

Charles Schwab Worldwide Funds PLC  
(The “Company”)

*Addendum*  
dated 6 June 2019  
to  
Prospectus  
dated 2 January 2019

This Addendum should be read in the context of and in conjunction with the general description of the Company contained in the prospectus dated 2 January 2019 (the “Prospectus”). Distribution of this Addendum is not authorised unless accompanied by a copy of the Prospectus. Words and expressions not specifically defined herein shall bear the same meaning as that attributed to them in the Prospectus.

**Change to the Board of Directors**

Marie Chandoha, Director of the Company, retired effective 1 April 2019 and Jonathan de St. Paer was elected as her replacement effective the same day. Accordingly, the following changes are made to the Prospectus:

1. Reference to Marie Chandoha on Page 2 of the Prospectus is deleted and replaced with Jonathan de St. Paer; and
2. Reference to Marie Chandoha and her biography on Page 31 of the Prospectus are deleted in and replaced with the following:

Jonathan de St. Paer serves as Director and Chief Executive Officer (April 2019-present), and President (October 2018-present) of Charles Schwab Investment Management, Inc., the Investment Manager to the Fund (“CSIM”). Mr. de St. Paer joined Schwab in 2003, and has held various roles in strategy, product management and product development throughout his tenure, most recently head of Product Development Product Management, Business Oversight and Governance. Prior to joining Schwab, he worked at McKinsey & Company, where he designed alternative investment strategies for institutional investors, led due diligence efforts for private equity firms, and developed turnaround strategies for multi-line businesses. Previously, Mr. de St. Paer worked in investment banking at Bear, Stearns & Co. Inc. He earned a Master of Business Administration with a major in finance from the Wharton School at the University of Pennsylvania and a Bachelor of Arts in Political Science from the University of California, San Diego.

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**Local agents**

As described in the Prospectus, the Company qualifies as a UCITS and has applied for recognition for marketing to the public in certain EU Member States. As further described in the Prospectus in this regard, the Manager has appointed Charles Schwab, U.K., Limited as the Company's local agent in the United Kingdom.

The Manager may appoint additional local paying agents and representatives in other countries, as required by local requirements. The fees and expenses payable to such local paying agents and representatives will be at normal commercial rates.

# *Charles Schwab Worldwide Funds plc*

## **Prospectus**

2 January 2019

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Schwab U.S. Dollar  
Liquid Assets Fund

An investment company with variable capital constituted as an umbrella fund under the laws of Ireland and authorised and regulated by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

**Manager** Charles Schwab Asset Management (Ireland) Limited

**Investment Manager** Charles Schwab Investment Management, Inc.

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*charles* SCHWAB

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# 1 *Important information*

## **This prospectus**

This Prospectus describes Charles Schwab Worldwide Funds plc (the “Company”), an investment company with variable capital incorporated in Ireland as a public limited company. The Company is constituted as an umbrella fund insofar as the share capital of the Company will be divided into different series of Shares with each series of Shares representing a separate investment portfolio of assets (“Fund”). Shares of any Fund may be divided into different classes to accommodate different subscription and/or redemption provisions and/or dividend and/or charges and/or fee arrangements, including different total expense ratios.

As at the date hereof, the Company has established one Fund, the Schwab U.S. Dollar Liquid Assets Fund. The Company may in future establish further Funds, with the approval of the Central Bank. Such Funds may have different investment objectives and invest in different types of transferable securities and each such Fund will invest in accordance with the investment objectives and policies applicable to such Fund. The investment objectives and material investment policies of a Fund will not be altered without the approval of the Shareholders by ordinary resolution. Although each Fund will be treated as bearing its own liabilities, the Company as a whole will remain liable to third parties for all liabilities attributable to the Company rather than an individual Fund.

The Company may publish Supplements with respect to such Funds and any such Supplements should be read in conjunction with and construed as one document with this Prospectus. For the Schwab U.S. Dollar Liquid Assets Fund, the Company has not published a separate Supplement.

The Directors 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 materially affect the import of such information. The Directors accept responsibility accordingly.

**This Prospectus is an important document. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.**

## **Investor responsibility**

Prospective investors should review this Prospectus carefully and in its entirety and consult with legal, tax and financial advisers for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Prospectus and any Supplement.

The Shares have not been registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any U.S. state securities laws, and neither the Funds nor the Company has been registered under the United States Investment Company Act of 1940, as amended (the “1940 Act”). Except as otherwise described herein, such Shares may not be offered or

sold, directly or indirectly, in the United States or its territories or possessions or to any U.S. Person and such Shares may not be held by U.S. Persons. For this purpose, a U.S. Person (a “U.S. Person”) has the meaning set forth under the heading “Definitions” in the Prospectus. Shares will be offered and sold only to such persons as may be authorised by the Directors and in such manner as will not require registration of the Company, any Fund, or the Shares under the securities laws of the United States or any state thereof. The Articles of Association of the Company give powers to the Directors to impose restrictions on the shareholdings by (and consequently to redeem Shares held by) or the transfer of Shares to any U.S. Person or by any person who appears to be in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company or any Shareholder incurring liability to taxation or suffering any other pecuniary or regulatory disadvantage which the Company might not otherwise have incurred or suffered.

### **Central Bank of Ireland authorisation—UCITS**

The Company is authorised and regulated by the Central Bank as an “Undertaking for Collective Investment in Transferable Securities” (“UCITS”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended. **The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

**Authorisation of the Company by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.**

**Central Bank of Ireland authorisation—Money Market Fund.** The Fund is a money market fund and investors should note (a) that a money market fund is not a guaranteed investment; (b) that an investment in a money market fund is different from an investment in deposits, including in particular because of the risk that the principal invested in a money market fund is capable of fluctuation; (c) that a money market fund does not rely on external support for guaranteeing liquidity or stabilising the Net Asset Value per Share; and (d) that the risk of loss of the principal is borne by the investor.

**Data Privacy** If you are, or are associated with, a Shareholder, the Fund and the Manager will use, process and share your personal data in accordance with the General Data Protection Regulation (EU) 2016/679, as amended from time to time, and the related privacy notice which is provided to all Shareholders at the time of subscription.

### **Distribution and selling restrictions**

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute and may not be treated as an offer or solicitation by or to 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 to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

Shares may not be purchased or held by or for the benefit of U.S. Persons.

The Company qualifies as a UCITS and has applied for recognition under the UCITS Regulations and the UCITS directive, as implemented in the various European Union member states, for marketing to the public in certain EU Member States and certain countries in the EEA, further details of which are available from the Manager. The Company may also make arrangements for the Fund to be marketed in countries outside of the EU, in accordance with local requirements, further details of which are available from the Manager.

### **Stock exchange listing**

An application may be made to Euronext Dublin for Shares of any series or class to be admitted to its Official List and to trading on its Main Market. This Prospectus may constitute Listing Particulars for the purpose of any such application for listing. Neither the admission of Shares to the Official List and to trading on its Main Market nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin constitute a warranty or representation by Euronext Dublin as to the competence of the service providers or any other party connected with the Company, the adequacy of information contained in this Prospectus or the suitability of the Company for investment purposes.

The Class A Shares in the Schwab U.S. Dollar Liquid Assets Fund have been admitted to the Official List and to trading on the Main Market of Euronext Dublin. The Directors do not anticipate that an active secondary market will develop in the Shares.

### **Reliance on this Prospectus**

Shares are offered only on the basis of the information contained in this Prospectus and, the latest audited annual accounts and any subsequent half-yearly report of the Company. No person has been authorised to

give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus and in any subsequent half-yearly or annual report for the Company and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or any entity appointed by the Company. Statements in this Prospectus are in accordance with the law and practice in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date of this Prospectus.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, this English language Prospectus will prevail, except, to the extent (but only to the extent) required by law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus on which such action is based shall prevail. All disputes as to the contents of this Prospectus shall be governed in accordance with the laws of Ireland.

### **Risks**

Investment in the Company carries with it a degree of risk. **The value of Shares and the income from them may go down as well as up, and investors may not get back the amount invested.** Investment in the Shares may not be suitable for all investors and should not be considered a complete investment programme. Investors should consider carefully their investment requirements and the “Investment Risks” section of this Prospectus before selecting any investment.

An investment in the Company is not in the nature of 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.



## 2 *Directory*

### **Charles Schwab Worldwide Funds plc**

#### **Registered Office**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **Directors**

Gary Palmer  
Marie Chandoha  
George Pereira  
Fiona Mulhall  
Barbara Healy  
Rory Mason

#### **Manager**

Charles Schwab Asset  
Management (Ireland) Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **Investment Manager**

Charles Schwab Investment  
Management, Inc.  
211 Main Street  
San Francisco, CA 94105  
United States

#### **Listing Agent**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **Auditors**

Deloitte & Touche  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

#### **Hong Kong Representative**

Charles Schwab, Hong Kong, Ltd.  
Rooms 602-606  
Gloucester Tower  
15 Queen's Road Central  
Central, Hong Kong.

#### **Depository**

State Street Custodial Services  
(Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **Administrator, Transfer Agent and Registrar**

State Street Fund Services  
(Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **United Kingdom Facilities Agent**

Charles Schwab, U.K., Limited  
33 Ludgate Hill  
London EC4M 7JN  
United Kingdom

#### **Legal Advisers**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **Dechert**

31/F Jardine House  
One Connaught Place  
Central, Hong Kong

#### **Secretary**

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

### 3 Definitions

**Administrator** State Street Fund Services (Ireland) Limited;

**Articles** the Memorandum and Articles of Association of the Company for the time being in force and as may be modified from time to time;

**Business Day** a day on which both the New York Stock Exchange is open for regular trading and the Federal Reserve Bank of New York is open, or such other day or days (except Saturday, Sunday or any public holiday in New York) as may be determined by the Directors.

**Central Bank** the Central Bank of Ireland;

**Central Bank UCITS Regulations** the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as may be amended or supplemented from time to time) in addition to any guidance issued by the Central Bank in respect of same;

**CIS** collective investment scheme(s);

**Class Expenses** any expenses attributable to a specific class of Shares including legal fees, marketing expenses and the expenses of registering a class of Shares in any jurisdiction or with any stock exchange, regulated market or settlement system and such other expenses arising from such registration;

**Company** Charles Schwab Worldwide Funds plc;

**Directors** the Directors of the Company for the time being and any duly constituted committee thereof;

**Depository** State Street Custodial Services (Ireland) Limited;

**Duties and Charges** all stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, whether payable in respect of the constitution, increase or reduction of all of the cash and other assets of the

Company or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares or investments by or on behalf of the Company or in respect of the issue or cancellation of Share Certificates or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation;

**EEA** the European Economic Area, currently comprising EU Member States, Norway, Iceland and Liechtenstein;

**EEA Member State** a member state of the EEA from time to time;

**EU** the European Union;

**EU Member State** a member state of the European Union from time to time;

**Euronext Dublin** the Irish Stock Exchange plc, trading as Euronext Dublin;

**FATCA** means the provisions commonly known as the Foreign Accounts Tax Compliance Act in the enactment of the United States of America known as Hiring Incentives to Restore Employment Act 2010.

**FDI** financial derivative instruments;

**FCA** the Financial Conduct Authority or any successor entity or entities;

**Fund** a portfolio of assets established by the Directors (with the prior approval of the Central Bank) and constituting a separate fund represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Fund;

**Government Entity** United States Government Entities, the European Union, the national, regional and local administrations of the member states of the European Union or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a

central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more member states of the European Union belong.

**Hong Kong Representative** Charles Schwab, Hong Kong, Ltd.;

**Investment Manager** Charles Schwab Investment Management, Inc.;

**Intermediary** a person who carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons or holds shares in an investment undertaking on behalf of other persons;

**Irish Resident** any company resident, or other person resident or ordinarily resident, in the Republic of Ireland for the purposes of Irish tax. Please see the “Taxation” section below for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners;

**Irish Revenue Commissioners** the Irish authority responsible for taxation;

**Manager** Charles Schwab Asset Management (Ireland) Limited;

**MMF Regulations** Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds and any delegated regulation published pursuant to it;

**Net Asset Value** the net asset value calculated as described in the “Determination of Net Asset Value” section of this Prospectus;

**Net Asset Value per Share** the Net Asset Value divided by the number of Shares in the relevant Fund in issue or deemed to be in issue in respect of the Fund as of

the relevant Valuation Point and, in relation to any class of Shares, subject to such adjustments, if any, as may be required in relation to such class;

**OTC over-the-counter;**

**Prospectus** this document and any Supplement designed to be read and construed together with and to form part of this document;

**Recognised Market** any of the exchanges or markets listed in Appendix I

**Relevant Institutions** a credit institution that either (i) has its registered office in a member state of the European Union or (ii) if the registered office is in a third country, is subject to prudential rules considered equivalent to those laid down in European Union law (as determined in accordance with the procedure laid down in Article 107(4) of Regulation (EU) 575/2013);

**Share or Shares** a share or shares of whatsoever series or class in the capital of the Company (other than Subscriber Shares) entitling the holders to participate in the profits of the Company attributable to the relevant Fund as described in this Prospectus;

**Shareholder** a person registered in the share register of members of the Company as a holder of Shares;

**Subscriber Shares** the initial issued share capital of 30,000 Subscriber Shares of no par value issued at EUR1.269738 each and initially designated as “Subscriber Shares” and which are held by the Manager and its nominees but which do not entitle the holders to participate in the profits of the Company attributable to any Fund;

**Subscriber Shareholder or Subscriber Shareholders** a person/persons registered in the register of members of the Company as a holder or holders of Subscriber Shares;

**Supplement** a document which contains specific information supplemental to this document in relation to a particular Fund;

UCITS an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;

UCITS Level 2 the Commission Delegated Regulation (EU) 2016/438 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries

UCITS Regulations the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. 352 of 2011) as amended from time to time and all applicable regulations made or conditions imposed or derogations granted thereunder by the Central Bank (other than the Central Bank UCITS Regulations);

United States Government Entities central authorities and central banks of the United States, such as Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, and the Export-Import Bank of the United States.

U.S. or United States the United States of America, its territories and possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico);

United States Person or U.S. Person a “U.S. Person”, as defined by Rule 902 of Regulation S under the 1933 Act including:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organised or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a U.S. Person;
- (iv) any trust of which any trustee is a U.S. Person;

- (v) any agency or branch of a non-U.S. entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (viii) any partnership or corporation if:
  - (a) organised or incorporated under the laws of any non-U.S. jurisdiction; and
  - (b) formed by a U.S. Person principally for the purposes of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, “U.S. Person” shall not include:

- (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States;
- (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person, if:
  - (a) an executor or administrator of the estate who is not a U.S. Person has

- sole or shared investment discretion with respect to the assets of the estate, and
- (b) the estate is governed by non-United States law;
- (iii) any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
- (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (v) any agency or branch of a U.S. Person located outside the United States if:
  - (a) the agency or branch operates for valid business reasons, and
  - (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
- (vi) certain international organisations (and their agencies, affiliates and pension plans) as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act; or
- (vii) an entity excluded or exempted from the definition of “U.S. Person” in reliance on or with reference to interpretations or positions of the U.S. Securities and Exchange Commission or its staff; and

**Valuation Point** the time at which the Net Asset Value is determined, being the close of trading on the New York Stock Exchange on each Business Day, generally 4:00 p.m. (U.S. Eastern Time); and

**Website** [https://client.schwab.com/secure/cc/research/offshore\\_mutual\\_funds/offshore\\_sweep\\_fund/](https://client.schwab.com/secure/cc/research/offshore_mutual_funds/offshore_sweep_fund/).

## 4 *The Company*

The Company is an investment company with variable capital incorporated in Ireland on 8 February 1999 under registration number 300943 and authorised and regulated by the Central Bank as a UCITS pursuant to the UCITS Regulations. The object of the Company, as set out in Clause 2 of the Articles, is the collective investment in transferable securities and other liquid financial assets of capital raised from the public operating on the principle of risk spreading in accordance with the UCITS Regulations. All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles, copies of which are available as described in the “Documents for inspection” section of this Prospectus.

Under the Articles, the Directors are required to establish a separate Fund, with separate records, for each series of Shares in the following manner:

- (a) the Company will keep separate books of account for each Fund. The proceeds from the issue of each series of Shares will be applied to the Fund established for that series of Shares, and the assets and liabilities and income and expenditure attributable to them will be applied to such Fund;
- (b) any asset derived from another asset in a Fund will be applied to the same Fund as the asset from which it was derived and any increase or diminution in value of such an asset will be applied to the relevant Fund;

- (c) in the case of any asset which the Directors do not consider as readily attributable to a particular Fund or Funds, the Directors have the discretion to determine, with the consent of the Depository, the basis upon which any such asset will be allocated between Funds and the Directors may at any time and from time to time, with the approval of the Depository, vary such basis;
- (d) any liability will be allocated to the Fund or Funds to which in the opinion of the Directors it relates or, if such liability is not readily attributable to any particular Fund, the Directors will have discretion to determine, with the consent of the Depository, the basis upon which any liability will be allocated between Funds and the Directors may at any time and from time to time, with the approval of the Depository, vary such basis;
- (e) the Directors may, with the consent of the Depository, transfer any assets to and from a Fund or Funds if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (d) above or in any similar circumstances; and
- (f) where the assets of the Company (if any) attributable to the Subscriber Shares give rise to any net profit, the Directors may allocate assets representing such net profits to such Fund or Funds as they may deem appropriate.

Shares of any particular series may be divided into different classes to accommodate different subscription and/or redemption provisions and/or dividend and/or charges and/or fee arrangements, including different total expense ratios. The Company retains the right to offer only one class of Shares for purchase by investors in any particular jurisdiction in order to conform with

local law, custom or business practice or to offer additional classes of Shares or Funds in future without Shareholder approval. The Company may adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular class of Shares. Any such standards shall be specified in the Prospectus.

### **The share capital**

The authorised share capital of the Company is 500,000,030,000 Shares of no par value divided into 30,000 Subscriber Shares of no par value and 500,000,000,000 Shares of no par value. The Directors are authorised to issue the Shares on such terms as they think fit.

The Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different classes of Shares) in the profits and assets of the Company on the terms and conditions set out in the Prospectus. The Subscriber Shareholders shall have one vote for each Subscriber Share held. There are no pre-emption rights attaching to Shares.

The Company may, from time to time by ordinary resolution increase its capital, consolidate the Shares or any of them into a smaller number of Shares, subdivide the Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The Company may by special resolution from time to time reduce its share capital in any way permitted by law.

### **Voting rights**

Subject to any special rights or restrictions for the time being attached to any class of Shares, each Shareholder

shall be entitled to such number of votes as shall be produced by dividing the aggregate Net Asset Value of that Shareholder's shareholding (expressed or converted into U.S. dollars and calculated as of the relevant record date) by one, provided however that fractional Shares shall not carry any voting rights. The "relevant record date" for these purposes shall be a date being not more than thirty days prior to the date of the relevant general meeting or written resolution as determined by the Directors. In relation to a resolution which in the opinion of the Directors gives or may give rise to a conflict of interest between the Shareholders of any series or class, such resolution shall be deemed to have been duly passed only if, in lieu of being passed through a single meeting of the Shareholders of such series or class, such resolution shall have been passed at a separate meeting of the Shareholders of each such series or classes.

All votes shall be cast by a poll of Shareholders present in person or by proxy at the relevant Shareholder meeting or by unanimous written resolution of the Shareholders.

### **Variation of Shareholders' rights**

Under the Articles, the rights attached to each series or class of Share may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three fourths of the issued Shares of that series or class or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that series or class. The rights attaching to any series or class of Shares shall not be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares. The provisions of the Articles relating to general meetings shall apply to every separate general meeting except that the necessary quorum at such a meeting shall be two persons present in person or by proxy holding Shares of the series or

class in question or, at an adjourned meeting, one person holding Shares, of the series or class in question or his proxy.

## *5 The Fund*

The Company has currently established one Fund, the Schwab U.S. Dollar Liquid Assets Fund. The Fund is authorised pursuant to the MMF Regulations by the Central Bank as a Public Debt constant NAV (CNAV) money market fund and a short-term money market fund.

The Fund seeks to maintain a stable Net Asset Value per Share of U.S. \$1.00. There is no assurance that the Fund will be able to maintain a stable Net Asset Value per Share of U.S. \$1.00 or otherwise meet its investment objectives.

The Fund may, but is not obliged to, seek to maintain a credit rating. Such ratings, if obtained, will be solicited by the Manager and financed by the Manager or the Fund. Details of the current rating for the Fund, if any, can be obtained from the Manager.

There is currently one class of Shares available for subscription in the Fund, the Class A Shares.

The base currency of the Fund is U.S. dollars.

## *6 Investment objectives and policies*

The Fund's investment objective is to preserve the capital value of investments while offering returns in line with money market rates.

In pursuit of its investment objective, the Fund may invest in a broad range of high quality, short term transferable securities and money market instruments (which will generally be traded or listed on a Recognised Market), provided that at least 99.5% of its assets are invested in money market instruments issued or guaranteed by a Government Entity, reverse



repurchase agreements secured by instruments issued or guaranteed by a Government Entity or cash.

### 6.1 *Credit Assessment*

The Investment Manager shall follow a credit analysis process agreed with the Manager in determining whether a given investment or issuer is “high quality”. This process takes into account and documents the assessment of at least the following factors:

- (a) the quantification of the credit risk of the issuer and of the relative risk of default of the issuer and of the instrument;
- (b) qualitative indicators on the issuer of the instrument, including in the light of the macroeconomic and financial market situation;
- (c) the short-term nature of money market instruments;
- (d) the asset class of the instrument;
- (e) the type of issuer; and
- (f) the liquidity profile of the instrument.

### 6.2 *Maturity of Instruments*

The Fund will invest only in securities that have a maturity at issuance or a residual term to maturity of 397 days or less. At least 10% of the Fund’s assets will be daily maturing and at least 30% of the Fund’s assets will be weekly maturing (provided that highly liquid government securities which can be redeemed and settled within one day and have a residual maturity of up to 190 days may be included in the weekly maturity assets, up to 17.5%).

The Fund will maintain a weighted average maturity of 60 days or less and a weighted average life of 120 days or less. The calculation of both the weighted average maturity and the weighted average life of the Fund will take into account the impact of deposits and any hedging or reverse repurchase agreements used by the Fund. Weighted average portfolio maturity is a measure of the average length of time to maturity of all

of the underlying securities weighted to reflect the relative holdings in each instrument, assuming that the maturity of a floating or variable rate instrument is the time remaining until the next interest rate reset date rather than the time remaining before the principal value of the security must be repaid, while weighted average portfolio life is the weighted average of the remaining life (maturity) of each security held, meaning the time until the principal is repaid in full.

### 6.3 *Types of Instrument*

#### *Money Market Instruments*

The Fund may invest up to 100% of its assets in money market instruments (which may be fixed or floating rate) issued or guaranteed by a Government Entity and which are primarily listed or traded in Recognised Markets in accordance with the investment restrictions set out in section 7 below. Such money market instruments include:

- (a) U.S. treasury obligations, being securities issued or guaranteed by the United States Department of the Treasury, payments of principal, and interest on which are backed by the full faith and credit of the US government;
- (b) U.S. government securities, being securities issued or guaranteed by United States Government Entities; and
- (c) Securities issued by a Government Entity other than a United States Government Entity, which are payable in U.S. Dollars.

#### *Reverse Repurchase Agreements*

The Fund may also invest up to 100% of its net assets in reverse repurchase agreements under which it acquires securities from a seller (for example, a bank or securities dealer) who agrees, at the time of sale, to repurchase the security at a mutually agreed-upon date and price, thereby determining the yield to the Fund during the term of the agreement. The resale price reflects the purchase price plus an agreed upon market



rate of interest which is unrelated to the coupon rate or maturity of the purchased security. Reverse repurchase agreements are subject to the following conditions:

- (a) the Fund has the right to terminate the agreement at any time upon giving prior notice of no more than two business days;
- (b) the market value of assets received by the Fund is at all times at least equal to the value of the cash paid out by the Fund;
- (c) collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Fund based on its haircut policy, which takes into account the credit quality of the issuer of the collateral, price volatility and the result of any liquidity stress tests carried out;
- (d) collateral should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation;
- (e) the collateral obtained must be transferred for safekeeping to the Depositary or its agent where there is title transfer or, where there is no title transfer, it can be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral
- (f) the aggregate amount of cash provided to the same counterparty to reverse repurchase agreements shall not exceed 15% of the assets of the Fund;
- (g) the Fund must be able to recall the full amount of cash either an accrued basis or a mark-to-market basis (when the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value);
- (h) collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty;
- (i) the assets received by the Fund are high quality and either (i) instruments issued or guaranteed by a Government Entity which comply with the 397 day maturity limit described above or (ii) instruments which do not comply with the 397 day maturity limit described above but which are issued or guaranteed by United States Government Entities, the European Union, a central authority or central bank of a member state of the European Union, the European Central Bank, the European Investment Bank, the European Stability Mechanism, the European Financial Stability Facility or a central authority or central bank of a third country;
- (j) the assets received by the Fund should be sufficiently diversified and, where securities of a given issuer represent more than 15% of the Fund's assets, the Fund may receive up to 100% of its assets in such securities provided that it receives securities from at least six different issues with securities from any single issue not accounting for more than 30% of the Fund's assets;
- (k) collateral should be issued by an entity that (i) is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty, (ii) may or may not be related to the Manager, Depositary or their delegates, (iii) has legal personality and is located in an OECD jurisdictions, and (iv) has undergone a credit assessment; and

- (l) any income arising from reverse repurchase agreements shall accrue to the benefit of the Fund and no costs or fees will be deducted from that income.

The Fund's exposure to reverse repurchase agreements is expected to be between 40% and 60% of its Net Asset Value, subject to a maximum of 100% of Net Asset Value. The Fund will not engage in securities lending nor enter into financial derivative instrument transactions.

The Fund may also invest in cash and may invest up to 0.5% of its assets in instruments other than those described above, provided that such instruments comply with the requirements of section 7 below.

#### 6.4 *Currency Denomination of the Instruments*

All of the Fund's investments will be denominated in U.S. Dollar, though the Fund may accept collateral in respect of reverse repurchase agreements which is denominated in other currencies.

## 7 *Investment restrictions*

The assets of the Fund will be invested in accordance with the investment restrictions contained in the MMF Regulations which are summarised below and such additional investment restrictions, if any, as may be adopted by the Directors. This summary of the investment restrictions has been approved by the Central Bank.

### 7.1 *Eligible Assets*

A Fund shall invest only in one or more of the following categories of financial assets and only under the conditions specified in the MMF Regulations:

- 7.1.1 Money market instruments.
- 7.1.2 Eligible securitisations and asset-backed commercial paper ("ABCPs").
- 7.1.3 Deposits with credit institutions.

7.1.4 Financial derivative instruments.

7.1.5 Repurchase agreements that fulfil the conditions set out in Article 14 of the MMF Regulations.

7.1.6 Reverse repurchase agreements that fulfil the conditions set out in Article 15 of the MMF Regulations.

7.1.7 Units or shares of other money market funds.

### 7.2 *Investment Restrictions*

7.2.1 A Fund shall invest no more than:

- (a) 5% of its assets in money market instruments, securitisations and ABCPs issued by the same body;
- (b) 10% of its assets in deposits made with the same credit institution, unless the structure of the banking sector in the EU Member State in which the Fund is domiciled is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the Fund to make deposits in another EU Member State, in which case up to 15% of its assets may be deposited with the same credit institution.

7.2.2 The aggregate of all of a Fund's exposures to securitisations and ABCPs shall not exceed 20% of the assets of the Fund, whereby up to 15% of the assets of the Fund may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of 'Simple, Transparent and Standardised' (STS) securitisations and ABCPs.

- 7.2.3 The aggregate risk exposure of a Fund to the same counterparty to OTC derivative transactions which fulfil the conditions set out in Article 13 of the MMF Regulations shall not exceed 5% of the assets of the Fund.
- 7.2.4 The cash received by the Fund as part of the repurchase agreement does not exceed 10% of its assets.
- 7.2.5 The aggregate amount of cash provided to the same counterparty of the Fund in reverse repurchase agreements shall not exceed 15% of the assets of a Fund.
- 7.2.6 Notwithstanding paragraphs 7.2.1 and 7.2.3 above, a Fund shall not combine, where to do so would result in an investment of more than 15% of its assets in a single body, any of the following:
- (a) investments in money market instruments, securitisations and ABCPs issued by that body;
  - (b) deposits made with that body;
  - (c) OTC financial derivative instruments giving counterparty risk exposure to that body.
- 7.2.7 A Fund may invest up to 100% of its assets in different money market instruments issued or guaranteed separately or jointly by the European Union, the national, regional and local administrations of the EU Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more EU Member States belong. This may only be included where the Fund has sought and received this derogation from the Central Bank.
- 7.2.8 Paragraph 7.2.7 shall only apply where all of the following requirements are met:
- (a) the Fund holds money market instruments from at least six different issues by the issuer;
  - (b) the Fund limits the investment in money market instruments from the same issue to a maximum of 30% of its assets;
  - (c) the Fund makes express reference, in its fund rules or instruments of incorporation, to all administrations, institutions or organisations referred to in the first subparagraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets;
  - (d) the Fund includes a prominent statement in its prospectus and marketing communications drawing attention to the use of the derogation and indicating all administrations, institutions or organisations referred to in the

first subparagraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets.

- 7.2.9 Notwithstanding the individual limits laid down in paragraph 7.2.1, a Fund may invest no more than 10% of its assets in bonds issued by a single credit institution that has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.
- 7.2.10 Notwithstanding the individual limits laid down in paragraph 7.2.1, a Fund may invest no more than 20% of its assets in bonds issued by a single credit institution where the requirements set out in point (f) of Article 10(1) or point (c) of Article 11(1) of Delegated Regulation (EU) 2015/61 are met, including any possible investment in assets referred to in paragraph 7.2.9.
- 7.2.11 Companies which are included in the same group for the purposes of consolidated accounts under Directive 2013/34/EU of the European Parliament and of the Council or in accordance with recognised international accounting

rules, shall be regarded as a single body for the purpose of calculating the limits referred to in paragraphs 7.2.1 to 7.2.6.

### 7.3 *Eligible units or shares of money market funds*

- 7.3.1 A Fund may acquire the units or shares of any other money market fund ('targeted MMF') provided that all of the following conditions are fulfilled:
- (a) no more than 10% of the assets of the targeted MMF are able, according to its fund rules or instruments of incorporation, to be invested in aggregate in units or shares of other money market funds;
  - (b) the targeted MMF does not hold units or shares in the acquiring money market fund.
- 7.3.2 A Fund whose units or shares have been acquired shall not invest in the acquiring money market fund during the period in which the acquiring money market fund holds units or shares in it.
- 7.3.3 A Fund may acquire the units or shares of other money market funds, provided that no more than 5% of its assets are invested in units or shares of a single money market fund.
- 7.3.4 A Fund may, in aggregate, invest no more than 17.5% of its assets in units or shares of other money market funds.
- 7.3.5 Units or shares of other money market funds shall be eligible for investment by a Fund provided that all of the following conditions are fulfilled:
- (a) the targeted MMF is authorised under the MF Regulations;

- (b) where the targeted MMF is managed, whether directly or under a delegation, by the same manager as that of the acquiring money market fund or by any other company to which the manager of the acquiring money market fund is linked by common management or control, or by a substantial direct or indirect holding, the manager of the targeted MMF, or that other company, is prohibited from charging subscription or redemption fees on account of the investment by the acquiring money market fund in the units or shares of the targeted MMF;

7.3.6 Short-term money market funds may only invest in units or shares of other short-term money market funds.

The investment restrictions listed above apply at the time of purchase of the relevant investments. If these limits are exceeded for reasons beyond the control of the Investment Manager or as a result of subscription rights, the Investment Manager shall adopt as a priority objective for the sales transactions of the relevant Fund the remedying of that situation, taking due account of the interests of its Shareholders.

The Fund may not borrow or lend cash, save that neither (i) reverse repurchase agreements; nor (ii) intra-day committed overdraft facilities constitute borrowing or lending for this purpose.

Without limitation, the Directors, in accordance with the requirements of the Central Bank, may adopt additional investment restrictions to facilitate the distribution of Shares to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the

Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares are currently offered, provided that the assets of the Fund, at all times, will be invested in accordance with the restrictions on investments set out in the UCITS Regulations and the MMF Regulations. The Company will not amend such investment restrictions except in accordance with the requirements of the Central Bank and of Euronext Dublin for as long as the Shares are admitted to the Official List and to trading on the Main Market of Euronext Dublin.

7.4 *Hong Kong Investment restrictions*

For so long as the Fund is authorised by the Securities and Futures Commission in Hong Kong, the Fund may only invest in deposits and debt securities and may not invest in financial derivative instruments. Furthermore, and again only for so long as the Fund is authorised by the Securities and Futures Commission in Hong Kong, the aggregate value of the Fund's holding of instruments and deposits issued by a single issuer may not exceed 10 per cent of the total Net Asset Value of the Fund except:

- (i) where the issuer is a substantial financial institution and the total amount does not exceed 10 per cent of the issuer's issued capital and published reserves, the limit may be increased to 25 per cent; or
- (ii) in the case of Government and other public securities, up to 30 per cent may be invested in the same issue; or
- (iii) in respect of any deposit of less than \$1,000,000 or its equivalent in the base currency of the Fund, where the Fund cannot otherwise diversify as a result of its size.

In addition, for so long as the Fund is authorised by the Securities and Futures Commission in Hong Kong, it will maintain an average portfolio maturity not exceeding 90 days.

## 8 *Investment risks*

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described below. These investment risks are not purporting to be exhaustive and potential investors should review the Prospectus carefully before making an application for Shares. The value of investments in the Fund, and income earned from them, can go down as well as up and an investor may not recover the amount invested. There can be no assurance that the Fund will be able to maintain a stable Net Asset Value per Share of U.S. \$1.00 or otherwise achieve its investment objective. The Fund is not designed to offer capital appreciation. In exchange for their emphasis on stability and liquidity, the Fund's investments may offer lower long-term performance than stock or bond investments.

### **Stable Net Asset Value**

While the Directors may seek to maintain a stable Net Asset Value per Share of U.S. \$1.00 Net Asset Value per Share, there can be no assurance that the Net Asset Value per Share will remain stable or that the price of the Shares will not fall.

### **Income risk**

The Fund invests in short-term securities whose performance is closely correlated to short-term interest rates. Interest rates rise and fall over time. As with any investment whose yield reflects current interest rates, the Fund's yield will change over time. During periods when interest rates are low, the Fund's yield (and total return) also will be low. Historically, short-term interest rate fluctuations have been influenced by government monetary policy and by markets' growing demand. The Fund is subject to income risk, which is the possibility that dividends (i.e. income) will decline because of falling interest rates. Because the Fund's income is based on short-term interest rates which can fluctuate significantly over short periods, income risk is expected to be high.

### **Counterparty risk**

The Fund will have a credit risk on the parties with which it trades including for example, counterparties to reverse repurchase agreements.

Reverse repurchase agreements create the risk that the market value of the securities bought by the Fund may decline below the price at which the counterparty is obliged to repurchase such securities under the agreement. In the event that the counterparty under a reverse repurchase agreement files for bankruptcy or proves insolvent, the Fund's use of proceeds from the agreement may be restricted pending the determination by the other party or its trustee or receiver whether to enforce the obligation to repurchase the securities.

The Company may have contractual remedies upon any default pursuant to the agreements related to particular transactions. Such remedies could be inadequate, however, to the extent that the collateral or other assets available are insufficient to satisfy the obligations of the counterparty to the Company.

### **Credit risk**

The Fund is subject to credit risk, which is the possibility that the issuer or guarantor of a portfolio investment fails to make timely principal or interest payments or otherwise honor its obligations. The negative perceptions of an issuer's ability to make such payments could also cause the price of that investment to decline. The credit quality of the Fund's portfolio holdings can change rapidly in certain market environments and any default on the part of a single portfolio investment could cause the Fund's share price or yield to fall. While the credit quality of government securities is high, the Fund invests in money market securities of private financial and non-financial corporations and, accordingly, not all of the securities in which it invests are issued or guaranteed by sovereign governments or government agencies.

### **Interest rate risk**

The fixed-income securities in which the Fund may invest are interest rate sensitive and may be subject to price volatility due to such factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these fluctuations will normally be greater when the maturity of the outstanding securities is longer. An increase in interest rates will generally reduce the value of fixed-income securities, while a decline in interest rates will generally increase the value of fixed-income securities. The performance of the Fund will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in market interest rates.

### **Floating rate securities**

The Fund may invest in floating rate securities whose interest rates are not set but which fluctuate periodically. These securities reset their yield on a periodic basis (for example, daily, weekly or quarterly) and are closely correlated to changes in money market interest rates. These securities may be subject to price volatility due to such factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and the general market liquidity.

### **Sovereign debt risk**

The Fund may invest in securities issued or guaranteed by a sovereign government or securities issued by an entity that is 100% guaranteed or 100% owned by a sovereign government. These investments are subject to political, social and economic risks and the risk of payment delays or defaults, due, for example, to cash flow problems, insufficient currency reserves, political considerations, large debt positions relative to the country's economy or failure to implement economic reforms. There is no legal or bankruptcy process for

collecting sovereign debt. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.

### **Portfolio turnover**

Because of the short-term nature of portfolio securities, the turnover rate for the Fund is expected to be high. The turnover rate should not increase portfolio costs however, since brokerage commissions are not usually charged for the purchase or sale of short-term fixed income securities.

### **Redemption risk**

The Fund may experience periods of heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. Redemptions by a few large investors in the Fund may have a significant adverse effect on the Fund's ability to maintain a stable U.S.\$1.00 Net Asset Value per Share. In the event any money market fund fails to maintain a stable net asset value, other money market funds, including the Fund, could face a market-wide risk of increased redemption pressures, potentially jeopardizing the stability of their U.S.\$1.00 Net Asset Value per Share.

### **Liquidity risk**

Liquidity risk exists when particular investments are difficult to purchase or sell. The market for certain investments may become illiquid due to specific adverse changes in the conditions of a particular issuer or under adverse market or economic conditions independent of the issuer. If an investment becomes illiquid, the Fund may incur significant trading costs and may even suffer losses when selling such instruments.



## **Negative Yield Environment**

As a result of the ongoing deflationary environment and low growth expectations, certain money market instruments in which the Fund invests may trade at a negative net yield. These instruments include government securities as well as obligations issued or guaranteed by corporations or commercial banks, bank deposits and repurchase agreements. Such instruments will have a negative impact on the amount of income available to be distributed. Furthermore, as a result, the Fund may not achieve its objective of preservation of capital and may suffer from negative yields on its portfolio (ie, the costs and expenses of the Fund may exceed the income and gains of its portfolio on any given day). This will result in a corresponding reduction in the amount of income available for distribution and may have an adverse impact on the Fund's ability to maintain a stable Net Asset Value per Share.

## **Redemption Gates and Liquidity Fees**

At least 10% of the Fund's assets will be daily maturing and at least 30% of the Fund's assets will be weekly maturing (provided that highly liquid government securities which can be redeemed and settled within one day and have a residual maturity of up to 190 days may be included in the weekly maturity assets, up to 17.5%). In certain circumstances (described below under the section entitled "Liquidity Management"), the directors of Manager may (a) impose redemption gates that limit the amount of Shares to be redeemed on any one Business Day to a maximum of 10% of the Shares in the Fund for any period up to 15 Business Days or (b) impose liquidity fees on redemptions that adequately reflect the cost to the Fund of achieving liquidity (eg, the transaction cost for selling certain securities of and rebalancing the portfolio of the Fund) and ensure that Shareholders who remain in the Fund are not unfairly disadvantaged when other Shareholders redeem their Shares during the period.

Investors should note that if liquidity fees are imposed on their redemption of Shares, they will receive a reduced amount of redemption proceeds.

## **Suspension of dealings risk**

The Directors may temporarily suspend the issue, valuation, sale, purchase, redemption, exchange or conversion of Shares in the circumstances detailed in the "Temporary Suspension of Dealings" section of the Prospectus. During such periods, Shareholders will be unable to purchase, redeem, exchange or convert Shares.

## **Mandatory repurchase of Shares**

The Company shall be entitled to redeem Shares without the consent of the relevant Shareholders in the circumstances described below under "Mandatory Repurchase of Shares" and "Termination or Merger of Funds or Share Classes". In such cases, Shareholders may be required to leave the Fund at a time that is not of their choosing and which is not opportune.

## **Political and/or regulatory risks**

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

## **Valuation risk**

The Net Asset Value of the Fund is currently calculated using the amortised cost method, which values securities at their cost and thereafter assumes a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the security or instrument. Whilst this method provides certainty in valuation, it may result in periods during which the value of the security, as determined by the amortised cost method of valuation, is higher or lower than the price the Fund would receive if the security was sold.



The calculation of the Net Asset Value of the Fund involves the estimation of expenses and liabilities and may involve the amortisation of these expenses and liabilities together with any realized capital losses over a certain period. In the event that these estimates prove inaccurate or in the event that the Fund terminates before the end of the relevant amortisation period, this may impact on the Net Asset Value of the Fund and the Net Asset Value per Share and in particular may result in Shareholders receiving less than the amount they invested on the redemption of their Shares or the termination of the Fund.

### **FATCA**

The Company will require Shareholders to certify information relating to their status for FATCA purposes and to provide other forms, documentation and information in relation to their FATCA status. The Company may be unable to comply with its FATCA obligations if Shareholders do not provide the required certifications or information. In such circumstances, the Company could become subject to US FATCA withholding tax at a rate of 30% in respect of its US source income if the US Internal Revenue Service specifically identified the Company as being a 'non-participating financial institution' for FATCA purposes. Any such US FATCA withholding tax would negatively impact the financial performance of the Company and all Shareholders may be adversely affected in such circumstances.

### **Foreign Taxes**

The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes

and the Company obtains a repayment of foreign tax, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

## *9 Distribution policy*

All or substantially all of the Fund's net investment income will be calculated and declared each Business Day as a dividend denominated in U.S. dollars. Dividends will be distributed to Shareholders as of the 15th day (or, if not a Business Day, on the next Business Day) of each month (except in December when dividends are paid on the last Business Day of the month) in the form of additional full and fractional Shares, unless a Shareholder has elected to receive dividends paid in cash. However, where a Shareholder has elected to receive dividends paid in cash, such dividends will not be paid unless and until the Shareholder's original subscription application form and anti-money laundering documentation have been received by the Administrator.

For Subscription requests received by 10:00 a.m. (U.S. Eastern Time), and subscription monies received by the Dealing Deadline, Shares begin receiving dividends that day. For redemption requests received and accepted before 10:00 a.m. (U.S. Eastern Time), Shares will be redeemed the same Business Day but will not be entitled to that day's dividends, and proceeds will be distributed the same Business Day.

The Fund's net investment income consists of the aggregate of (a) accrued interest or discount (including both original issued and market discount on taxable securities) on portfolio securities; and (b) any income of the Fund from sources other than capital gains, less (i) the amortisation of market premium on all portfolio securities and (ii) the estimated expenses of the Fund, including a proportionate share of the general expenses of the Company. The Directors may

declare dividends in respect of any Shares out of net income (including interest income) and the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company. Although realised gains and losses on the assets of the Fund are reflected in its Net Asset Value, they are not expected to be of an amount which would affect the Fund's Net Asset Value per Share of U.S. \$1.00. The Company will adhere to the policies of Euronext Dublin relating to distributions for so long as the Shares are admitted to the Official List and to trading on the Main Market of Euronext Dublin.

Any dividend unclaimed after a period of six years from the date when it first became payable shall be forfeited and shall revert to the relevant Fund.

The Company will be obliged and is entitled to deduct an amount in respect of Irish tax from any dividend payable to a Shareholder who is or is deemed to be or is acting on behalf of an Irish Resident who is not an exempt Irish Shareholder (as described in the section entitled "Taxation") and pay such sum to the Revenue Commissioners in Ireland.

## *10 Buying Shares*

The Directors may issue Shares of any series or class, and create new series or classes of Shares, on such terms as they may from time to time determine in relation to any Fund provided that the creation of any Share class is effected in accordance with the requirements of the Central Bank. Shares of any particular series may be divided into different classes to accommodate different subscription and/or redemption and/or dividend provisions and/or charges and/or fee arrangements, including different total expense ratios.

Shares in the Fund are available for subscription on each Business Day at their Net Asset Value per Share, which the Company will seek to maintain at U.S. \$1.00 per Share. The Directors may add to the Net Asset

Value per Share such sum as they in their absolute discretion may from time to time determine as an appropriate provision for Duties and Charges in respect of the allotment and issue of such Shares.

Shares will be issued at the next determined Net Asset Value per Share after receipt and acceptance by the Administrator of a request for subscription. In the case of an initial subscription, this must be an original signed request; subsequent requests for subscription may be made by way of facsimile or other electronic means. In either case, subscription requests must be received by the Administrator by 10:00 a.m. (U.S. Eastern Time), or such other time as the Directors may from time to time determine in order to be issued as of the next Net Asset Value per Share. In addition, subscription monies must be received by the Depository in immediately available funds by 4:00 p.m. (U.S. Eastern Time), or such other time as the Directors may from time to time determine (the "Dealing Deadline"). Applications and/or subscription monies received after that time will be treated as being received on the next Business Day. On any day that the New York Stock Exchange, Federal Reserve Bank of New York or principal or government securities markets close early such as days in advance of holidays, the Fund reserves the right to advance the time of the close of the relevant Business Day.

Applications for Shares received during any period when the Share dealings have been temporarily suspended in the circumstances described in the "Temporary Suspension of Dealings" section of the Prospectus will be treated as received on the first Business Day after dealings have recommenced, unless such application has been withdrawn during the period of suspension.

The address of the Administrator is:  
State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

The minimum subscription amount for the Fund is U.S. \$1.00. There is no minimal shareholding requirement. The Directors may decline any application for Shares in whole or in part without assigning any reason therefore. If an application is rejected, the Company, at the risk of the applicant, will return application moneys or any balance within 28 Business Days of the rejection.

The Directors may issue Shares in exchange for investments in which the Fund may invest in accordance with the UCITS Regulations and the particular investment objective and policies of the Fund. No Shares may be issued in exchange for such investments unless the Directors are satisfied that (a) the number of Shares issued in the Fund will not be more than the number which would have been issued for settlement in cash having valued the investments to be exchanged in accordance with the valuation provisions set out in the Articles and summarised herein; and (b) all fiscal Duties and Charges arising in connection with the vesting of such investments in the Depositary for the account of the Fund are paid by the person to whom the Shares are to be issued or, at the discretion of the Directors, partly by such person and partly out of the assets of such Fund; (c) following completion of an audit of same by the auditors of the Company, the terms of such exchange shall not materially prejudice the Shareholders in the Fund; and (d) the investments have been vested in the Depositary or its sub-custodian, or in the nominee or agent thereof. Shares may not be issued in exchange for such investments unless title to such investments has been delivered.

All Shares issued will be in registered form and no Share Certificates will be issued. Written confirmation of ownership will be sent to Shareholders on a monthly basis. This enables the Company to deal with redemption requests without undue delay. Fractional Shares of up to three decimal places will be issued in respect of any part of subscription monies insufficient to purchase whole Shares.

Measures aimed towards the prevention of money laundering may require a detailed verification of the applicant's identity. Each of the Company and the Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. By way of example an individual may be required to produce a copy of a passport or identification card duly certified by a notary public, together with evidence of his/her address such as a utility bill or bank statement and date of birth. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Company or the Administrator may refuse to process the application or, in the case of any Shareholder who has not provided such verification, compulsorily redeem the Shares.

Investors should note that they may be unable to purchase or redeem Shares through an agent, broker or distributor on days that such parties are not open for business.

## *Subscriptions by, and transfers to, United States Persons*

Notwithstanding the foregoing, the Directors may authorise the purchase by, or transfer of Shares to, a United States Person provided, however, that:

1. such purchase or transfer does not result in a violation of the 1933 Act or the securities laws of States of the United States;

2. such purchase or transfer would not require the Company to register under the 1940 Act; and
3. there will be no adverse tax consequences to the Company or the Shareholders as a result of such a purchase or transfer.

In addition, the Directors may authorise the purchase by, or transfer of Shares to, a United States Person resident outside the United States if the United States Person declares that it is making its application as a “professional discretionary fiduciary” or otherwise for the beneficial account of a person who is not a United States Person.

Each applicant for Shares who is a United States Person will be required to provide such representation, warranties or documentation as may be required by the Directors to ensure that such requirements are met prior to approval of such sale or transfer by the Directors. The Directors shall determine from time to time the number of United States Persons who may be admitted into the Company and currently will not normally permit the number of holders of such Shares who are United States Persons to exceed 100.

The Directors may receive information about investments by United States Persons and subsidiaries of United States Persons and shall have the authority to refuse applications for Shares or require compulsory redemptions of Shares where the level of investment proposed, or held as a result of redemptions by other Shareholders, would exceed that permitted by the Directors in respect of United States Persons or subsidiaries of United States Persons.

## *11 Redeeming Shares*

Shareholders may request the Company to redeem their Shares on any Business Day at their next determined Net Asset Value per Share on such Business Day, less such sum as the Directors in their absolute discretion may from time to time determine as an appropriate provision for Duties and Charges in

respect of the realisation or cancellation of such Shares, in accordance with the redemption procedures specified herein. If a redemption order reduces the shareholding to below any minimum holding required in respect of the Fund (if any), such order may be treated as an order to redeem the entire shareholding. As at the date hereof, the Fund has not minimum holding requirement.

Redemption requests must be received in proper form and are only effective upon acceptance by the Administrator. Shares may be redeemed on any Business Day by way of facsimile or other written or electronic communication to the Administrator at the address specified in the “Subscriptions” section above, provided that the relevant redemption request is received by the Administrator no later than 10:00 a.m. (U.S. Eastern Time) or such other time as the Directors may from time to time determine, on the relevant Business Day. Redemption requests received after that time will be treated as being received on the following Business Day.

Redemption requests must specify the Shareholder’s full name, address and Shareholder number and the number or U.S. dollar amount of Shares to be redeemed. Amendments to the Shareholder’s registration details and payment instructions will only be effected on receipt of original documentation or electronic instruction and redemption requests can be processed on receipt of electronic instruction only where payment is to the account of record.

Redemption proceeds which are paid by way of redemption monies will be sent within 10 Business Days after the Business Day on which redemption is effected, unless payment has been suspended in the circumstances described under “Temporary Suspension of Dealings” below and unless and until the Shareholder’s original subscription application form and anti-money laundering documentation have been received by the Administrator. Redemption proceeds are not subject to redemption fees, save that

liquidity fees may be imposed on redemptions in the limited circumstances described under “Liquidity Management” below.

If any Shareholder requests the redemption of Shares equal to 5% or more of the number of Shares of a particular series of Shares in issue on any Business Day, the Company may at its absolute discretion, hold over the redemption of such numbers of Shares as exceeds 5% or distribute underlying investments rather than cash provided that any such distribution shall not materially prejudice the interest of other Shareholders. In such circumstances, the relevant Shareholder will have the right to instruct the Company to procure the sale of such underlying investments on their behalf in which case the Shareholder will receive the proceeds net of all fiscal Duties and Charges incurred in connection with the sale of such underlying investments. If the Company refuses to redeem Shares for this reason, the redemption request shall be reduced accordingly and the Shares to which such request relates which are not redeemed shall be redeemed on each subsequent Business Day in accordance with the Articles, subject to the same 5% limit, until all of the Shares to which the original redemption request related have been redeemed.

If outstanding redemption requests from all holders of Shares of a particular series on any Business Day total an aggregate of more than 10% of all the Shares of such series in issue on such Business Day, the Company shall be entitled at its discretion to refuse to redeem such number of Shares in issue in that series on that Business Day in respect of which redemption requests have been received as the Directors shall determine. If the Company refuses to redeem Shares for this reason, the requests for redemption on such date shall be reduced rateably and the Shares to which each request relates which are not redeemed shall be treated as if the request was received on each

subsequent Business Day, until all shares to which the original redemption requests relates have been redeemed, provided that the Company shall not be obliged to redeem more than 10% of the number of Shares of a particular series outstanding on any Business Day. In addition, as described below under “Liquidity Management” below, redemption gates may also be imposed in certain other limited circumstances. Redemption proceeds may, with the consent of the Shareholder concerned, be paid by in specie transfer to the Shareholder in question. The assets to be transferred shall be selected at the discretion of the Directors and taken at their value used in determining the redemption price of the Shares being so repurchased. Such distributions will only be made if the Directors consider that they will not materially prejudice the interests of the redeeming Shareholder or the remaining Shareholders.

## *12 Liquidity management*

The Manager shall, in accordance with the requirements of the MMF Regulations, establish, implement and consistently apply prudent and rigorous liquidity management procedures to ensure compliance with the following liquidity thresholds.

As described in the section entitled “Investment Objective and Policies”, at least 10% of the Fund’s assets will be daily maturing and at least 30% of the Fund’s assets will be weekly maturing (provided that highly liquid government securities which can be redeemed and settled within one day and have a residual maturity of up to 190 days may be included in the weekly maturity assets, up to 17.5%). If the proportion of weekly maturing assets of the Fund falls below 30% of the total assets and net redemptions on any Business Day for the Fund exceed 10% of the total assets of the Fund, the directors of the Manager shall

apply one or more of the following measures with effect from the next Business Day:

- (a) imposing liquidity fees on redemptions that adequately reflect the cost to the Fund of achieving liquidity and ensure that Shareholders who remain in the Fund are not unfairly disadvantaged when other Shareholders redeem their Shares during the period;
- (b) imposing redemption gates that limit the amount of Shares to be redeemed on any one Business Day to a maximum of 10% of the Shares in the Fund for any period up to 15 Business Days;
- (c) imposing a suspension of redemptions for any period up to 15 Business Days; or
- (d) taking no immediate action other than adopting as a priority objective steps to ensure compliance with the applicable liquidity thresholds.

If the proportion of weekly maturing assets of the Fund falls below 10% of the total assets, the directors of the Manager are obliged to implement either (a) or (c) above.

## *13 Temporary suspension of dealings*

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

- (a) any period when any Recognised Market on which a substantial portion of the investments for the time being comprised in the relevant Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during

which dealings on any such Recognised Market are restricted or suspended;

- (b) any period when, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interests of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the relevant Fund or during any period when for any other reason the value of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- (d) any period when the Company is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the relevant Fund, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- (e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the relevant Fund or the remaining Shareholders in such Fund;
- (f) with respect to a suspension of redemptions only, any period lasting no more than 15 Business Days in which the proportion of weekly maturing assets of the Fund falls below 30% of the total assets and net redemptions for



the Fund on any Business Day exceeds 10% of the total assets of the Fund; or

- (g) with respect to a suspension of redemptions only, any period lasting no more than 15 Business Days in which the proportion of weekly maturing assets of the Fund falls below 10% of the total assets.

Notice of any such suspension shall be published by the Company in the Financial Times and in such other newspapers and through such other media as the Directors may from time to time determine, and shall be transmitted immediately and in any event, within one Business Day, to the Central Bank, Euronext Dublin and the Shareholders. Shareholders who have requested the issue or redemption of Shares of any series or class will have their subscription or redemption request dealt with on the first Business Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension.

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

If within a period of 90 days, the total duration of suspension of redemptions of the Fund exceeds 15 days, the Fund will automatically cease to be a Public Debt CNAV money market fund and Shareholders will be immediately informed in accordance with the MMF Regulations and the Directors will redeem all of the Shares of the Fund in issue, in accordance with section 17 “TERMINATION OR MERGER OF FUNDS OR SHARE CLASSES”.

## *14 Transfer of Shares*

Transfers of Shares must be effected by transfer in writing in any usual or common form or in any other form approved by the Directors from time to time. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The

Directors or their delegate may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the Company, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and to determine the identity of the transferee. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed to the satisfaction of the Directors an application form with respect to the relevant Shares and any original supporting documentation in relation to anti money laundering requirements and otherwise and the declaration required by the Irish Revenue Commissioners (to the effect that the transferee is not an Irish resident or is otherwise exempt from Irish tax). The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided, however that such registration shall not be suspended for more than 30 days in a year. Shares are freely transferable except that the Directors may decline to register a transfer of Shares (a) in the absence of satisfactory evidence that the proposed transferee is not a U.S. Person (other than pursuant to an exemption available under the laws of the United States); (b) if in the opinion of the Directors the transfer would be unlawful or result or be likely to result in any adverse regulatory, tax or fiscal consequences or material administrative burden to the Company or the Shareholders; (c) in the absence of satisfactory evidence of the transferee’s identity; or (d) where the Company is required to redeem or cancel such number of Shares as are required to meet the appropriate tax of the Shareholder on such transfer. A proposed transferee may be required to provide such representations, warranties or

documentation as the Directors may require in relation to the above matters.

In the event that the Company does not receive a declaration in the prescribed form (to the effect that the transferee is not an Irish resident or is otherwise exempt from Irish tax), the Company will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase, cancellation or other payment in respect of the Shares as described in the section headed “Taxation—Ireland” below.

## *15 Mandatory repurchase of Shares*

The Funds have not been registered under the 1940 Act or the 1933 Act and may not be offered for sale and will not be sold in the United States, its territories or possessions or to U.S. Persons. Investors will be required to complete a purchase application or other documentation which represents that the purchaser is not a U.S. Person. The Company reserves the right to enforce compulsory redemption of Shares held by such persons at any time.

Shareholders are required to notify the Company immediately in the event that they become Irish Residents or U.S. Persons, or cease to be exempt Irish Shareholders (as described in the section entitled “Taxation”), or the declaration made by or on their behalf is no longer valid. Shareholders are also required to notify the Company immediately in the event that they hold Shares for the account or benefit of Irish Residents or U.S. Persons, or otherwise hold Shares in breach of any law or regulation or otherwise in circumstances having or which may have, adverse regulatory, tax or fiscal consequences for the Company or the Shareholders.

Where the Company becomes aware that a Shareholder is (a) a U.S. Person or is holding Shares

for the account of a U.S. Person (other than pursuant to an exemption available under the laws of the United States); or (b) holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for the Company or the Shareholders, the Company may: (i) direct the Shareholder to dispose of those Shares to a person who is entitled to own the Shares within such time period as the Company stipulates; or (ii) redeem the Shares at their Net Asset Value per Share as at the next Business Day after the date of notification to the Shareholder or following the end of the period specified for disposal pursuant to (i) above.

Under the Articles, any Shareholder who becomes aware that it is holding Shares in contravention of any of the above provisions and who fails to transfer, or deliver for redemption, its Shares pursuant to the above provisions or who fails to make the appropriate notification to the Company shall indemnify and hold harmless each of the Directors, the Company, the Manager, the Investment Manager, the Administrator, the Depositary and the Shareholders (each an “Indemnified Party”) from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with its obligations pursuant to any of the above provisions. The Company shall be entitled to redeem Shares in respect of any Fund or class in the circumstances described below under “Termination or Merger of Funds or Share Classes”.

## *16 Determination of Net Asset Value*

The Net Asset Value of the Fund, and the Net Asset Value per Share in the Fund, shall be calculated by the Administrator as of the Valuation Point on each



Business Day in accordance with the valuation provisions set out in the Articles and summarised below.

The Net Asset Value of the Fund shall be calculated by ascertaining the value of the assets of the Fund and deducting from such amount the liabilities of the Fund, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Fund.

In the event that the Fund is further divided into different classes of Shares, the amount of the Net Asset Value of the Fund attributable to a class shall be determined by establishing the number of Shares issued in the class at the relevant Valuation Point and by allocating the relevant fees and Class Expenses to the class and making appropriate adjustments to take account of distributions paid out of the Fund, if applicable, and apportioning the Net Asset Value of the Fund accordingly.

The Net Asset Value per Share in respect of the Fund will be calculated by dividing the Net Asset Value of the Fund by the number of Shares of the relevant Fund in issue. In the event that the Fund is further subdivided into different classes of Shares, the Net Asset Value per Share in respect of a class will be calculated by dividing the Net Asset Value of the relevant class by the number of Shares of the relevant class in issue.

The Net Asset Value of the Fund, and the Net Asset Value per Share in the Fund, shall be calculated by the Administrator to the nearest two decimal places (eg, U.S. \$1.00). In the event that the Net Asset Value per Share increases by 50 basis points or more, the Net Asset Value per Share would be U.S. \$1.01 (or more) and, in the event that the Net Asset Value per Share decreases by 50 basis points or more, the Net Asset Value per Share would be U.S. \$0.99 (or less).

The Net Asset Value per Share will be published on each Business Day on the Website, in the Financial Times and in such other newspapers and through such

other media as the Directors may from time to time determine and as shall be notified to Euronext Dublin without delay.

The Articles provide for the methods of valuation of the assets and liabilities of the Fund. The assets and liabilities of the Fund shall be valued in two different ways:

First, the assets and liabilities shall be valued using the amortised cost method. This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium. The Net Asset Value shall be calculated using these valuations and shall be the Net Asset Value of the Fund, each class and per Share for all purposes, including subscriptions and redemptions.

Second, the assets and liabilities shall be valued using the mark-to-market values (whenever possible) or mark-to-model, both as further described below. A Net Asset Value shall be calculated using these valuations and shall be used for the sole purpose of determining the difference between it and the Net Asset Value calculated using amortised cost valuations. That difference shall be published on each Business Day on the Website.

When ascertaining the mark-to-market valuation described above, the asset of a Fund shall be valued at the more prudent side of bid and offer unless the asset can be closed out at mid-market. In addition, only good quality market data shall be used and such data shall be assessed on the basis of all of the following factors: (i) the number and quality of the counterparties; (ii) the volume and turnover in the market of the asset of the Fund; and (iii) the issue size and the portion of the issue that the Fund plans to buy or sell. Where use of mark-to-market is not possible or the market data is not of sufficient quality, an asset shall be valued conservatively by using mark-to-model. The model shall accurately estimate the intrinsic value

of the asset based on all of the following up-to-date key factors: (i) the volume and turnover in the market of that asset; (ii) the issue size and the portion of the issue that the Fund plans to buy or sell; (iii) market risk, interest rate risk, credit risk attached to the asset. When using mark-to-model, the amortised cost method shall not be used.

## *17 Termination or merger of Funds or Share classes*

The Company is established for an unlimited period and may have unlimited assets in its Funds. However, the Company may redeem all of the Shares of any Fund or class in issue if:

- (a) the Shareholders in that Fund or class pass a special resolution providing for such redemption at a general meeting of the holders of the Shares of that Fund or class;
- (b) the redemption of the Shares in that Fund or class is approved by a resolution in writing signed by all of the holders of the Shares in that Fund or class;
- (c) the Net Asset Value of the relevant Fund does not exceed or falls below U.S. \$15,000,000 (or such other amount as may be approved by the Directors in respect of any Fund);
- (d) the Directors deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the relevant Fund or class of Shares; or
- (e) within a period of 90 days, the total duration of suspension of redemptions of a Fund exceeds 15 days.

In the event of termination or merger, the Shares of the relevant Fund or class shall be redeemed after giving such prior written notice as may be required by

law to all holders of such Shares. Such notice periods may be three months or such shorter notice as may be required by any relevant regulatory authority. The Shares will be redeemed at the Net Asset Value per Share on the relevant Business Day less such sums as the Company in its discretion may from time to time determine as an appropriate provision for Duties and Charges in relation to the estimated realisation costs of the assets of the relevant Fund and in relation to the redemption and cancellation of the Shares to be redeemed.

Unamortised establishment and organisational expenses shall be borne by the Company or Fund as applicable.

## *18 Management and administration*

### **The Directors and Secretary**

The Directors are responsible for managing the business affairs of the Company. The Directors have delegated (a) the administration of the Company's affairs, including responsibility for the preparation and maintenance of the Company's records and accounts and related fund accounting matters (including the calculation of the Net Asset Value per Share) and Shareholder registration and transfer agency services to the Manager, who has in turn sub-delegated these responsibilities to the Administrator; (b) the safe-keeping of the Company's assets to the Depository; (c) the investment, management and disposal of the assets of each Fund to the Manager, who has in turn sub-delegated these responsibilities to the Investment Manager; and (d) the marketing, distribution and sale of Shares to the Manager with the power to sub-delegate these responsibilities to such companies or persons as it may from time to time determine. The Directors are listed below with their principal occupations. None of the Directors has entered into an

employment or service contract with the Company nor is any such contract proposed. Consequently, the Directors are all non-executive Directors. The Company has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the Company. The Articles do not provide for retirement of Directors by rotation. However, the Directors may be removed by the Shareholders by ordinary resolution in accordance with the procedures established under the Irish Companies Acts. The address of the Directors is the registered office of the Company.

### **Marie Chandoha**

Marie A. Chandoha serves as Director, President and Chief Executive Officer of Charles Schwab Investment Management, Inc., the Investment Manager to the Fund ("CSIM"). Prior to joining Schwab in 2010, Ms. Chandoha was the global head of the fixed income business at Blackrock, formerly Barclays Global Investors. Before joining Barclays Global Investors in 2007, she was co-head and senior portfolio manager in charge of the Montgomery fixed income division at Wells Capital, a senior bond strategist at Goldman Sachs, and managing director responsible for the global fixed income research and economics department at Credit Suisse First Boston. Previously, Ms. Chandoha was a mortgage securities research analyst at Morgan Stanley and an economist at the Federal Reserve Bank of New York. Ms. Chandoha earned a Bachelor of Arts degree in economics from Harvard University.

### **George Pereira**

George Pereira currently serves as Chief Operating Officer, Senior Vice President and Chief Financial Officer of CSIM. Mr. Pereira joined the CSIM management team in November 2004 after spending 5 years leading the Financial & Regulatory Reporting

areas of The Charles Schwab Corporation. Prior to joining CSIM, Mr. Pereira was the CFO of Commerzbank Capital Markets, the US broker-dealer subsidiary of Commerzbank (Germany) in New York City. In addition, Mr. Pereira spent 10 years at the New York Stock Exchange in the Member Firm Regulation Division. He left the NYSE as a Managing Director responsible for comprehensive regulatory oversight of approximately 100 broker-dealers. At the NYSE, Mr. Pereira also led the Financial and Operational interpretation group for a number of years. Mr. Pereira has an MBA in International Finance from St John's University, and obtained his undergraduate degree in Economics from The State University of New York at Albany.

### **Gary Palmer**

Gary Palmer is the Chief Executive of the Irish Debt Securities Association and a non-executive director. Until April 2012 and for the previous thirteen years, Mr Palmer was the Chief Executive of the Irish Funds Industry Association (IFIA). A former director, board member and member of the management committee of the European Funds and Asset Management Association (EFAMA) where Mr Palmer chaired the Valuations Committee; he is also a former director of the US based, National Investment Company Service Association (NICSA). Mr Palmer was a member of the Irish Prime Minister's Clearing House Group where he chaired the Investment Funds Committee and was a member of the Financial Regulator's Consultative Industry Panel and chaired the EU and International advisory group. Mr Palmer holds a degree in Economics and an MBS from University College Dublin and has been awarded the Certified Investment Fund Director designation from the Institute of Banking.

### **Rory Mason**

Rory Mason has over 25 years' experience in the investment and wealth management industry.

Mr. Mason is Managing Director of GillenMarkets, one of Ireland's leading independent investment advisory firms that also provides investment education services to its clients. Prior to 2015, Mr. Mason was Managing Director of Key Capital Private, an Irish wealth management group that was formed as a joint venture with Deutsche Bank Private Wealth Management in 2006. From 1998 to 2006, he held various senior management roles at ABN AMRO Asset Management in London and Amsterdam. Prior to 1998, Mr. Mason was a Director of ABN AMRO Corporate Finance in Dublin. Mr. Mason holds a Bachelor of Commerce degree from University College Dublin.

### **Fiona Mulhall**

Fiona Mulhall has over 20 years' experience within the funds industry, gained whilst Head of the Investments Funds & Debt Securities division with Investec Capital & Investments (Ireland) Ltd. (previously NCB Stockbrokers), a position she held from 2002 until 2014. Since 2014, Ms Mulhall has acted as an external consultant to service providers within the funds industry and has been acting as an independent non-executive director. Ms Mulhall is a Fellow of the Institute of Chartered Accountants in Ireland, a Certified Investment Fund Director and a member of the Association of Compliance Officers. Ms Mulhall holds an Economics degree from University College Dublin and a Professional Diploma in Accounting from Dublin City University.

### **Barbara Healy**

Barbara Healy is a chartered accountant by profession and has over 20 years' experience in the asset management industry. From 2004-2009, Barbara was Global Head of Operations for JPMorgan Hedge Fund Services incorporating the role of Executive Director and Head of Technical Solutions EMEA and Asia. During her tenure assets grew from \$5 billion to \$100 billion, positioning the firm as a top-tier service

provider in the hedge fund administration market. Ms. Healy previously ran operations for Tranaut Fund Administration Ltd from 2002 to 2004 which was subsequently acquired by JPMorgan, and before this was Director of Accounting for SEI Investments Europe. Ms. Healy has also worked in fund accounting positions in Banker's Trust and Chase Manhattan. She is currently serving as a non-executive director to Irish, Luxembourg and Cayman domiciled funds. Barbara holds a Bachelor of Commerce Degree (Honours) and a Post-Graduate Diploma in Professional Accounting. She is a member of the Institute of Chartered Accountants in Ireland (FCA) and is also a member of the Institute of Directors in Ireland. Barbara attended the High Performance Boards Corporate Governance Programme at IMD, Lausanne, Switzerland, 2011.

The Company Secretary is Matsack Trust Limited, 70 Sir John Rogerson's Quay, Dublin 2.

### **The Manager**

The Manager of the Company is Charles Schwab Asset Management (Ireland) Limited which was incorporated in Ireland as a private limited liability company on 29 January 1999 under registration number 300641. The directors and company secretary of the Manager are the same as the Directors and Company Secretary of the Company. The Manager is engaged in the business of providing management services to collective investment vehicles and is a wholly owned subsidiary of Schwab (SIS) Holdings, Inc I, which is a wholly-owned subsidiary of The Charles Schwab Corporation, the promoter of the Company. The Charles Schwab Corporation is a publicly traded financial services company that is listed on the NASDAQ Stock Market and is subject to regulation by the Federal Reserve Bank and the U.S. Securities and Exchange Commission.

Under the Management Agreement between the Company and the Manager (the "Management Agreement"), the Manager will provide or procure the

provision of investment management, administration, accounting, registration and distribution services to the Company.

The Management Agreement provides that the Manager shall (i) act in good faith and in a commercially reasonable manner using a degree of skill, care and attention reasonably expected of a professional manager; (ii) act in the best interests of the Company, the Fund and the Shareholders; (iii) have and employ effectively the resources and procedures that are necessary for the proper performance of its activities; (iv) comply with all regulatory requirements applicable to the conduct of its activities; and (v) treat all Shareholders fairly.

The Management Agreement provides that the Manager shall be liable to the Company or the Fund and shall hold them harmless from and against all costs, damages, charges, liabilities and expenses whatsoever which may be suffered or incurred by the Company or the Fund due to the negligence, fraud, bad faith or wilful default or failure to comply with its obligations as set out in the Management Agreement or in the Companies Act or under the UCITS Regulations, of the Manager, its employees, delegates or agents in the performance of its obligations. It also provides that the Company will keep the Manager and its agents, delegates and employees fully and effectively indemnified against all costs, damages, charges, liabilities and expenses whatsoever incurred by them pursuant to or in connection with the Management Agreement unless due to their respective negligence, wilful default, bad faith or fraud. For the purposes of that provision, the term “Manager” includes any person to whom the Manager delegates any of the functions or services that it agrees to provide under the Management Agreement and the Manager is authorised to grant an indemnity out of the assets of the Company on the same terms to any delegate which it appoints in accordance with the Management Agreement.

The Management Agreement shall continue in force unless and until terminated by either party on giving at least 90 days’ prior written notice to the other party, provided that the Management Agreement may be terminated forthwith by either party giving notice in writing to the other party in certain circumstances described in the Management Agreement including, without limitation, the insolvency of either party or a material breach of the Management Agreement.

The Manager has put in place a remuneration policy which is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Fund and includes measures to avoid conflicts of interest. The Manager has no employees and none of the Directors receives variable remuneration. The Manager considers that these remuneration arrangements are consistent with sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profile or the Articles of the Company. The policy will be reviewed annually. The details of the up-to-date policy are available at [https://client.schwab.com/secure/cc/research/offshore\\_mutual\\_funds/offshore\\_sweep\\_fund/](https://client.schwab.com/secure/cc/research/offshore_mutual_funds/offshore_sweep_fund/). A copy of the up-to-date policy is also available to investors free of charge from the Manager on request.

### **The Investment Manager**

Pursuant to the Investment Management Agreement between the Manager and the Investment Manager, CSIM has been appointed as the Investment Manager with responsibility for the investment, management and disposal of the assets of the Fund.

CSIM, 211 Main Street, San Francisco, CA 94105, currently provides investment management services to the Schwab Funds®, Laudus Funds, and Schwab ETFs, a family of 107 mutual funds and exchange-traded funds which are collective investments organised and

registered for sale in the United States with over U.S. \$351 billion in assets as of 30 June 2018.

The Investment Management Agreement provides that the Investment Manager shall (i) act in good faith and in a commercially reasonable manner using a degree of skill, care and attention reasonably expected of a professional manager; (ii) act in the best interests of the Company, the Fund and the Shareholders; (iii) have and employ effectively the resources and procedures that are necessary for the proper performance of its activities; (iv) comply with all regulatory requirements applicable to the conduct of its activities; and (v) treat all Shareholders fairly.

The Investment Management Agreement provides that the Investment Manager shall be liable to the Manager, the Company or the Fund and shall hold them harmless from and against all costs, damages, charges, liabilities and expenses whatsoever which may be suffered or incurred by the Manager, the Company or the Fund due to the negligence, fraud, bad faith or wilful default or failure to comply with its obligations as set out in the Investment Management Agreement or under the UCITS Regulations, of the Investment Manager, its employees, delegates or agents in the performance of its obligations. It also provides that the Manager, out of the assets of the Company, will keep the Investment Manager and its agents, delegates and employees fully and effectively indemnified against all costs, damages, charges, liabilities and expenses whatsoever incurred by them pursuant to or in connection with the Investment Management Agreement unless due to their respective negligence, wilful default, bad faith or fraud. For the purposes of that provision, the term “Investment Manager” includes any person to whom the Investment Manager delegates any of the functions or services that it agrees to provide under the Investment Management Agreement and the Investment Manager is authorised to grant an indemnity out of the assets of the Company on the same terms to any delegate which it

appoints in accordance with the Investment Management Agreement.

The Investment Management Agreement shall continue in force unless and until terminated by either party on giving at least 90 days’ prior written notice to the other party, provided that the Investment Management Agreement may be terminated forthwith by either party giving notice in writing to the other party in certain circumstances described in the Investment Management Agreement including, without limitation, the insolvency of either party or a material breach of the Investment Management Agreement.

### **The Administrator**

Pursuant to the Administration Agreement between the Company, the Manager and the Administrator, State Street Fund Services (Ireland) Limited has been appointed as the Administrator of the Company with responsibility for performing the day-to-day administration of the Company and each Fund and providing related fund accounting services (including the calculation of the Net Asset Value of each Fund and the Net Asset Value per Share) and for providing Shareholder registration, transfer agency and related support services.

The Administrator was incorporated as a limited liability company in Ireland on 23 March 1992. The Administrator is ultimately a wholly-owned indirect subsidiary of State Street Corporation, a U.S. corporation organised under the laws of the Commonwealth of Massachusetts.

Under the Administration Agreement, the Administrator is not liable for any loss of any nature whatsoever suffered by the Manager or the Shareholders in connection with the performance of its obligations under the Administration Agreement, except where that loss results directly from, breach, negligence, fraud, bad faith or wilful default on the part of the Administrator in the performance of its



obligations and duties under the Administration Agreement. In addition, the Manager has agreed to indemnify the Administrator out of the assets of the Manager from and against all actions, proceedings and claims and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Administrator, its permitted delegates, servants or agents in the performance or non-performance of its obligations and duties, unless they arise from the negligence, fraud, bad faith, or wilful default of the Administrator or its delegates, servants or agents.

The Administration Agreement can be terminated by any party on ninety days' written notice or immediately in certain circumstances described in the Administration Agreement.

### **The Depository**

Pursuant to the Amended and Restated Depository Agreement, between the Company and the Depository, State Street Custodial Services (Ireland) Limited has been appointed as the Depository of all the Company's assets. The Depository was incorporated in Ireland as a limited liability company on 22 May 1991. The Depository's ultimate parent is State Street Corporation. The principal activity of the Depository is to act as depository and trustee of collective investment schemes.

The Depository Agreement contains provisions governing the responsibilities and duties of the Depository. They include, amongst others, the following:

- (i) ensuring that the Company's cash flows are properly monitored, and that all cash has been booked in the appropriate accounts;
- (ii) safekeeping the assets of the Company, which includes (a) holding in custody all financial instruments that can be registered in a financial instrument account opened in the Depository's

books and all financial instruments that can be physically delivered to the Depository and (b) for other assets, verifying the ownership of the Company (or the Manager acting on behalf of the Company) of such assets and maintain maintaining an up-to-date record accordingly;

- (iii) ensuring that the sale, issue, re-purchase, redemption and cancellation of Shares are carried out in accordance with applicable national law and the Articles;
- (iv) ensuring that the value of the Shares is calculated in accordance with the applicable laws and the Articles;
- (v) carrying out the instructions of the Company and the Manager, unless they conflict with the applicable national law or the Articles;
- (vi) ensuring that in transactions involving the Company's assets any consideration is remitted within the usual time limits which are acceptable market practice in the context of the particular transaction; and
- (vii) ensuring that the Company's net income is applied in accordance with the applicable national law and the Articles.

### *Depository Liability*

In carrying out its duties the Depository shall act honestly, fairly professionally, independently and solely in the interests of the Company and its Shareholders.

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Regulations, and in particular Article 18 of the UCITS Level 2, the Depository shall return financial instruments of identical type or the corresponding amount to the Company without undue delay. The Depository shall not be liable if it can prove that the loss of a financial instrument held in custody has

arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Regulations.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Fund for all other losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations. The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations

The Depositary Agreement contains provisions, subject to certain exceptions, for the Company to indemnify and hold harmless the Depositary and its directors, officers and employees from losses arising out of the performance or non-performance of its obligations under the Depositary Agreement.

## *Delegation*

The Depositary has the power, subject to certain conditions, to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix II to the Prospectus.

## *Depositary Conflicts of Interest*

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

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

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

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Fund, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;



- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- (iv) may provide the same or similar services to other clients including competitors of the Fund;
- (v) may be granted creditors' rights by the Company which it may exercise.

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

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee. The Company may also be a client or counterparty of the Depository or its affiliates.

Up-to-date information on the Depository, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depository, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

## *Re-use of the Company's assets*

The Depository Agreement contains a provision which provides that the Depository or third parties to who safekeeping duties are delegated may only re-use the

Company's assets with the prior agreement of the Company or the Manager acting on its behalf.

## *Termination*

The Depository Agreement shall continue until it is terminated in accordance with its terms, which provide, amongst other things in this regard, that each of the Company and the Depository may terminate the Depository Agreement on 90 days' written notice to the other (although in certain circumstances the Depository Agreement may be terminated forthwith). Such termination shall take effect on the appointment of a replacement depository approved by the Central Bank and the Company will seek to appoint a new depository within 90 days from the date on which notice is given. However, if within 90 days from the date of the relevant notice, no new depository approved by the Central Bank has been appointed, the Company shall serve notice on the Shareholders of its intention to convene an extraordinary general meeting at which a resolution to wind up the Company will be considered.

## *19 Schwab Brokerage Clients*

The Company and the Manager have agreed that Charles Schwab & Co., Inc. ("CS&Co") may purchase Shares in the Fund using cash balances held with it by its brokerage clients. Such brokerage clients may agree with CS&Co to have free credit balances in their securities brokerage account used by CS&Co to purchase in Shares of the Fund. In those cases, free credit balances in their securities brokerage accounts as of 8:00 p.m. (U.S. Eastern Time) will be invested in Shares of the Fund on the next Business Day unless a different time is established in documentation relating to their securities brokerage account. CS&Co will, as Shareholder, hold those Shares for the benefit of those

brokerage clients and the Company, the Fund and the Manager will have no direct engagement with those brokerage clients. CS&Co will send written confirmation of the number of Shares held on a monthly basis or at such other time as is specified in the relevant brokerage account agreement. Generally, where a CS&Co brokerage client requests use of the cash used to purchase Shares before 10:00 a.m. (U.S. Eastern Time) on a given Business Day, CS&Co will make available the funds in the securities brokerage accounts by 4:00 p.m. (U.S. Eastern Time) that Business Day.

## 20 *Taxation*

*The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares and may not apply to certain other classes of persons.*

*The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.*

### **Taxation of the Company**

The Company intends to conduct its affairs so that it is Irish tax resident. On the basis that the Company is Irish tax resident, the Company qualifies as an ‘investment undertaking’ for Irish tax purposes and, consequently, is exempt from Irish tax on its income and gains.

The Company will be obliged to account for Irish income tax to the Irish Revenue Commissioners if Shares

are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms ‘resident’ and ‘ordinarily resident’ are set out at the end of this summary.

### **Taxation of Non-Irish Shareholders**

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder’s Shares once the declaration set out in the application form has been received by the Company confirming the Shareholder’s non-resident status. The declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary’s knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term ‘Intermediary’ is set out at the end of this summary.

If this declaration is not received by the Company, the Company will deduct Irish tax in respect of the Shareholder’s Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The Company will also deduct Irish tax if the Company has information which reasonably suggests that a Shareholder’s declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Company must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

## Taxation of exempt Irish Shareholders

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) of the Taxes Consolidation Act of Ireland (“TCA”), the Company will not deduct Irish tax in respect of the Shareholder’s Shares once the declaration set out in the application form has been received by the Company confirming the Shareholder’s exempt status.

The categories listed in section 739D(6) TCA can be summarised as follows:

2. Irish tax resident companies.
3. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
4. Companies carrying on life assurance business (within the meaning of section 706 TCA).
5. Investment undertakings (within the meaning of section 739B TCA).
6. Investment limited partnerships (within the meaning of section 739J TCA).
7. Special investment schemes (within the meaning of section 737 TCA).
8. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
9. Charities (within the meaning of section 739D(6)(f)(i) TCA).
10. Qualifying managing companies (within the meaning of section 734(1) TCA).
11. Specified companies (within the meaning of section 734(1) TCA).
12. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
13. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).

14. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
15. The National Asset Management Agency, the National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
16. Qualifying companies (within the meaning of section 110 TCA).
17. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

Irish resident Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

If this declaration is not received by the Company in respect of a Shareholder, the Company will deduct Irish tax in respect of the Shareholder’s Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

## Taxation of Other Irish Shareholders

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an ‘exempt’ Shareholder (see above), the Company will deduct Irish tax on distributions, redemptions and transfers and, additionally, on ‘eighth anniversary’ events, as described below.

## *Distributions by the Company*

If the Company pays a distribution to a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the distribution, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

## *Redemptions and transfers of Shares*

If the Company redeems Shares held by a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the redemption payment made to the Shareholder. Similarly, if such an Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares, the Company will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed or transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the gain, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Shares, to fund this Irish tax liability the Company may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.

Generally, a Shareholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Shareholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Shares.

## *'Eighth anniversary' events*

If a non-exempt Irish resident Shareholder does not dispose of Shares within eight years of acquiring them, the Shareholder will be deemed for Irish tax purposes to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Company will account for Irish tax in respect of the increase in value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company which has made the

appropriate declaration for the 25% rate to apply;  
and

2. 41% of the increase in value, in all other cases.

The Company will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Company may appropriate or cancel Shares held by the Shareholder.

However, if less than 10% of the Shares (by value) in the Fund are held by non-exempt Irish resident Shareholders, the Company may elect not to account for Irish tax on this deemed disposal. To claim this election, the Company must (a) confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Shareholders (including the value of their Shares and their Irish tax reference numbers); and (b) notify any non-exempt Irish resident Shareholders that the Company is electing to claim this exemption.

If the exemption is claimed by the Company, any non-exempt Irish resident Shareholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Company on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Shares over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Shares and any excess may be recovered on an ultimate disposal of the Shares.

## *Share exchanges*

Where a Shareholder exchanges Shares on arm's length terms for other Shares in the Company and no payment is received by the Shareholder, the Company will not deduct Irish tax in respect of the exchange.

## *Stamp duty*

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution in specie of assets from the Company, a charge to Irish stamp duty could potentially arise.

## *Gift and inheritance tax*

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

1. the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

## **FATCA**

Ireland has an intergovernmental agreement with the United States of America (the "IGA") in relation to FATCA, of a type commonly known as a 'model 1' agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The Company intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. Unless an

exemption applies, the Company shall be required to register with the US Internal Revenue Service as a 'reporting financial institution' for FATCA purposes and report information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Exemptions from the obligation to register for FATCA purposes and from the obligation to report information for FATCA purposes are available only in limited circumstances. Any information reported by the Company to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

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

### **OECD Common Reporting Standard**

The automatic exchange of information regime known as the "Common Reporting Standard" developed by the Organisation for Economic Co-operation and Development applies in Ireland. Under this regime, the Company is required to report information to the Irish Revenue Commissioners relating to all Shareholders, including the identity, residence and tax identification number of Shareholders and details as to

the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU member states and other jurisdictions which implement the OECD Common Reporting Standard. The OECD Common Reporting Standard replaces the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime).

### **Meaning of Terms**

#### *Meaning of 'Residence' for Companies*

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which does not have its central management and control in Ireland but which was incorporated before 1 January 2015 in Ireland is resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in EU member states or in countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.



Finally, a company that was incorporated in Ireland before 1 January 2015 will also be regarded as resident in Ireland if the company is (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a ‘relevant territory’), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; and (ii) the company would have been tax resident in that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

#### *Meaning of ‘Residence’ for Individuals*

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this ‘two year’ test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

#### *Meaning of ‘Ordinary Residence’ for Individuals*

The term ‘ordinary residence’ (as distinct from ‘residence’) relates to a person’s normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to

be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2015 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2018.

#### *Meaning of ‘Intermediary’*

An ‘intermediary’ means a person who:

1. carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or
2. holds units in such an investment undertaking on behalf of other persons.

## *United States federal income taxes*

The following discussion is a general summary of certain U.S. federal tax consequences that may result to the Company and its Shareholders in connection with their investment in the Company. The discussion does not purport to deal with all of the U.S. federal tax income consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. The discussion assumes that the Company will not hold any interests (other than as a creditor) in any “United States real property holding corporations” as defined in the U.S. Internal Revenue Code of 1986, as amended. Furthermore, the discussion assumes that no U.S. Person owns directly or indirectly, or is considered as owning by application of certain tax law rules of constructive ownership, any Shares of the Company. Investors should consult their own tax advisers regarding the tax consequences to them of an investment in the Company in light of their particular circumstances.



## **The Company**

The Company intends to conduct its affairs so that it will not be deemed to be engaged in trade or business in the United States and, therefore, none of its income will be treated as “effectively connected” with a U.S. trade or business carried on by the Company. If none of the Company’s income is effectively connected with a U.S. trade or business carried on by the Company, certain categories of income (including dividends and certain types of interest income) derived by the Company from U.S. sources will be subject to a U.S. tax of 30%, which tax is generally withheld from such income. Capital gains derived by the Company will not be subject to this 30% tax. If, on the other hand, the Company derives income which is effectively connected with a U.S. trade or business carried on by the Company, such income will be subject to U.S. federal income tax at the graduated rates applicable to U.S. domestic corporations, and the Company may also be subject to a branch profits tax. It is not anticipated that the Company will be eligible for a reduced rate of withholding tax or other benefits pursuant to the income tax treaty currently in force between the United States and Ireland.

## **Shareholders**

The U.S. tax consequences to Shareholders of distributions from the Company and of dispositions of Shares generally depends on the Shareholder’s particular circumstances, including whether the Shareholder conducts a trade or business within the United States.

## *21 Fees and expenses*

The Manager may receive a management fee of up to 0.65% per annum of the Fund’s average daily Net Asset Value attributable to the Class A Shares (plus value added tax, if any, thereon) accrued daily and payable monthly in arrears as of the last Business Day of each month. The Manager shall also be entitled to

be reimbursed for all reasonable out-of-pocket expenses incurred for the benefit of the Fund. The Manager shall be responsible for paying the fees and expenses (plus value added tax, if any, thereon) of the Administrator and the Investment Manager out of its own management fee. Shareholders shall be given three months’ notice of any increase in the level of management fee charged in respect of any Fund from the current level to the maximum level which is permitted by the Management Agreement. Any increase beyond this maximum shall be effected by an approval of the Shareholders by ordinary resolution. The Depositary may receive a depositary fee of up to 0.03% per annum of the Fund’s average daily Net Asset Value attributable to the Class A Shares (plus value added tax, if any, thereon) accrued daily and payable monthly in arrears as of the last Business Day of each month in addition to any transaction related charges ranging approximately from U.S. \$10 to U.S. \$150 per transaction depending on the location and the type of securities dealt in. The Depositary shall also be entitled to be reimbursed for all reasonable out-of-pocket expenses incurred for the benefit of the Fund.

The organisational expenses of the Company and the Fund have been fully amortised.

Pursuant to the Management Agreement the Manager may voluntarily undertake to reduce or waive its management fee or to make other arrangements to reduce expenses of the Fund to the extent that such expenses exceed such lower expense limitation as the Manager may, by notice to the Company, voluntarily declare to be effective. The Manager has currently undertaken to limit the aggregate annual operating expenses of the Fund attributable to the Class A Shares, including Directors fees, the management fee, and depositary and sub-custody fees which will be at normal commercial rates, but excluding interest, taxes (including any withholding tax applicable to portfolio securities or distributions to Shareholders and the

costs associated therewith), transaction charges, brokerage commissions, insurance premiums, the costs associated with registering the Company, the Fund or the Class A Shares with any governmental or regulatory authority or with any stock market or other Recognised Market and extraordinary expenses, to 0.65% per annum of the average daily Net Asset Value of the Shares. In addition to the above, the Manager also may voluntarily waive and/or reimburse fees and/or expenses in excess of the current waiver to the extent necessary to maintain a positive net yield. The Manager may terminate or modify this voluntary undertaking at any time at its sole discretion upon notice in writing to the Company.

It is not currently anticipated that any Duties and Charges beyond transaction charges commonly incurred in transactions in the relevant securities would be imposed.

The Company will also pay certain other costs, charges, fees and expenses incurred in its operation, including without limitation fees and expenses incurred in relation to banking and brokerage in respect of the purchase and sale of Fund securities, taxes, insurance, the costs and expenses of maintaining its books of account and of preparing, printing, publishing and distributing (in such languages as may be necessary) prospectuses, supplements, annual and half-yearly reports and other documents or information to current and prospective Shareholders (including the costs of developing and enhancing computer software and electronic transmission techniques to distribute such documents or information), the expense of publishing daily price and yield information, in relevant media, the costs and expenses of obtaining authorisations or registrations of the Company or of any Shares with the regulatory authorities (including local securities dealers associations) in various jurisdictions, the cost of listing and maintaining a listing of Shares on any stock exchange, marketing and promotional expenses, the

cost of convening and holding Directors and Shareholders meetings and professional fees and expenses for legal, auditing and other consulting services and such other costs and expenses (including non-recurring and extraordinary costs and expenses) as may arise from time to time and which have been approved by the Directors as necessary or appropriate for the continued operation of the Company or of any Fund.

The Manager or an affiliate may, out of its own resources, pay fees to Charles Schwab & Co. Inc. and its affiliated brokers or financial intermediaries (or other institutional investors) as compensation for services provided, or responsibilities assumed by such entities, with respect to large institutional accounts. Such fees are not paid by the Company or the Shareholders.

Separate and apart from the expenses borne by the Company or any Fund, financial institutions through whom Shares are purchased may charge fees for services provided which may be related to the ownership of Shares. This Prospectus should, therefore, be read together with any agreement between customer and institution with regard to services provided, the fees charged for these services, and any restrictions and limitations imposed thereunder.

The Articles provide that the Directors shall be entitled to a fee as remuneration for their services at a rate to be determined from time to time by the Directors provided that the amount of remuneration payable to any Director in any one year shall not exceed such amount as the Directors may from time to time determine and disclose to the Shareholders in the latest annual or half-yearly report. The Directors have determined that their annual remuneration shall not exceed U.S. \$30,000 each. At present, Ms Chandoha and Mr Pereira waive their entitlement to remuneration from the Company. The Directors, and any alternate Directors, shall also be entitled to be paid

all travelling, hotel and other expenses properly incurred by them in attending Directors or Shareholders meetings or any other meetings in connection with the business of the Company. None of the Directors have entered into a service contract with the Company nor is any such contract proposed and none of the Directors is an executive of the Company.

The expenses of each Fund of the Company are deducted from the total income of such Fund before dividends are paid. Expenses of the Company which are not directly attributable to the operation of a particular Fund are allocated among all Funds in a manner determined by the Directors. Class Expenses shall be allocated to the class to which they relate. Expenses of the Company which are not directly attributable to a specific class of Shares and which are directly attributable to a specific Fund are allocated among all classes of such Fund in a manner determined by the Directors. In such cases, the expenses will normally be allocated among all classes of such Fund pro-rata to the value of the net assets of the Fund which are attributable to those classes.

## *22 Information for United Kingdom investors*

The Company is categorised as a recognised scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 (the “FSMA”). Accordingly, Shares may be marketed to the general public in the United Kingdom. Charles Schwab, U.K., Limited has been appointed by the Manager to act as Facilities Agent for the Company in the United Kingdom pursuant to the U.K. Facilities Agreement dated 30 September 2003 and it has agreed to provide facilities at its offices at 5<sup>th</sup> Floor, 20 St. Dunstan’s Hill, London EC3R 8HL, United Kingdom where:

- (a) a Shareholder may redeem or arrange for redemption of his or her Shares and from which payment of the price on redemption may be obtained; and
- (b) information can be obtained orally and in writing about the Funds’ most recently published Share price.

Copies of the following documents may be inspected and obtained (free of charge) from the offices of the Facilities Agent:

- (a) the Articles and any amendments thereto;
- (b) the prospectus most recently issued by the Company;
- (c) the key investor information document most recently issued by the Company; and
- (d) the most recently published annual and half yearly reports relating to the Company.

The fees of the U.K. Facilities Agent will be payable by the Manager out of its own fees.

### *United Kingdom taxation*

The following summary of anticipated tax treatment in the United Kingdom does not constitute legal or tax advice and applies only to persons holding Shares as an investment. The summary is based on the taxation law and practice in force at the date of this Prospectus, but prospective investors should be aware that the relevant fiscal rules and practice or their interpretation might change. Prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of Shares, and the receipt of distributions (whether or not on redemption) with respect to such Shares under the laws of the countries in which they are liable to taxation. The following tax summary is not a guarantee to any investor of the tax results of investing in the Company.

## **The Company**

The Directors intend to conduct the affairs of the Company in such a manner as to minimise, so far as they consider reasonably practicable, taxation suffered by the Company. This will include conducting the affairs of the Company so that it does not become resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a permanent establishment situated therein), the Company will not be subject to United Kingdom income tax or corporation tax on gains on disposal of its investments, but may be subject to United Kingdom withholding taxes on United Kingdom source income.

## **Shareholders**

The Company is an offshore umbrella fund for the purposes of United Kingdom taxation. Consequently, the United Kingdom offshore funds rules will apply in relation to the Fund and, if relevant, in relation to each class of Shares within the Fund.

For so long as Reporting Fund status is maintained in relation to the Fund (or, if relevant, any class of Shares of the Fund), any profit on a disposal of Shares in such Fund or Share class (for example, by way of transfer or redemption) by a UK resident Shareholder should fall to be taxed as a capital gain (subject to the rules outlined below for corporate investors in Bond Funds).

The Schwab U.S. Dollar Liquid Asset Fund has been accepted by HM Revenue & Customs as a "Reporting Fund" for the purposes of United Kingdom offshore funds rules. Reporting Fund status will apply in relation to the Schwab U.S. Dollar Liquid Asset Fund for each period of account of the Company provided the Company continues to comply with the applicable rules and does not elect in relation to the Schwab U.S. Dollar Liquid Asset Fund to become a non-Reporting Fund.

If Reporting Fund status is not maintained in respect of any Fund or, if relevant, any class of Shares, any gain arising on a disposal of Shares in such Fund or Share class will constitute income for all purposes of United Kingdom taxation.

As the disposal proceeds of Shares will be received in U.S. dollars, they should be translated into pounds sterling to calculate the amount of any chargeable gain or allowable loss or, where Reporting Fund status is not maintained, income gain or allowable loss. For instance, even though the Company seeks to maintain Shares of the Schwab U.S. Dollar Liquid Assets Fund at a stable Net Asset Value per Share of U.S. \$1.00, a Shareholder may make a gain (or loss) when that value is translated into pounds sterling when Shares are redeemed. Investors resident in the United Kingdom should note that they will be required to account in pounds sterling in respect of their transactions in Shares notwithstanding that the Shares are denominated in U.S. dollars.

According to their personal circumstances, and subject to the points set out below, Shareholders resident in the United Kingdom for tax purposes will be liable to income tax or corporation tax in respect of any dividend or other income distribution of the Company (whether or not actually distributed to such Shareholders, or reinvested in further Shares, and including (for the avoidance of doubt) any undistributed reported income under the Reporting Fund regime).

Investors within the charge to income tax may in certain circumstances be entitled to a non-payable tax credit which may be set off against their total income tax liability on the dividends or other income distributions. Where applicable, the tax credit is equal to 10% of the aggregate of the distribution and the tax credit, or one-ninth of the distribution received.

Investors who are within the charge to corporation tax in respect of Shares in the Company will generally be exempt from corporation tax on dividends and other

distributions unless the Bond Fund rules (see below) or other anti-avoidance provisions apply.

For UK investors investing in Bond Funds (as defined below) all distributions will be taxed as interest and will not carry a non-repayable tax credit.

If any Fund has more than 60% by market value of its investments in debt securities, money placed at interest (other than cash awaiting investment), building society shares or in holdings in unit trusts or other offshore funds with, broadly, more than 60% by market value of their investments similarly invested, such Fund will be a “Bond Fund”. United Kingdom corporate investors will be taxed on any increase (or relieved for any loss) on the open market value of their interest in a Bond Fund at the end of each accounting period and at the date of disposal of their interest as income.

It should be noted that authorised unit trusts, open-ended investment companies and investment trusts holding Shares should not be affected by these rules to the extent that profits and losses on their Shares are accounted for as capital. However the rules may apply to investors in relevant authorised unit trusts and open-ended investment companies.

Investors who are life insurance companies within the charge to United Kingdom taxation holding their Shares in the Company for the purposes of their long-term business (other than their pensions business) will be deemed to dispose of and immediately reacquire their Shares at the end of each accounting period. Such Shareholders should seek their professional advisers’ advice as to the tax consequences of the deemed disposal.

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of

undistributed income and profits of the Company on an annual basis.

The Income and Corporation Taxes Act 1988 contains provisions which subject certain United Kingdom resident companies to corporation tax on profits of companies not so resident in which they have an interest. The provisions affect United Kingdom resident companies which are deemed to be interested (whether directly or indirectly) in at least 25% of the profits of a non-resident company which is controlled by residents of the United Kingdom and is resident in a low tax jurisdiction. The legislation is not directed towards the taxation of capital gains. Investors should note that the United Kingdom Government is currently considering the reform of these rules.

It is anticipated that the shareholdings in the Company will be such as to ensure that the Company would not be a close company if resident in the United Kingdom. If, however, the Company were to be such that it would be close if resident in the United Kingdom, gains accruing to it may be apportioned to certain United Kingdom resident Shareholders who may thereby become chargeable to capital gains tax, or corporation tax, on chargeable gains on the gains apportioned to them.

### **Miscellaneous**

- The Class A Shares in the Schwab U.S. Dollar Liquid Assets Fund have been admitted to the Official List and to trading on the Main Market of Euronext Dublin. However, there will be no market maker in the Shares. Shareholders may be able to realise their investment in the Shares only through the redemption of their Shares by the Company as described in “Redeeming Shares” in the Prospectus or through separate agreement with your securities broker or financial intermediary.
- The Shares issued to investors in the Company will be denominated in U.S. dollars and not pounds sterling. Changes in rates of currency exchange

may have an adverse effect on the value, price, or income of the investment.

- The price and value of the Shares and any income from them can fluctuate and may move against the investor's interest, and an investor may get back less than he invested. Notwithstanding the foregoing, Schwab U.S. Dollar Liquid Assets Fund intends to maintain a stable Net Asset Value per Share of U.S. \$1.00, although there is no guarantee it will be able to do so.
- Investment in the Company may not be suitable for all investors. This document should not be regarded as a recommendation to buy, sell or otherwise maintain any particular investment or shareholding. Investors needing advice should consult an appropriate financial adviser. References should in particular be made to the sections headed "Investment Objectives and Policies", "Use of Financial Derivative Instruments and Fund Investment Techniques", and "Investment Risks" in the Prospectus.
- Charles Schwab & Co., Inc. or companies associated with Charles Schwab & Co., Inc. will or may provide investment and shareholder services for the Company, but do not have any beneficial holding in any Shares of the Company. However, such companies may themselves hold or subsequently acquire Shares, as holder of record or nominee for customers or otherwise. Save as disclosed herein and in the Prospectus, no commissions, discounts, brokerages, or other special terms have been granted or are payable by the Company in connection with the issue or sale of Shares and no officer or Director of the Company has an interest, direct or indirect, in the promotion of the Company or in any property proposed to be acquired by the Company.
- The Company does not have a place of business in the United Kingdom and is not authorised under

the FSMA. As against the Company, and any overseas agent thereof who is not authorised to carry on investment business in the United Kingdom, a United Kingdom investor will not benefit from the following rights designed to protect investors under the rules of the FCA; the Financial Services Compensation Scheme; access to the Financial Ombudsman and their Arbitration Scheme. Please contact Charles Schwab, U.K., Limited Compliance Dept., 5<sup>th</sup> Floor, 20 Dunstan's Hill, London EC3R 8HL, United Kingdom regarding complaints or requests for documents.

- Investors purchasing Shares in the Company will generally have no rights of cancellation under the FSMA. If any transaction attracts cancellation rights, Charles Schwab, U.K. Limited will forward to the investor a cancellation notice in accordance with the above rules.
- The Directors have, and may exercise, rights under the Articles or otherwise to compulsorily redeem Shares issued, sold, or transferred to, or owned by, certain U.S. Persons (as defined in the Prospectus). These rights may extend to any person who becomes a U.S. Person.
- Levels and bases of taxation in relevant jurisdictions are subject to change. For a discussion of United Kingdom taxation, see above.

## 23 *General*

### **Conflicts of interest**

Subject to the provisions of this section, the Administrator, the Investment Manager, the Depositary, any Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates ("Connected Persons" and each a "Connected Person") may contract or enter into any financial, banking or other transaction with one another or with the Company including, without



limitation, investment by the Company in securities of a Shareholder or investment by any Connected Persons in any company or body any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions and in particular, without limitation, they may invest in and deal with Shares relating to any Fund or any property of the kind included in the property of the Company for their respective individual accounts or for the account of someone else. A Connected Person may also from time to time have a position in, or underwrite or deal in, one or more of the securities on which the Investment Manager has provided investment advice to the Company.

In addition, any cash of the Company may be deposited, subject to the provisions of the Irish Central Bank Acts 1942 to 2013, with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions, including foreign exchange transactions, may also be undertaken with or through a Connected Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments to or from the Company through or with the Investment Manager or the Depositary or any subsidiary, affiliate, associate, agent or their respective delegates.

There will be no obligation on the part of any Connected Person to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party, provided that such transactions are conducted at arm's length, are consistent with the best interests of Shareholders and

- (a) a certified valuation of such transaction by a person approved by the Depositary (or, in a transaction involving the Depositary, the Directors) as independent and competent has been obtained; or

- (b) such transaction has been executed on best terms reasonably available on an organised investment exchange under its rules; or
- (c) such transaction has been executed on terms which the Depositary is satisfied conform with the principle that such transactions be conducted at arm's length. In the event of a transaction involving the Depositary, the Directors should be satisfied that such transaction conforms with the principle that it be carried out as if effected on normal commercial terms negotiated at arm's length.

The Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document how it has complied with (a), (b) or (c) above. Where transactions are conducted in accordance with (c), the Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its rationale for being satisfied that the transaction conformed to the principles outlined in that paragraph.

A Connected Person may also engage in other activities involving or affecting the securities in which the Funds will invest. In particular Connected Persons may be involved in origination of transactions concerning such securities, underwriting such securities and acting as broker/dealer in respect of such securities. In addition, a Connected Person may perform other services for portfolio companies and receive fees, commissions and other remuneration therefor. In conjunction with their various activities, Connected Persons may come into possession of confidential information that could, if known to the public, affect the market value of the securities in which the Funds will invest. Connected Persons will not be obliged to disclose such information to the Funds or to use such information for the benefit of the Funds.



The Articles provide that the Directors may rely on the valuation of a competent person when determining the probable realization value of unlisted securities. The Directors may rely on a valuation provided by the Investment Manager or a related entity for these purposes and investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated probable realization value of the security, the higher the fees payable to the Investment Manager.

The Administrator and the Investment Manager may also, in the course of their business, have potential conflicts of interest with the Company in circumstances other than those referred to above. Each of the Administrator and the Investment Manager will, however, have regard in such event to its obligations under the Administration Agreement and the Investment Management Agreement respectively and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will ensure that such conflicts are resolved fairly. In the event that a conflict of interest does arise the Directors will endeavor to ensure that such conflicts are resolved fairly.

Ms. Chandoha and Mr. Pereira are officers of the Investment Manager. The Directors may also serve as directors of other collective investment schemes or may be directors or shareholders of other companies in which the Company invests.

In selecting brokers to make purchases and sales for the Company, the Investment Manager will choose those brokers who provide best execution to the Company. In determining what constitutes best execution, the Investment Manager may consider a number of factors, including, for example, the over-all economic result of the Company (price of commission plus other costs), clearance, settlement, reputation, the efficiency of the transaction and error resolution, the broker's ability to

effect the transaction if a large block is involved, availability of the broker for difficult transactions in the future, order of call, other services provided by the broker such as research and the provision of statistical and other information and the financial strength and stability of the broker. In managing the assets of the Company, the Investment Manager may receive certain research and statistical and other information and assistance from brokers who may in some cases be an affiliate of the Investment Manager. The Investment Manager may allocate brokerage business to brokers who have provided such research and assistance to the Company and/or other accounts for which the Investment Manager exercises investment discretion. The brokerage rates payable to such brokers shall not be in excess of customary institutional full service brokerage rates and are known as "soft commissions". The benefits provided under any such soft commission arrangements must assist in the provision of investment services to the Company and any such soft commission arrangements will be disclosed in the periodic reports of the Company. No cash rebates will be retained by the Investment Manager or any of its affiliates.

### **Meetings**

At least one general meeting of the Company shall be held in each year as the Company's annual general meeting. At least twenty-one days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given to Shareholders. The notice shall specify the place, day and hour of the meeting and the terms of the resolutions to be proposed. A proxy may attend on behalf of any Shareholder. The voting rights attached to the Shares are set out under the heading "Voting Rights" in this Prospectus.

### **Reports and accounts**

The Directors shall cause to be prepared an annual report and audited annual accounts for the Company and each Fund for the period ending 31 December in

each year. As at the date hereof, the most recent annual report and audited accounts covered the period from 1 January 2017 to 31 December 2017. These annual reports will be filed with the Central Bank and the Companies Announcements Office of Euronext Dublin within four months of the end of the relevant accounting period and will be circulated to Shareholders as soon as possible thereafter, and in any event at least twenty one days before the annual general meeting. In addition, the Directors shall cause to be prepared a half-yearly report covering the period from 1 January to 30 June each year which shall include unaudited half-yearly accounts for the Company and each Fund. Half-yearly reports for each Fund will be filed with the Central Bank and the Companies Announcements Office of Euronext Dublin within two months of the end of the relevant accounting period and will be circulated to Shareholders in the relevant Fund as soon as possible thereafter. As at the date hereof, the most recent half-yearly report covered the period from 1 January 2018 to 30 June 2018. The annual report and the half-yearly report may be sent to Shareholders by electronic mail or other electronic means of communication where Shareholders have elected to receive the reports by such methods. Shareholders are also entitled to receive reports by hard copy mail on request.

## **Winding up**

The Articles contain provisions to the following effect:

- (a) If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims. The liquidator shall, in relation to the assets available for distribution among the Shareholders, make in the books of the Company such transfers thereof to and from Funds as may be necessary in order that the effective burden of such creditors' claims may be shared between the

holder of Shares of different classes in such proportions as the liquidator in his absolute discretion may think equitable.

- (b) 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 the Shares of each series of a sum in the currency in which that series is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such series held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any series of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had:
    - (1) first, to the assets of the Company not comprised within any of the Funds; and
    - (2) secondly, to the assets remaining in the Funds for the other series of Shares (after payment to the holders of the Shares of the series to which they relate of the amounts to which they are respectively entitled under this paragraph (i)) pro rata to the total value of such assets remaining within each such Fund.

- (ii) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under sub-paragraph (i)(1) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds.
  - (iii) Thirdly, in the payment to the holders of each series of Shares of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares of that series held.
  - (iv) Fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the number of Shares held.
- (c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a special resolution and any other sanction required by the Irish Companies Acts, divide among the Shareholders in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator shall if any Shareholder so requests liquidate or

otherwise dispose of sufficient assets in order to enable the liquidator to distribute the cash proceeds thereof, net of all fiscal Duties and Charges incurred in connection with the sale of such underlying investments, to the Shareholder in question. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is liability.

### **Material contracts**

The following contracts, which are summarised in the “Management and Administration” and “Fees and Expenses” sections in this Prospectus, have been entered into and are, or may be, material:

- (a) Management Agreement dated 2 January 2019, as may be amended, between the Company and the Manager pursuant to which the Manager was appointed to provide management, administrative and distribution services to the Company;
- (b) Administration Agreement dated 28 September 2012, as may be amended, between the Company, the Manager and the Administrator pursuant to which the Administrator was appointed to provide administration, accounting and Shareholder registration and transfer agency services to the Company;
- (c) Amended and Restated Depositary Agreement dated 13 October 2016, as may be amended, between the Company, the Manager and the Depositary pursuant to which the Depositary has been appointed as depositary of the Company’s assets; and

- (d) Investment Management Agreement 2 January 2019, as may be amended, between the Manager and the Investment Manager pursuant to which the Investment Manager has been appointed to provide investment management and advisory services to the Company.

### **Documents for inspection**

Copies of the following documents may be inspected at the Company's registered office at 70 Sir John Rogerson's Quay, Dublin 2, Ireland, during normal business hours on any day on which the Administrator is open for business:

- (a) the material contracts referred to above;
- (b) the Articles;
- (c) the UCITS Regulations; and
- (d) the latest published annual and half-yearly reports and audited and unaudited accounts of the Company.

Copies of the Articles and of any annual or half-yearly reports may be obtained from the Administrator free of charge.

# *Appendix I*

## **Recognised Markets**

In accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations (which does not issue a list of approved markets), the following is a list of the Recognised Markets in which the Fund may invest:

1. NASDAQ in the United States.
2. The market in the U.S. government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York.
3. The OTC market in the United States conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and the Financial Industry Regulatory Authority and by banking institutions regulated by the U.S. Comptroller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation.
4. Any stock exchange in the United States.
5. In the case of an investment in financial derivative instrument, in any derivative market approved in a member state of the European Economic Area (with the exception of Cyprus and Liechtenstein) and the following exchanges or markets:  
  
American Stock Exchange, Chicago Mercantile Exchange, Chicago Board of Options Exchange, Chicago Board of Trade, Kansas City Board of Trade, Mid-American Commodity Exchange, Minneapolis Grain Exchange, New York Board of Trade and New York Mercantile Exchange.
6. The market conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the Market Conduct section of the FCA Handbook (formerly known as the “Grey Paper”).

## Appendix II

The Depository has appointed State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below, as at the date of this Prospectus. The latest version of this list can be consulted at the Investment Manager Guide on the website [www.mystatestreet.com](http://www.mystatestreet.com).

Market	Subcustodian
Albania	Raiffeisen Bank sh.a.
Australia	The Hongkong and Shanghai Banking Corporation Limited
Austria	Deutsche Bank AG
	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Bangladesh	Standard Chartered Bank
Belgium	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
Benin	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank, N.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD
Burkina Faso	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast

Market	Subcustodian
Canada	State Street Trust Company Canada
Chile	Banco Itaú Chile S.A.
People's Republic of China	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
	China Construction Bank Corporation (for A-share market only)
	Citibank N.A. (for Shanghai – Hong Kong Stock Connect market only)
	The Hongkong and Shanghai Banking Corporation Limited (for Shanghai – Hong Kong Stock Connect market only)
	Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.
Croatia	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
Czech Republic	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
Egypt	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Estonia	AS SEB Pank

Market	Subcustodian
Finland	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
France	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
Republic of Georgia	JSC Bank of Georgia
Germany	State Street Bank GmbH
	Deutsche Bank AG
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
Iceland	Landsbankinn hf.
India	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG
Ireland	State Street Bank and Trust Company, United Kingdom branch
Israel	Bank Hapoalim B.M.
Italy	Deutsche Bank S.p.A.
Ivory Coast	Standard Chartered Bank Côte d'Ivoire S.A.
Japan	Mizuho Bank, Limited
	The Hongkong and Shanghai Banking Corporation Limited
Jordan	Standard Chartered Bank
Kazakhstan	JSC Citibank Kazakhstan

Market	Subcustodian
Kenya	Standard Chartered Bank Kenya Limited
Republic of Korea	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
Kuwait	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Latvia	AS SEB banka
Lebanon	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Lithuania	AB SEB bankas
Malawi	Standard Bank Limited
Malaysia	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
Mali	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México, S.A.
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Limited
Netherlands	Deutsche Bank AG
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Niger	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
Oman	HSBC Bank Oman S.A.O.G (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Pakistan	Deutsche Bank AG
Panama	Citibank, N.A.
Peru	Citibank del Perú, S.A.
Philippines	Deutsche Bank AG



Market	Subcustodian
Poland	Bank Handlowy w Warszawie S.A.
	Bank Polska Kasa Opieki S.A
Portugal	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
Puerto Rico	Citibank N.A.
Qatar	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	Limited Liability Company Deutsche Bank
Saudi Arabia	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Serbia	UniCredit Bank Serbia JSC
Singapore	Citibank N.A.
	United Overseas Bank Limited
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	FirstRand Bank Limited
	Standard Bank of South Africa Limited
Spain	Deutsche Bank S.A.E.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d.
Swaziland	Standard Bank Swaziland Limited
Sweden	Nordea Bank AB (publ)
	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse AG
	UBS Switzerland AG
Taiwan — R.O.C.	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited

Market	Subcustodian
Togo	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Tunisia	Banque Internationale Arabe de Tunisie
Turkey	Citibank, A.Ş.
	Deutsche Bank A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	PJSC Citibank
United Arab Emirates Dubai Financial Market	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Dubai International Financial Center	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Abu Dhabi	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Kingdom	State Street Bank and Trust Company, United Kingdom branch
Uruguay	Banco Itaú Uruguay S.A.
Venezuela	Citibank, N.A.
Vietnam	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Zambia	Standard Chartered Bank Zambia Plc.
Zimbabwe	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)

Notes

*Charles Schwab*  
*Worldwide Funds plc*

**Prospectus**

2 January 2019

**Schwab U.S. Dollar Liquid Assets Fund**