

**TwentyFour Global Investment Funds p.l.c.**

An umbrella fund with segregated liability between sub-funds

A company incorporated with limited liability as an investment company with variable capital incorporated under the laws of Ireland with registered number 530181)

(the "**Company**")

ADDITIONAL INFORMATION FOR INVESTORS IN THE UNITED KINGDOM

**Information contained herein is selective, containing specific information in relation to the Company. This document (the UK Country Supplement) forms part of and should be read in conjunction with the Prospectus for the Company dated 30 November 2022, as amended (the Prospectus). This document is for distribution in the United Kingdom only.**

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used herein.

Dated: 09 June 2023

The Company is an EEA UCITS that is temporarily recognised pursuant to regulation 62 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019, as may be amended (the UCITS SI), for the purposes of part 17 of the UK Financial Services and Markets Act 2000, as amended (the FSMA) and Shares in the Company may be promoted to the UK public by persons authorised to carry on investment business in the UK. This Prospectus constitutes a financial promotion under Section 21 of the FSMA, and has been approved by TwentyFour Asset Management LLP who is authorised and regulated by the Financial Conduct Authority to carry on regulated activities in the UK and is subject to the rules of the Financial Conduct Authority.

Any advice or recommendation which may be given or offered by this Prospectus does not relate to products and services of TwentyFour Asset Management LLP, but to those of the Company.

The Company does not carry on investment business in the UK, so as to require the conduct of its business to be regulated under the FCA. Shareholders will therefore not benefit from the protections provided by the UK regulatory system.

### **Important**

Compensation under the Financial Services Compensation Scheme will generally not be available to UK investors.

A UK investor who enters into an investment agreement with the Company to acquire Shares in response to the Prospectus will not have the right to cancel the agreement under the cancellation rules made by the FCA. The agreement will be binding upon acceptance of the order by the Company.

In connection with the Company's recognition under regulation 62 of the UCITS SI, TwentyFour Asset Management LLP (the "**Facilities Agent**") will perform the facilities required of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook ("**COLL**") published by the Financial Conduct Authority as part of the Financial Conduct Authority's Handbook of Rules and Guidance governing recognised schemes.

The facilities will be located at the offices of the Facilities Agent at 8<sup>th</sup> Floor, The Monument Building, 11 Monument Street, London EC3R 8AF, United Kingdom.

At these facilities, any person may:

1. Inspect (free of charge), during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted), a copy of the following documents:
  - (a) the Memorandum and Articles of Association of the Company and any instruments amending these;
  - (b) the latest Prospectus including any addenda or supplements thereto;
  - (c) the latest key investor information documents;
  - (d) the latest annual and half-yearly reports; and
  - (e) any other documents required from time to time by COLL to be made available;

2. Obtain a copy (in English) of any of the above documents (free of charge in the case of documents (b) to (d));
3. Obtain information (in English) relating to the prices of Shares;
4. Redeem or arrange for the redemption of Shares (and obtain payment for such Shares); any redemption request received shall be sent to the Administrator for processing;
5. Make a complaint about the operation of the Company, which complaint shall be transmitted to the Company;
6. Obtain, free of charge, details or copies of any notices which have been given or sent to Shareholders.

## UK TAXATION

**Warning:** The information contained below is provided for UK resident investors only and is based on current UK tax legislation and the known current HM Revenue & Customs ("**HMRC**") practice. This can vary according to individual circumstances and is subject to change. It is intended as a guide only and is not a substitute for professional advice. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares in the TwentyFour Corporate Bond Fund (the "Fund"). The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the implications of subscribing for, purchasing, holding, switching or disposing of Shares in the Fund under the laws of any jurisdiction in which they may be subject to tax.

This summary only addresses the tax consequences for UK-resident investors who hold Shares as an investment and not as trading stock or for any other purpose. It does not deal with the position of certain classes of investors, such as dealers in securities and insurance companies, trusts, authorised investment funds or investment trust companies and persons who have acquired their Shares by reason of their or another's employment; nor does it deal with the position of individuals who are UK resident but non-domiciled or with the UK tax position of non-UK resident persons who hold the shares in connection with a business carried on in the UK. It does not cover UK shareholders which are tax exempt or subject to special taxation regimes.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely. The statements are based on current tax legislation, together with HMRC practice, all of which are subject to change at any time - possibly with retrospective effect.

### Nature of investment

Investors will acquire Shares in a particular Share Class of a Fund. The Fund is a sub-fund contained within an Irish open-ended investment company (the "Company") with variable capital and segregated liability between its Sub-Funds. The Company is itself authorised as a UCITS scheme in Ireland by the Central Bank of Ireland and is structured as an umbrella company. As the Company is authorised and regulated as a UCITS scheme in Ireland, it should not be treated as resident in the UK for taxation purposes.

All Share Classes of the Fund currently available for investment are accumulating and income Share Classes. The accumulation operates by retention of income arising in the Fund such that the Net Asset Value relating to each Share is increased by its proportionate share of the income received. No cash distributions of income will be made at any point by the Fund in respect of any Share Class.

### **Taxation status of the Fund**

The Directors understand that the Fund is not a transparent entity for UK tax purposes. The Company is not UK resident and the Directors intend to conduct the affairs of the Fund in a manner such that they do not carry on a trade within the UK through a permanent establishment or otherwise for UK tax purposes, and as such will not become resident in the UK. Accordingly, the Fund should not be subject to UK income tax or corporation tax other than withholding tax on certain UK source income. However it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Income and gains received by the Company may be subject to withholding or similar taxes imposed by the country in which such returns arise.

If the Fund should invest in UK investments any UK source income arising may be subject to UK withholding tax depending on the nature of those investments and whether the Company can make a valid claim under the double tax agreement between the UK and the Republic of Ireland to avoid or minimise such withholding tax.

Each Share Class of the Fund will be treated as a separate "offshore fund" for the purposes of the UK offshore funds tax regime in accordance with Part 8 of the Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010"). The UK's reporting fund regime, which is contained in the Offshore Funds (Tax) Regulations 2009 ("Regulations 2009") (Statutory Instrument 2009/3001), will apply separately to each Share Class of the Fund. Under the UK reporting fund regime, for UK taxpayers to secure capital gains tax treatment on the disposal of their investment in Shares in a Share Class of the Fund, that Share Class would need to be certified as a "reporting fund" throughout the entire period in which the UK taxpayer held the investment. In broad terms, a "reporting fund" is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and to its Shareholders.

In the event that any Share Class of the Fund does not apply to HMRC for UK reporting fund status for the first period of account of that Share Class, it should be noted that UK reporting fund status cannot be obtained retrospectively for any period and would therefore generally only be available from the period in which the Directors made the appropriate application to HMRC (and subsequent periods).

The Directors will take all steps that are practicable and consistent both with the laws and regulatory requirements of the Republic of Ireland and the UK and with the investment objectives and policies of the Fund, to ensure that, in respect of each Reporting Funds Share Class ("RFSC"), UK reporting fund status is obtained and retained in respect of each of its accounting periods. It must be appreciated, however, that no assurance can be given as to whether such approval will, in practice, be granted in the first instance, and retained in respect of any particular accounting period. The exact conditions that must be fulfilled for the Fund to obtain reporting fund status for each Share Class may be affected by changes in HMRC practice or by subsequent changes to the relevant provisions of UK tax legislation.

The comments below under the heading entitled “**Taxation of UK resident investors in RFSC**” are based on the assumption that applications will be made to HMRC to obtain UK reporting fund status from the beginning of the first period of account for each relevant Share Class, and on the premise that each RFSC will maintain reporting fund status throughout the entire period in which it has UK resident investors. It is important to note that once a share class has been granted UK reporting fund status, it will maintain that status so long as it continues to satisfy the conditions to be a reporting fund and it meets its annual compliance requirements under the reporting fund regime. If reporting fund status is revoked by HMRC for any RFSC, that RFSC will be unable to regain reporting fund status and will thereafter be permanently outside the reporting fund regime. Where, however, reporting fund status is voluntarily surrendered under Regulation 116 of the Regulations 2009, the Fund may make a subsequent application for reporting fund status to apply in the future, should the Directors wish to do so.

The Directors will decide whether or not any future Share Class of the Fund will apply to HMRC for reporting fund status on a Share Class by Share Class basis. In the event that a Share Class of the Fund does not have reporting fund status or loses its reporting fund status in respect of a future accounting period (hereafter referred to as ‘Non Reporting Fund Share Classes’ or “non RFSC”) the heading entitled “**Taxation of UK resident investors in non- RFSC**” includes some comments in relation to the UK tax implications for UK resident investors in such a Share Class of the Fund. Investors are referred to HM Revenue & Customs’ published list of reporting funds for confirmation of those Classes of the Company which are approved as reporting funds.

The Company may operate equalisation arrangements in relation to any Fund or Class. Depending on the equalisation method adopted, there may be an impact upon the calculation of reportable income and the taxation of investors joining during the period.

Chapter 6 of Part 3 of the Offshore Funds (Tax) Regulations 2009 provides that specified transactions carried out by a regulated fund, such as the Company, will not generally be treated as trading transactions for the purposes of calculating the reportable income of reporting funds that meet a genuine diversity of ownership condition. In this regard, the Directors confirm that all Classes with reporting fund status are primarily intended for and marketed to the categories of retail and institutional investors. For the purposes of the regulations, the Directors undertake that interests in the Company will be widely available and will be marketed and made available sufficiently widely to reach the intended categories of investors and in a manner appropriate to attract those kinds of investors.

## **Taxation of UK resident investors**

The general comments below are prepared on the basis that the Fund is categorised as ‘bond funds’ under the relevant UK legislation.

Broadly, a Fund is likely to be viewed as a ‘bond fund’ for an accounting period, if at any time in that accounting period, the market value of its ‘qualifying investments’, being broadly government and corporate debt, securities or cash on deposit (other than cash awaiting investment) or certain derivative contracts or holdings in other funds which at any time in the relevant accounting period are categorised as ‘bond funds’, exceed more than 60% of the market value of its total assets.

### **A. Taxation of UK resident investors in RFSC**

Income and deemed distributions – general principles

Subject to their own tax position, individual or corporate investors resident for UK tax purposes may be liable to UK income tax or corporation tax in respect of distributions of an income nature, including deemed distributions of any excess income over the sums distributed by the Fund ("excess income"). On an annual basis, the Funds will calculate and report the excess income per share for the reporting period for each Share Class with reporting fund status to all relevant investors. The excess income is deemed to arise to the UK investor six months following the end of the relevant reporting period (i.e. 30 June following the year end on the basis that the Fund continue to prepare financial statements to 31 December).

As the funds are 'bond funds' for UK tax purposes, any distributions and excess income per share will be treated as interest in the hands of UK-resident investors for UK tax purposes, as described below.

(i) Individual investors

Income distributions (whether described as dividends or otherwise) paid or deemed to be paid to UK resident individual shareholders in respect of Shares in the Funds which are deemed to be 'bond funds' are liable to income tax as 'interest' under Chapter 2 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 ("ITTOIA 2005"). In such cases, the applicable rates of tax (in force in tax year 2016/17) for individuals would be 20% for basic rate taxpayers, 40% for higher rate taxpayers and 45% for additional rate taxpayers. From 6<sup>th</sup> April 2016 basic and higher rate taxpayers are entitled to the first £1,000 and £500 of interest tax free respectively. There is no tax free allowance for additional rate taxpayers.

(ii) Corporate investors

As the Fund is a 'bond fund' for UK tax purposes UK-resident corporate investors must account for their holding of Shares under the loan relationships regime (Chapter 3 of Part 6 of the Corporation Tax Act 2009). Broadly this means that the investor must treat the holding, including any distributions received, as a creditor loan relationship to be brought into account for corporation tax purposes on a fair value basis with the result that all returns from their holding are taxed as income or relieved as expense annually.

(iii) UK exempt investors and other investors

Some investors (e.g. approved pension funds) may be exempt from tax. Different rules may also apply in the case of certain non-residents. Again, it is recommended that these investors seek their own professional tax advice.

## Capital gains

(i) UK individual investors in RFSC

For UK-resident individuals: where a share class in an offshore fund has been certified as a reporting fund for each accounting period during which an individual UK resident has held an interest in that share class, any gain accruing upon sale or other disposal of the interest, should be calculated and subject to UK tax as a capital gain, with relief for any accumulated or reinvested profits which have already been charged to UK tax.

From 6<sup>th</sup> April 2016 capital gains are taxed at 10% for basic rate UK individual taxpayers and at 20% for individual taxpayers paying tax at the higher or additional rate of tax. Any capital gains

arising may be offset by capital losses and the annual exempt amount of the taxpayer (in 2016-17 the annual exempt amount for capital gains tax for individuals is £11,300).

Where an offshore fund may have been a non-reporting fund for part of the time during which the UK Shareholder held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the Shareholder in order to pro-rate any gain made upon disposal; the impact being that the portion of the gain made during the time when the offshore funds was a reporting fund would be taxed as a capital gain. The deemed disposal at the date of conversion of the fund from a non-reporting fund to a reporting fund would be treated as:

- (a) disposing of the interest in the non-reporting fund at its market value on the disposal date, and
- (b) acquiring a holding in the reporting fund on the next day, which typically falls on the beginning of the fund's first period of account as a reporting fund.

Any offshore income gain would be treated as arising on the deemed disposal and the deemed reacquisition would be treated as acquired for the same value as the deemed disposal. If a loss arises in respect of the deemed disposal, no election is possible but the holding is treated as always having been a reporting fund.

If an election is not made, the entire gain will be taxed as income on disposal. Investors should refer to their tax advisors for further information.

It should be noted that a "disposal" for UK tax purposes would generally include a switching of interest between Funds within the Company and would generally also include a switching of interests between Classes in the same Fund of the Company.

- (ii) UK corporate investors in RFSC

As the Fund is a 'bond fund' for UK tax purposes UK-resident corporate investors must account for their holding of Shares under the loan relationships regime as described above. Corporation tax on chargeable gains should, therefore, not apply.

### ***B. Taxation of UK resident investors in non-RFSC***

- (i) Income received from non-RFSC by UK-resident individuals

As for the accumulation share classes there are expected to be no distributions made by the Fund, and as a non-RFSC, there would be no deemed distributions, there should be no taxable income arising from distributions for UK resident individual investors.

As the Fund is a 'bond fund' for UK tax purposes any distributions that are made by the income share classes will be taxable as interest in the hands of UK resident individual investors

- (ii) UK-resident companies

As the Fund is a 'bond fund' for UK tax purposes UK-resident corporate investors must account for their holding of Shares under the loan relationships regime (Chapter 3 of Part 6 of the Corporation Tax Act 2009). Broadly this means that the investor must treat the holding, including any distributions received, as a creditor loan relationship to be brought into account for

corporation tax purposes on a fair value basis with the result that all returns from their holding are taxed as income or relieved as expense annually.

## Capital gains

### (i) UK individual investors

Part 2 of the Regulations 2009 provides that if an investor who is resident in the UK for tax purposes holds an interest in a share class of an overseas fund that constitutes an offshore fund and that interest does not qualify as a "reporting fund" throughout the entire period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal or part disposal of that interest (including, in certain circumstances, a conversion of shares within the fund) would be taxed at the time of such sale, redemption or disposal as income ("offshore income gain") and not as a capital gain, subject to treatment as a bond fund for corporate investors, where appropriate. Where such gains are taxed as income, no relief would be available for any capital gains tax exemptions or reliefs.

Where a loss arises on disposal, such losses may be capital losses and may not be available for offset against any offshore income gains or other income arising to the investor.

### (ii) UK-resident companies

As the Fund is a 'bond fund' for UK tax purposes UK-resident corporate investors must account for their holding of Shares under the loan relationships regime as described above. Corporation tax on chargeable gains should, therefore, not apply.

## **C. UK anti-avoidance legislation**

The UK tax legislation contains a wide range of anti-avoidance legislation which could, depending on the specific circumstances of an investor, apply to Shareholdings in the Fund. The comments below are neither intended to be an exhaustive list of such anti-avoidance legislation, nor a comprehensive summary of any of the provisions referred to. Investors who are concerned about the potential application of these provisions, or any other UK anti-avoidance provisions, should seek detailed tax advice based on their own circumstances. However, as a high level guide, the attention of prospective investors resident in the UK for tax purposes is particularly drawn to the following anti-avoidance provisions.

### (i) Section 13 of the Taxation of Chargeable Gains Act 1992 ("Section 13")

The attention of investors resident in the UK is drawn to the provisions of Section 13 of UK Taxation of Chargeable Gains Act 1992 ("Section 13"). Section 13 can apply to any such person whose proportionate interest in a Fund (whether as a shareholder or otherwise as a "participant" for United Kingdom taxation purposes) when aggregated with that of persons connected with that person is 25% or greater and if, at the same time, the Company is itself controlled in such manner that it would, were it to be resident in the UK for taxation purposes, be a "close" company for those purposes. Section 13 could, if applied, result in a person with such an interest in a company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any capital gain accruing to the company (such as the disposal of any of its investments) had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company (determined as mentioned above). No liability under Section 13 could be



incurred by such a person, however, in respect of a chargeable gain or an offshore income gain accruing to the company if the aggregate proportion of that gain could be attributed under Section 13, both to that person and to any persons connected with him for United Kingdom taxation purposes, does not exceed one quarter of the gain. Exemptions also apply where none of the acquisition, holding or disposal of the assets had a tax avoidance main purpose or where the relevant gains arise on the disposal of assets used only for the purposes of genuine, economically significant business activities carried on outside the UK.

(ii) Chapter 2 of Part 13 of the Income Tax Act 2007 ("ITA 2007") (transfer of assets abroad)

The attention of Individuals resident in the UK for tax purposes is drawn to the provisions of Chapter 2 of Part 13 of ITA 2007 (transfer of assets abroad), which may render them liable to income tax in respect of undistributed income or profits of the Company. These provisions are aimed at preventing the avoidance of UK income tax by individuals through the transfer of assets resulting in income becoming payable to persons (including companies) resident or domiciled outside the UK. Under these provisions the individual may be rendered liable to income tax in respect of the undistributed income or profits of the Fund on an annual basis, where the income has not already been distributed to the individual under a separate provision.

(iii) These provisions in respect of the transfer of assets abroad should not apply to investors if they can demonstrate that it would not be reasonable to conclude that avoiding a liability to UK tax was the purpose or one of the main purposes of his investment in the Company or Fund. The anti-avoidance provisions should also not apply if it can be demonstrated that all relevant transactions were genuine commercial overseas business activities, carried out for the purposes of a trade or business and on arm's length terms. A further exemption applies for transactions that do not involve commercial activities but are nevertheless genuine transactions that are protected by the single European market. *Transaction in Securities*

The attention of Shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of ITA 2007 and Part 15 of CTA 2010 that could apply if Shareholders are seeking to obtain tax advantages in certain prescribed conditions.

(iv) CFC Legislation

Corporate Shareholders resident in the UK for tax purposes should note that the "controlled foreign companies" ("CFC") legislation contained in Part 9A of TIOPA 2010 which may have the effect in certain circumstances of subjecting a company resident in the UK to UK corporation tax on the profits of a company resident outside the UK. A charge to tax cannot however arise unless the non-resident company is under the control of persons resident in the UK and, on apportionment of the non-resident's "chargeable profits" more than 25% would be attributed to the UK resident and persons associated or connected with them is resident in a low tax jurisdiction. The legislation is not directed towards the taxation of chargeable gains. The effect of these provisions would be to render such companies liable to UK corporation tax in respect of the undistributed income of the non-UK resident company in respect of their share of the profits of the Company unless the conditions for one of the available exemptions is met.

#### ***D. UK stamp duty***

The following comments are intended as a guide to the general UK stamp tax position and may not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

Transfers of Shares by way of an instrument of transfer which are either executed in the UK or where there is any connection with the UK, such as an agreement to transfer the Shares being signed in the UK or funds moving through a UK bank account, are technically liable to UK stamp duty on the transfer document at the rate of 0.5% of the consideration paid. Where any transfer document is executed and retained outside the UK and no other matter or thing to be done relating to the transfer is done in the UK no UK stamp duty should arise on any transfer document.

Stamp duty reserve tax should not arise on any agreement to transfer Shares since the Company does not keep Shares on a share register that is maintained in the UK and the Shares are not paired with any UK shares.

#### ***E. UK Inheritance Tax***

Any individual Shareholder domiciled or deemed to be domiciled in the UK for UK tax purposes may be liable to UK inheritance tax on their Shares in the event of death or on making certain categories of lifetime transfer.

Shareholders should note that other aspects of United Kingdom taxation legislation may also be relevant to their investment in the Company.