
 37 Front Street
 Hamilton HM 11, Bermuda

Auditors

KPMG Audit Limited
 Crown House, 4 Par-la-Ville Road
 Hamilton HM 08, Bermuda

Custodian

HSBC Continental Europe
 1 Grand Canal Square
 Dublin 02 P820, Ireland

Administrator and Registrar

HSBC Securities Services (Bermuda) Limited
 37 Front Street
 Hamilton HM 11, Bermuda

Banker

HSBC Bank Bermuda Limited
 37 Front Street
 Hamilton HM 11, Bermuda

Bermuda Legal Advisers

Conyers Dill & Pearman Limited
 Clarendon House
 2 Church Street
 Hamilton HM 11, Bermuda

Bermuda Stock Exchange Listing Sponsor

Cohort Limited
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