

**Old Mutual Global Investors Series II ICAV**

An open-ended umbrella Irish collective asset-management vehicle  
with segregated liability between sub-funds  
formed in Ireland  
under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a  
UCITS pursuant to the Regulations.

**PROSPECTUS**

Dated 6 April 2018

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## 1. **IMPORTANT INFORMATION**

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### **1.1 Reliance on this Prospectus and KIID Access**

In deciding whether to invest in the ICAV, investors should rely on information in this Prospectus, the relevant KIID and the relevant Fund's most recent annual and/or semi-annual reports.

Each Class that is available for subscription will have a KIID issued in accordance with the requirements of the Central Bank. Prospective investors should consider the KIID for the relevant Class prior to subscribing for Shares in that Class in order to assist them in making an informed investment decision. Each KIID is available from [www.omglobalinvestors.com](http://www.omglobalinvestors.com), the relevant local distributor or directly from Old Mutual Global Investors (UK) Limited. While some Classes are described in the Supplement for the relevant Fund as available, these Classes may not currently be offered for subscription and in the event that a KIID is not available from the aforementioned sources prospective investors should contact Old Mutual Global Investors (UK) Limited directly to determine whether the relevant Class is available for subscription. Each Fund must calculate and disclose in the relevant KIID a Synthetic Risk and Reward Indicator ("SRRI") in accordance with the methodology prescribed in the European Securities and Markets Authority's ("ESMA") Guidelines on the Methodology for the Calculation of the SRRI. The SRRI will correspond to a number designed to rank the relevant Fund over a scale from 1 to 7, according to its increasing level of volatility/risk-reward profile.

Because the Prospectus and KIID may be updated from time to time, investors should make sure they have the most recent versions.

Statements made in this Prospectus are based on the law and practice in force in the Republic of Ireland at the date of this Prospectus, which may be subject to change. This Prospectus will be updated to take into account material changes from time to time and any such amendments will be notified in advance to and cleared by the Central Bank.

**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the ICAV or the suitability for you**

**of investing in the ICAV, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.**

**Neither the ICAV nor the Investment Manager shall be liable to investors (or to any other persons) for any error of judgement in the selection of each Fund's investments.**

This Prospectus and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Irish law. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Prospectus (including any non-contractual obligations arising out of or in connection with it), each party irrevocably submits to the jurisdiction of the Irish courts.

### **1.2 Central Bank Authorisation**

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

### **1.3 Segregated Liability**

The ICAV has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

### **1.4 Responsibility**

To the best of the knowledge and belief of the Directors (whose names appear under the heading "Management of the ICAV – Directors" below and who have taken reasonable care to confirm that such is the case) the information contained in this Prospectus is in accordance with the facts and does not in the Directors' judgment omit anything likely to materially affect the import of such information. The Directors

accept responsibility for the information contained in this Prospectus accordingly.

### **1.5 Prospectus/Supplements**

This Prospectus describes the ICAV. The ICAV issues Supplements to this Prospectus relating to each Fund. A separate Supplement will be issued at the time of establishment of each Fund. Each Supplement forms part of and should be read in the context of and in conjunction with this Prospectus.

This Prospectus may only be issued with one or more Supplements, each containing information in relation to a particular Fund. Details relating to Classes may be dealt with in the relevant Supplement for the particular Fund or in a separate Class Supplement for each Class. Shareholders and potential investors should refer to the most recent Supplement and/or Class Supplement for details of the existing Classes which will also be included in the relevant Fund's semi-annual and annual reports.

### **1.6 Restrictions on Offerings**

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised. It is the responsibility of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence or domicile.

The ICAV may reject any application in whole or in part without giving any reason for such rejection in which event, subject to applicable law, the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk. For further details, please refer to the section of this Prospectus entitled "Share Dealings; Ownership Restrictions."

#### *United States of America -*

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended, and the ICAV has not been and will not be registered under the US Investment Company Act of 1940, as amended. Accordingly the Shares may not be offered or sold, directly or indirectly, in the US or to any U.S. Person except pursuant to an exemption from, or in a transaction not subject to the requirements of the

US Securities Act of 1933, as amended, and the US Investment Company Act of 1940, as amended. The Shares have not been approved by the United States Securities and Exchange Commission, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

Notwithstanding the foregoing prohibition on offers and sales in the United States or to or for the benefit of U.S. Persons, the ICAV may make a private placement of its Shares to a limited number and/or certain categories of U.S. Persons.

### **1.7 Marketing Rules**

Shares are offered only on the basis of the information contained in this Prospectus and, as appropriate, the latest audited annual accounts and any subsequent semi-annual report.

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

This Prospectus may 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, the English language Prospectus will prevail, except to the extent (but only to the extent) required by the laws of any jurisdiction including the regulations or requirements of the financial regulator of such jurisdiction where the Shares are sold. All disputes as to the terms thereof, regardless of the language version, shall be governed by, and construed in accordance with, the law of Ireland.

### **1.8 Suitability of Investment**

**As the price of Shares in each Fund may fall as well as rise, the ICAV shall not be a**

**suitable investment for an investor who cannot sustain a loss on his investment. A typical investor will be seeking to achieve a return on his investment in the medium to long term.**

The decision to invest in any Fund, and if so how much, should be based on a realistic analysis of the investor's own financial circumstances and tolerance for investment risk.

**As with any investment, future performance may differ from past performance, and Shareholders could lose money. There is no guarantee that any Fund will meet its objectives or achieve any particular level of future performance. These are investments, not bank deposits.**

No Fund in this Prospectus is intended as a complete investment plan, nor are all Funds appropriate for all investors. Before investing in a Fund, each prospective investor should read the Prospectus and should understand the risks, costs and terms of investment in that Fund. In particular, investors should read and consider Appendix III to this Prospectus (entitled "Risk Factors") before investing in the ICAV.

### **1.9 Potential for Capital Reduction**

**Where provided for in the relevant Supplement, (i) dividends may be declared**

**out of the capital of the relevant Fund; and/or (ii) fees and expenses may be paid out of the capital of the relevant Fund, in each case in order to preserve cash flow to Shareholders. In any such cases, there is a greater risk that capital may be eroded and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted.**

**Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard.**

### **1.10 Repurchase Charge**

**The Directors may levy a Repurchase Charge of up to 3 % of the Net Asset Value per Share. Details of any such charge with respect to one or more Funds will be set out in the relevant Supplement.**

**The difference at any one time between the subscription price (to which may be added a Preliminary Charge) and the Repurchase Price (from which may be deducted a Repurchase Charge) means that an investment should be viewed as medium to long-term.**

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## 2. DEFINITIONS

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**Accounting Period** means a period ending on 31 March of each year or such other date as the Directors may from time to time decide with the prior approval of the Central Bank;

**Administration Agreement** means the agreement made between the ICAV and the Administrator dated 01 September 2015 as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank pursuant to which the latter was appointed as administrator of the ICAV;

**Administrator** means State Street Fund Services (Ireland) Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank as the administrator to the ICAV;

**AIF** means an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(e) of the Regulations;

**Application Form** means any application form to be completed by subscribers for Shares as prescribed by the ICAV from time to time;

**Base Currency** means, in relation to any Fund, such currency as is specified as such in the Supplement for the relevant Fund;

**Business Day** means, in relation to any Fund, each day as is specified as such in the Supplement for the relevant Fund;

**Central Bank** means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the ICAV;

**Central Bank Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment in Transferable Securities) Regulations 2015 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;

**Central Bank Rules** means the Central Bank Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the ICAV pursuant to the Regulations;

**CIS** means a UCITS or other alternative investment fund within the meaning of Regulation 68(1)(e) of the Regulations and which is prohibited from investing more than 10% of its assets in other such collective investment schemes;

**Class(-es)** means the class or classes of Shares (if any) relating to a Fund (each of which may have specific features with respect to preliminary, exchange, repurchase or contingent deferred sales charge, minimum subscription amount, hedged/unhedged, dividend policy, service provider fees or other specific features). The details applicable to each Class will be pre-determined and described in the relevant Supplement;

**Country Supplement** means a supplement to this Prospectus, issued from time to time, specifying certain information pertaining to the offer of Shares of the ICAV or a Fund or Class in a particular jurisdiction or jurisdictions;

**CRS** means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard;

**CRS Regulations** mean the Returns of Certain Information by Reporting Financial Institutions Regulations 2015;

**Dealing Day** means, in respect of each Fund, each Business Day on which subscriptions for, redemptions of and exchanges of relevant Shares can be made by the ICAV as specified in

the Supplement for the relevant Fund and/or such other Dealing Days as the Directors shall determine and notify to Shareholders in advance, provided that there shall be at least two Dealing Days in each Month occurring at regular intervals;

**Dealing Deadline** means, in relation to any application for subscription, redemption or exchange of Shares of a Fund, the day and time specified in the Supplement for the relevant Fund by which such application must be received by the Administrator on behalf of the ICAV in order for the subscription, redemption or exchange of Shares of the Fund to be made by the ICAV on the relevant Dealing Day;

**Depository** means State Street Custodial Services (Ireland) Limited or any successor thereto duly appointed with the prior approval of the Central Bank as the depository of the ICAV in accordance with the Central Bank Rules;

**Depository Agreement** means the agreement made between the ICAV and the Depository dated 1 July 2016 as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter was appointed depository of the ICAV;

**Dilution Adjustment** means an adjustment which may be levied upon subscriptions for and/or redemptions of Shares as detailed at section 7.2;

**Directors** mean the directors of the ICAV or any duly authorised committee or delegate thereof, each a **Director**;

**Distribution Fee** means the distribution fee detailed as such in the section headed "Fees and Expenses";

**Distributor** means, unless specifically stated otherwise in the Supplement for the relevant Fund, Old Mutual Global Investors (UK) Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank as a distributor to the ICAV;

**Eligible Counterparty** means a counterparty to OTC derivatives with which a Fund may trade and belonging to one of the categories approved by the Central Bank which at the date of this Prospectus comprise the following:

- (i) a Relevant Institution;
- (iii) an investment firm, authorised in

accordance with the Markets in Financial Instruments Directive in an EEA Member State; or

- (iii) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.

**EEA Member States** means the member states of the European Economic Area, the current members at the date of this Prospectus being the EU Member States, Iceland, Liechtenstein and Norway;

**EU Member States** means the member states of the European Union;

**Euro, EUR or €** means the lawful currency of the participating EU Member States which have adopted the single currency in accordance with the EC Treaty of Rome dated 25th March 1957 as amended;

**Exchange Charge** means the charge, if any, payable on the exchange of Shares as is specified in the Supplement for the relevant Fund;

**Exempt Irish Shareholder** means

- (a) a qualifying management company within the meaning of section 739B(1) TCA;
- (b) an investment undertaking within the meaning of section 739B(1) TCA;
- (c) an investment limited partnership within the meaning of section 739J TCA;
- (d) a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;
- (e) a company carrying on life business within the meaning of section 706 TCA;
- (f) a special investment scheme within the meaning of section 737 TCA;

- (g) a unit trust to which section 731(5)(a) TCA applies;
- (h) a charity being a person referred to in section 739D(6)(f)(i) TCA;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA or section 848B TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (j) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
- (k) the National Asset Management Agency;
- (l) the Courts Service;
- (m) a credit union within the meaning of section 2 of the Credit Union Act 1997;
- (n) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the ICAV is a money market fund;
- (o) a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the ICAV;
- (p) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the ICAV in respect of that Shareholder under Part 27, Chapter 1A TCA; and
- (q) the National Treasury Management Agency of Ireland, or a fund investment vehicle within the meaning of Section 739D(6)(kb) TCA;

and where necessary the ICAV is in possession of a Relevant Declaration in respect of that Shareholder;

**Extraordinary Expenses** means the

extraordinary expenses defined as such in the section headed "Fees and Expenses";

**FATCA** means (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations or other official guidance; (b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in paragraph (a) above; and (c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs;

**FDI** means a financial derivative instrument (including an OTC derivative);

**Fund** means a sub-fund of the ICAV the proceeds of issue of which are pooled separately in a segregated portfolio of assets and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the ICAV from time to time with the prior approval of the Central Bank.

**ICAV** means an Irish collective asset-management vehicle; namely Old Mutual Global Investors Series II ICAV;

**ICAV Act** means the Irish Collective Asset-management Vehicles Act 2015 as may be amended, consolidated or substituted from time to time and including any regulations made thereunder by ministerial order and any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the ICAV;

**Initial Issue Price** means the price (excluding any Preliminary Charge) per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified in the Supplement for the relevant Fund;

**Initial Offer Period** means the period during which Shares in a Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Fund;

**Instrument of Incorporation** means the instrument of incorporation of the ICAV as amended from time to time in accordance with the ICAV Act and the Central Bank Rules;

**Investment Account** means (i) a separate temporary investment account or (ii) a separate disinvestment account as described in further detail under "Subscription for Shares";

**Investment Adviser** means each such entity or entities appointed by the Investment Manager to act as investment adviser(s) in relation to the assets of a Fund (reference herein to the Investment Adviser includes reference to the Investment Manager where it acts as discretionary investment adviser to certain Funds or where otherwise mandated by the context);

**Investment Advisory Agreement** means an investment advisory agreement entered into between the Investment Manager and each Investment Adviser pursuant to which the latter acts as investment adviser in relation to the assets of a Fund;

**Investment Grade** means rating awarded to high quality corporate and government securities that are judged likely to meet their payment obligations by Standard & Poor's (i.e. rated at least BBB-) or Moody's (i.e. rated at least Baa3); or if unrated determined by the Investment Manager or the relevant Investment Adviser to be of comparable quality;

**Investment Management and Distribution Agreement** means the agreement made between the ICAV and the Investment Manager dated 01 September 2015 as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank pursuant to which the latter was appointed investment manager of the ICAV;

**Investment Management Fee** means the investment management fee detailed as such in the section headed "Fees and Expenses";

**Investment Manager** means, unless specifically stated otherwise in the Supplement for the relevant Fund, Old Mutual Global Investors (UK) Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank as the investment manager to the ICAV;

**Investor Money Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time;

**Irish Resident** means any person resident in Ireland or ordinarily resident in Ireland (as described in the Taxation section of this Prospectus) other than an Exempt Irish Shareholder;

**KIID** means the key investor information document;

**MiFID II Directive** means the Markets in Financial Instruments Directive (recast) (Directive 2014/65/EU);

**Minimum Additional Investment Amount** means such minimum cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested in any Fund by each Shareholder (after investing the Minimum Initial Investment Amount) and as such is specified in the Supplement for the relevant Fund;

**Minimum Fund Size** means such amount (if any) as the Directors may consider for each Fund and as set out in the Supplement for the relevant Fund;

**Minimum Initial Investment Amount** means such minimum initial cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested by each Shareholder as its initial investment for Shares of each Class in a Fund either during the Initial Offer Period or on any subsequent Dealing Day and as such is specified in the Supplement for the relevant Fund;

**Minimum Repurchase Amount** means such minimum number or minimum value of Shares of any Class as the case may be (if any) which may be repurchased at any time by the ICAV and as such is specified in the Supplement for the relevant Fund;

**Minimum Share Class Size** means such amount (if any) as the Directors may consider for each Share Class and as set out in the Supplement for the relevant Fund;

**Minimum Shareholding** means such minimum number or minimum value of Shares of any Class as the case may be (if any) which must be held at any time by a Shareholder which shall be equal to or greater than at all times the Minimum Repurchase Amount and as such is specified in the Supplement for the relevant Class of Shares within a Fund;

**Money Market Instruments** means instruments normally dealt in on the money markets which are liquid, and have a value which can be accurately determined at any time (for example, certificates of deposit, floating rate notes and fixed rate commercial paper listed or traded on permitted markets);

**Month** means a calendar month;

**Net Asset Value** means, in respect of the assets and liabilities of a Fund, a Class or the Shares representing interests in a Fund, the amount determined in accordance with the principles set out in the "Valuation of Assets/Calculation of Net Asset Value" section below as the Net Asset Value of the Fund, the Net Asset Value per Class or the Net Asset Value per Share (as appropriate);

**OECD** means the Organisation for Economic Co-operation and Development;

**OTC** means over-the-counter and refers to derivatives negotiated between two counterparties;

**Paying Agent** means one or more paying agents including but not limited to representatives, distributors, correspondent banks, or centralising agents appointed by the ICAV in certain jurisdictions;

**Preliminary Charge** means the charge, if any, payable to the Distributor (or any other appropriate party at the direction of the Directors) on subscription for Shares as described under "Share Dealings – Subscription for Shares and specified in the relevant Supplement;

**Prospectus** means this prospectus issued on behalf of the ICAV as amended, supplemented or consolidated from time to time;

**Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (S.I. No. 352 of 2011), as amended and as may be further amended, consolidated or substituted from time to time;

**Relevant Declaration** means the declaration relevant to the Shareholder as set out in Schedule 2B TCA;

**Relevant Institutions** means credit institutions

authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;

**Repurchase Charge** means the charge, if any, to be paid out of the Repurchase Price which Shares may be subject to, as described under "Share Dealings - Repurchase of Shares" and specified in the relevant Supplement;

**Repurchase Price** means the price at which Shares are repurchased, as described under "Share Dealings - Repurchase of Shares" and as may be specified in the relevant Supplement;

**Repurchase Proceeds** means the Repurchase Price less any Repurchase Charge and any charges, costs, expenses or taxes, as described under "Share Dealings – Repurchase of Shares";

**Revenue Commissioners** means the Irish Revenue Commissioners;

**Securities Financing Transactions** means repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Fund is permitted to engage in;

**SFT Regulations** or **SFTR** means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;

**Settlement Date** means, in respect of receipt of monies for subscription for Shares or dispatch of monies for the repurchase of Shares, the date specified in the Supplement for the relevant Fund. In the case of repurchases this date will be no more than ten Business Days after the relevant Dealing Deadline, or if later, the date of receipt of completed repurchase documentation;

**Shares** means the participating shares in the ICAV representing interests in a Fund and where the context so permits or requires any Class of participating shares representing interests in a Fund;

**Shareholders** means persons registered as the

holders of Shares in the register of shareholders for the time being kept by or on behalf of the ICAV, and each a **Shareholder**;

**State** means the Republic of Ireland;

**Sterling, GBP and £** means the lawful currency of the United Kingdom;

**Sub-Distributor** means any sub-distributor appointed by the Distributor in accordance with the requirements of the Central Bank as a sub-distributor to the ICAV;

**Subscriptions/Redemptions Account** means the account in the name of the ICAV through which subscription monies and redemption proceeds and dividend income (if any) for each Fund are channelled, the details of which are specified in the Application Form;

**Supplement** means any supplement to the Prospectus issued on behalf of the ICAV specifying certain information in relation to a Fund and/or one or more Classes from time to time;

**TCA** means the Irish Taxes Consolidation Act, 1997, as amended;

**Total Return Swap** means a derivative (and a transaction within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty;

**Transferable Securities** shall have the meaning ascribed to that term in the Regulations, which at the date hereof means:

- (i) shares in companies and other securities equivalent to shares in companies which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the Regulations;
- (ii) bonds and other forms of securitised debt which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the Regulations;
- (iii) other negotiable securities which carry the right to acquire any securities within (i) or (ii) above by subscription or exchange which fulfil the criteria specified in Part 1 of Schedule 2 of the Regulations; and
- (iv) securities specified for this purpose in

Part 2 of Schedule 2 of the Regulations.

**UCITS** means an undertaking for collective investment in transferable securities which is authorised under the Regulations or authorised by a competent authority in another member state of the European Union in accordance with Directive 2009/65/EC of the European Parliament and of the Council, as amended, supplemented, consolidated or otherwise modified from time to time;

**UCITS V** means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time;

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

**U.S. Dollars, Dollars and \$** means the lawful currency of the United States;

**U.S. Person** means a U.S. Person as defined in Regulation S under the United States Securities Act of 1933 and U.S. Commodity Futures Trading Commission Rule 4.7; and

**Valuation Point** means the time on or with respect to the relevant Dealing Day by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund.

### **Headings and Numbering**

The headings and numbering of sections of this Prospectus are for convenience of reference only and shall not affect the meaning or interpretation of this Prospectus in any way.

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## **DIRECTORY**

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### **Old Mutual Global Investors Series II ICAV**

#### **Directors**

Jessica Brescia  
Adrian Waters  
Bronwyn Wright  
Tom Murray  
Paul Simpson

#### **Registered office**

33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **Investment Manager and Distributor**

Old Mutual Global Investors (UK) Limited  
2 Lambeth Hill  
London EC4P 4WR,  
England

#### **Administrator**

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

#### **Depository**

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

#### **Auditor and Irish tax advisers**

KPMG  
1 Harbourmaster Place  
International Financial Services Centre  
Dublin 1  
Ireland

#### **Irish legal advisers**

Maples and Calder  
75 St. Stephen's Green  
Dublin 2  
Ireland

#### **Secretary**

Tudor Trust Limited  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

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## **3. FUNDS**

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### **3.1 Structure**

The ICAV is an open-ended umbrella Irish collective asset-management vehicle with segregated liability between Funds formed in Ireland on 26 May 2015 under the ICAV Act with registration number C141034. The ICAV has been authorised by the Central Bank as a UCITS pursuant to the Regulations.

The ICAV is structured as an umbrella fund consisting of different Funds, each comprising one or more Classes. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement. At the date of this Prospectus, the ICAV has established the Fund(s) listed below.

- Old Mutual Absolute Return Government Bond Fund

Additional Funds (in respect of which a Supplement or Supplements will be issued) may be established by the Directors from time to time with the prior approval of the Central Bank.

Shares may be issued in Classes within each Fund. Classes of Shares in each Fund may differ as to certain matters including currency of denomination, currency hedging strategies if any applied to the particular Class, dividend policy, fees and expenses charged or the Minimum Initial Investment Amount, Minimum Additional Investment Amount, Minimum Shareholding, and Minimum Repurchase Amount. The Classes of Shares available for subscription shall be set out in the relevant Supplement. A separate pool of assets shall not be maintained in respect of each Class. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the requirements of the Central Bank. Separate books and records will be maintained for each Fund but not for each Class.

### **3.2 Investment Objective and Policies**

The assets of each Fund will be invested separately in accordance with the investment objectives and policies of the Fund. The specific investment objective and policies of each Fund will be set out in the relevant Supplement and will be formulated by the Directors at the time of creation of the relevant Fund.

The investment objective of a Fund may not be altered, and material changes to the investment policy of a Fund may not be made, without prior approval of Shareholders on the basis of (i) a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held or (ii) with the prior written approval of all Shareholders of the relevant Fund. In the event of a change of the investment objective and/or a material change in the investment policy of a Fund, by way of a majority of votes cast at a meeting of the relevant Shareholders, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them to repurchase their Shares prior to implementation of such a change.

### **3.3 Investment Restrictions**

The investment and borrowing restrictions applying to the ICAV and each Fund are set out in Appendix I. Each of the Funds' investments will be limited to investments permitted by the Regulations. The limits on investments shall apply at the time of the purchase of the investments. If the limits referred to in Appendix I are exceeded for reasons beyond the control of the ICAV, or as a result of the exercise of subscription rights, the ICAV shall ensure that the Fund will adopt as a priority objective for its sales transactions the remedying of that situation taking due account of the interests of Shareholders. Each Fund may also hold ancillary liquid assets.

The permitted investments and investment restrictions applying to each Fund, in accordance with the Regulations and the Central Bank Regulations, are set out below. The Directors may from time to time

impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shares of the Fund are placed. Additional investment restrictions in respect of any Fund may be outlined in the relevant Supplement.

With the exception of permitted investment in unlisted investments and over-the-counter FDI, investments by a Fund will be restricted to securities and FDI listed or traded on permitted markets as set out in Appendix II. Accordingly, each Fund may invest up to 10% of its Net Asset Value in unlisted securities /securities listed on markets other than those set out in Appendix II provided this is consistent with its investment objective.

It is intended that the ICAV shall have the power (subject to the prior approval of the Central Bank) to avail itself of any change in the investment and borrowing restrictions specified in the Regulations which would permit investment by a Fund in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the Regulations. Any changes to the investment or borrowing restrictions will be disclosed in an updated Prospectus and/or Supplement and will be subject to Shareholder approval if appropriate pursuant to section 3.2 above.

### **3.4 Borrowing Powers**

The ICAV may only borrow on a temporary basis for the account of a Fund and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of such Fund. In accordance with the provisions of the Regulations, the ICAV may charge the assets of a Fund as security for borrowings of that Fund.

The ICAV may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103(1) provided that the offsetting deposit (a) is denominated in the Base Currency and (b) equals or exceeds the value of the foreign currency loan outstanding.

### **3.5 Cross-Investment**

Investors should note that, subject to the requirements of the Central Bank and where more than one Fund is established within the ICAV, each of the Funds may invest in the other Funds of the ICAV where such investment is appropriate to the investment objectives and policies of the relevant Fund. Any commission received by the Investment Manager in respect of such investment will be paid into the assets of the relevant Fund. In addition, no Preliminary Charge, Repurchase Charge or Exchange Charge may be charged on the cross-investing Fund's investment.

In order to avoid double-charging of management fees, any Fund that is invested in another Fund may not be charged an Investment Management Fee in respect of that part of its assets invested in other Funds unless such investment in another Fund is made into a Class of Shares that does not attract any Investment Management Fee . Investment may not be made by a Fund in a Fund which itself cross-invests in another Fund within the ICAV.

If a Fund invests a substantial proportion of its net assets in other CIS or both the maximum level of the investment management fees that may be charged to the Fund by the other CIS or both, as the case may be, will be set out in the relevant Supplement. Details of such fees will also be contained in the relevant Fund's annual report. Such fees and expenses, in the aggregate, may exceed the fees and expenses that would typically be incurred by an investor making a direct investment in an underlying fund. In addition, performance based compensation arrangements may create an incentive for the investment managers of such underlying funds to make investments that are more risky or more speculative than would be the case if such arrangements were not in effect.

### **3.6 Investment through Subsidiaries**

The ICAV may from time to time (with the prior approval of and in accordance with the requirements of the Central Bank) make investments on behalf of Funds through wholly owned subsidiaries incorporated in any relevant jurisdiction. The investment objective and policy of the relevant Fund will not only be applied

to the Fund but also to the wholly-owned subsidiary and the investments of the wholly-owned subsidiary will be treated as being held by the Fund. The assets and shares of any wholly-owned subsidiary will be held by the Depository or an appointed sub-custodian on behalf of the ICAV.

### **3.7 Efficient Portfolio Management**

#### **3.7.1 General**

The ICAV on behalf of a Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or other financial instruments (including FDI) in which it invests for efficient portfolio management purposes. Such techniques and instruments include futures, options, swaps, forwards and repurchase and reverse repurchase agreements (details of which are outlined below). Details of any additional techniques and instruments used for a Fund shall be set out in the relevant Supplement.

Use of such techniques and instruments should be in line with the best interests of Shareholders and will generally be made for one or more of the following reasons:

- (a) the reduction of risk;
- (b) the reduction of cost; or
- (c) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Regulations.

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Fund or add substantial supplementary risks not covered in this Prospectus.

Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of assets held by the relevant Fund or Class.

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The ICAV may (but is not obliged) to seek to mitigate this exchange rate risk by using FDI.

Please refer to Appendix III to this Prospectus (sections entitled "Risk Factors; Efficient Portfolio Management Risk" and "Risk Factors; Currency Risk; Currency Hedging") for more details.

The risks arising from the use of such techniques and instruments shall be adequately captured in the ICAV's risk management process.

#### **3.7.2 Use of FDI**

##### **3.7.2.1 How FDIs are Traded**

###### **Exchange Traded Derivatives (ETD)**

Regulated exchanges define and administer on exchange futures transactions. To protect the exchange and the exchange users, for each futures contract opened a refundable initial margin payment is paid by the users into the exchange. The initial margin level is set by the exchange to cover likely losses if one of the parties defaults or is not able to service the position. Each day the exchange sets the closing level for the contract and each party pays or receives variation margin into or from the exchange representing the change in the value of the position. These variation payments mean each day counterparty credit risks reduce down to the level of the initial margin paid to the exchange.

###### **Over The Counter derivatives (OTC)**

OTC derivatives are derivative agreements negotiated directly between two counterparties. Each

counterparty has exposure to the other in terms of the economic risk of the derivative and also to the credit risk arising from a change in the value of the derivative. To mitigate the credit risk the counterparties agree to exchange collateral which is retained until the derivative closes when any due payments made and the collateral returned.

### **Centrally cleared OTC derivatives**

Clearing houses perform the same administration function for OTC derivatives as regulated exchanges perform for ETD transactions. Clearing houses sit between the participants in the OTC derivatives market. Like futures exchanges they set initial margin levels designed to protect the clearing house and the market participants in the event of a default or servicing problem by one of them. Each day variation margin is collected and paid reducing credit risk down to the level of the initial margin paid to the clearing house. Clearing houses can clear most forms of OTC derivatives but some more complex derivatives are not cleared.

#### **3.7.2.2 Details of FDI used with a Summary of their Commercial Purpose**

The Fund(s) may engage in the use of derivatives for investment purposes in accordance with the investment objectives, policies and restrictions applicable to the Funds.

The Fund may employ OTC derivatives. These are bilateral contracts struck directly between a buyer and seller without the intervention of an exchange. There is counterparty risk associated with such contracts which may be mitigated by the use of ISDA CSA structures.

Where a FDI references an index, the use of such indices shall in each case be within the conditions and limits set out in the Central Bank Rules. Where relevant, dependent on the nature of the underlying, indices will be cleared in advance by the Central Bank.

A long position in a contract referencing an underlying, gains value if the underlying gains value. A short position in a contract referencing an underlying, gains value if the underlying loses value.

Each Fund may use any of the following FDI once provided for in the relevant Supplement. This list may be supplemented by additional FDI for a specific Fund as may be provided for in the relevant Supplement.

**Future contracts.** Traded on a regulated exchange, a future is a standardised agreement between two parties to transact in an instrument at a specific price or rate at a future date. A purchased futures contract commits the buyer to purchase the underlying instrument at the specified price on the specified date. A sold futures contract commits the seller to sell the underlying instrument at the specified price on the specified date. In practice most futures positions are closed prior to contract maturity by dealing an opposite trade which cancels out the commitment.

**Swaps.** A swap is an OTC agreement between two parties to exchange a series of cash flows or returns on an underlying financial instrument for a set period of time. Conceptually a standard receiver swap in which a fund receives a fixed rate of interest and pays a floating rate of interest is analogous to buying a fixed coupon security and borrowing the money at the floating rate to pay for it. A payer swap reverses this and is analogous to short selling a fixed coupon security and placing the money raised from the sale on deposit at the floating rate.

One leg or side of the swap sets the market price for the swap at which the market is indifferent to exchange each of the cash flow or return series. At this market level each leg of the swap has an equal and opposite value and the value of the swap in total is zero. Market movements may change the value of one leg of the swap relative to the other and the swap overall gains a positive or negative value.

Typical cash flow and return series exchanged in a swap include: Fixed interest rate, Inflation rate, total return of an instrument or index and floating interest rates. Swap legs can be denominated in the same or a different currency.

Other swaps reference instrument characteristics such price volatility, variance, correlation, covariance and asset swap levels. These swaps have one active leg and a null second leg which means exposure is

limited to change in the reference characteristic.

**Caps and Floors.** Caps and Floors are OTC derivatives which modify a cash flow series. They can be embedded with other derivatives or traded on a standalone basis. A cap suspends cash flow payments when the reference rate is above the strike price and a floor suspends payments when the reference rate is below the strike price.

**Credit default swaps (CDS).** A CDS contract is an OTC risk-transfer instrument (in the form of a derivative security) through which one party transfers to another party the financial risk of a credit event, as it relates to a particular reference security or index of securities. A Fund which buys CDS protection pays a periodic premium to the CDS seller for the duration of the contract. In the event of credit event on the referenced entity the CDS protection activates. In a cash settled CDS an auction process sets a percentage recovery rate to the reference entity. The protection buyer receives cash equivalent to the contract nominal adjusted for the recovery rate percentage. In a physical settlement CDS the protection buyer delivers the contract nominal of a valid defaulted instrument to the CDS seller who pays the contract nominal for it. In practice funds can use CDS to gain or sell credit exposure to the referenced entity without having positions in the underlying reference entity.

**Options.** An option is an agreement between two parties where the option buyer has the right but not the obligation to buy (call option) or sell (put option) an instrument at a specified date and price. An option buyer pays a premium representing the value of the option and if, at the option expiry, it is economically advantageous may exercise a call option to buy the underlying instrument, or in the case of a put option, sell the underlying instrument. The option writer receives and keeps the option premium and at the choice of the option buyer has to buy or sell the underlying instrument at the time and price specified. The reference instrument for an option may be another derivative such as a swap, future, CDS or may specify an interest or inflation rate, index, basket of instruments, currency or any instrument which the fund is authorised to own. Standard options are exchange traded and other options are traded OTC.

**Total Return Swaps (TRS).** Total Return Swaps are OTC derivatives which involve the payment or receipt of the excess return of a reference index against another reference index or a cash return based index. An unfunded Total Return Swap is one whereby an investor does not pay the full value or notional value of the agreed underlying reference asset on the date of entry into the unfunded Total Return Swap, but instead pays (or pledges by way of security in favour of the counterparty) a set percentage of its full value or notional value (known as margin). On certain pre-agreed dates during the term of the unfunded Total Return Swap the investor (i) receives the gain or pays the loss of the performance of the underlying reference asset(s); (ii) may pay an interest rate payment which is equal to the funding cost of holding the underlying reference asset(s) and (iii) pays a fee. On maturity the margin amount is paid back to the investor or released from the security arrangement.

The use of Total Return Swaps by a Fund shall be subject to the requirements of the SFTR.

**Contracts for Difference (CFD).** Contracts for difference are OTC derivatives (also known as synthetic swaps) which can be used to secure a profit or avoid a loss by reference to fluctuations in the value or price of equities or financial instruments or in an index of such equities or financial instruments. An equity CFD is a derivative instrument designed to replicate the economic performance and the cash flows of a conventional share investment. Contracts for difference may be used either as a substitute for direct investment in the underlying security or as an alternative to and for the same purposes as futures and options, particularly in cases where there is no futures contract available in relation to a specific security, or where an index option or index future represents an inefficient method of gaining exposure because of pricing risk or the risk of delta or beta mismatches. In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying security or securities, plus any dividends that would have been received on those stocks. In a short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities. The Fund must also pay the counterparty the value of any dividends that would have been received on those stocks.

**Forward Settled Transactions.** A forward settled transaction delays settlement of a transaction to a

forward date. Delaying settlement allows the Fund to change the economic exposure without changing the physical asset exposure until the transaction settles. A forward foreign exchange transaction is an obligation to purchase or sell a specified currency pair at a future date, at a price set at the time the contract is made. Funds use these transactions to change the currency profile of a Fund without changing the profile of the invested assets. Approaching maturity funds tend to close out these transactions by dealing a reversing transaction and maintain the desired exposure by entering into a new longer dated forward position.

**Convertible securities.** The convertible securities in which a Fund may invest consist of bonds, notes, debentures and preferred stocks which may be converted or exchanged at a stated or determinable exchange ratio into underlying shares. Convertible securities may offer higher income than the shares into which they are convertible. A Fund may be required to permit the issuer of a convertible security to redeem the security, convert it into the underlying shares or sell it to a third party. To the extent that any convertible securities in which a Fund may invest are leveraged or contain embedded derivatives, they will be managed by the Fund as FDI.

**Hybrid securities.** A Fund may invest in hybrid securities. A hybrid security is a security which combines two or more financial instruments. Hybrid securities generally combine a traditional stock or bond with an option or forward contract. Generally, the principal amount payable upon maturity or redemption, or the interest rate of a hybrid security, is tied (positively or negatively) to the price of some currency, securities index, another interest rate or some other economic factor (each a "benchmark"). The interest rate or (unlike most fixed income securities) the principal amount payable at maturity of a hybrid security may be increased or decreased, depending on the changes in the value of the benchmark.

In the case of a hybrid security such as a convertible bond, for example, a Fund benefits from a steady income stream, the repayment of principal at maturity, and the potential to share in the upside of the common stock. The yield advantage and finite maturity give the convertible downside price support, or investment value. At the same time, the embedded option component provides participation in higher equity values.

To the extent that any hybrid securities in which a Fund may invest are leveraged or contain embedded derivatives, they will be managed by the Fund as FDI.

**Structured notes.** A Fund may invest in structured notes for which the coupon payment, principal repayment or repayment schedule varies according to pre-agreed conditions relating to fluctuations in unrelated assets such as currencies or stock indices. To the extent that any structured notes in which a Fund may invest are leveraged or contain embedded derivatives, they will be managed by the Fund as FDI.

**Warrants.** The Fund may acquire warrants either as a result of corporate actions or by purchasing warrants, subject to the above conditions. A warrant is a similar instrument to an option in that the holder of the warrant has the option but not the obligation to either purchase or sell the underlying for a specified price or before a specified date. The underlying of the warrant can be an equity, bond or an index.

**Share Purchase Rights.** Share purchase rights, which give the Fund the ability but not the obligation to purchase more shares, may be issued to the Fund pursuant to its investment in a particular security and, in such cases, may be retained for the purposes of efficient portfolio management and exercised when considered appropriate.

### 3.7.3 Securities Financing Transactions

A Fund may use Securities Financing Transactions in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Rules. Such Securities Financing Transactions may be entered into for any purpose that is consistent with the investment objective of the relevant Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks.

Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to

do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

Any Fund that seeks to engage in securities lending should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

Any Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on 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 of the Fund.

A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

All the revenues arising from Securities Financing Transactions and any other efficient portfolio management techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the ICAV from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the ICAV, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the ICAV or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the ICAV from time to time shall be included in the relevant Fund's semi-annual and annual reports.

While the ICAV will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the Central Bank Rules do not prescribe any pre trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions.

From time to time, a Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to section 5.1 "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the relevant Fund's semi-annual and annual reports.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively.

Please refer to Appendix III, Risk Factors in respect of the risks related to Securities Financing Transactions.

### **3.7.4 Risk Management Process**

The ICAV on behalf of each Fund has filed with the Central Bank its risk management process which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI and Securities Financing Transactions where appropriate. Any FDI not included in the risk management

process will not be utilised until such time as a revised risk management process has been provided to and cleared by the Central Bank. The ICAV will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

### **3.7.5 Eligible Counterparties**

A Fund may invest in OTC derivatives in accordance with the requirements of the Central Bank and provided that the counterparties to the OTC derivatives are Eligible Counterparties.

## **3.8 Collateral Policy**

In the context of efficient portfolio management techniques, Securities Financing Transactions and/or the use of FDI for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund. Any receipt or posting of collateral by a Fund will be conducted in accordance with the requirements of the Central Bank and the terms of the ICAV's collateral policy outlined below.

### **3.8.1 Collateral – received by a Fund**

Collateral posted by a counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the ICAV's risk management process. A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the components set out in Regulation 24 paragraph (8) of the Central Bank Regulations.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice (including the transfer of daily variation margins) and the requirements outlined in the Central Bank's Rules.

All assets received by a Fund in the context of Securities Financing Transactions shall be considered as collateral and must comply with the terms of the ICAV's collateral policy.

Any non-cash assets received by the Fund from a counterparty on a title transfer basis (whether in respect of a Securities Financing Transaction, an OTC derivative transaction or otherwise) shall be held by the Depositary or a duly appointed sub-depositary. Assets provided by the Fund on a title transfer basis shall no longer belong to the Fund and shall pass outside the custodial network. The counterparty may use those assets at its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Depositary or a duly appointed sub-depositary.

#### **3.8.1.1 Collateral**

Collateral received from a counterparty for the benefit of a Fund may be in the form of cash or non-cash assets and must, at all times, meet with the specific criteria outlined in the Central Bank Regulations in relation to (i) liquidity; (ii) valuation; (iii) issuer credit quality; (iv) correlation; (v) diversification (asset concentration); and (vi) immediate availability. There are no restrictions on maturity provided the collateral is sufficiently liquid.

Regarding (ii) valuation, collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts (as

referred to below) are in place.

Where appropriate, non-cash collateral held for the benefit of a Fund shall be valued in accordance with the valuation policies and principles applicable to the ICAV. Subject to any agreement on valuation made with the counterparty, collateral posted to a recipient counterparty will be valued daily at mark-to-market value.

The rationale for the valuation methodology as described above is to ensure compliance with the requirements in the Central Bank Regulations.

The Investment Manager, on behalf of each Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The Investment Manager has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Investment Manager on an ongoing basis. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank Regulations, such increased issuer exposure may be to any of the issuers listed in section 2.12 of Appendix I to the Prospectus.

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

#### 3.8.1.2 Cash collateral

Cash collateral may not be invested other than in the following:

- (i) deposits with Relevant Institutions;
- (ii) high-quality government bonds;
- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;
- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. Cash collateral may not be placed on deposit with the relevant counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for the Fund. Please refer to Appendix III to this Prospectus (section entitled "Risk Factors; Reinvestment of Cash Collateral Risk") for more details.

### 3.8.2 Collateral – posted by a Fund

Collateral posted to a counterparty by or on behalf of a Fund must be taken into account when calculating counterparty risk exposure. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the Fund is able to legally enforce netting arrangements with the counterparty.

Collateral posted to a counterparty by or on behalf of a Fund will consist of such collateral as is agreed with the counterparty from time to time and may include any types of assets held by the Fund.

### 3.9 Reference to Ratings

The European Union (Alternative Investment Fund Managers) (Amendment) Regulations 2014 (S.I. No. 379 of 2014) (the "**Amending Regulations**") transpose the requirements of the Credit Ratings Agencies Directive (2013/14/EU) ("**CRAD**") into Irish law. CRAD aims to restrict the reliance on ratings provided by credit rating agencies and to clarify the obligations for risk management. In accordance with the

Amending Regulations and the CRAD (which amended the Regulations), notwithstanding anything else in this Prospectus, the Investment Manager shall not solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty.

### **3.10 Currency Hedged Classes**

A Fund may offer currency hedged Classes whereby the Fund shall enter into certain currency-related transactions in order to seek to hedge out currency risk. The presence of any currency hedged Classes, as well as details of any particular features, shall be clearly disclosed in the Supplement for the relevant Fund.

Unless otherwise disclosed in the relevant Supplement, this will involve a Class designated in a currency other than the Base Currency being hedged against (i) exchange rate fluctuation risks between the designated currency of the Class and the Base Currency of the relevant Fund; or (ii) exchange rate fluctuation risks between the designated currency of the Class and the other denominated currencies of the Fund's assets.

Any financial instruments used to implement such currency hedging strategies with respect to one or more Classes shall be assets/liabilities of the Fund but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the currency hedging transactions (including any administrative costs arising from additional risk management) will accrue solely to the relevant Class. However, investors should note that there is no segregation of liability between Share Classes. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Class, Shareholders are nonetheless exposed to the risk that hedging transactions undertaken in one class may impact negatively on the Net Asset Value of another Class. Please refer to Appendix III to this Prospectus (section entitled "Risk Factors; Share Class Level Risk") for more details.

Any additional risk introduced to the Fund through the use of currency hedging for a given Share Class should be mitigated and monitored appropriately. Accordingly, in accordance with the Central Bank Rules, the following operational provisions will apply to any currency hedging transactions:

- Counterparty exposure should be managed in accordance with the limits in the UCITS Regulations and the Central Bank Rules.
- Over-hedged positions should not exceed 105 per cent. of the net assets of the relevant Class of Shares.
- Under-hedged positions should not fall short of 95 per cent. of the portion of the net assets of the relevant Class which is to be hedged against currency risk.
- Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above.
- Such review (referred to above) will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month.

Notwithstanding the above, there can be no guarantee that the hedging techniques will be successful. Further, these hedging techniques are designed to reduce a Shareholder's exposure to currency risk. The use of such class hedging techniques may therefore substantially limit holders of Shares in the relevant Classes from benefiting if the currency of that Class rises against that of the Base Currency of the relevant Fund and/or the currency in which the assets of the relevant Fund are denominated. Please refer to Appendix III to this Prospectus (section entitled "Risk Factors; Currency Risk; Currency Hedging") for more details.

### **3.11 Dividend Policy**

The Instrument of Incorporation empowers the Directors to declare dividends in respect of any Shares in

the ICAV out of the net income of the ICAV (i.e. income less expenses) (whether in the form of dividends, interest or otherwise) and net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and unrealised losses), subject to certain adjustments and, in accordance with the requirements of the Central Bank, partially or fully out of the capital of the relevant Fund.

Save as may be otherwise set out in the Supplement for the relevant Fund, dividends for the distributing share classes may, at the sole discretion of the Directors, be paid from a Fund's net income and/or realised and unrealised capital gains net of realised and unrealised losses, subject to certain adjustments, and, in accordance with the requirements of the Central Bank, partially or fully out of the capital of the relevant Fund.

The Directors intend to declare dividends in accordance with the distribution frequency as set out in the relevant Supplement for each Fund. Dividends that are declared yearly will be declared on 31 March; dividends that are declared half-yearly will be declared on 30 September and 31 March; dividends that are declared quarterly will be declared on 31 March, 30 June, 30 September and 31 December; and dividends that are declared monthly will be declared on the last Business Day of each month.

Any dividends payable to Shareholders will be paid by electronic transfer to the relevant Shareholder's bank account of record on the initial Application Form at the expense of the payee and will be paid within one month of their declaration and in any event within four months of the year end. Any dividends payable to Shareholders will normally be paid in the denominated currency of the relevant Class. If however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction will be arranged by the Administrator (at its discretion) at prevailing exchange rates on behalf of and for the account of, and the risk and expense of, the Shareholder.

Any dividends paid which are not claimed or collected within six years of payment shall revert to and form part of the assets of the relevant Fund.

Investors should note that any dividend income being paid out by a Fund and held in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the income is released to the investor and that during this time the investor will rank as a general unsecured creditor of the ICAV.

### **3.12 Publication of Net Asset Value per Share and Publication of Holdings**

The Net Asset Value per Share for each Class shall be made available on the internet at [www.omglobalinvestors.com](http://www.omglobalinvestors.com) or such other website as may be notified to Shareholders in advance from time to time and updated following each calculation of the Net Asset Value. In addition, the Net Asset Value per Share for each Class may be obtained from the office of the Administrator during normal business hours in Ireland. These Net Asset Values will be those prices applicable to the previous Dealing Day's subscriptions, redemptions and exchanges and are therefore only indicative after the relevant Dealing Day.

In addition to the information disclosed in the periodic reports of the ICAV, the ICAV may, from time to time, make available to investors portfolio holdings and portfolio-related information in respect of one or more of the Funds. Any such information will be available to all investors in the relevant Fund on request. Any such information will only be provided on a historical basis and after the relevant Dealing Day to which the information relates.

Notwithstanding any other provision contained in the Prospectus, nothing shall limit, prevent or restrict the ICAV from disclosing portfolio holdings information for the purposes of compliance with the laws and regulations of any relevant jurisdiction where shares of the ICAV are sold or disclosing such information to a court of a competent jurisdiction, upon request.

### **3.13 Use of a Subscriptions/Redemptions Account**

The ICAV operates a single, omnibus Subscriptions/Redemptions Account for all of the Funds, in accordance with the Central Bank's guidance relating to umbrella fund cash accounts. Accordingly, monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall

not have the protection of the Investor Money Regulations. It should be noted however that the Depositary will monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the ICAV's cash flows in accordance with its obligations as prescribed under UCITS V. There nonetheless remains a risk for investors to the extent that monies are held by the ICAV in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the ICAV) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the ICAV.

The ICAV in conjunction with Depositary shall establish a policy to govern the operation of the Subscriptions/Redemptions Account, in accordance with the Central Bank's guidance in this area. This policy shall be reviewed by the ICAV and the Depositary at least annually.

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## 4. MANAGEMENT OF THE ICAV

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### 4.1 General

The Directors control the affairs of the ICAV and are responsible for the formulation of investment objectives and policies of each Fund. The Directors have delegated certain of their duties to the Administrator, the Investment Manager and the Distributor and have appointed the Depositary.

The Central Bank Regulations refer to the responsible person, being the party responsible for compliance with the relevant requirements of the Central Bank Regulations on behalf of a particular Irish authorised UCITS. As the ICAV has not designated a management company, the Directors collectively (as opposed to any director or other officer individually) assume the role of the responsible person for the ICAV and any relevant references in the Prospectus to the Directors shall be construed accordingly, as appropriate.

### 4.2 Directors

The address of the Directors is the registered office of the ICAV. The Directors, all of whom are non-executive directors of the ICAV, are:

**Jessica Brescia** is the Chief Risk Officer of the Investment Manager. She is responsible for the legal, compliance, enterprise risk and company secretarial functions. Jessica joined the Old Mutual Group back in 2009, first as a funds lawyer for Skandia Investment Group, then as Head of Legal for Skandia Investment Group and then as Head of Legal for the Investment Manager. Jessica previously worked at Dechert LLP where she advised on the structuring, establishment, listing, management and marketing of investment funds, including UCITS funds and non-UCITS fund as well as advising on corporate, regulatory and general compliance issues. Ms. Brescia has significant experience in the cross-border aspects of UCITS fund marketing. She holds a B.A. from Barnard College, Columbia University and a J.D. from the Washington College of Law, American University. She is a Member of the New York State Bar, New Jersey State Bar and admitted as a solicitor in England and Wales.

**Adrian Waters**, resident in Ireland, is a Fellow of The Institute of Chartered Accountants in Ireland and of The Institute of Directors. He is a Chartered Director (UK Institute of Directors) and he specializes in risk management and governance. He has over 25 years' experience in the funds industry. He is a director of several other investment funds. From 1993 to 2001, he held various executive positions within The BISYS Group, Inc. (now part of the Citi Group), including Chief Executive Officer of BISYS Fund Services (Ireland) Limited and finally as Senior Vice President – Europe for BISYS Investment Services out of London. From 1989 to 1993, he was employed by the Investment Services Group of PricewaterhouseCoopers in New York and prior to that by Oliver Freaney and Company, Chartered Accountants, in Dublin. Mr. Waters holds a Bachelor of Commerce degree and a Post Graduate Diploma in Corporate Governance both received from University College Dublin in 1985 and 2005, respectively. Additionally, he received a Master of Science degree in Risk Management from the Stern Business School at New York University in 2013.

**Bronwyn Wright**, resident in Ireland, is a former Managing Director for a global financial institution having worked in Capital Markets and Banking, where she was Head of Securities and Fund Services for Ireland with responsibility for the management, growth and strategic direction of the securities and fund services business which included funds, custody, security finance and global agency and trust. Due to her role in managing, leading and growing the European fiduciary business, Ms. Wright has extensive knowledge of regulatory requirements and best market practice in the UK, Luxembourg, Jersey and Ireland. She has sat and chaired the boards of the applicable legal vehicles for the fiduciary businesses in each jurisdiction. Due to her engagement in due diligence exercises she also understands the Nordics, Germany and Asia. She has also been engaged in pre-acquisition due diligence in Asia and led a post-acquisition integration across EMEA. Ms. Wright holds a degree in Economics and Politics as well as a Masters degree in Economics from University College Dublin. Ms. Wright is past chairperson of the Irish Funds Industry Association committee for Trustee Services. Bronwyn has contributed to the Irish Funds educational development in various capacities, including co-author of a Diploma in Mutual Funds, virtual

web based lectures in financial services and part of an executive committee for a PhD finance programme. She has written numerous industry articles and chairs and participates in industry seminars in Europe and the US.

**Tom Murray** is a non-executive director of several regulated funds and other commercial entities. He graduated from UCD with a Commerce Degree in 1976 and qualified as a Chartered Accountant with Coopers & Lybrand in 1980. He was a member of the National Futures Association between 1992 and 1994 and also holds a Diploma in Directors Duties & Responsibilities. He joined Wang International Finance Ltd in 1981 as CFO and left in 1988 to found, along with colleagues, Gandon Securities Ltd, the first operation to be licenced in the IFSC. He served in a number of positions in Gandon including Finance Director, Structured Finance Director and Treasury Director. After Gandon was acquired by Investec Bank in 2000, he served as Head of Treasury for c. 4 years. In 2004 he joined Merrion Stockbrokers Ltd where he was Director of Corporate Finance until 2008. Since then he has acted as a consultant to and non-executive director of various investment funds and companies.

**Paul Simpson** joined Old Mutual in 2006. He is director of investments at Old Mutual Global Investors (OMGI). Paul began his capital markets career in risk management, gaining experience in major houses such as Deutsche Bank and UBS, and trading a wide range of equity market neutral and arbitrage strategies. Switching to investment management he was portfolio manager on a successful merger arbitrage fund at DPFM, later concentrating on statistical arbitrage, with two years as a portfolio manager at Millennium Partners. When he joined Old Mutual he initiated and was co-manager of the European Statistical Arbitrage Fund (launched 2006) and the Global Statistical Arbitrage Fund (launched 2007). He was appointed head of alternatives in 2009, having managerial responsibility for quantitative multi-factor investment processes spanning hedge funds, alternative and long only UCITS funds. He was appointed director of investments in January 2015. Paul is chair of OMGI's investment directors' committee and sits on the boards of the firm's UK, Irish and Cayman investment funds. He is also a member of OMGI's executive committee. Paul has a BA in economics from the University of Cambridge (1980) and an MBA from the University of Bradford School of Management (1986).

### **4.3 Investment Manager and Distributor**

The ICAV has appointed Old Mutual Global Investors (UK) Limited as investment manager with discretionary powers pursuant to the Investment Management and Distribution Agreement. Under the terms of the Investment Management and Distribution Agreement the Investment Manager is responsible, subject to the overall supervision and control of the Directors, for managing the assets and investments of the ICAV in accordance with the investment objective and policies of each Fund.

Old Mutual Global Investors (UK) Limited was incorporated in England and Wales on 18 July 1994. Old Mutual Global Investors (UK) Limited is authorised and regulated by the Financial Conduct Authority. Old Mutual Global Investors (UK) Limited is a wholly owned subsidiary of Old Mutual plc, a London listed financial services group. As detailed below, Old Mutual Global Investors (UK) Limited shall also act as a Distributor.

The Investment Manager may delegate the discretionary investment management functions in respect of the assets of each or any Fund to a sub-investment manager in accordance with the requirements of the Central Bank. Where a sub-investment manager is appointed but not paid directly out of the assets of the relevant Fund, disclosure of such entity will be provided to the Shareholders on request and details thereof will be disclosed in the ICAV's periodic reports. Where a sub-investment manager is appointed and paid directly out of the assets of a Fund, this will be set out in the Supplement for the relevant Fund.

The Investment Manager may also appoint non-discretionary Investment Advisers, in each case in accordance with the requirements of the Central Bank. Where an Investment Adviser is paid directly out of the assets of the relevant Fund, details of such Investment Adviser, including details of fees shall be set out in this Prospectus or the relevant Supplement.

Old Mutual Global Investors (UK) Limited shall also act as distributor of Shares in each Fund with authority to delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank.

Old Mutual Global Investors (UK) Limited is also the entity that primarily promotes the ICAV.

#### **4.4 Administrator**

The ICAV has appointed State Street Fund Services (Ireland) Limited as administrator and registrar of the ICAV pursuant to the Administration Agreement with responsibility for the day to day administration of the ICAV's affairs. The responsibilities of the Administrator include share registration and transfer agency services, valuation of the ICAV's and each Fund's Net Asset Value and calculation of the Net Asset Value per Share and the preparation of the Funds' semi-annual and annual reports. The Administrator is a company incorporated with limited liability in Ireland on 23 March 1992. Its registered office is as specified in the directory. It is an indirect, wholly-owned subsidiary of State Street Corporation.

The Administrator's principal business is the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

#### **4.5 Depository**

The ICAV has appointed State Street Custodial Services (Ireland) Limited as depository of the ICAV pursuant to the Depository Agreement with responsibility for acting as depository and trustee of the assets of each Fund. The Depository is a company incorporated with limited liability in Ireland on 22 May 1991. Its registered office is as specified in the directory. It is an indirect, wholly-owned subsidiary of State Street Corporation. The principal activity of the Depository is to act as depository and trustee to collective investment schemes.

The Depository shall carry out functions in respect of the ICAV including but not limited to the following:

- (i) the Depository shall (a) hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depository's books and all financial instruments capable of being physically delivered to the Depository; (b) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depository's books are registered in the Depository's books within segregated accounts in accordance with the principles set out in Article 16 of Commission Directive 2006/73/EC, opened in the name of the ICAV, so that they can be clearly identified as belonging to the ICAV in accordance with the applicable law at all times;
- (ii) the Depository shall verify the ICAV's ownership of all assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the ICAV;
- (iii) the Depository shall ensure effective and proper monitoring of the ICAV's cash flows;
- (iv) the Depository shall be responsible for certain oversight obligations in respect of the ICAV – see "Summary of Oversight Obligations" below.

Under the terms of the Depository Agreement, the Depository may delegate duties and functions in relation to (i) and (ii) above, subject to certain conditions. The liability of the Depository will not be affected by virtue of any such delegation.

As at the date of this Prospectus, the Depository has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the Funds' assets to State Street Bank and Trust Company as global custodian who in turn, as at the date of this Prospectus, has appointed the sub-delegates listed in Appendix IV.

Duties and functions in relation to (iii) and (iv) above may not be delegated by the Depository.

Summary of Oversight Obligations:

The Depository is obliged to ensure, among other things, that:

- the sale, issue, redemption and cancellation of Shares effected on behalf of the ICAV are carried out in accordance with the Regulations and the Instrument of Incorporation;
- the value of Shares is calculated in accordance with the Regulations and the Instrument of Incorporation;
- in transactions involving the ICAV's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- the ICAV and each Fund's income is applied in accordance with the Regulations and the Instrument of Incorporation;
- the instructions of the ICAV are carried out unless they conflict with the Regulations or the Instrument of Incorporation; and
- it has enquired into the conduct of the ICAV in each Accounting Period and reports thereon to the Shareholders. The Depositary's report will be delivered to the ICAV in good time to enable the Directors to include a copy of the report in the annual report of each Fund. The Depositary's report will state whether in the Depositary's opinion each Fund has been managed in that period:
  - (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund imposed by the Instrument of Incorporation and by the Regulations and/or the Central Bank under the powers granted to the Central Bank under the ICAV Act; and
  - (ii) otherwise in accordance with the provisions of the ICAV Act, the Instrument of Incorporation and the Regulations.

If the ICAV has not complied with (i) or (ii) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation. The duties provided for above may not be delegated by the Depositary to a third party.

In discharging its role, the Depositary shall act honestly, fairly, professionally, independently and in the interests of the ICAV and the Shareholders.

#### **4.6 Auditor**

KPMG has been appointed to act as the auditor for the ICAV. The responsibility of the Auditor is to audit and express an opinion on the financial statements of the ICAV/ its Funds in accordance with Irish law and FRS 102.

#### **4.7 Paying Agents/Representatives/Distributors**

Local laws or regulations in certain EEA jurisdictions may require that the ICAV appoints a local Paying Agent and/or other local representatives. The role of the Paying Agent may entail, for example maintaining accounts through which subscription and redemption proceeds and dividends are paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via the intermediary entity rather than directly to the Administrator or the ICAV bear a credit risk against that entity with respect to a) subscription monies prior to the transmission of such monies to the Depositary for the account of the ICAV and b) redemption monies payable by such intermediate entity to the relevant investor. The appointment of a Paying Agent (including a summary of the agreement appointing such Paying Agent) may be detailed in a Country Supplement.

Fees and expenses of Paying Agents and/or other local representatives, which will be at normal commercial rates, will be borne by the relevant Fund(s). Fees payable to the Paying Agents and/or other local representatives which are based on Net Asset Value will be payable only from the Net Asset Value of the relevant Fund(s) attributable to the relevant Class(es), all Shareholders of which Class(es) are entitled to avail of the services of the Paying Agents and/or other local representatives.

#### **4.8 Secretary**

The secretary of the ICAV is Tudor Trust Limited.

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## 5. CONFLICTS OF INTEREST

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### 5.1 Conflicts of Interest

The Directors, the Investment Manager, the Administrator and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (each a "Connected Party" for these purposes, collectively the "Connected Parties") are or may be involved in other financial, investment and professional activities (for example provision of securities lending agent services) which may on occasion cause a conflict of interest with the management of the ICAV and/or their respective roles with respect to the ICAV. These other activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the ICAV may invest. Each of the Connected Parties will use reasonable endeavours to ensure that any conflicts which may arise will be resolved fairly. The appointment of the Investment Manager, Administrator and Depositary in their primary capacity as service providers to the ICAV are excluded from the scope of these Connected Party requirements.

The Investment Manager may advise or manage other collective investment schemes in which a Fund may invest or which have similar or overlapping investment objectives to or with the Funds. Also, a conflict of interest may arise where the competent person valuing unlisted securities and/or OTC derivatives held by a Fund is the Investment Manager or a sub-investment manager or any other Connected Party. For example, because the Investment Manager's fees are calculated on the basis of a percentage of a Fund's Net Asset Value, such fees increase as the Net Asset Value of the Fund increases. When valuing securities owned or purchased by a Fund, the Investment Manager (or any other Connected Party) will, at all times, have regard to its obligations to the ICAV and the Fund and will ensure that such conflicts are resolved fairly.

There is no prohibition on transactions with the ICAV, the Investment Manager, the Administrator, the Depositary or entities related to the Investment Manager, the Administrator or the Depositary including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the ICAV and none of them shall have any obligation to account to the ICAV for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are in the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and

- (a) a certified valuation by a person approved by the Depositary as independent and competent (or in the case of a transaction involving the Depositary, the Directors) has been obtained; or
- (b) the relevant transaction is executed on best terms on an organised investment exchange in accordance with its rules; or
- (c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if negotiated at arm's length and in the best interests of Shareholders.

The Depositary (or in the case of a transaction involving the Depositary, the Directors) shall document how it complies with paragraphs (a), (b) and (c) above and where transactions are conducted in accordance with paragraph (c), the Depositary (or in the case of a transaction involving the Depositary, the Directors), must document the rationale for being satisfied that the transaction conformed to the principles outlined above.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the ICAV and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the ICAV and/or other funds for which the Depositary (or any of its affiliates) act.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the ICAV and will treat the ICAV and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the ICAV than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks and by the Depositary adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the head of compliance for the Depositary).

Each Connected Party will provide the ICAV with relevant details of each transaction (including the name of the party involved and where relevant, fees paid to that party in connection with the transaction) in order to facilitate the ICAV discharging its obligation to provide the Central Bank with a statement within the relevant Fund's annual and semi-annual reports in respect of all Connected Party transactions.

The ICAV has adopted a policy designed to ensure that its service providers act in the Funds' best interests when executing decisions to deal and placing orders to deal on behalf of those Funds in the context of managing the Funds' portfolios. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Funds, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, research services provided by the broker to the Investment Manager, or any other consideration relevant to the execution of the order. Information about the ICAV's execution policy and any material change to the policy is available to Shareholders at no charge upon request.

## **5.2 Directors' Interests**

None of the Directors has or has had any direct interest in the promotion of the ICAV or in any transaction effected by the ICAV which is unusual in its nature or conditions or is significant to the business of the ICAV up to the date of this Prospectus or in any contracts or arrangements of the ICAV subsisting at the date hereof other than;

- Jessica Brescia is the Chief Risk Officer of Old Mutual Global Investors (UK) Limited, which receives fees in respect of its services to the ICAV.
- Paul Simpson is the Director of Investments of Old Mutual Global Investors (UK) Limited, which receives fees in respect of its services to the ICAV.

None of the Directors has a service contract with the ICAV nor are any such service contracts proposed.

## **5.3 Investment Manager Investment in Shares**

The Investment Manager or an associated company or key employee of the Investment Manager may invest in Shares of a Fund for general investment purposes or for other reasons including so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the Investment Manager or its associated company may hold a high proportion of the Shares of a Fund or Class in issue.

## **5.4 Soft Commissions**

The Investment Manager may effect transactions with or through the agency of another person with whom the Investment Manager or an entity affiliated to the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assists in the provision of investment services to the ICAV. A report will be included in the relevant Fund's annual and semi-annual reports describing the Investment Manager's soft commission practices.

## **5.5 Cash Commission/ Rebates and Fee Sharing**

Where the Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities or FDI for a Fund, the rebated commission shall be paid to the relevant Fund. The Investment Manager or its delegates may be paid/reimbursed out of the assets of the relevant Fund for reasonable properly vouched costs and expenses directly incurred by the Investment Manager or its delegates in this regard.

## **5.6 Common Counsel and Auditor**

Maples and Calder is Irish counsel to the ICAV. Maples and Calder may also act as counsel to the Investment Manager in matters not involving the ICAV, and may also represent the Old Mutual Group and its affiliates. Consequently, certain conflicts of interest may arise. Prospective investors and Shareholders are advised to consult their own independent counsel (and not Maples and Calder) with respect to the legal and tax implications of an investment in the Shares.

KPMG has been appointed as the auditor for the ICAV. KPMG may also act as the auditor to the Investment Manager in matters not involving the ICAV, and may also act as the auditor to the Old Mutual Group and its affiliates. Consequently, certain conflicts of interest may arise.

## **5.7 Directors' Fees**

Unless otherwise disclosed in the relevant Supplement, the Directors' fees and expenses will be payable out of the Fixed Operating Expense amount. The Board composition and remuneration levels are set and agreed in accordance with the terms of this Prospectus and in adherence to the IFIA's Corporate Governance Code for Collective Investment Schemes and Management Companies. Any adverse impact from these fee arrangements will be factored into the objective assessment of Board performance that takes place informally on an annual basis and formally every three years. While it is not anticipated that this arrangement will give rise of any conflicts of interests between the Investment Manager and the Directors, to the extent any such conflict does arise, it will be resolved fairly.

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## 6. **SHARE DEALINGS**

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### 6.1 **Subscription for Shares**

#### 6.1.1 **General**

During the Initial Offer Period specified in the relevant Supplement, Shares shall be issued at the Initial Issue Price as specified in the relevant Supplement. Thereafter Shares shall be issued at the Net Asset Value per Share (plus any Preliminary Charge and duties and charges)) on any Dealing Day.

#### 6.1.2 **Classes of Shares**

Details of the Classes of Shares in each Fund are set out in the relevant Supplement for each Fund.

The Classes of Shares in a Fund are distinguished principally on the basis of the Preliminary Charge, the Repurchase Charge, the contingent deferred sales charge and the fees applicable to them.

Class A, C and N Shares are offered primarily as an investment to retail investors. Investors wishing to purchase Class A,C or N Shares should do so via their financial intermediary.

Class F Shares will be limited to investors who subscribe for Shares during the Initial Offer Period subject to the Minimum Initial Investment Amount. After the Initial Offer Period for Class F Shares has ended, Class F Shares will only be available for further subscriptions to existing Class F Shareholders, or may be offered to new clients at the discretion of the Directors.

Class R Shares are offered primarily to institutional investors or distributors and platforms who have separate fee arrangements with their clients, and who in the Investment Manager's reasonable opinion are able to subscribe an amount in excess of the investment minimum. This may include retail investors who invest via their UK platforms and independent financial advisers whose business is not eligible for commission. With regard to MiFID distributors, Class R Shares will be available to those providing portfolio management or independent investment advice as defined by the MiFID II Directive and those providing non independent advice who have a separate fee arrangement with their clients under which they have agreed not to receive and retain inducements.

Class I Shares are offered primarily for direct investment by institutional investors or distributors and platforms who have separate fee arrangements with their clients, and who in the Investment Manager's reasonable opinion are able to subscribe an amount in excess of the investment minimum. With regard to MiFID distributors, Class I Shares will be available to those providing portfolio management or independent investment advice as defined by the MiFID II Directive and those providing non independent advice who have a separate fee arrangement with their clients under which they have agreed not to receive and retain inducements.

Class X Shares are only available to investors who have agreed specific terms of business with the Investment Manager under which Investment Management Fees will be collected directly from the investor.

Class U1 Shares and Class L Shares are only available to investors who in the Investment Manager's reasonable opinion are able to subscribe an amount in excess of the Minimum Initial Investment Amount and/or investors who have agreed specific terms of business with the Investment Manager. With regard to MiFID distributors, Class U1 Shares will be available to those providing portfolio management or independent investment advice as defined by the MiFID II Directive and those providing non independent advice who have a separate fee arrangement with their clients under which they have agreed not to receive and retain inducements.

Class U2 Shares are offered only as an investment through designated financial intermediaries and/or investors who have agreed specific terms of business with the Investment Manager. With regard to MiFID distributors, Class U2 Shares will be available to those providing portfolio management or independent investment advice as defined by the MiFID II Directive and those providing non independent advice who have a separate fee arrangement with their clients under which they have agreed not to receive and retain inducements.

Class W Shares are only available to UK wealth managers who have agreed specific terms of business with the Investment Manager.

### **6.1.3 Applications for Shares**

Applications for Shares may be made through the Administrator or through a duly appointed Distributor/Sub-Distributor for onward transmission to the Administrator. Applications received by the Administrator or duly appointed Sub-Distributor prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion, in exceptional circumstances, otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day (specifically before the close of business in the relevant market that closes first on the relevant Dealing Day).

Initial applications should be made using an Application Form obtained from the Administrator which may be submitted in original form or by fax with the original form to follow promptly and signed. All initial applications shall be subject to prompt transmission to the Administrator of such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. It may take the Administrator up to 72 hours to process the initial application. In the case of subsequent applications submitted by electronic means or by fax, it shall not be necessary for the Administrator to subsequently receive the original Application Form provided that the Directors are satisfied that the appropriate controls and procedures are in place to comply with applicable anti-money laundering legislation and to ensure that any risk of fraud associated with the processing of transactions based on such means are adequately mitigated.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions and appropriate original documentation from the relevant Shareholder.

Any applications submitted by electronic means must be in a form and method agreed by the Directors and the Administrator.

Applications will be irrevocable unless the Directors, or a delegate, otherwise agree.

The Application Form contains certain conditions regarding the application procedure for Shares in the ICAV and certain indemnities in favour of the ICAV, the relevant Fund, the Administrator, the Depositary and the other Shareholders for any loss suffered by them as a result of certain applicants acquiring or holding Shares.

#### **6.1.4 Fractions**

Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.0001 of a Share. Subscription monies representing less than 0.0001 of a Share will be retained by the ICAV in order to defray administration costs.

#### **6.1.5 Method of Payment and Subscriptions / Redemptions Account**

Subscription payments net of all bank charges should be paid by SWIFT or electronic transfer to the Subscriptions / Redemptions Account. Other methods of payment are subject to the prior approval of the Directors or their delegate. No interest will be paid in respect of payments received in circumstances where the application is received in advance of a Dealing Day or held over until a subsequent Dealing Day.

Where the subscription monies are received into the Subscriptions/Redemptions Account from an investor in advance of Shares being issued (as will be the case in the context of a Fund which operates on a cleared funds basis), such subscription monies will be the property of the relevant Fund and accordingly an investor will be treated as a general unsecured creditor of the ICAV during the period between receipt of subscription monies into the Subscriptions/Redemptions Account and the issue of Shares .

#### **6.1.6 Currency of Payment**

Subscription monies are payable in the denominated currency of the Share Class. However, the ICAV may accept payment in such other currencies as the Directors may agree at the prevailing exchange rate available to the Administrator. The cost and risk of converting currency will be borne by the investor.

In the case of Classes that are denominated in a currency other than the Base Currency and are not identified as hedged, a currency conversion will take place on subscription at prevailing exchange rates. Please refer to Appendix III to this Prospectus (section entitled "Risk Factors; Currency Risk ") for more details.

#### **6.1.7 Timing of Payment**

Payment in respect of subscription must be received in cleared funds into the Subscriptions / Redemptions Account on or before the Settlement Date as outlined in the Supplement for the relevant Fund.

If payment in full in respect of the issue of Shares has not been received by the relevant time on the relevant Settlement Date, or in the event of non-clearance of funds, the allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the applicant may be charged interest together with an administration fee. In addition the Directors will have the right to sell all or part of the applicant's holdings of Shares in the Fund or any other Fund of the ICAV in order to meet those charges.

#### **6.1.8 Form of Shares and Confirmation of Ownership**

Confirmation of each purchase of Shares will normally be sent to Shareholders within 48 hours of the purchase being made. Shares shall be issued in registered form only and title to Shares will be evidenced by written confirmation of entry of the investor's name on the ICAV's register of Shareholders and no certificates will be issued.

#### **6.1.9 In Specie Subscriptions**

The Directors may, at their discretion, accept payment for Shares in a Fund by a transfer in specie of assets, the nature of which must comply with the investment objective, policy and restrictions of the relevant Fund and the value of which shall be determined by the Directors or their delegate, in

accordance with the Instrument of Incorporation and the valuation principles governing the ICAV. Any prospective investor wishing to subscribe for Shares by a transfer in specie of assets will be required to comply with any administrative and other arrangements for the transfer specified by the ICAV, the Depositary or the Administrator. Any in specie transfer will be at the specific investor's risk and the costs of such a transfer will be borne by the specific investor. Shares will not be issued until the investments have been vested or arrangements are made to vest the investments with the Depositary or its sub-custodian to the Depositary's satisfaction and the number of Shares to be issued will not exceed the amount that would be issued if the cash equivalent of the investments had been invested and the Depositary is satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

#### **6.1.10 Minimum Initial and Additional Investment Amount and Minimum Shareholding Requirements**

The Minimum Initial Investment Amount, the Minimum Additional Investment Amount and the Minimum Shareholding of Shares of each Class of a Fund may vary and are set out in the Supplement for the relevant Fund. The Directors reserve the right from time to time to waive any requirements relating to the Minimum Initial Investment Amount, the Minimum Additional Investment Amount and the Minimum Shareholding as and when they determine at their reasonable discretion.

#### **6.1.11 Restrictions on Subscriptions**

The Directors may, in their sole discretion, reject any application in whole or in part without giving any reason for such rejection in which event the subscription monies or any balance thereof will, subject to applicable law, be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's cost and risk.

The Directors may, in their sole and absolute discretion, determine that in certain circumstances, it is detrimental for existing Shareholders to accept an application for Shares in cash or in specie, representing more than 5% of the Net Asset Value of a Fund. In such case, the Directors may postpone the application and, in consultation with the relevant investor, either require such investor to stagger the proposed application over an agreed period of time, or establish an Investment Account outside the structure of the ICAV in which to invest the investor's subscription monies. Such Investment Account will be used to acquire the Shares over a pre-agreed time schedule. The investor shall be liable for any transaction costs or reasonable expenses incurred in connection with operating and monitoring any such Investment Account. Any applicable Preliminary Charge will be deducted from the subscription monies before the investment of the subscription monies commences.

Shares may not be issued or sold by the ICAV during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below.

#### **6.1.12 Dilution Adjustment**

A Dilution Adjustment may be payable on subscriptions for Shares. In calculating the subscription price the Directors may on any Dealing Day when there are net subscriptions adjust the subscription price by adding a Dilution Adjustment to cover dealing costs and to preserve the underlying assets of the Fund. Please see the section headed "Dilution Adjustment" at section 7.2 of this Prospectus for further details.

#### **6.1.13 Ownership Restrictions**

Any person who holds Shares in contravention of restrictions imposed by the Directors or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction (for example, by reason of the ICAV becoming liable in the relevant jurisdiction of the Shareholder) or whose holding could, in the opinion of the Directors, cause the ICAV to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the ICAV, the Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or

holding Shares in any Fund.

The Directors have power under the Instrument of Incorporation to compulsorily repurchase and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation.

While Shares will generally not be issued or transferred to any U.S. Person, the Directors may authorise the purchase by or transfer to a U.S. Person in their discretion. The Directors will seek reasonable assurances that such purchase or transfer does not violate United States securities laws, e.g., will not require the Shares to be registered under the United States Securities Act of 1933 or the ICAV or any Fund to be registered under the United States Investment Company Act of 1940 or result in adverse tax consequences to the ICAV or to the non-U.S. Shareholders. Each investor who is a U.S. Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue of Shares.

The ICAV may reject in their discretion any application for Shares by or any transfer of Shares to any persons whose holding would result in "Benefit Plan Investors" as defined in Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") holding 25 per cent or more of the total value of any Fund or Class.

#### **6.1.14 Anti-Money Laundering and Counter Terrorist Financing Measures**

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the investor's identity, address and source of funds and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship in order to comply with Irish law anti-money laundering obligations. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family members, or persons known to be close associates of such persons, must also be identified.

By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address such as two original copies of evidence of his/her address, i.e. utility bills or bank statements (not more than six months old), date of birth and tax residence. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), a certified copy of the corporate investor's authorised signatory list, the names, occupations, dates of birth and resident and business address of all directors. Depending on the circumstances of each application, a detailed verification might not be required where, for example, the application is made through a recognised intermediary located in a jurisdiction recognised by Ireland as having equivalent anti-money laundering protections.

The ICAV is regulated by the Central Bank, and must comply with the measures provided for in the Criminal Justice (Money Laundering & Terrorist Financing) Acts 2010 and 2013 which is aimed towards the prevention of money laundering. In order to comply with these anti-money laundering regulations, the Administrator, on the ICAV's behalf, will require from any subscriber or Shareholder a detailed verification of the identity of such subscriber or Shareholder, the identity of the beneficial owners of such subscriber or Shareholder, the source of funds used to subscribe for Shares, or other additional information which may be requested from any subscriber or Shareholder for such purposes from time to time. The ICAV and the Administrator each reserve the right to request such information as is necessary to verify the identity of an applicant and where applicable, the beneficial owner.

None of the ICAV, the Directors, the Investment Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily repurchased or payment of Repurchase Proceeds is delayed in such circumstances.

#### **6.1.15 Data Protection**

Prospective investors should note that by completing the Application Form they are providing personal information to the ICAV, which may constitute personal data within the meaning of data protection

legislation in Ireland. Data may be disclosed to third parties including regulatory bodies, tax authorities (including the Revenue Commissioners in accordance with FATCA and CRS), delegates, advisers and service providers of the ICAV and their or the ICAV's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including outside the EEA) for the purposes specified. By signing the Application Form, investors consent to the obtaining, holding, use, disclosure and processing of data for any one or more of the purposes set out in the Application Form.

Investors have a right of access to their personal data kept by the ICAV and the right to amend and rectify any inaccuracies in their personal data held by the ICAV by making a request to the ICAV in writing.

#### **6.1.16 Abusive Trading Practices**

The ICAV generally encourages Shareholders to invest in the Funds as part of a medium to long-term investment strategy.

The Investment Manager, on behalf of the ICAV, seeks to deter and prevent certain trading practices, such as excessive short-term trading, sometimes referred to as "market timing" which may have a detrimental effect on the Funds and their Shareholders. To the extent that there is a delay between a change in the value of a Fund's investments, and the time when that change is reflected in the Net Asset Value of the Fund's Shares, the relevant Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at Net Asset Values that do not reflect appropriate fair value prices. The Investment Manager shall seek to deter and prevent this activity.

The Investment Manager seeks to monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices. The ICAV reserves the right to restrict or refuse any subscription or switching transaction if it considers the transaction may adversely affect the interests of a Fund or its Shareholders. If an application is rejected, the Administrator, at the risk of the applicant, will return the application monies or the balance thereof, at the cost and risk of the applicant and without interest, by bank transfer to the account from which it was paid.

In the event that a Shareholder redeems its Shares within 21 days of their purchase and for this purpose Shares last purchased shall be deemed to be the subject of any redemption, the ICAV may refuse to accept further applications for Shares from that Shareholder.

### **6.2 Repurchase of Shares**

#### **6.2.1 General**

Shareholders may redeem their Shares on a Dealing Day at the Repurchase Price which shall be the Net Asset Value per Share, less Repurchase Charge, if any and any applicable duties and charges (save during any period when the calculation of the Net Asset Value is suspended). Please see the section entitled "Suspension of Calculation of NAV" herein for further information in this regard.

#### **6.2.2 Repurchase Requests**

Requests for the repurchase of Shares should be made to the Administrator on behalf of the ICAV and may be made in writing, by fax or electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Central Bank) and should include such information as may be specified from time to time by the Directors or their delegate. Requests for repurchase received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for repurchase received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Directors in their absolute discretion in exceptional circumstances, otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such request(s) have been received prior to the Valuation Point for the particular Dealing Day.

The Minimum Repurchase Amount (if any) may vary according to the Fund or the Class of Share.

In the event of a Shareholder requesting a repurchase which would, if carried out, leave the Shareholder

holding Shares having a Net Asset Value less than the Minimum Shareholding, the ICAV may, if it thinks fit, repurchase the whole of the Shareholder's holding.

### **6.2.3 Method of Payment**

The amount due on repurchase of Shares will be paid by electronic transfer to the relevant Shareholder's account of record on the initial Application Form by the Settlement Date.

In no event shall Repurchase Proceeds be paid until such papers as may be required by the Directors have been received from the investor and all of the necessary anti-money laundering checks have been carried out, verified and received in original form.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions and appropriate original documentation from the relevant Shareholder.

### **6.2.4 Currency of Payment**

Shareholders will normally be repaid in the denominated currency of the relevant Class. If however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) at prevailing exchange rates on behalf of and for the account, risk and expense of the Shareholder.

In the case of Classes that are denominated in a currency other than the Base Currency and are not identified as hedged, a currency conversion will take place on repurchase at prevailing exchange rates. In the case of Classes of Shares denominated in a non-freely-convertible currency, Repurchase Proceeds may be paid in a freely-convertible currency if the currency of the Share Class is not available. The rate of exchange used to convert the currency from the Base Currency of the Fund shall be that prevailing at the time of conversion and available to the ICAV and the expenses of such conversion shall be borne by the Shareholder. Please refer to Appendix III to this Prospectus (section entitled "Risk Factors; Currency Risk") for more details.

### **6.2.5 Timing of Payment and Subscriptions / Redemptions Account**

Repurchase Proceeds will be paid by the Settlement Date and in accordance with the provisions specified in the relevant Supplement.

Investors should note that any redemption proceeds being paid out by a Fund and held for any time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the proceeds are released to the investor. This would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the ICAV or the Administrator – enhancing the need to address these issues promptly so that the proceeds may be released. It should also be noted that the investor shall have ceased being considered a Shareholder and instead will rank as a general unsecured creditor of the ICAV.

### **6.2.6 Withdrawal of Repurchase Requests**

Requests for repurchase may not be withdrawn save with the written consent of the Directors or their delegate.

### **6.2.7 Deferred Repurchases**

If the number of Shares to be repurchased on any Dealing Day equals one tenth or more of the total number of Shares of any Fund in issue on that Dealing Day the Directors or their delegate may at their discretion refuse to repurchase any Shares in excess of one tenth of the total number of Shares in issue in any Fund and, if they so refuse, the requests for repurchase on such Dealing Day shall be reduced pro rata and Shares which are not repurchased by reason of such refusal shall be treated as if a request for

repurchase had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been repurchased. Repurchase requests which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with pro rata to later requests.

#### **6.2.8 In Specie Repurchases**

The Directors may, with the consent of the individual Shareholders, satisfy any request for repurchase of Shares by the transfer to those Shareholders of assets of the relevant Fund having a value equal to the Repurchase Price for the Shares repurchased as if the Repurchase Proceeds were paid in cash less any Repurchase Charge and other expenses of the transfer.

A determination to provide repurchase in specie may be solely at the discretion of the Directors where the repurchasing Shareholder requests repurchase of a number of Shares that represents 5% or more of the Net Asset Value of the relevant Fund provided that any such Shareholder requesting repurchase shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale less the costs of such sale which shall be borne by the relevant Shareholder.

The nature and type of assets to be transferred in specie to each Shareholder shall be determined by the Directors (subject to the approval of the Depositary as to the allocation of assets) on such basis as the Directors in their discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders in the relevant Fund or Class.

#### **6.2.9 Dilution Adjustment**

A Dilution Adjustment may be payable on the repurchase of Shares. In calculating the Repurchase Price the Directors may on any Dealing Day when there are net repurchases adjust the Repurchase Price by deducting a Dilution Adjustment to cover dealing costs and to preserve the underlying assets of the Fund. Please see the section headed "Dilution Adjustment" at section 7.2 of this Prospectus for further details.

#### **6.2.10 Compulsory Repurchase of Shares/Deduction of Tax**

Shareholders are required to notify the ICAV and the Administrator immediately if they become U.S. Persons or persons who are otherwise subject to restrictions on ownership as set out in this Prospectus and such Shareholders may be required to sell or transfer their Shares. The ICAV may repurchase any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time as set out in this Prospectus or if the holding of Shares by any person is unlawful or is likely to result or results in any tax, fiscal, legal, regulatory, pecuniary liability or disadvantage or material administrative disadvantage to the ICAV, the Shareholders as a whole or any Fund or Class. The ICAV may also repurchase any Shares held by any person who holds less than the Minimum Shareholding or who does not, within seven days of a request by or on behalf of the Directors, supply any information or declaration required under the terms hereof to be furnished (including, without limitation, the failure to provide such documentation as may be required by the ICAV to satisfy the ICAV as to the identity and verification of beneficial ownership of any proposed transferee in accordance with anti-money laundering and prevention of terrorism law applicable in Ireland and the failure to provide any declarations including declarations as to appropriate tax status of the transferee). The ICAV may apply the proceeds of such compulsory repurchase in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon.

When a repurchase request has been submitted by an investor who is or is deemed to be an Irish Resident or is acting on behalf of an Irish Resident, the ICAV shall deduct from the Repurchase Proceeds an amount which is equal to the tax payable by the ICAV to the Revenue Commissioners in respect of the relevant transaction. The attention of investors is drawn to the section of this Prospectus entitled "Taxation" and in particular the section headed "Irish Taxation" which details circumstances in which the ICAV shall be entitled to deduct from payments to Shareholders who are Irish Resident amounts in

respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily repurchase Shares to discharge such liability. Relevant Shareholders will be required to indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

### 6.2.11 Total Repurchase of Shares

All of the Shares of any Class or any Fund may be repurchased:

- if at any time the Net Asset Value of the relevant Fund shall be less than the Minimum Fund Size or the Minimum Share Class Size (if any) determined by the Directors in respect of that Fund or Class and set out in the relevant Supplement; or
- on the giving by the ICAV of not less than four nor more than twelve weeks' notice expiring on a Dealing Day to Shareholders of the relevant Fund or Class of its intention to repurchase such Shares; or
- if the holders of 75% in value of the relevant Class or Fund resolve at a meeting of the Shareholders duly convened and held that such Shares should be repurchased.

The Directors may resolve in their absolute discretion to retain sufficient monies prior to effecting a total repurchase of Shares to cover the costs associated with the subsequent termination of a Fund or Class or the liquidation of the ICAV.

Please refer also to section 10 for a summary of provisions in the Instrument of Incorporation in relation to the circumstances where a Fund may be terminated in relation to procedures for the winding up of the ICAV.

## 6.3 Exchange of Shares

### 6.3.1 Exchanges

If provided for in the relevant Supplement, Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any Class of any Fund (the "**Original Class**") for Shares of another Class which are being offered at that time (the "**New Class**") (such Class being of the same Fund or another Fund), provided that all the criteria for applying for Shares in the New Class have been met and that notice is given to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The Directors may however at their discretion in exceptional circumstances agree to accept requests for exchange received after the relevant Dealing Deadline provided they are received prior to the relevant Valuation Point (specifically before the close of business in the relevant market that closes first on the relevant Dealing Day). The general provisions and procedures relating to the issue and repurchase of Shares will apply equally to exchanges, save in relation to charges payable, details of which are set out below and in the relevant Supplement.

When requesting the exchange of Shares as an initial investment in a Fund, Shareholders should ensure that the value of the Shares exchanged is equal to, or exceeds, the Minimum Initial Investment Amount for the relevant New Class specified in the Supplement for the relevant Fund. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Shareholding for the Original Class.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{[R \times (RP \times ER)] - F}{SP}$$

where:

- R** = the number of Shares of the Original Class to be exchanged;  
**S** = the number of Shares of the New Class to be issued;  
**RP** = the Repurchase Price per Share of the Original Class as at the Valuation Point for

		the relevant Dealing Day;
<b>ER</b>	=	in the case of an exchange of Shares designated in the same Base Currency, the value of ER is 1. In any other case, the value of ER is the currency conversion factor determined by the Directors at the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
<b>SP</b>	=	the subscription price per Share of the New Class as at the Valuation Point for the applicable Dealing Day; and
<b>F</b>	=	the Exchange Charge (if any) payable on the exchange of Shares.

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion S to R.

An Exchange Charge of up to 2.5 % of the Repurchase Price of the Shares being exchanged may be charged by the ICAV on the exchange of Shares. Details of any Exchange Charge will be set out in the relevant Supplement.

Exchange requests may not be withdrawn save with the written consent of the ICAV or its authorised agent.

### **6.3.2 Restrictions on Exchange**

Shares may not be exchanged for Shares of a different Class during any period when the calculation of the Net Asset Value of the relevant Fund or Funds is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

The Directors may, at their discretion, refuse to effect an exchange request without giving any reason for such refusal. In addition, restrictions may apply on making exchanges between certain Classes as may be set out in the relevant Supplement(s).

### **6.4 Transfers of Shares**

Shares are freely transferable and may be transferred in writing in a form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferee and the transferor. Prior to the registration of any transfer, transferees, who are not existing Shareholders, must complete an Application Form and provide any other documentation (e.g. as to identity) reasonably required by the Directors or the Administrator. Notwithstanding the foregoing, the Directors in their absolute discretion may decline to register transfers, as more particularly described in the Instrument of Incorporation. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the ICAV as having any title to or interest in the Shares registered in the names of such joint Shareholders.

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## 7. VALUATION OF ASSETS

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### 7.1 Calculation of Net Asset Value

The Net Asset Value shall be calculated by ascertaining the value of the assets of the Fund and deducting from such value the liabilities of the Fund as at the Valuation Point for such Dealing Day. In order to determine the Net Asset Value per Share Class, this value is then notionally allocated across the Classes of the Fund, making such adjustments for subscriptions, redemptions, fees, dividend accumulation or distribution of income and the expenses, liabilities or assets attributable to each such Class (including the gains/losses on, and costs of financial instruments employed for Share Class hedging purposes, which gains/losses and costs shall accrue solely to that Class) and any other factor differentiating the Classes determined by the Directors. The Net Asset Value per Share of each Class will be calculated by dividing the number of Shares of the relevant Class then in issue or deemed to be in issue as at the Valuation Point for such Dealing Day and rounding the result mathematically to four decimal places as determined by the Directors or such other number of decimal places as may be determined by the Directors from time to time.

The Instrument of Incorporation provides for the correct allocation of assets and liabilities amongst each Fund. The Instrument of Incorporation provides for the method of valuation of the assets and liabilities of each Fund and of the Net Asset Value of each Fund. The assets and liabilities of a Fund will be valued at the Valuation Point as follows:-

- (a) Assets listed or traded on a recognised exchange for which market quotations are readily available shall be valued at the latest mid-market price. Where a security is listed or dealt in on more than one recognised exchange, the relevant exchange or market shall be the principal or main stock exchange or market on which the security is listed or dealt on or the exchange or market which the Directors determine provides the fairest criteria in determining a value for the relevant investment. Assets listed or traded on a recognised exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (b) The value of any security which is not quoted, listed or dealt in on a recognised exchange, or which is so quoted, listed or dealt but for which no such quotation or value is available, or the available quotation or value is not representative of the fair market value, shall be the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the Directors or competent person (as approved by the Depositary) whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (c) Cash (in hand or on deposit) will be valued at its nominal/face value plus accrued interest or less debit interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (d) Notwithstanding paragraph (a) above, units in collective investment schemes shall be valued at the latest available net asset value per unit or latest bid price as published by the relevant collective investment scheme or, if listed or traded on a recognised exchange, in accordance with (a) above.

- (e) Exchange-traded derivative instruments will be valued based on the settlement price as determined by the market where the instrument is traded. If such settlement price is not available, such value shall be calculated in accordance with (b) above.
- (f) Notwithstanding the provisions of paragraphs (a) to (e) above:-
  - (i) The Directors or their delegate shall, at their discretion in relation to any particular Fund which is a short-term money market fund, have in place an escalation procedure to ensure that any material discrepancy between the market value and the amortised cost value of a money market instrument is brought to the attention of the Investment Manager or a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the requirements of the Central Bank.
  - (ii) Where it is not the intention or objective of the Directors to apply amortised cost valuation to the portfolio of the Fund as a whole, a money market instrument within such a portfolio shall only be valued on an amortised basis if the money market instrument has a residual maturity of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk.
- (g) Notwithstanding the generality of the foregoing, the Directors may with the approval of the Depositary adjust the value of any investment if they consider that such adjustment is required to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant. The rationale for adjusting the value must be clearly documented.
- (h) If the Directors deem it necessary, a specific investment may be valued under an alternative method of valuation approved by the Depositary and the rationale/methodologies used must be clearly documented.

Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the prevailing exchange rate which the Directors or their delegate shall determine to be appropriate.

## **7.2 Dilution Adjustment**

The actual cost of purchasing or selling the underlying investments in a Fund may be higher or lower than the latest available market price used in calculating the Net Asset Value per Share. These costs may include dealing charges, commissions and the effects of dealing at prices other than the middle market price. The effect of the transaction charges and the dealing spread may have a materially disadvantageous effect on the Shareholders' interests in a Fund.

To prevent this effect, known as 'dilution', the Directors may on any Dealing Day when there are net subscriptions into a Fund or net redemptions from a Fund, charge a Dilution Adjustment and thereby adjust the subscription/Repurchase Price. The application of the Dilution Adjustment is to cover dealing costs and to preserve the value of the underlying assets of the Fund.

It is not, however, possible to predict accurately whether dilution will occur on any particular Dealing Day. Consequently it is not possible to predict accurately how frequently the ICAV will need to make such a Dilution Adjustment. The charging of a Dilution Adjustment may either reduce the Repurchase Price or increase the subscription price of the Shares in a Fund. Where a Dilution Adjustment is made, it will increase the Net Asset Value per Share where the Fund receives net subscriptions and will reduce the Net Asset Value per Share where the Fund receives net redemptions.

A Dilution Adjustment will only be imposed in a manner that is, so far as practicable, fair to all Shareholders.

The imposition of a Dilution Adjustment will depend on the volume of sales or repurchases of Shares on any Dealing Day.

In particular, a Dilution Adjustment may be applied in the following circumstances:

- (i) on a Fund experiencing significant levels of net subscriptions (i.e. subscriptions less redemptions) relative to its size;
- (ii) on a Fund experiencing significant levels of net redemptions (i.e. redemptions less subscriptions) relative to its size; or
- (iii) in any other case whether the Directors believe that it is in the best interests of Shareholders to impose a Dilution Adjustment.

The Dilution Adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, commissions and transfer taxes. These costs can vary over time and as a result the amount of Dilution Adjustment will also vary over time. The price of each Class of Share in a Fund will be calculated separately but any Dilution Adjustment will affect the price of Shares of each Class in a Fund in an identical manner.

Dilution Adjustments will be calculated on a quarterly basis by the Administrator.

### **7.3 Suspension of Calculation of Net Asset Value**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the subscription, redemption and exchange of Shares and the payment of Repurchase Proceeds:

- (i) during any period when any of the markets or stock exchanges on which a substantial portion of the assets of the relevant Fund are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (ii) during any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the assets of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot be fairly calculated; or
- (iii) during any breakdown in the means of communication normally employed in determining the price of a substantial portion of the assets of the relevant Fund, or when, for any other reason the current prices on any market or stock exchanges of any of the assets of the relevant Fund cannot be promptly and accurately ascertained; or
- (iv) any period when, as a result of adverse market conditions, the payment of Repurchase Proceeds may, in the opinion of the Directors, have an adverse impact on the relevant Fund or the remaining Shareholders in the relevant Fund; or
- (v) any period (other than ordinary holiday or customary weekend closings) when any market or exchange which is the main market or exchange for a significant part of the instruments or positions is closed, or in which trading thereon is restricted or suspended; or
- (vi) any period when proceeds of any sale or repurchase of the Shares cannot be transmitted to or from the account of the relevant Fund; or
- (vii) any period in which the repurchase of the Shares would, in the opinion of the Directors, result in a violation of applicable laws; or
- (viii) during any period during which any transfer of funds involved in the realisation or acquisition of assets or payments due on the repurchase of Shares of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or

- (ix) during any period when the Directors are unable to repatriate funds required for the purpose of making payments due on the repurchase of Shares in the relevant Fund; or
- (x) during any period when in the opinion of the Directors such suspension is justified having regards to the best interests of the ICAV and/or the relevant Fund; or
- (xi) following the circulation to Shareholders of a notice of a general meeting at which a resolution proposing to wind up the ICAV or terminate the relevant Fund is to be considered.

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

Shareholders who have requested subscriptions or redemptions of Shares of any Class in any Fund or exchanges of Shares of one Class in any Fund to another will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified immediately (without delay) on the same Business Day to the Central Bank. Details of any such suspension will also be notified to all Shareholders if, in the opinion of the Directors, it is likely to exceed 14 days.

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## **8. FEES AND EXPENSES**

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The ICAV may pay out of the assets of each Fund the fees and expenses as described below.

### **8.1 Investment Management Fees**

The Investment Manager shall be entitled to receive from the ICAV a fee in relation to each Fund or Class as specified in the relevant Supplement. The Investment Manager may be paid different fees for investment management in respect of individual Classes as disclosed in the relevant Supplement which may be higher or lower than the fees applicable to other Classes. Unless otherwise specified in the relevant Supplement, the Investment Management Fee is payable by the ICAV monthly in arrears. The Investment Management Fee will be calculated and accrued daily.

The Investment Manager may also be entitled to receive a performance fee, the details of which shall be specified in the relevant Supplement. Performance fees payable to the Investment Manager shall be calculated and accrued daily and shall be payable in arrears following the end of each Calculation Period. The calculation of any performance fee must be verified by the Depositary.

The Investment Manager may from time to time, at its sole discretion and out of its own resources, decide to rebate to Shareholders part or all of its Investment Management Fee and/or performance fee. Any such rebates may be applied by issuing additional Shares to Shareholders or in cash.

Details of any fees payable out of the assets of any Fund to a duly appointed sub-investment manager will be disclosed in the relevant Supplement.

### **8.2 Distribution Fees**

The Distributor shall be entitled to receive from the ICAV a fee in relation to each Fund or Class as specified in the relevant Supplement. Unless otherwise specified in the relevant Supplement, the Distributor's fee is payable by the ICAV monthly in arrears. The Distributor's fee will be calculated and accrued daily.

### **8.3 Fixed Operating Expense ("FOE")**

Unless otherwise specified in the relevant Supplement, the FOE is calculated and accrued daily (the "**Calculation Point**"). The FOE will be calculated separately in respect of each Share Class of each Fund, as a percentage rate per annum of the total value of the Shares of entitlement in the assets of the Fund represented by the Share Class in question at the Calculation Point divided by the number of days in the year and multiplied by the number of days that have passed since the last Calculation Point.

The FOE, as set out in the relevant Supplement, will be deducted from each Share Class of each Fund in order to pay for the costs outlined below:

- (a) all fees and expenses payable to or incurred by the Administrator, the Depositary, the Secretary, Paying Agent or other local representative (which will be at normal commercial rates), sub-custodian (which will be at normal commercial rates), or other professional advisors to the ICAV appointed by or on behalf of the ICAV or with respect to any Fund or Class;
- (b) all duties, and taxes associated with expenses of the ICAV save in respect of any taxation or duties payable in respect of the assets of the Fund or the issue or repurchase of Shares;
- (c) all directors fees and expenses (including Irish Pay As You Earn income taxes), all costs incurred in organising Directors' meetings and in obtaining proxies in relation to such meetings, all insurance premiums including any policy in respect of directors' and officers' liability insurance cover and association membership dues;

- (d) the remuneration, commissions and expenses incurred or payable in the marketing, promotion and distribution of Shares including without limitation commissions payable to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in the ICAV and the costs and expenses of preparation and distribution of all marketing material and advertisements;
- (e) all fees and expenses connected with the preparation, publication and supply of information to Shareholders and the public including, without limitation, the cost of preparing, translating, printing, distributing the Prospectus and any addenda or Supplements, KIID and any periodic updates thereof, marketing literature, any report to the Central Bank or any other regulatory authority, the annual audited report and any other periodic reports and the calculation, publication and circulation of the Net Asset Value per Share, certificates, confirmations of ownership and of any notices given to Shareholders in whatever manner;
- (f) all fees and expenses incurred in connection with the convening and holding of Shareholders' meetings;
- (g) all fees and expenses incurred or payable in registering and maintaining a Fund or Class registered with any and all government agencies and/or regulatory authority and/or rating agencies, clearance and/or settlement systems and/or any exchanges in any various countries and jurisdictions including, but not limited to, filing and translation expenses;
- (h) all fees and expenses incurred or payable in listing and in maintaining or complying with the requirements for the listing of the Shares on the Irish Stock Exchange (or other exchange to which Shares may be admitted);
- (i) Save as described below in relation to extraordinary expenses, all legal and other professional fees and expenses incurred by the ICAV or by or on behalf of its delegates in any actions taken or proceedings instituted or defended to enforce, protect, safeguard, defend or recover the rights or property of the ICAV;
- (j) all Central Bank filings, statutory and regulatory fees and/or levies;

in each case together with any applicable value added tax.

If a Share Class's expenses actually incurred in any period exceed the FOE ("Deficit"), the Investment Manager will pay the difference to the ICAV from its own resources. Conversely, if the FOE in any period is greater than the Share Class's expenses actually incurred ("Surplus"), the Investment Manager will receive the difference from the ICAV. The Investment Manager will pay any Deficit in the period to the ICAV monthly in arrears (on the fourth last Business Day of the month following each calendar month). The ICAV will pay any Surplus to the Investment Manager bi-annually, in October and April respectively.

The FOE for each Fund and Share Class is set out in the Supplement for the relevant Fund. These rates have been arrived at after reviewing the expected pattern of costs incurred in relation to each Fund and Share Class in the case of a new Share Class and/or Fund.

The FOE will be reviewed annually (or more frequently if the Directors deem appropriate) and the ICAV will provide reasonable prior notice before making any changes to the FOE applicable to a particular Share Class and/or Fund.

In order to ensure that investors benefit from economies of scale, where the Net Asset Value of a Fund exceeds £1.5bn (or the currency equivalent thereof), the stated rate will be subject to a reduction of 0.05%. For the avoidance of doubt, the FOE set out in the Supplement assumes that the assets of a Fund do not exceed £1.5bn assets under management (or the currency equivalent thereof).

The following fees and expenses may still be charged to the ICAV and its Fund / Share Class as appropriate, and may be part of the FOE or separately charged at the discretion of the Directors:

- (a) the Investment Management Fee (including any sub-investment manager fee), Distribution Fee, and/or Performance Fees as set out in the relevant Supplement
- (b) the ICAV and each Fund formed may bear its own direct establishment costs as further detailed in section 8.4 below;
- (c) broker's commission, fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessarily incurred in effecting transactions for the Funds are normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- (d) interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- (e) taxation and duties payable in respect of the assets of the Funds or of the issue or repurchase of shares;
- (f) the cost of any amalgamation or restructuring of the ICAV or any Fund including liabilities on unitisation, amalgamation or reconstruction arising after the transfer of the Fund's assets in any such transaction
- (g) the costs of liquidation or winding up the ICAV or terminating any Fund;
- (h) any payments otherwise due by virtue of the Regulations or due by virtue of any change to the Regulations; and
- (i) any extraordinary expenses including, without limitation, expenses relating to regulatory queries, litigation costs, and any tax, levy, duty, or similar charge, imposed on the ICAV or its assets that would otherwise not qualify as ordinary expenses.

in each case together with any applicable value added tax.

The FOE model shall be periodically reviewed (at least annually) to ensure it is consistent with the best interests of Shareholders.

#### **8.4 Establishment Expenses**

All fees and expenses relating to the establishment, organisation and authorisation of the ICAV and the initial Fund including the fees of the ICAV's professional advisers (including legal, accounting and taxation advisers) may be borne by the ICAV or may be part of the FOE at the discretion of the Directors. Such fees and expenses are estimated to amount to approximately €50,000 and may be amortised over the first three Accounting Periods of the ICAV or such other period as the Directors may determine and in such manner as the Directors, in their absolute discretion, deem fair.

Thereafter, the cost of establishing each new Fund, to the extent applicable, will be set out in the relevant Supplement and amortised over the first three years of such Fund's operation or such other period as the Directors may determine. The cost of establishing any subsequent Fund may be charged to the relevant Fund.

#### **8.5 Entry/Exit Charges**

##### **8.5.1 Preliminary Charge**

Shareholders may be subject to a Preliminary Charge of up to a maximum of 6.25 % of subscription monies. Details of any Preliminary Charge payable shall be specified in the relevant Supplement.

##### **8.5.2 Repurchase Charge and Contingent Deferred Sales Charge**

Shareholders may be subject to a Repurchase Charge up to a maximum of 3 % of repurchase monies, as specified in the relevant Supplement.

A contingent deferred sales charge may be payable on the repurchase of the Class C Shares of each Fund. The amount of the contingent deferred sale charge payable will depend on the length of time between the date the Shares were purchased and their repurchase at the rates set out below.

<b>Years since purchase</b>	<b>Contingent deferred sales charge as a percentage of the subscription price paid</b>
	<b>Class C Shares</b>
0 - 1	1.00%
1 - 2	Nil
2 - 3	Nil
3 - 4	Nil
4 and thereafter	Nil

Any contingent deferred sales charge will be payable to the Distributor. No contingent deferred sales charge shall be payable on Shares issued arising as a result of the reinvestment of dividends. No contingent deferred sales charge shall be payable on any increase on the Net Asset Value per Share above the subscription price paid for the Share and no contingent deferred sales charge shall be payable on transfers or conversions of Shares. For the purposes of determining whether a contingent deferred sales charge is payable any Shares repurchased shall be deemed to be those first subscribed.

### **8.5.3 Exchange Charge**

Shareholders may be subject to an Exchange Charge on the exchange of any Shares up to a maximum of 2.5 % of the Net Asset Value of the Shares in the original Fund, as specified in the relevant Supplement.

### **8.5.4 Dilution Adjustment**

The Directors reserve the right to impose a Dilution Adjustment in the case of net subscriptions and/or net redemptions on a transaction basis as more particularly described in section 7.2 of this Prospectus.

### **8.6 Fees and Expenses out of Capital**

Where disclosed in the relevant Supplement, a Fund may charge all or part of its fees and expenses to the capital at Fund or Share Class level. This will have the effect of lowering the capital value of your investment.

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## 9. TAXATION

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### 9.1 General

The following statements on taxation are with regard to the law and practice in force in Ireland at the date of this document and do not constitute legal or tax advice to Shareholders or prospective Shareholders. 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 ICAV is made will endure indefinitely, as the basis for and rates of taxation can fluctuate.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and repurchase of, Shares in the places of their citizenship, residence and domicile.

The Directors recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the ICAV and any investment returns from those Shares.

### 9.2 Ireland

#### 9.2.1 Taxation of the ICAV

The Directors have been advised that the ICAV is an investment undertaking within the meaning of section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the ICAV is resident for tax purposes in Ireland. The ICAV will be resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland. It is intended that the Directors of the ICAV will conduct the affairs of the ICAV in a manner that will allow for this.

Notwithstanding the above, a charge to tax may arise for the ICAV in respect of Shareholders on the happening of a "Chargeable Event" in the ICAV.

A Chargeable Event includes:

- (i) any payment to a Shareholder by the ICAV in respect of their Shares;
- (ii) any transfer, cancellation, redemption or repurchase of Shares; and
- (iii) any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a "Deemed Disposal").

A "relevant period" is a period of 8 years beginning with the acquisition of Shares by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

A Chargeable Event does not include:

- (i) any transaction in relation to Shares held in a recognised clearing system;
- (ii) any exchange by a Shareholder effected by way of a bargain made at arm's length by the ICAV, of Shares in the ICAV for other Shares in the ICAV;
- (iii) certain transfers of Shares between spouses or civil partners and former spouses or former civil partners;
- (iv) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the ICAV with another Irish investment undertaking; or
- (v) the cancellation of Shares in the ICAV arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA TCA).

On the happening of a Chargeable Event, the ICAV shall be entitled to deduct the appropriate amount of tax on any payment made to a Shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made by the ICAV to the Shareholder, the ICAV may appropriate or cancel the required number of Shares to meet the tax liability.

Where the Chargeable Event is a Deemed Disposal and the value of Shares held by Irish Resident Shareholders in the ICAV is less than 10% of the total value of Shares in the ICAV (or a sub-fund) and the ICAV has made an election to the Revenue Commissioners to report annually certain details for each Irish Resident Shareholder, the ICAV will not be required to deduct the appropriate tax and the Irish Resident Shareholder (and not the ICAV) must pay the tax on the Deemed Disposal on a self-assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the ICAV or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of the Shares, a refund of any unutilised credit will be payable.

## **9.2.2 Taxation of Shareholders**

### *Non-Irish Resident Shareholders*

Non-Irish Resident Shareholders will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

- (i) the ICAV is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Resident, or
- (ii) the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Revenue Commissioners.

If the ICAV is not in possession of a Relevant Declaration or the ICAV is in possession of information which would reasonably suggest that the Relevant Declaration is not or is no longer materially correct, the ICAV must deduct tax on the happening of a Chargeable Event in relation to such Shareholder. The tax deducted will generally not be refunded.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption on behalf of the Shareholders for whom they are acting. The intermediary must complete a Relevant Declaration that it is acting on behalf of a non-Irish Resident Shareholder.

A non-Irish Resident corporate Shareholder which holds Shares directly or indirectly by or for a trading branch or agency of the Shareholder in Ireland, will be liable for Irish corporation tax on income from the Shares or gains made on the disposal of the Shares.

### *Exempt Irish Shareholders*

The ICAV is not required to deduct tax in respect of an Exempt Irish Shareholder so long as the ICAV is in possession of a completed Relevant Declaration from those persons and the ICAV has no reason to believe that the Relevant Declaration is materially incorrect. The Exempt Irish Shareholder must notify the ICAV if it ceases to be an Exempt Irish Shareholder. Exempt Irish Shareholders in respect of whom the ICAV is not in possession of a Relevant Declaration will be treated by the ICAV as if they are not Exempt Irish Shareholders.

While the ICAV is not required to deduct tax in respect of Exempt Irish Shareholders, those Shareholders may themselves be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares depending on their circumstances. It is the obligation of the Exempt Irish Shareholder to account for such tax to the Revenue Commissioners.

### *Irish-Resident Shareholders*

Irish Resident Shareholders (who are not Exempt Irish Shareholders) will be liable to tax on the happening of a Chargeable Event. Tax at the rate of 41% will be deducted by the ICAV on payments made to the Shareholder in relation to the Shares or on the sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), cancellation, redemption or repurchase of Shares or the making of any other payment in respect of the Shares.

An Irish Resident Shareholder who is not a company and is not an Exempt Irish Shareholder will not be liable to any further income or capital gains tax in respect of any sale, transfer, Deemed Disposal, cancellation, redemption or repurchase, of Shares or the making of any other payment in respect of their Shares.

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, and the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted. The rate of tax applicable to a Chargeable Event in respect of any Irish tax resident corporate investor in this instance is 25% provided the corporate investor has made a declaration to the ICAV including its Irish tax reference number.

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

- (i) the amount received by the Shareholder is increased by any amount of tax deducted by the ICAV and will be treated as income of the Shareholder for the chargeable period in which the payment is made;
- (ii) where the payment is made on the sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (iii) the amount of tax deducted by the ICAV will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

#### *Personal Portfolio Investment Undertaking*

An investment undertaking will be considered to be a personal portfolio investment undertaking (PPIU) in relation to a specific Irish Resident Shareholder where that Irish Resident Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those Irish Resident Shareholders who can influence the selection. A gain arising on a chargeable event in relation to a PPIU will be taxed at the rate of 60%. An undertaking will not be considered to be a PPIU where certain conditions are complied with as set out in section 739BA TCA.

#### *Currency Gains*

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares, that Shareholder may be liable to capital gains tax in respect of any chargeable gain made on the disposal.

#### *Stamp Duty*

On the basis that the ICAV qualifies as an investment undertaking within the meaning of section 739B TCA, no Irish stamp duty will be payable on the subscription, transfer or repurchase of Shares. The stamp duty implications for subscriptions for Shares or transfer or repurchase of Shares in specie should be considered on a case by case basis.

#### *Capital Acquisitions Tax*

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

- (i) at the date of the disposition the transferor of the Shares is neither domiciled nor ordinarily resident in Ireland, and, at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and

(ii) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date.

### **9.2.3 Other Tax Matters**

The income and capital gains received by the ICAV from securities issued in countries other than Ireland or assets located in countries other than Ireland may be subject to taxes including withholding tax in the countries where such income and gains arise. Generally, it is uncertain whether the ICAV may or may not be able to benefit from reduced rates of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Directors will have sole discretion as to whether the ICAV will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical. The Directors have the ability to accrue for an expected benefit in the Net Asset Value of the relevant Fund, if appropriate.

In the event that the ICAV receives any repayment of withholding tax suffered, the Net Asset Value of the ICAV will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of repayment.

#### 9.2.3.1 Automatic Exchange of Information

The ICAV is obliged, pursuant to the IGA, Council Directive 2011/16/EU, section 891E, section 891F and section 891G of the TCA and regulations made pursuant to those sections, to collect certain information about its investors.

The ICAV will be required to provide certain information to the Revenue Commissioners in relation to the investors (including information in respect of the investor's tax residence status) and also in relation to accounts held by investors. For further information on FATCA or CRS please refer to the website of the Revenue Commissioners at [www.revenue.ie/en/business/aeoi/index.html](http://www.revenue.ie/en/business/aeoi/index.html).

Further detail in respect of FATCA and CRS is set out below.

#### 9.2.3.2 FATCA Implementation in Ireland

On 21 December 2012, the governments of Ireland and the U.S. signed the IGA.

The IGA significantly increases the amount of tax information automatically exchanged between Ireland and the U.S. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish Residents. The ICAV will be subject to these rules. Complying with such requirements will require the ICAV to request and obtain certain information and documentation from its Shareholders, other account holders and (where applicable) the beneficial owners of its Shareholders and to provide any information and documentation indicating direct or indirect ownership by U.S. Persons to the competent authorities in Ireland. Shareholders and other account holders will be required to comply with these requirements, and non-complying Shareholders may be subject to compulsory redemption and/or U.S. withholding tax of 30% on withholdable payments and/or other monetary penalties.

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

The ICAV (and/or any of its duly appointed agents) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the ICAV may have as a result of the IGA or any legislation promulgated in connection with the IGA and Shareholders will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the ICAV or any other person to the relevant tax authorities.

#### 9.2.3.3 OECD Common Reporting Standard

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the CRS Regulations.

CRS is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. The ICAV is required to provide certain information to the Revenue Commissioners about Investors resident or established in jurisdictions which are party to CRS arrangements.

The ICAV, or a person appointed by the ICAV, will request and obtain certain information in relation to the tax residence of its shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The ICAV, or a person appointed by the ICAV, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. Irish Revenue will share the appropriate information with the relevant tax authorities in participating jurisdictions. Ireland introduced CRS Regulations in December 2015 and implementation of CRS among early adopting countries (including Ireland) occurred with effect from 1 January 2016.

### **9.3 Certain Irish Tax Definitions**

#### **9.3.1 Residence – Company (which includes any body corporate, including an ICAV)**

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country. In certain limited circumstances, companies incorporated in Ireland but managed and controlled outside of a double taxation treaty territory may not be regarded as resident in Ireland. Specific rules may apply to companies incorporated prior to 1 January 2015.

#### **9.3.2 Residence – Individual**

The Irish tax year operates on a calendar year basis.

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

- (i) spends 183 days or more in Ireland in that tax year; or
- (ii) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding tax year.

Presence in a tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any point in time during the particular day in question.

#### **9.3.3 Ordinary Residence – Individual**

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 that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2014 will remain ordinarily resident in Ireland until the end of the tax year 2017.

#### **9.3.4 Intermediary**

means a person who:-

- (i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- (ii) holds shares in an investment undertaking on behalf of other persons.

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## 10. GENERAL INFORMATION

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### 10.1 Reports and Accounts

The year end of the ICAV and each Fund is 31 March in each year. Each Fund will prepare an annual report and audited accounts as of 31 March in each calendar year and a semi-annual report and unaudited accounts as of 30 September in each year.

Such reports and accounts will contain a statement of the Net Asset Value of the relevant Fund and of the investments comprised therein as at the year-end or the end of such semi-annual period.

The audited annual report and accounts will be published within four months of the ICAV's/ the Funds' financial year end and its semi-annual report will be published within two months of the end of the half-year period and in each case will be offered to subscribers before conclusion of a contract and supplied to Shareholders free of charge on request and will be available to the public at the office of the Administrator.

The audited annual report and accounts for each Fund in respect of each financial year shall be prepared in accordance with FRS 102.

The Directors may send such reports and accounts electronically to Shareholders in accordance with the requirements of the Central Bank. See "Access to Documents" below.

### 10.2 Voting Policy

The ICAV will delegate the exercise of voting rights in relation to underlying investments to the Investment Manager. Further details of the Investment Manager's voting policy for a Fund along with records of voting are available on request from the Investment Manager.

### 10.3 Complaints

Information regarding the ICAV's complaint procedures is available to Shareholders free of charge upon request. Shareholders may file any complaints about the ICAV or a Fund free of charge at the registered office of the ICAV.

### 10.4 Form and Share Capital

The authorised share capital of the ICAV is 300,000 redeemable non-participating Shares of no par value and 500,000,000,000 participating Shares of no par value. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid therefor but do not otherwise entitle them to participate in the assets of the ICAV. The Directors have the power to allot shares in the capital of the ICAV on such terms and in such manner as they may think fit.

### 10.5 The Instrument of Incorporation

Clause 3 of the Instrument of Incorporation provides that the sole object of the ICAV the collective investment of its funds in property and giving members the benefit of the results of the management of its funds, consistent with the requirements of Regulation 4(3) of the Regulations.

The Instrument of Incorporation contains, among other things, provisions to the following effect:

### **10.5.1 Voting Rights**

Subject to any rights or restrictions for the time being attached to any Class or Classes of Shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll every holder present in person or by proxy shall have one vote for every Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. Holders who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Share.

### **10.5.2 Funds**

The Directors are required to establish a separate portfolio of assets for each Fund created by the ICAV from time to time, to which the following shall apply:-

- (i) for each Fund the ICAV shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each Class of the Fund, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Instrument of Incorporation;
- (ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the ICAV to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
- (iii) in the event that there are any assets of the ICAV which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary the basis in relation to assets previously allocated;
- (iv) no Shares will be issued on terms that entitle the Shareholders of any Fund to participate in the assets of the ICAV other than the assets (if any) of the Fund relating to such Shares. If the proceeds of the assets of the relevant Fund are not sufficient to fund the full Repurchase Proceeds payable to each Shareholder for the relevant Fund, the proceeds of the relevant Fund will, subject to the terms for the relevant Fund, be distributed equally among each Shareholder of the relevant Fund pro rata to the amount paid up on the Shares held by each Shareholder. If the realised net assets of any Fund are insufficient to pay any amounts due on the relevant Shares in full in accordance with the terms of the relevant Fund, the relevant Shareholders of that Fund will have no further right of payment in respect of such Shares or any claim against the ICAV, any other Fund or any assets of the ICAV in respect of any shortfall;
- (v) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the ICAV in respect of or attributable to that Fund; and
- (vi) in the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of section 36(6) of the ICAV Act, shall apply.

### **10.5.3 Termination of Funds**

Any Fund may be terminated by the Directors, in their sole and absolute discretion, in any of the following events:-

- (i) if at any time the Net Asset Value of the relevant Fund shall be less than the Minimum Fund Size (if any) determined by the Directors in respect of that Fund;

- (ii) if any Fund shall cease to be authorised or otherwise officially approved;
- (iii) if any law shall be passed or regulatory requirement introduced which renders it illegal or in the opinion of the Directors impracticable or inadvisable or not commercially viable or excessively onerous from a compliance perspective to continue the relevant Fund;
- (iv) if there is a change in material aspects of business or in the economic or political situation relating to a Fund which the Directors consider would have material adverse consequences on the investments of the Fund; or
- (v) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to points (i) to (v) above or otherwise.

The Directors shall give notice of termination of a Fund to the Shareholders in the relevant Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine.

#### **10.5.4 Winding up**

The Instrument of Incorporation contains provisions to the following effect:

- (i) If the ICAV shall be wound up the liquidator shall, subject to the provisions of the ICAV Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;
- (ii) The assets available for distribution amongst the Shareholders shall be applied as follows: first the proportion of the assets in a Fund attributable to each Class of Shares shall be distributed to the holders of Shares in the relevant Class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such Class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the ICAV not attributable to other Classes of Shares. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the ICAV attributable to each Class of Share; and thirdly, any balance then remaining and not attributable to any of the Classes of Shares shall be apportioned pro-rata as between the Classes of Shares based on the Net Asset Value attributable to each Class of Shares as at the date of commencement to wind up and the amount so apportioned to a Class shall be distributed to holders pro-rata to the number of Shares in that Class of Shares held by them;
- (iii) A Fund may be wound up pursuant to section 37 of the ICAV Act and in such event the provisions of the Instrument of Incorporation shall apply mutatis mutandis in respect of that Fund;
- (iv) If the ICAV 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 of the relevant holders and any other sanction required by the ICAV Act, divide among the holders of Shares of any Class or Classes of a Fund in specie the whole or any part of the assets of the ICAV relating to that Fund, 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 all the holders of Shares or the holders of different Classes of Shares as the case may be. The liquidator may, with the like authority, vest any part of the assets in

trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same.

#### **10.5.5 Segregation of Liability**

The Instrument of Incorporation contains provisions reflecting the segregation of liability between the Funds in line with the ICAV Act.

#### **10.6 Directors Indemnities and Insurance**

Pursuant to the Instrument of Incorporation, each of the Directors shall be indemnified by the ICAV against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such office in the discharge of his duties provided that, as permitted by the ICAV Act such indemnity shall not extend to any of the foregoing sustained or incurred as a result of any negligence, default, breach of duty or breach of trust by him in relation to the ICAV and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the ICAV and have priority as between the Shareholders over all other claims.

The ICAV acting through the Directors is empowered under the Instrument of Incorporation to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the ICAV insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

#### **10.7 Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the ICAV and are or may be material.

##### **10.7.1 Investment Management and Distribution Agreement**

Pursuant to the Investment Management and Distribution Agreement the Investment Manager will be entitled to receive fees as described in the section of the Prospectus entitled "Fees and Expenses". The Investment Management and Distribution Agreement may be terminated unilaterally by either party on giving not less than 90 days' prior written notice to the other party (or earlier, where such shorter notice is agreed by both parties). The Investment Management and Distribution Agreement may also be terminated forthwith by either party giving notice in writing to the other party upon certain breaches as outlined in the Investment Management and Distribution Agreement or upon the insolvency of a party (or upon the happening of a like event i.e. receivership or examinership).

In the absence of negligence, fraud or wilful default, on the part of the Investment Manager or any act constituting a breach of the obligations of the Investment Manager under the Investment Management and Distribution Agreement, the Investment Manager shall not be liable to the ICAV or to any Shareholder for any loss suffered as a result of any act or omission in the course of, or connected with, rendering services under the Investment Management and Distribution Agreement and shall not be liable in any circumstances for consequential loss or damage.

The ICAV shall hold harmless and indemnify the Investment Manager out of the relevant Funds' assets from and against all actions, proceedings, damages, claims, costs, demands, charges, losses and expenses including, without limitation, legal and professional expenses on a full indemnity basis ("Loss") which may be brought against, suffered or incurred by the Investment Manager in connection with any act or omission of the Investment Manager taken, or omitted to be taken, in connection with the Funds or the Investment Management and Distribution Agreement, other than due to the negligence, fraud or wilful default, of the Investment Manager or by reason of any action constituting a breach of the obligations of the Investment Manager under the Investment Management and Distribution Agreement, and in particular (but without limitation) this indemnity shall extend to any Loss arising as a result of any error of judgment,

third party default or any loss, delay, misdelivery or error in transmission of any communication to the Investment Manager or as a result of acting in good faith upon any forged document or signature.

### **10.7.2 Administration Agreement**

Pursuant to the Administration Agreement, the Administrator will provide certain administrative, registrar and transfer agency services to the ICAV. The Administrator will be entitled to receive fees as described in the section of the Prospectus entitled "Fees and Expenses". The Administration Agreement may be terminated by either of the parties on giving ninety days' (90) prior written notice to the other party. The Administration Agreement may also be terminated with immediate or subsequent effect by either party by giving notice in writing to the other party upon certain breaches as outlined in the Administration Agreement or upon the insolvency of a party (or upon the happening of a like event i.e. receivership or examinership).

The ICAV shall hold harmless and indemnify the Administrator against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the investments or shares) and against all costs, demands and expenses (including legal and professional expenses) together ("Losses") arising therefrom which may be brought against, suffered or incurred by the Administrator in the proper performance or non-performance of its obligations and duties under the Administration Agreement and from and against all taxes on profits or gains of the ICAV which may be assessed upon or become payable by the Administrator provided that such indemnity shall not be given where the Administrator, its delegates, servants or agents is or are guilty of negligence, fraud, bad faith, or wilful default in the performance or non-performance of its or their duties under the Administration Agreement.

### **10.7.3 Depositary Agreement**

The Depositary shall act as depositary of the ICAV's assets and shall be responsible for the oversight of the ICAV to the extent required by and in accordance with applicable law, rules and regulations. The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Depositary Agreement.

The Depositary shall be liable to the ICAV, or to the Shareholders, for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and UCITS V. The Depositary shall be liable to the ICAV and to the Shareholders, for the loss by the Depositary or a duly appointed third party of any financial instruments held in custody unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary (determined in accordance with UCITS V) and shall be responsible for the return of financial instruments or corresponding amount to the ICAV without undue delay. The Depositary Agreement contains indemnities in favour of the Depositary for certain losses incurred but excluding circumstances where the Depositary is liable for the losses incurred.

The Depositary Agreement shall continue in force unless and until terminated by either party giving not less than 180 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the ICAV shall with due observance of the applicable requirements of the Central Bank, appoint a successor Depositary. The Depositary may not be replaced without the approval of the Central Bank.

The Depositary Agreement shall be governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.

Please refer to each Supplement for details of other relevant material contracts (if any) in respect of a Fund.

#### **10.7.4 Additional Contracts.**

In addition to the above, the ICAV may enter into additional contracts with Paying Agents as may be required in connection with an offer of Shares into a particular jurisdiction from time to time. The provision of such services shall be on arm's length commercial terms for the ICAV for which fees shall be charged at normal commercial rates and expenses are to be reimbursed.

#### **10.8 Access to Documents**

The following documents may be provided in a durable medium (which shall include in writing and/or by electronic mail) or in an electronic format on a website designated by the ICAV for this purpose ([www.omglobalinvestors.com](http://www.omglobalinvestors.com) or such other website as the Investment Manager may notify to Shareholders in advance from time to time). A copy in writing of such documents shall be provided to Shareholders on request, free of charge.

- this Prospectus
- once published, the latest annual and semi-annual reports of each Fund
- KIID (noting the disclosures regarding KIID access in section 1.1 of the Prospectus)

In addition, copies of the following documents may be obtained free of charge from the registered office of the ICAV in Ireland during normal business hours, on any Business Day:

- the Instrument of Incorporation
- once published, the latest annual and semi-annual reports of each Fund

An up-to-date version of the KIID shall be made available for access in an electronic format on a website designated by the ICAV for this purpose. In the event that the ICAV proposes to register one or more Funds for public offering in other EU Member States, it shall make the following additional documentation available on such website:

- this Prospectus
- once published, the latest annual and semi-annual reports of each Fund
- the Instrument of Incorporation

To the extent not captured in this Prospectus or in the event such details have changed and have not been reflected in a revised version of this Prospectus, up-to-date information will be provided to Shareholders on request, free of charge regarding:

- the identity of the Depositary and a description of its duties and of conflicts of interest that may arise; and
- a description of any safe-keeping functions delegated by the Depositary, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

#### **10.9 Remuneration Policy**

The ICAV has a remuneration policy in place to ensure compliance with UCITS V. This remuneration policy imposes remuneration rules on staff and senior management within the ICAV whose activities have a material impact on the risk profile of the Funds. The Directors will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Funds and the Instrument of Incorporation, and will be consistent with UCITS V. The Directors will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the ICAV, the Funds and Shareholders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times. Further details with regard to the remuneration policy are available at the following website: [www.omglobalinvestors.com](http://www.omglobalinvestors.com).

The remuneration policy may be obtained free of charge on request from the ICAV.

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## APPENDIX I

### INVESTMENT RESTRICTIONS APPLICABLE TO THE FUNDS

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#### 1. Permitted Investments

Investments of a Fund are confined to:

- 1.1. Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State.
- 1.2. Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3. Money market instruments other than those dealt on a regulated market.
- 1.4. Units of UCITS.
- 1.5. Units of AIFs.
- 1.6. Deposits with credit institutions.
- 1.7. FDI.

#### 2. Investment Limits

- 2.1. A Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2. A Fund may invest no more than 10% of its Net Asset Value in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the Fund in certain U.S. securities known as Rule 144A securities provided that:
  - 2.2.1. the securities are issued with an undertaking to register with the U.S. Securities and Exchanges Commission within one year of issue; and
  - 2.2.2. the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3. A Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4. Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
- 2.5. The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- 2.6. The transferable securities or money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7. A Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution.

Deposits with any one credit institution, other than with Relevant Institutions, held as ancillary liquidity, must not exceed 10% of the Net Asset Value of a Fund. This limit may be raised to 20% in the case of deposits made with the Depository.
- 2.8. The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value.

This limit is raised to 10% in the case of Relevant Institutions.

- 2.9. Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the Net Asset Value of a Fund:
  - 2.9.1. investments in transferable securities or money market instruments;
  - 2.9.2. deposits, and/or
  - 2.9.3. counterparty risk exposures arising from OTC derivative transactions.
- 2.10. The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Fund.
- 2.11. Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of the Net Asset Value of a Fund may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12. A Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, Non-Member States or public international bodies of which one or more EU Member States are members or by Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States or any of the following:
  - European Investment Bank
  - European Bank for Reconstruction and Development
  - International Finance Corporation
  - International Monetary Fund
  - Euratom
  - The Asian Development Bank
  - European Central Bank
  - Council of Europe
  - Eurofima
  - African Development Bank
  - International Bank for Reconstruction and Development (The World Bank)
  - The Inter-American Development Bank
  - European Union
  - Federal National Mortgage Association (Fannie Mae)
  - Federal Home Loan Mortgage Corporation (Freddie Mac)
  - Government National Mortgage Association (Ginnie Mae)
  - Student Loan Marketing Association (Sallie Mae)
  - Federal Home Loan Bank
  - Federal Farm Credit Bank
  - Tennessee Valley Authority
  - Straight-A Funding LLC
  - OECD Governments (provided the relevant issues are investment grade)
  - Government of Brazil (provided the issues are of investment grade)
  - Government of the People's Republic of China
  - Government of India (provided the issues are of investment grade)
  - Government of Singapore

Where a Fund invests in accordance with this provision, the Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value.

### **3. Investment in Collective Investment Schemes (CIS)**

- 3.1. A Fund may not invest more than 20% of its Net Asset Value in any one CIS.
- 3.2. Investment in AIFs may not, in aggregate, exceed 30% of the Net Asset Value of a Fund.
- 3.3. The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
- 3.4. When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the management company of the ICAV or by any other company with which the management company of the ICAV is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in

- the units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the Fund manager/investment manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

#### **4 Index Tracking UCITS**

- 4.1 A Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Rules.
- 4.2 The limit in 4.1 may be raised to 35% of the Net Asset Value of the Fund, and applied to a single issuer, where this is justified by exceptional market conditions.

#### **5 General Provisions**

- 5.1 An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Fund may acquire no more than:
- 5.2.1 10% of the non-voting shares of any single issuing body;
  - 5.2.2 10% of the debt securities of any single issuing body;
  - 5.2.3 25% of the units of any single CIS;
  - 5.2.4 10% of the money market instruments of any single issuing body.
- The limits laid down in 5.2.2, 5.2.3 and 5.2.4 above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.
- 5.3 5.1 and 5.2 shall not be applicable to:
- 5.3.1 transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
  - 5.3.2 transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
  - 5.3.3 transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
  - 5.3.4 shares held by a Fund in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;
  - 5.3.5 Shares held by an investment company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at Shareholders' request exclusively on their behalf.
- 5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5 The Central Bank may allow a recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six Months following the date of its authorisation, provided it observes the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5.7 A Fund may not carry out uncovered sales of: transferable securities; money market

instruments<sup>1</sup>; units of CIS; or FDI. A Fund may hold ancillary liquid assets.

## **6 FDI**

- 6.1 A Fund's global exposure relating to FDI must not exceed its total Net Asset Value (this provision may not be applied to Funds that calculate their global exposure using the VaR methodology as disclosed in the relevant Supplement).
- 6.2 Position exposure to the underlyings of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Rules. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Rules.)
- 6.3 A Fund may invest in OTC derivatives provided that the counterparties to the OTC derivatives are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4 Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

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<sup>1</sup> *Any short selling of money market instruments by UCITS is prohibited.*

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## APPENDIX II

### PERMITTED MARKETS

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With the exception of permitted investments in unlisted securities and derivative instruments, investments will be restricted to the following stock exchanges and markets listed below in accordance with the regulatory criteria as defined in the Central Bank Regulations. For the purposes of this Appendix II, reference to "unlisted securities" may include securities that are listed on a market or exchange where such exchange is not set out in the below list in accordance with Regulation 68(1)(c) and 68(2)(a) of the Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

- (i) any stock exchange in the EU and also any investments listed, quoted or dealt in on any stock exchange in Australia, Canada, Japan, New Zealand, Norway or Switzerland which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;
- (ii) any exchange registered with the SEC as a National Stock Exchange, NASDAQ, the over-the-counter market in the U.S. regulated by the Financial Industry Regulatory Authority, Inc.; the market known as the "Grey Book Market", that is the market conducted by those persons for the time being included in the list maintained by the FCA for the purposes of section 43 of the Financial Services Act, 1986 under the conditions imposed by the FCA under that section conducted by listed money market institutions as described in the Bank of England publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion" dated April, 1988 (as amended or revised from time to time); the over-the-counter market in Tokyo regulated by the Securities Dealers Association of Japan; the market organised by the International Capital Markets Association; the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank in New York; the French market for "Titres de Créances Négociables" (over-the-counter market in negotiable debt instruments) and the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- (iii) all of the following stock exchanges and markets: the Hong Kong Stock Exchange, the Bombay Stock Exchange, the Kuala Lumpur Stock Exchange, the Singapore Stock Exchange, the Taiwan Stock Exchange, the Stock Exchange of Thailand, the Korea Stock Exchange, the Shanghai Stock Exchange, the Philippines Stock Exchange, the Johannesburg Stock Exchange, the Shenzhen Stock Exchange (SZSE), the Cairo and Alexandria Stock Exchange, the National Stock Exchange of India, the Jakarta Stock Exchange, the Amman Financial Market, the Nairobi Stock Exchange, the Bolsa Mexicana de Valores, the Casablanca Stock Exchange, the Namibia Stock Exchange, the Nigeria Stock Exchange, the Karachi Stock Exchange, the Moscow Exchange, the Colombo Stock Exchange, the Zimbabwe Stock Exchange, the Buenos Aires Stock Exchange (MVBA), the Bogota Stock Exchange, the Medellin Stock Exchange, the Lima Stock Exchange, the Caracas Stock Exchange, the Valencia Stock Exchange, the Santiago Stock Exchange, the Bolsa Electronica de Chile, the Sao Paulo Stock Exchange, the Rio de Janeiro Stock Exchange, the Stock Exchange of Mauritius Ltd., the Istanbul Stock Exchange, the Botswana Stock Exchange, the Beirut Stock Exchange, the Lahore Stock Exchange, the Ho Chi Minh Stock Exchange, the Ghana Stock Exchange, the Tunis Stock Exchange, the Ukrainian Stock Exchange, the Chittagong Stock Exchange, the Dhaka Stock Exchange, the Tel Aviv Stock Exchange, the Uganda Securities Exchange, the Belgrade Stock Exchange, the Bolsa de Valores de Panamá, the Lusaka Stock Exchange the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the SEC and by the Financial Industry Regulatory Authority, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Corporation; the market conducted by listed money market institutions as described in the FCA publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the

Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; and

(iv) for investments in financial derivative instruments:-

CME Group, NASDAQ OMX Group, Chicago Board of Trade, Chicago Mercantile Exchange, New York Mercantile Exchange, American Stock Exchange, New York Futures Exchange, New York Stock Exchange, NYSE Arca, Chicago Board Options Exchange, NASDAQ OMX NLX, NASDAQ OMX PHLX, Philadelphia Board of Trade, Kansas City Board of Trade, CBOE Futures Exchange, CME Europe, Eurex, Euronext (Amsterdam, Brussels, Lisbon, Paris), ICE Futures Europe, ICE Futures Canada, ICE Futures U.S., Australian Stock Exchange, Sydney Futures exchange, New Zealand Exchange, Toronto Stock Exchange, Montreal Stock Exchange, Bolsa Mercadorias & Futuros, Bolsa Mexicana de Valores, Hong Kong Exchange, Johannesburg Stock Exchange, MEFF Renta Variable (Madrid), Barcelona MEFF Rent Fija, OMX Nordic Exchange Copenhagen, OMX Exchange Helsinki, OMX Nordic Exchange Stockholm, Osaka Exchange, Singapore Exchange, Tokyo Financial Exchange, Tokyo Stock Exchange, Korea Exchange, London Stock Exchange, NASDAQ OMX Sweden, ERIS Exchange, Global Markets Exchange, ELX Futures

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## APPENDIX III

### RISK FACTORS

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#### 1.1 General

All financial investments involve an element of risk to both income and capital.

There are risks associated with investment in the ICAV and in the Shares of each Fund.

The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks from time to time.

Different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the ICAV or a Fund or the suitability for you of investing in the ICAV or a Fund, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

As the price of Shares in each Fund may fall as well as rise, the ICAV shall not be a suitable investment for an investor who cannot sustain a loss on his investment.

Past performance of the ICAV or any Fund should not be relied upon as an indicator of future performance.

The liability of a Shareholder is limited to any unpaid amount of the nominal value of its Shares and all Shares in the ICAV will only be issued on a fully paid basis. However, under the Application Form and the Instrument of Incorporation (to which each Shareholder will subscribe as a member), investors will be required to indemnify the ICAV and its associates for certain matters.

#### 1.2 Investment Risks

##### 1.2.1 **General Investment Risk**

The securities and instruments in which the Funds invest are subject to normal market fluctuations and other risks inherent in investing in such investments, and there can be no assurance that any appreciation in value will occur.

There can be no assurance that a Fund will achieve its investment objective. The value of Shares may rise or fall, as the capital value of the securities in which a Fund invests may fluctuate. The investment income of each Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Fund's investment income may be expected to fluctuate in response to changes in such expenses or income.

##### 1.2.2 **Credit Risk**

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities).

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. However, there is no guarantee of the accuracy of credit ratings. A Fund investing in bonds or other debt securities will be subject to the credit risk of the issuers of the bonds or debt securities in which it invests. In the event that any issuer of bonds or other debt securities in which the assets of a Fund are invested defaults, becomes insolvent or experiences financial or economic difficulties, this may adversely affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero), which may in turn adversely affect the Net Asset Value of the Fund. In times of financial

instability, there may be increased uncertainty surrounding the creditworthiness of issuers of debt or other securities, including financial derivatives instruments and market conditions may lead to increased instances of default amongst issuers. This may in turn affect the Net Asset Value per Share. The value of a Fund may be affected if any of the financial institutions with which the cash of the Fund is invested or deposited suffers insolvency or other financial difficulties.

There is no certainty in the credit worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers.

### **1.2.3 Changes in Interest Rates Risk**

The value of Shares may be affected by substantial adverse movements in interest rates.

### **1.2.4 Currency Risk**

*Currency Exchange Rates:* Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Fund's Net Asset Value to fluctuate as well. To the extent that a substantial portion of a Fund's total assets is denominated in the currencies of particular countries, the Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

*Currency Hedging:* A Fund may enter into currency exchange transactions and/or use derivatives (at a Fund level or, in certain circumstances as described in this Prospectus, at a Class level) to seek to protect against fluctuation as a result of changes in currency exchange rates. Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy cannot be assured. It may not be possible to hedge against generally anticipated exchange fluctuations at a price sufficient to protect the assets from the anticipated decline in value as a result of such fluctuations.

### **1.2.5 Derivatives and Securities Financing Transactions Risk**

*General:* The use of derivatives and Securities Financing Transactions may result in greater returns but may entail greater risk for your investment. Derivatives may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

Investing in a derivative instrument could cause the Fund to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The prices of derivative instruments are highly volatile. Price movements of derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of derivatives also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

Securities Financing Transactions create several

risks for the ICAV and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Fund and liquidity risk if the Fund is unable to liquidate collateral provided to it to cover a counterparty default.

*Securities Lending Risk:* As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. A securities lending transaction will involve the receipt of collateral. However there is a risk that the value of the collateral may fall and the Fund suffer loss as a result.

*Repurchase Agreements:* A Fund may enter into repurchase arrangements. Accordingly, the Fund will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

*Absence of Regulation; Counterparty Risk:* In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges. OTC derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("**EMIR**") that aim to mitigate risks involved in investing in OTC derivatives and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some recognised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

The counterparty for an OTC derivative will be the specific firm involved in the transaction rather than a recognised exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC derivatives could result in substantial losses to the Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result. Counterparty exposure will be in accordance with the Fund's investment restrictions.

*Credit Risk and Counterparty Risk:* Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

*Correlation Risk:* The prices of derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements.

*Collateral Risk:* Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may

therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus, exposing the Fund to additional risk.

Risks related to a counterparty's right of re-use of any collateral include that, upon the exercise of such right of re-use, such assets will no longer belong to the relevant Fund and the Fund will only have a contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty the Fund shall rank as an unsecured creditor and may not recover its assets from the counterparty. More broadly, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Fund or its delegates will not have any visibility or control.

*Forward Trading:* Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated. There is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

*Foreign Exchange Transactions:* Where a Fund utilises derivatives which alter the currency exposure characteristics of securities held by the Fund the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

*Futures and Options Trading is Speculative and Volatile:* Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which a Fund may trade. Certain of the instruments in which a Fund may invest are sensitive to interest rates and foreign exchange rates, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in

market interest rates and foreign exchange rates, and to utilise appropriate strategies to maximise returns to the Fund, while attempting to minimise the associated risks to its investment capital. Variance in the degree of volatility of the market from the Fund's expectations may produce significant losses to the Fund.

The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in over-the-counter derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk. Warrants give a Fund the right to subscribe to or purchase securities in which a Fund may invest. The underlying security may be subject to market volatility thus rendering an investment in a warrant a higher risk than an investment in an equity security.

*Legal Risk:* The use of OTC derivatives, and Securities Financing Transactions, will expose the Funds to the risk that the legal documentation of the relevant contract may not accurately reflect the intention of the parties.

*Margin Risk:* A Fund may be obliged to pay margin deposits and option premia to brokers in relation to futures and option contracts entered into for the relevant Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the relevant Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The relevant Fund will seek to minimise this risk by trading only through high quality names which are determined by factors such as their credit ratings, regulatory and market capitalisation, regulatory status and home jurisdiction, and/or that of their parent group.

*Liquidity Risk:* Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately

negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

*Liquidity of Futures Contracts:* Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

*Necessity for Counterparty Trading Relationships:* Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the ICAV believes that it will be able to establish the necessary counterparty business relationships to permit a Fund to effect transactions in the OTC markets, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit a Fund's activities and could require a Fund to conduct a more substantial portion of such activities in the cash or exchange traded markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to a Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

*Leverage Component Risk:* Since many derivative instruments have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivative instruments have the potential for unlimited loss regardless of the size of the initial investment. If there is default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered.

*Risk Relating to Structured Notes:* A Fund may invest in structured notes, which may be issued

by banks, brokerage firms, insurance companies and other corporations. Structured notes may not be listed and are subject to the terms and conditions imposed by their issuer. These terms may lead to delays in implementing an Investment Manager's investment strategy due to restrictions on the issuer acquiring or disposing of the securities underlying the structured notes. Investment in structured notes can be illiquid as there is no active market in structured notes. In order to meet realisation requests, the Fund relies upon the counterparty issuing the structured notes to quote a price to unwind any part of the structured notes. This price will reflect the market liquidity conditions and the size of the transaction.

By seeking exposure to investments in securities through structured notes, a Fund is exposed to the credit risk of the issuer of the structured notes. There is a risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the Fund to suffer a loss. In addition, in the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed.

An investment in a structured note entitles the holder to certain cash payments calculated by reference to the securities to which the structured note is linked. It is not an investment directly in the securities themselves. An investment in structured notes does not entitle the holder of structured notes to the beneficial interest in the securities nor to make any claim against the company issuing the securities.

*Risks Associated with Investment in Convertible Securities and Hybrid Securities:* The convertible securities in which a Fund may invest consist of bonds, notes (including participation notes), debentures and preferred stocks which may be converted or exchanged at a stated or determinable exchange ratio into underlying shares of common stock. Convertible securities may offer higher income than the common stocks into which they are convertible. A Fund may be required to permit the issuer of a convertible security to redeem the security, convert it into the underlying common stock, or sell it to a third party.

A Fund with convertible securities may not be able to control whether the issuer of a convertible security chooses to convert that security. If the issuer chooses to do so, this action could have an adverse effect on a Fund's ability to achieve its investment objective

because the issuer may force conversion before the Fund would otherwise choose to do so. This may impact on the value of the Fund's investment and as a result, the Net Asset Value of the Fund may be adversely affected.

A hybrid security is a security which combines two or more financial instruments. Hybrid securities generally combine a traditional stock or bond with an option or forward contract. Generally, the principal amount payable upon maturity or redemption, or interest rate of a hybrid security, is tied (positively or negatively) to the price of a currency or securities index or another interest rate or some other economic factor (each a "benchmark"). The interest rate or (unlike most fixed income securities) the principal amount payable at maturity of a hybrid security may be increased or decreased, depending on the changes in the value of the benchmark.

Hybrid securities are generally traded on the stock market and therefore susceptible to changes in their price. As these securities have fixed interest characteristics their price may be impacted by movements in interest rates, as well as perceptions of the issuer's ability to meet coupon payments.

*Risks Associated with Swaps (including Total Return Swaps):* A Fund may enter into swap agreements with respect to currencies, interest rates, credit defaults and financial indices. A Fund may use these techniques for investment purposes or for efficient portfolio management purposes to hedge against changes in interest rates, currency rates, securities prices, or as part of their overall investment strategies. Whether a Fund's use of swap agreements will be successful will depend on an Investment Manager's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments.

Payments under a swap contract may be made at the conclusion of the contract or periodically during its term. If there is a default by the counterparty to a swap contract a Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Fund will succeed in pursuing contractual remedies. A Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to swap contracts.

Shareholders should be aware that a Fund may seek to enter into Total Return Swaps on a rolling maturity basis. However, there can be no assurance that upon maturity, further Total Return Swaps will be available to the Fund or, if available, that such Total Return Swaps will have terms similar to those previously entered into.

*Credit Default Swap Risk* If a Fund is the buyer of a credit default swap, it would be entitled to receive the agreed-upon value (or par) of a referenced debt obligation from the counterparty to the swap on the occurrence of certain credit events in relation to the relevant reference entity. As consideration, the Fund would pay to the counterparty a periodic stream of fixed payments during the life of the swap if no credit event has occurred, in which case the Fund would receive no benefits under the swap. In circumstances in which a Fund does not own the debt securities that are deliverable under a credit default swap, the Fund is exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavourable prices. In certain instances of issuer defaults or restructurings, it has been unclear under the standard industry documentation for credit default swaps whether or not a "credit event" triggering the seller's payment obligation had occurred. In either of these cases, a Fund would not be able to realise the full value of the credit default swap upon a default by the reference entity. As a seller of credit default swaps, a Fund incurs exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, a Fund will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity's debt obligations.

*Index Risk:* If a derivative is linked to the performance of an index, it will be subject to the risks associated with changes to that index. If the index changes, a Fund could receive lower interest payments or experience a reduction in the value of the derivative to below what the Fund paid. Certain indexed securities – including inverse securities (which move in the opposite direction to the index) – may create leverage, to the extent that the increase or decrease in value is at a rate that is a multiple of the changes in the applicable index.

### **1.2.6 Emerging Markets Risk**

Where a Fund invests in securities in emerging markets, additional risks may be encountered.

These include:

*Accounting Standards:* in emerging markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

*Business Risks:* in some emerging markets, for example Russia, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

*Country Risk:* the value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

*Currency Risk:* the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

*Disclosure:* less complete and reliable fiscal and other information may be available to investors.

*Legal:* the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems (for example the Russian legal system) include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

*Market Characteristics/ Liquidity and Settlement Risks:* in general, emerging markets are still in

the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

*Political Risk:* the risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

*Tax:* The taxation system in some emerging market countries is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in some emerging market countries are at an initial stage of development and are not as clearly established as in more developed countries.

*Frontier Markets Risk:* Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information,

diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

### 1.2.7 Equity Risks

A Fund may invest directly or indirectly in equity securities. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. Prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. The value of equities can fall as well as rise. Potentially a Fund investing in equities could incur significant losses.

Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down and the relevant Fund may suffer losses. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Fund to losses.

### 1.2.8 Efficient Portfolio Management Risk

The ICAV on behalf of a Fund may employ techniques and instruments relating to

Transferable Securities, Money Market Instruments and/or other financial instruments (including FDI) in which it invests for efficient portfolio management purposes. Many of the risks attendant in utilising derivatives, as disclosed in the section entitled "**Derivatives Risk**" above, will be equally relevant when employing such efficient portfolio management techniques. In addition to the sub-section entitled "*General*", particular attention is drawn to the sub-sections entitled "*Credit Risk and Counterparty Risk*" and "*Collateral Risk*". Investors should also be aware that from time to time, a Fund may engage with repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to the section of the Prospectus entitled "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the relevant Fund's semi-annual and annual reports.

### 1.2.9 Investing in Fixed Income Securities Risk

The prices of fixed income securities fluctuate in response to perceptions of the issuer's creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. Typically, the longer the time to maturity the greater are such variations. A Fund investing in fixed income securities will be subject to credit risk (i.e. the risk that an issuer of securities will be unable or unwilling to pay principal and interest when due, or that the value of a security will suffer because investors believe the issuer is less able or willing to pay). This is broadly gauged by the credit ratings of the securities in which a Fund invests. However, ratings are only the opinions of the agencies issuing them and are not absolute guarantees as to quality.

Not all government securities are backed by the full faith and credit of the relevant national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities in which the Funds may invest, which may subject a Fund to additional credit risk.

To the extent a Fund invests in medium or low-rated securities and unrated securities of comparable quality, the Fund may realise a higher current yield than the yield offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities. Low-rated and comparable unrated securities (collectively referred to as "low-rated" securities) likely have quality and protective characteristics that, in the judgment of a rating organisation, are outweighed by large uncertainties or major risk exposures to adverse conditions, and are predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation.

When economic conditions appear to be deteriorating, these medium or low-rated securities may decline in value due to heightened concern over credit quality, regardless of the prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

Adverse economic developments can disrupt the market for low-rated securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity, which may lead to a higher incidence of default on such securities. Low-rated securities are especially affected by adverse changes in the industries in which the issuers are engaged and by changes in the financial condition of the issuers.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below Investment Grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of attaining any real investment standing. The lower ratings of these debt securities reflect a greater possibility that the issuer may be unable or unwilling to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default

or expected default could also make it difficult for the Fund to sell the debt securities at prices approximating the values the Fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Fund to establish their fair value.

Investments in sovereign debt securities involve certain risks. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to a range of factors that may include: the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, a Fund may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and the Fund's ability to obtain recourse may be limited. Historically, certain issuers of the government debt securities in which a Fund may invest have experienced substantial difficulties in meeting their external or local market debt obligations, resulting in defaults on certain obligations and the restructuring of certain indebtedness. Such restructuring arrangements have included obtaining additional credit to finance outstanding obligations and the reduction and rescheduling of payments of interest and principal through the negotiation of new or amended credit agreements.

#### **1.2.10 Leverage Risk**

A Fund may engage in leverage for investment purposes or as part of a hedging strategy, as will be outlined in the relevant Supplement, if applicable. The use of leverage creates special risks and may significantly increase the Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Shares to increase more rapidly than would otherwise be the case. Conversely,

where the associated interest costs are greater than such income and gains, the Net Asset Value of the Shares may decrease more rapidly than would otherwise be the case.

### **1.2.11 Credit Ratings Risk**

The ratings of fixed-income securities by Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer or a security is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a security or an issuer relating to a security, the value of a Fund investing in such security may be adversely affected.

### **1.2.12 Liquidity Risk**

Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low.

Liquidity risk exists when particular investments are difficult to purchase or sell. Also, some of the markets in which a Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of the securities.

A Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price which could prevent the Fund from taking advantage of other investment opportunities. Funds with principal investment strategies that involve foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk.

Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. In such cases, a Fund, due to limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments, may be unable to achieve its desired level of exposure to a certain sector. To the extent that a Fund's principal investment strategies involve securities of

companies with smaller market capitalisations, foreign securities, illiquid sectors of fixed income securities, or securities with substantial market and/or credit risk, the Fund will tend to have the greatest exposure to liquidity risk. Further, fixed income securities with longer durations until maturity face heightened levels of liquidity risk as compared to fixed income securities with shorter durations until maturity. Finally, liquidity risk also refers to the risk of unusually high redemption requests or other unusual market conditions that may make it difficult for a Fund to fully honour redemption requests within the allowable time period. Meeting such redemption requests could require a Fund to sell securities at reduced prices or under unfavourable conditions. As a result, the Fund may suffer losses and the Net Asset Value of the Fund may be adversely affected. It may also be the case that other market participants may be attempting to liquidate fixed income holdings at the same time as a Fund, causing increased supply in the market and contributing to liquidity risk and downward pricing pressure.

### **1.2.13 Market Capitalisation Risk**

Certain Funds may invest in the securities of small-to-medium-sized (by market capitalisation) companies, or FDI related to such securities. Such securities may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports. Additional risk factors associated with companies whose market capitalisation is small or mid-cap may include but are not limited to the following: limited or unproven operating history; weak or leveraged balance sheets, limited borrowing capacity; low or negative profit margins; high concentration of sales from limited number of customers; competition from more established companies; and key-man management risk.

### **1.2.14 No Secondary Market**

It is not anticipated that there will be an active secondary market for the Shares, and it is not expected that such a market will develop. Subject to certain conditions outlined herein, including when repurchases or the registration of

transfers of Shares are suspended, Shareholders will, however, be able to realise their investment in a Fund by repurchasing their Shares or by a transfer to an investor who an eligible transferee.

#### **1.2.15 Recent Developments in Financial Markets**

Recent developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of such recent market turmoil and the overall weakening of the financial services industry, the ICAV, the Investment Manager and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the ICAV's business and operations.

#### **1.2.16 Eurozone Crisis**

As a result of the crisis of confidence in the markets which has caused bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain Eurozone countries, certain countries in the EU have had to accept "bailouts" from banks and lines of credit from supra-governmental agencies such as the International Monetary Fund (the "IMF") and the recently created European Financial Service Facility (the "EFSF"). The European Central Bank (the "ECB") has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs. In December 2011, leaders of the countries in the Eurozone, as well as the leaders of certain other countries in the EU, met in Brussels and agreed a "fiscal compact" which includes a commitment to a new fiscal rule, to be introduced into the legal systems of the relevant countries, as well as acceleration of the entry into force of the European Stability Mechanism treaty.

Notwithstanding the measures described above, and future measures which may be introduced, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Funds which are denominated in Euro or which invest in

instruments predominantly tied to Europe is impossible to predict.

#### **1.2.17 Reinvestment of Cash Collateral Risk**

As a Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

#### **1.2.18 Repurchase Risk**

Large repurchases of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets which may be materially adverse to the Fund.

#### **1.2.19 Counterparty Rating Downgrade Risk**

The ICAV will enter into OTC derivative transactions and Securities Financing Transactions only with those counterparties that it believes to be sufficiently creditworthy.

If a counterparty (which is not a Relevant Institution) engaged by the ICAV, in respect of a Fund, is subject to a credit rating downgrade, this could potentially have significant implications for the relevant Fund both from a commercial perspective and a regulatory perspective. Pursuant to the Central Bank Rules, a rating downgrade for a counterparty to an OTC derivative transaction or a Securities Financing Transaction to A-2 or below (or a comparable rating) shall require the relevant Fund without delay to conduct a new credit assessment of that counterparty.

Regardless of the measures the ICAV, in respect of a Fund, may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the relevant Fund will not sustain losses on the transactions as a result.

#### **1.2.20 Investment in Collective Investment Schemes (CIS)**

A Fund may invest in one or more CIS including schemes managed by the Investment Manager or its affiliates. As a shareholder of another CIS, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other CIS, including investment management and/or other fees. These fees

would be in addition to the Investment Management Fees and other expenses which a Fund bears directly in connection with its own operations.

CIS may have different settlement cycles than that of the Funds. Thus, there may be mismatch between the two settlement cycles causing the Funds to use borrowing on a temporary basis to meet such obligations. This may result in charges being incurred by the relevant Fund. Any such borrowing will comply with the Regulations. Further, each CIS may not be valued at the same time or on the same day as the relevant Fund and accordingly the net asset value of such CIS used in the calculation of the Net Asset Value of the relevant Fund will be the latest available net asset value of such CIS (further details on the calculation of the Net Asset Value are set out under the heading "Valuation of Assets").

CIS may be leveraged. This includes the use of borrowed funds and investments in FDI. Also, they may engage in short sales. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the relevant Fund.

To the extent that the relevant Fund is invested in CIS, the success of the relevant Fund shall depend upon the ability of the CIS to develop and implement investment strategies that achieve the relevant Funds' investment objective. Subjective decisions made by the CIS may cause the relevant Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised. In addition, the overall performance of the relevant Fund will be dependent not only on the investment performance of the CIS, but also on the ability of the Investment Manager to select and allocate the Funds' assets among such CIS effectively on an ongoing basis. There can be no assurance that the allocations made by the Investment Manager will prove as successful as other allocations that might otherwise have been made, or as adopting a static approach in which CIS are not changed.

#### **1.2.21 Launch Phase and Wind-down Phase**

Prospective investors should note that a Fund's investment policies may not be able to be fully implemented or complied with during the launch

and wind-down phase of a Fund when initial investment positions are being established or final positions are being liquidated, as appropriate. In addition, in respect of the launch phase of a Fund, the Central Bank permits a Fund to derogate from certain of the Regulations for six (6) months from the date of its authorisation, provided that the Fund still observes the principle of risk spreading. In respect of the wind-down phase and in accordance with the terms of this Prospectus and the Instrument of Incorporation, Shareholders will be notified in advance of a Fund being wound-down. As a consequence, Shareholders may be exposed to different types of investment risk and may receive a return that is different to the return that would have been received if full compliance with the relevant investment policies and/or Regulations had been maintained (noting that there can be no assurance that any Fund will achieve its investment objective) during the launch and/or wind-down phase of a Fund.

#### **1.2.22 Volatility Risk**

Prices of securities may be volatile. Price movements of securities are difficult to predict and are influenced by, among other things, speculation, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events, climate, changes in interest rates, and the inherent volatility of the market place. Volatility may also be due to the fluctuations in the exchange rate of currencies. Therefore, it is a probability measure of the threat that an exchange rate movement poses to an investor's portfolio in a foreign currency. During periods of uncertain market conditions the combination of price volatility and the less liquid nature of securities markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

#### **1.2.23 Capital Erosion Risk**

Certain Funds and Share Classes may have as the priority objective the generation of income rather than capital. Investors should be noted that the focus on income and the charging of Investment Management Fees and any other fees to capital may erode capital and diminish the Fund's ability to sustain future capital growth. In this regard, distributions made during the life

of the Fund or an applicable Share Class should be understood as a type of capital reimbursement.

#### **1.2.24 Concentration Risk**

The investments of certain Funds may be concentrated in a single market or country. A Fund which pursues a concentrated investment strategy may be subject to a greater degree of volatility and risk than a Fund following a more diversified strategy. To the extent that a Fund concentrates its investments in a particular market or country, its investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions in that market or country. As a consequence, the aggregate return of the Fund may be adversely affected by the unfavourable developments in that particular market or country in which the Fund invests.

#### **1.2.25 Mortgage-backed and Asset-backed Securities Risk**

A Fund may be exposed to risks associated with securitised instruments (e.g. mortgage-backed and asset-backed securities), such as a credit risk which relates essentially to the quality of the underlying assets, and which may vary in type and may involve liquidity risks. These instruments are based on complex operations that may also involve legal risks and other risks related to the characteristics of the underlying assets.

The value of such mortgage-backed and asset-backed securities depends on the value of the underlying collateral which is subject to market fluctuation and there is a risk that they may be downgraded due to adverse market conditions.

**Extension Risk** — When interest rates rise, certain underlying obligations of the mortgage-backed securities / asset-backed securities will be paid off by the obligor more slowly than anticipated, causing the value of these obligations to fall. Rising interest rates tend to extend the duration of securities, making them more sensitive to changes in interest rates. The value of longer-term securities generally changes more in response to changes in interest rates than shorter-term securities. As a result, in a period of rising interest rates, such securities may exhibit additional volatility and may lose value.

**Prepayment Risk** — When interest rates fall, certain underlying obligations of the mortgage-backed securities / asset-backed securities will

be paid off by the obligor more quickly than originally anticipated, and the relevant Fund may have to invest the proceeds in securities with lower yields. In periods of falling interest rates, the rate of prepayments tends to increase (as does price fluctuation) as borrowers are motivated to pay off debt and refinance at new lower rates. During such periods, reinvestment of the prepayment proceeds by the relevant Fund will generally be at lower rates of return than the return on the assets that were prepaid. Prepayment reduces the yield to maturity and the average life of the security.

#### **1.2.26 Risks Relating to REITs and other Property-Related Companies**

The prices of equity REITs and other property-related companies are affected by changes in the value of the underlying property owned by the REITs/property-related companies and changes in capital markets and interest rates. The prices of mortgage REITs and other property-related companies are affected by the quality of any credit they extend, the creditworthiness of the mortgages they hold, as well as by the value of the property that secures the mortgages.

Under certain tax legislation, REITs and other property-related companies may avoid tax on the income they distribute if certain conditions are made. For example, under the U.S. Internal Revenue Code of 1986, as amended (the "Code"), a U.S. REITs is not taxed in the U.S. on income it distributes to its shareholders if it complies with several requirements relating to its organisation, ownership, assets and income and a requirement that it generally distribute to its shareholders at least 90 per cent. of its taxable income (other than net capital gains) for each taxable year. However the REITs/property-related company could fail to qualify for tax-free pass-through of income under, for example, the Code. Such a failure would result in the taxation of income of a disqualified REITs/property-related company's distributed income at the REITs/property-related company level.

While the Funds will not invest in real property directly, the Funds may be subject to risks similar to those associated with the direct ownership of real property (in addition to securities market risks) because of its policy of concentrating its investments in the real estate industry.

In addition to these risks, equity REITs and other property-related companies may be affected by changes in the value of the underlying property

owned by the trusts, while mortgage REITs and other property-related companies may be affected by the quality of any credit they extend. Further, REITs and other property-related companies are dependent upon management skills and generally may not be diversified. REITs and other property-related companies are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. There is also the risk that borrowers under mortgages held by a REITs/property-related company or lessees of a property that a REITs/property-related company owns may be unable to meet their obligations to the REITs/property-related company. In the event of a default by a borrower or lessee, the REITs/property-related company may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. In addition to the foregoing risks, certain "special purpose" REITs/property-related companies in which a Fund may invest may have their assets in specific real property sectors, such as hotel REITs/property-related companies, nursing home REITs/property-related companies or warehouse REITs/property-related companies, and are therefore subject to the risks associated with adverse developments in these sectors.

### **1.2.27 Depository Risk**

If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depository is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depository is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

If a Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Depository is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depository is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Depository will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depository Agreement.

As it is likely that the Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depository in relation to the respective categories of assets and the corresponding standard of liability of the Depository applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of Depository liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that derivatives traded by a Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Fund invests in from time to time that would be treated similarly. Given the framework of Depository liability under UCITS V, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

## **1.3 Accounting, Legal, Operational, Valuation and Tax Risks**

### **1.3.1 Accounting, Auditing and Financial Reporting Standards**

The accounting, auditing and financial reporting standards of many of the countries in which a Fund may invest may be less extensive than those applicable in the European Union.

### **1.3.2 Operational Risks (including Cyber Security and Identity Theft)**

An investment in a Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by service providers such as the Investment Manager or the Administrator. While the Funds seek to minimise such events through controls and oversight, there may still be failures that could cause losses to a Fund.

The Investment Manager, Administrator and

Depository (and their respective groups) each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption in the Investment Manager's, Administrator's and/or Depository's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the ICAV and its delegates, such security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the ICAV.

### **1.3.3 Dependence on Key Personnel**

The investment performance of the Funds will be dependent on the services of certain key employees of the Investment Manager and its appointees. While contingency measures may be put in place, in the event of the death, incapacity or departure of any of these individuals, the performance of the Funds may be adversely affected.

### **1.3.4 Financial Markets and Regulatory Change**

The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the ICAV's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the ICAV. The ICAV and the Investment Manager may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures which have been or may be adopted in certain jurisdictions.

### **1.3.5 Investment Manager Valuation Risk**

The Administrator may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the

Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds (particularly as the Investment Manager's fees may increase as the value of assets increases), the Investment Manager has in place pricing procedures which follows industry standard procedures for valuing unlisted investments.

### **1.3.6 Paying Agent Risk**

Shareholders who choose or are obliged under local regulations to pay or receive subscription or repurchase monies or dividends via an intermediate entity rather than directly to the ICAV or the relevant Fund (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the ICAV or the relevant Fund and (b) repurchase monies payable by such intermediate entity to the relevant Shareholder.

### **1.3.7 Custody Risks**

Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. In particular, some of the markets in which a Fund may invest do not provide for settlement on a delivery versus payment basis and the risk in relation to such settlements has to be borne by the Fund.

### **1.3.8 Subscription, Repurchase and Conversion Currency Risks**

Shares in any Fund may be subscribed for or repurchased in any freely convertible currency not being the Base Currency of the Fund. Similarly, Shareholders may convert Shares in one Fund to Shares in another Fund and the Shares in the two Funds may be denominated in different currencies. The costs of foreign currency exchange transactions and any related gains or losses in connection with any subscription, redemption or conversion will be borne by the investor.

### **1.3.9 Rating of Investment Risk**

There is no assurance that the ratings of each rating agency will continue to be calculated and published on the basis described in this Prospectus or that they will not be amended significantly. The past performance of a rating agency in rating an investment is not necessarily a guide to future performance.

### **1.3.10 Subscriptions/Redemptions Account**

The ICAV operates a Subscriptions/Redemptions Account for all of the Funds. Monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. There is a risk for investors to the extent that monies are held by the ICAV in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the ICAV) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the ICAV.

### **1.3.11 Status of Redeeming Investors**

Shareholders will be removed from the share register upon the repurchase proceeds being paid. Insofar as investors remain as Shareholders until such time as the relevant Net Asset Value has been calculated and the register updated, investors will be treated as creditors for the repurchase proceeds, rather than Shareholders from the relevant Dealing Day, and will rank accordingly in the priority of the relevant Fund's creditors. Furthermore, during this period, investors will have no rights as Shareholders under the Instrument of Incorporation, except the right to receive their repurchase proceeds and any dividend which has been declared in respect of their Shares prior to the relevant Dealing Day, and in particular, will not have the right to receive notice of, attend or vote at any class or general meetings.

### **1.3.12 Segregated Liability**

The ICAV is an umbrella Irish collective asset-management vehicle with segregated liability between Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability of that Fund. In addition, any contract entered into by the ICAV will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Funds other than the Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Fund

to discharge some, or all liabilities of another Fund on the grounds of fraud or misrepresentation. In addition, whilst these provisions are binding in an Irish court which would be the primary venue for an action to enforce a debt against the ICAV, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which would not recognise the principle of segregation of liability between Funds.

### **1.3.13 Share Class Level Risk**

While it is not intended to engage in any material investment management or trading activity at Share Class level within a Fund, other than for currency hedging purposes, it should be noted that any such activity may expose the Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant Class.

Due to the lack of asset segregation between Share Classes, the derivatives used in the currency hedging of a given Share Class become part of the common pool of assets which introduces potential counterparty and operational risk for all investors in the Fund. This could lead to a risk of contagion (also known as spill-over) to other Share Classes, some of which might not have any currency hedging in place. Whilst all measures will be taken to mitigate this contagion risk, it cannot be fully eliminated i.e. through the default of a derivative counterparty or through the losses relating to Share Class specific assets exceeding the value of the respective Share Class.

### **1.3.14 Valuation Risk**

A Fund may invest some of its assets in unquoted securities or instruments. Such investments or instruments will be valued at their probable realisation value estimated with care and good faith by the Directors or a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Depositary. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

### 1.3.15 Settlement Risks

A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks. The Investment Manager or an Investment Adviser may instruct the Depository to settle transactions on a delivery free of payment basis where it believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle and the Depository will not be liable to the Fund or to the Shareholders for such a loss, provided the Depository has acted in good faith in making any such delivery or payment.

### 1.3.16 Political Risks

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, military conflict and civil unrest, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements.

### 1.3.17 Tax Risks

Where a Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Shares. The attention of potential investors is drawn to the taxation risks associated with investing in the ICAV. Please refer to the section of this Prospectus entitled "Taxation".

### 1.3.18 FATCA

The United States and Ireland have entered into the IGA. Under the IGA, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Revenue Commissioners with certain information in respect of its "account" holders (i.e. Shareholders). The IGA provides for the automatic reporting and exchange of information between the Revenue Commissioners and the IRS in relation to accounts held in Irish FFIs by U.S. persons, and

the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. Provided the ICAV complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and should not be required to impose FATCA withholding on payments which it makes.

Although the ICAV will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the ICAV will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the ICAV will require certain information from investors in respect of their FATCA status. If the ICAV becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected.

All prospective investors / shareholders should consult with their own tax advisors regarding the possible FATCA implications of an investment in the ICAV.

### 1.3.19 CRS

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the CRS Regulations.

The CRS, which has applied in Ireland since 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

The ICAV is a Reporting Financial Institution for CRS purposes and will be required to comply with the Irish CRS obligations. In order to satisfy its CRS obligations, the ICAV will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the investor. The ICAV, or a person appointed by the ICAV, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

All prospective investors / shareholders should consult with their own tax advisors regarding the possible CRS implications of an investment in

the ICAV.

#### **1.4 Risk Factors Not Exhaustive**

The risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the ICAV or any Fund may be exposed to risks of an exceptional nature from time to time.

**APPENDIX IV**

**CURRENT LIST OF DEPOSITARY'S SUB-DELEGATES**

<b>MARKET</b>	<b>SUBCUSTODIAN</b>	<b>DEPOSITORY</b>
<b>Albania</b>	<b>Raiffeisen Bank sh.a.</b> Blv. "Bajram Curri" ETC, Kati 14	<b>Bank of Albania</b> Sheshi 'Avni Rustemi' Nr. 24 Tirana, Albania
<b>Argentina</b>	<b>Citibank, N.A.</b> Bartolome Mitre 530 1036 Buenos Aires, Argentina	<b>Caja de Valores S.A.</b> 25 de Mayo 362 – C1002ABH Buenos Aires, Argentina
<b>Australia</b>	<b>The Hongkong and Shanghai Banking Corporation Limited</b> HSBC Securities Services Level 3, 10 Smith St., Parramatta NSW	<b>Austraclear Limited</b> Ground Floor 30 Grosvenor St Sydney NSW 2000, Australia
<b>Austria</b>	<b>Deutsche Bank AG</b> Fleischmarkt 1 A-1010 Vienna, Austria <b>UniCredit Bank Austria AG</b> Custody Department (Dept)	<b>OeKB Central Securities Depository GmbH</b> Strauchgasse 3 1011 Vienna, Austria
<b>Bahrain</b>	<b>HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation)</b>	<b>Clearing, Settlement, Depository and Registry System of the Bahrain Bourse</b> Hedaya Building No. 2 Government Avenue Manama, Kingdom of Bahrain
<b>Bangladesh</b>	<b>Standard Chartered Bank</b> Silver Tower, Level 7 52 South Gulshan Commercial Area Gulshan 1, Dhaka 1212, Bangladesh	<b>Bangladesh Bank</b> Motijheel, Dhaka-1000 Bangladesh <b>Central Depository Bangladesh Limited</b> BSRS Bhaban (18th Floor) 12 Kawran Bazar Dhaka 1215, Bangladesh
<b>Belgium</b>	<b>Deutsche Bank AG, Netherlands</b> (operating through its Amsterdam branch with support from its Brussels branch) De Entrees 99-197 1101 HE Amsterdam	<b>Euroclear Belgium</b> Boulevard du Roi Albert II, 1 1210 Brussels, Belgium <b>National Bank of Belgium</b> Boulevard de Berlaimont 14 B-1000 Brussels, Belgium

MARKET	SUBCUSTODIAN	DEPOSITORY
Benin	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast 23, Bld de la République 17 BP 1141 Abidjan 17 Côte d'Ivoire	<b>Dépositaire Central – Banque de Règlement</b> 18 Rue Joseph Anoma 01 BP 3802 Abidjan 01 Ivory Coast
		<b>Banque Centrale des Etats d'Afrique de l'Ouest</b> Avenue Abdoulaye FADIGA 3108 Dakar, Senegal
Bermuda	<b>HSBC Bank Bermuda Limited</b> 6 Front Street Hamilton, HM06, Bermuda	<b>Bermuda Securities Depository</b> 3/F Washington Mall Church Street Hamilton, HMFx Bermuda
Federation of Bosnia and Herzegovina	<b>UniCredit Bank d.d.</b> Zelenih beretki 24 71 000 Sarajevo Federation of Bosnia and Herzegovina	<b>Registar vrijednosnih papira u Federaciji Bosne i Hercegovine, d.d.</b> Maršala Tita 62/II 71 Sarajevo Federation of Bosnia and Herzegovina
Botswana	<b>Standard Chartered Bank Botswana Limited</b> 4th Floor, Standard Chartered House Queens Road The Mall Gaborone, Botswana	<b>Bank of Botswana</b> 17938, Khama Crescent Gaborone, Botswana
		<b>Central Securities Depository Company of Botswana Ltd.</b> Office Block 6 Plot 64511, Fairgrounds Private Bag 00417 Gaborone, Botswana
Brazil	<b>Citibank, N.A.</b> AV Paulista 1111 São Paulo, SP 01311-920 Brazil	<b>Central de Custódia e de Liquidação Financeira de Títulos Privados (CETIP)</b> v. República do Chile nº230 - 11 andar Rio de Janeiro – RJ – 20031-170 Brazil
		<b>Companhia Brasileira de Liquidação e Custódia (CBLC)</b> Rua XV de Novembro, 275 São Paulo/SP - 01013-001, Brazil
		<b>Sistema Especial de Liquidação e de Custódia (SELIC)</b> Departamento de Operações de Mercado Aberto – BACEN Av.

<b>MARKET</b>	<b>SUBCUSTODIAN</b>	<b>DEPOSITORY</b>
<b>Bulgaria</b>	<b>Citibank Europe plc, Bulgaria Branch</b> Serdika Offices, 10th floor 48 Sitnyakovo Blvd. <b>1505</b> Sofia, Bulgaria	<b>Bulgarian National Bank</b> 1, Alexander Battenberg Sq. <b>1000</b> Sofia, Bulgaria
	<b>UniCredit Bulbank AD</b> 7 Sveta Nedelya Square <b>1000</b> Sofia, Bulgaria	<b>Central Depository AD</b> 4 Tri Ushi Street, 4th floor Sofia, Bulgaria
<b>Burkina Faso</b>	<b>via Standard Chartered Bank Côte d'Ivoire</b> S.A., Abidjan, Ivory Coast 23, Bld de la République 17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire	<b>Dépositaire Central – Banque de Règlement</b> 18 Rue Joseph Anoma 01 BP 3802 Abidjan <b>01</b> Ivory Coast
		<b>Banque Centrale des Etats d'Afrique de l'Ouest</b> Avenue Abdoulaye FADIGA <b>3108</b> Dakar, Senegal
<b>Canada</b>	<b>State Street Trust Company Canada</b> 30 Adelaide Street East, Suite 800 Toronto, ON Canada <b>M5C 3G6</b>	<b>The Canadian Depository for Securities Limited</b> 85 Richmond Street West Toronto, Ontario <b>M5H 2C9</b> , Canada
<b>Chile</b>	<b>Itaú CorpBanca S.A.</b> Presidente Riesco Street # 5537 Floor 18 Las Condes, Santiago de Chile	<b>Depósito Central de Valores S.A.</b> Huérfanos N°770, Piso 17 Santiago, Chile
<b>People's Republic of China</b>	<b>HSBC Bank (China) Company Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) 33rd Floor, HSBC Building, Shanghai IFC 8 Century Avenue Pudong, Shanghai, China ( <b>200120</b> )	<b>China Securities Depository and Clearing Corporation Limited, Shanghai Branch</b> 3rd Floor, China Insurance Building 166 East Lujiazui Road Shanghai <b>200120</b> People's Republic of China
	<b>China Construction Bank Corporation</b> (for A-share market only) No.1 Naoshikou Street Chang An Xing Rong Plaza Beijing <b>100032-33</b> , China	<b>China Securities Depository and Clearing Corporation Limited, Shenzhen Branch</b> 18th floor, CITIC Plaza 1093 Shennan Zhong Road Shenzhen <b>518031</b> People's Republic of China

MARKET	SUBCUSTODIAN	DEPOSITORY
	<p><b>Citibank N.A.</b> (for Shanghai – Hong Kong Stock Connect market only) 39/F., Champion Tower 3 Garden Road Central, Hong Kong</p>	<p><b>China Central Depository and Clearing Co., Ltd.</b> No.10, Finance Street Xicheng District Beijing <b>100033</b> People's Republic of China</p>
	<p><b>The Hongkong and Shanghai Banking Corporation Limited</b> (for Shanghai – Hong Kong Stock Connect market only) Level 30, HSBC Main Building 1 Queen's Road Central, Hong Kong</p>	
	<p><b>Standard Chartered Bank (Hong Kong) Limited</b> (for Shanghai – Hong Kong Stock Connect market) 15th Floor Standard Chartered Tower 388 Kwun Tong Road Kwun Tong, Hong Kong</p>	
<p><b>Colombia</b></p>	<p><b>Cititrust Colombia S.A. Sociedad Fiduciaria</b> Carrera 9A, No. 99-02 Bogotá DC, Colombia</p>	<p><b>Depósito Central de Valores</b> Carrera 7 No. 14-78 Second Floor Bogotá, Colombia</p>
		<p><b>Depósito Centralizado de Valores de Colombia S.A. (DECEVAL)</b> Carrera 10 No. 72-33 Torre B Piso 4 Bogotá, Colombia</p>
<p><b>Costa Rica</b></p>	<p><b>Banco BCT S.A.</b> 160 Calle Central Edificio BCT San José, Costa Rica</p>	<p><b>Interclear Central de Valores S.A.</b> Avenida 4 Calles 0 y 2 Edificio Banco Credito Agricola de Cartago Sucursal San José 1736-1000 Costa Rica</p>
<p><b>Croatia</b></p>	<p><b>Privredna Banka Zagreb d.d.</b> Custody Department Radnička cesta 50 <b>10000</b> Zagreb, Croatia</p>	<p><b>Središnje klirinško deponitarno društvo d.d.</b> Ksaver 200 <b>10000</b> Zagreb, Croatia</p>
	<p><b>Zagrebacka Banka d.d.</b> Savska 60 <b>10000</b> Zagreb, Croatia</p>	

MARKET	SUBCUSTODIAN	DEPOSITORY
<b>Cyprus</b>	<b>BNP Paribas Securities Services, S.C.A., Greece</b> (operating through its Athens branch) 2 Lampsakou Str. <b>115 28</b> Athens, Greece	<b>Central Depository and Central Registry</b> Kambou Street, 2nd floor Strovolos, PO Box 25427 <b>1309</b> Nicosia, Cyprus
<b>Czech Republic</b>	<b>Československá obchodní banka, a.s.</b> Radlická 333/150 <b>150 57</b> Prague 5, Czech Republic	<b>Centrální depozitář cenných papírů, a.s.</b> Rybná 14 <b>110 05</b> Prague 1, Czech Republic
	<b>UniCredit Bank Czech Republic and Slovakia, a.s.</b> BB Centrum – FILADELFIE Želetavská 1525/1 <b>140 92</b> Praha 4 - Michle, Czech Republic	<b>Česká národní banka (Czech National Bank)</b> Na Příkopě 19 <b>110 00</b> Prague 1, Czech Republic
<b>Denmark</b>	<b>Nordea Bank AB (publ), Sweden</b> (operating through its subsidiary, Nordea Bank Danmark A/S) Strandgade 3 <b>0900</b> Copenhagen C, Denmark	<b>VP Securities A/S</b> Weidekampsgade 14 P.O. Box 4040 <b>DK-2300</b> Copenhagen S, Denmark
	<b>Skandinaviska Enskilda Banken AB (publ), Sweden</b> (operating through its Copenhagen branch) Bernstorffsgade 50 <b>1577</b> Copenhagen, Denmark	
<b>Egypt</b>	<b>HSBC Bank Egypt S.A.E.</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) 6th Floor 306 Corniche El Nil Maadi Cairo, Egypt	<b>Misr for Central Clearing, Depository and Registry S.A.E.</b> 4, Talaat Harb Street Cairo, Egypt
		<b>Central Bank of Egypt</b> 54 El Gomhoria Street Cairo, Egypt

<b>MARKET</b>	<b>SUBCUSTODIAN</b>	<b>DEPOSITORY</b>
<b>Estonia</b>	<b>AS SEB Pank</b> Tornimäe 2 <b>15010</b> Tallinn, Estonia	<b>AS Eesti Väärtpaberikeskus</b> Tartu mnt 2 <b>10145</b> Tallinn, Estonia
<b>Finland</b>	<b>Nordea Bank AB (publ), Sweden</b> (operating through its subsidiary, Nordea Bank Finland Plc.) Satamaradankatu 5 <b>00500</b> Helsinki, Finland	<b>Euroclear Finland</b> Etelaesplanadi 20 P.O. Box 1260 FIN-00101 Helsinki, Finland
	<b>Skandinaviska Enskilda Banken AB (publ), Sweden</b> (operating through its Helsinki branch) Securities Services Box 630 <b>SF-00101</b> Helsinki, Finland	
<b>France</b>	<b>Deutsche Bank AG, Netherlands</b> (operating through its Amsterdam branch with support from its Paris branch) De Entrees 99-197 <b>1101 HE</b> Amsterdam, Netherlands	<b>Euroclear France</b> 66 Rue de la Victoire <b>F-75009</b> Paris France
<b>Republic of Georgia</b>	<b>JSC Bank of Georgia</b> 29a Gagarini Str. Tbilisi <b>0160</b> , Georgia	<b>Georgian Central Securities Depository</b> 74a Chavchavadze Avenue Tbilisi <b>0162</b> , Georgia
		<b>National Bank of Georgia</b> 3/5 Leonidze Street Tbilisi <b>0105</b> , Georgia
<b>Germany</b>	<b>State Street Bank International GmbH</b> Brienner Strasse 59 <b>80333</b> Munich, Germany	<b>Clearstream Banking AG, Frankfurt</b> Neue Boersenstrasse 1 <b>D-60485</b> Frankfurt am Main Germany
	<b>Deutsche Bank AG</b> Alfred-Herrhausen-Allee 16-24 <b>D-65760</b> Eschborn, Germany	
<b>Ghana</b>	<b>Standard Chartered Bank Ghana Limited</b> P. O. Box 768	<b>Central Securities Depository (Ghana) Limited</b> Fourth Floor Cedi House

MARKET	SUBCUSTODIAN	DEPOSITORY
	1st Floor High Street Building Accra, Ghana	PMB CT 465 Cantonments, Accra, Ghana
Greece	BNP Paribas Securities Services, S.C.A. 2 Lampsakou Str. 115 28 Athens, Greece	Bank of Greece, System for Monitoring Transactions in Securities in Book-Entry Form 21E. Venizelou Avenue 102 50 Athens, Greece
		Hellenic Central Securities Depository 110 Athinon Ave. 104 42 Athens, Greece
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast 23, Bld de la République 17 BP 1141 Abidjan 17 Côte d'Ivoire	Dépositaire Central – Banque de Règlement 18 Rue Joseph Anoma 01 BP 3802 Abidjan 01 Ivory Coast
		Banque Centrale des Etats d'Afrique de l'Ouest Avenue Abdoulaye FADIGA 3108 Dakar, Senegal
Hong Kong	Standard Chartered Bank (Hong Kong) Limited 15th Floor Standard Chartered Tower 388 Kwun Tong Road Kwun Tong, Hong Kong	Central Moneymarkets Unit 55th floor Two International Finance Center 8 Finance Street, Central Hong Kong
		Hong Kong Securities Clearing Company Limited 12th floor, One International Finance Center 1 Harbor View Street, Central Hong Kong
Hungary	Citibank Europe plc Magyarországi Fióktelepe 7 Szabadság tér, Bank Center Budapest, H-1051 Hungary	KELER Központi Értéktár Zrt. R70 Office Complex Floors IV-V Rákóczi út 70-72 1074 Budapest, Hungary
	UniCredit Bank Hungary Zrt. 6th Floor Szabadság tér 5-6 H-1054 Budapest, Hungary	
Iceland	Landsbankinn hf. Austurstræti 11 155 Reykjavik, Iceland	Nasdaq verðbréfamiðstöð hf. Laugavegur 182 105 Reykjavik, Iceland

MARKET	SUBCUSTODIAN	DEPOSITORY
India	<b>Deutsche Bank AG</b> Block B1, 4th Floor, Nirlon Knowledge Park Off Western Express Highway Goregaon (E) Mumbai <b>400 063</b> , India	<b>Central Depository Services (India) Limited</b> Phiroze Jeejeebhoy Towers 28 floor Dalal Street Mumbai <b>400 023</b> , India
	<b>The Hongkong and Shanghai Banking Corporation Limited</b> 11F, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway Goregaon (East), Mumbai <b>400 063</b> , India	<b>National Securities Depository Limited</b> Trade World 4th floor Kamala City, Senapati Bapat Marg Lower Parel Mumbai <b>400 013</b> , India
		<b>Reserve Bank of India</b> Central Office Building, 18th Floor Shahid Bhagat Singh Road Mumbai <b>400 001</b> , India
Indonesia	<b>Deutsche Bank AG</b> Deutsche Bank Building, 4th floor Jl. Imam Bonjol, No. 80 Jakarta 10310, Indonesia	<b>Bank Indonesia</b> JL MH Thamrin 2 Jakarta <b>10110</b> , Indonesia
		<b>PT Kustodian Sentral Efek Indonesia</b> 5th Floor, Jakarta Stock Exchange Building Tower 1 Jln. Jenderal Sudirman Kav. 52-53 Jakarta <b>12190</b> , Indonesia
Ireland	<b>State Street Bank and Trust Company, United Kingdom branch</b> 525 Ferry Road Edinburgh <b>EH5 2AW</b> , Scotland	<b>Euroclear UK &amp; Ireland Limited</b> 33 Cannon St London <b>EC4M 5SB</b> , England
		<b>Euroclear Bank S.A./N.V.</b> 1 Boulevard du Roi Albert II <b>B-1210</b> Brussels, Belgium
Israel	<b>Bank Hapoalim B.M.</b> 50 Rothschild Boulevard Tel Aviv, Israel <b>61000</b>	<b>Tel Aviv Stock Exchange Clearing House Ltd. (TASE Clearing House)</b> 54 Ahad Ha'am Street <b>65202</b> Tel Aviv, Israel
Italy	<b>Deutsche Bank S.p.A.</b> Investor Services Via Turati 27 – 3rd Floor <b>20121</b> Milan, Italy	<b>Monte Titoli S.p.A.</b> Piazza degli Affari 6 20123 Milan, Italy
Ivory Coast	<b>Standard Chartered Bank Côte d'Ivoire S.A.</b> 23, Bld de la République 17 BP 1141 Abidjan	<b>Dépositaire Central – Banque de Règlement</b> 18 Rue Joseph Anoma 01 BP 3802 Abidjan <b>01</b> Ivory Coast
		<b>Banque Centrale des Etats d'Afrique de l'Ouest</b>

<b>MARKET</b>	<b>SUBCUSTODIAN</b>	<b>DEPOSITORY</b>
	<b>17 Côte d'Ivoire</b>	Avenue Abdoulaye FADIGA <b>3108</b> Dakar, Senegal
<b>Jamaica</b>	<b>Scotia Investments Jamaica Limited</b> 7, Holborn Road Kingston <b>10</b> , Jamaica, W.I.	<b>Jamaica Central Securities Depository</b> 40 Harbour Street Kingston, Jamaica, W.I.
<b>Japan</b>	<b>Mizuho Bank, Limited</b> Shinagawa Intercity Tower A 2-15-14, Konan, Minato-ku Tokyo <b>108-6009</b> , Japan	<b>Bank of Japan – Financial Network System</b> 2-1-1 Hongoku-cho Nihombashi Chuo-ku Tokyo <b>103-8660</b> , Japan
	<b>The Hongkong and Shanghai Banking Corporation Limited</b> HSBC Building 11-1 Nihonbashi 3- chome, Chuo-ku Tokyo 1030027, Japan	<b>Japan Securities Depository Center (JASDEC) Incorporated</b> 5th Floor Daini Shoken Kaikan Bld. 2-1-1 Nihombashi Kayaba-Cho Chuo-ku Tokyo <b>103-0025</b> Japan
<b>Jordan</b>	<b>Standard Chartered Bank</b> Shmeissani Branch Al-Thaqafa Street, Building # 2 P.O. Box 926190 Amman <b>11110</b> , Jordan	<b>Central Bank of Jordan</b> Al-Salt Street P.O. Box (37) Amman <b>11118</b> , Jordan
		<b>Securities Depository Center</b> PO Box 212465 Amman <b>11121</b> , Jordan
<b>Kazakhstan</b>	<b>JSC Citibank Kazakhstan</b> Park Palace, Building A, 41 Kazibek Bi street, Almaty <b>050010</b> , Kazakhstan	<b>Central Securities Depository</b> 67, Aiteke bi Str. Almaty <b>480091</b> , Kazakhstan
<b>Kenya</b>	<b>Standard Chartered Bank Kenya Limited</b> Custody Services Standard Chartered @ Chiromo, Level 5 48 Westlands Road P.O. Box 40984 – 00100 GPO Nairobi, Kenya	<b>Central Bank of Kenya</b> Haile Selassie Avenue P.O. Box 60000 Nairobi, Kenya
		<b>Central Depository and Settlement Corporation Limited</b> 10th Floor Nation Centre, Kimathi St. P.O. Box 3464 <b>00100 GPO</b> Nairobi, Kenya
<b>Republic of Korea</b>	<b>Deutsche Bank AG</b> 18th Fl., Young- Poong Building 41 Cheonggyecheon- ro	<b>Korea Securities Depository</b> 34-6 Yoido-Dong Youngdeungpo-ku <b>150-948</b> Seoul, Korea

MARKET	SUBCUSTODIAN	DEPOSITORY
	<p>Jongro-ku, Seoul <b>03188</b>, Korea</p> <p><b>The Hongkong and Shanghai Banking Corporation Limited</b> 5F HSBC Building #37 Chilpae-ro Jung-gu, Seoul <b>04511</b>, Korea</p>	
<b>Kuwait</b>	<p><b>HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)</b> Kuwait City, Sharq Area Abdulaziz Al Sager Street Al Hamra Tower, 37F P. O. Box 1683, Safat <b>13017</b>, Kuwait</p>	<p><b>Kuwait Clearing Company</b> P.O. Box 22077 Safat, <b>13081</b> Kuwait</p>
<b>Latvia</b>	<p><b>AS SEB banka</b> Unicentrs, Valdlauči <b>LV-1076</b> Kekavas pag., Rigas raj., Latvia</p>	<p><b>Latvijas Centrālais Depozitārijs (Latvian Central Depository)</b> Valnu 1 Riga <b>LV 1050</b>, Latvia</p>
<b>Lebanon</b>	<p><b>HSBC Bank Middle East Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) St. Georges Street, Minet El-Hosn Beirut <b>1107 2080</b>, Lebanon</p>	<p><b>Banque du Liban</b> PO Box 11-5544 Beirut, Lebanon</p> <p><b>Custodian and Clearing Center of Financial Instruments for Lebanon and the Middle East (Midclear) S.A.L.</b> PO Box 11-7971 Beirut, Lebanon</p>
<b>Lithuania</b>	<p><b>AB SEB bankas</b> Gedimino av. 12 <b>LT 2600</b> Vilnius, Lithuania</p>	<p><b>Lietuvos Centrinis Vertybinių Popierių Depozitoriumas (Central Securities Depository of Lithuania)</b> Konstitucijos pr. 23 <b>08105</b> Vilnius, Lithuania</p>
<b>Malawi</b>	<p><b>Standard Bank Limited</b> Kaomba Centre Cnr. Victoria Avenue &amp; Sir Glyn Jones Road Blantyre, Malawi</p>	<p><b>Reserve Bank of Malawi</b> Convention Drive City Centre Lilongwe 3, Malawi</p>

MARKET	SUBCUSTODIAN	DEPOSITORY
Malaysia	<b>Deutsche Bank (Malaysia) Berhad</b> Domestic Custody Services Level 20, Menara IMC 8 Jalan Sultan Ismail <b>50250</b> Kuala Lumpur, Malaysia	<b>Bank Negara Malaysia</b> Jalan Dato Onn Kuala Lumpur <b>50480</b> , Malaysia
	<b>Standard Chartered Bank Malaysia Berhad</b> Menara Standard Chartered 30 Jalan Sultan Ismail <b>50250</b> Kuala Lumpur, Malaysia	<b>Bursa Malaysia Depository Sdn. Bhd</b> 5th Floor, Exchange Square Bukit Kewangan Kuala Lumpur <b>50200</b> , Malaysia
Mali	<b>via Standard Chartered Bank Côte d'Ivoire S.A.</b> , Abidjan, Ivory Coast 23, Bld de la République 17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire	<b>Dépositaire Central – Banque de Règlement</b> 18 Rue Joseph Anoma 01 BP 3802 Abidjan <b>01</b> Ivory Coast
		<b>Banque Centrale des Etats d'Afrique de l'Ouest</b> Avenue Abdoulaye FADIGA <b>3108</b> Dakar, Senegal
Mauritius	<b>The Hongkong and Shanghai Banking Corporation Limited</b> 6F HSBC Centre 18 CyberCity Ebene, Mauritius	<b>Bank of Mauritius</b> Sir William Newton Street P.O. Box 29 Port Louis, Mauritius
		<b>Central Depository and Settlement Co. Limited</b> 4th Floor One Cathedral Square Bld. 16 Jules Koenig Street Port Louis, Mauritius
Mexico	<b>Banco Nacional de México, S.A.</b> 3er piso, Torre Norte Act. Roberto Medellín No. 800 Col. Santa Fe Mexico, <b>DF 01219</b>	<b>S.D. Indeval, S.A. de C.V.</b> Paseo de la Reforma 255 Floors 2-3 Cuauhtemoc Mexico, DF <b>06500</b>
Morocco	<b>Citibank Maghreb</b> Zénith Millénium Immeuble1 Sidi Maârouf – B.P. 40 Casablanca <b>20190</b> , Morocco	<b>Maroclear</b> 18, route d'El Jadida Préfecture de Hay Hassani Casablanca, Morocco
Namibia	<b>Standard Bank Namibia Limited</b> Standard Bank Center Cnr. Werner List St.	<b>Bank of Namibia</b> 71 Robert Mugabe Avenue Windhoek, Namibia

MARKET	SUBCUSTODIAN	DEPOSITORY
	and Post St. Mall 2nd Floor Windhoek, Namibia	
<b>Netherlands</b>	<b>Deutsche Bank AG</b> De Entrees 99-197 <b>1101 HE</b> Amsterdam, Netherlands	<b>Euroclear Nederland</b> Herengracht 436-438 <b>1017 BZ</b> Amsterdam, Netherlands
<b>New Zealand</b>	<b>The Hongkong and Shanghai Banking Corporation Limited</b> HSBC House Level 7, 1 Queen St. Auckland <b>1010</b> , New Zealand	<b>New Zealand Central Securities Depository Limited</b> C/O Reserve Bank of New Zealand 2 The Terrace P.O. Box 2498 Wellington, New Zealand
<b>Niger</b>	via <b>Standard Chartered Bank Côte d'Ivoire</b> S.A., Abidjan, Ivory Coast 23, Bld de la République 17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire	<b>Dépositaire Central – Banque de Règlement</b> 18 Rue Joseph Anoma 01 BP 3802 Abidjan <b>01</b> Ivory Coast
		<b>Banque Centrale des Etats d'Afrique de l'Ouest</b> Avenue Abdoulaye FADIGA <b>3108</b> Dakar, Senegal
<b>Nigeria</b>	<b>Stanbic IBTC Bank Plc.</b> Plot 1712 Idejo St Victoria Island, Lagos <b>101007</b> , Nigeria	<b>Central Bank of Nigeria</b> Plot 33, Abubakar Tafawa Balewa Way Central Business District Cadastral Zone Abuja, Federal Capital Territory, Nigeria
		<b>Central Securities Clearing System Limited</b> 2/4 Customs Street, Stock Exchange House, (1st Floor) P.O. Box 2457 Marina, Lagos, Nigeria
<b>Norway</b>	<b>Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA)</b> Essendropsgate 7 <b>0368</b> Oslo, Norway	<b>Verdipapirsentralen</b> Biskop Gunnerus' gate 14 A <b>NO-0185</b> Oslo, Norway
	<b>Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)</b> P.O. Box 1843 Vika Filipstad Brygge 1 <b>N-0123</b> Oslo, Norway	

MARKET	SUBCUSTODIAN	DEPOSITORY
<b>Oman</b>	<b>HSBC Bank Oman S.A.O.G.</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) 2nd Floor Al Khuwair PO Box 1727 <b>PC 111</b> Seeb, Oman	<b>Muscat Clearing &amp; Depository Company S.A.O.G.</b> P.O. Box 952 Ruwi, Oman
<b>Pakistan</b>	<b>Deutsche Bank AG</b> Unicentre – Unitowers I.I. Chundrigar Road P.O. Box 4925 Karachi - <b>74000</b> , Pakistan	<b>Central Depository Company of Pakistan Limited</b> 8th Floor, Karachi Stock Exchange Bld. Stock Exchange Road Karachi-Sindh <b>7400</b> , Pakistan
		<b>State Bank of Pakistan</b> Central Directorate I.I. Chundrigar Road Karachi <b>74000</b> , Pakistan
<b>Panama</b>	<b>Citibank, N.A.</b> Boulevard Punta Pacifica Torre de las Americas Apartado Panama City, Panama <b>0834-00555</b>	<b>Central Latinoamericana de Valores, S.A. (LatinClear)</b> Federico Boyd Avenue and 49th Street Bolsa de Valores de Panamá Building Lower Level Panama City, Panama
<b>Peru</b>	<b>Citibank del Perú, S.A.</b> Canaval y Moreyra 480 3rd Floor, San Isidro Lima <b>27</b> , Perú	<b>CAVALI S.A. Institución de Compensación y Liquidación de Valores</b> Pasaje Acuña 106 Lima <b>1</b> , Perú
<b>Phillippines</b>	<b>Deutsche Bank AG</b> Global Transaction Banking Tower One, Ayala Triangle <b>1226</b> Makati City, Phillippines	<b>Philippine Depository &amp; Trust Corporation</b> Ground Floor Makati Stock Exchange Building 6767 Ayala Avenue Makati City <b>1200</b> , Philippines
		<b>Registry of Scrippless Securities (ROSS) of the Bureau of the Treasury</b> Bureau of Treasury Palacio del Gobernador Building Intramuros, Manila <b>1002</b> , Philippines
<b>Poland</b>	<b>Bank Handlowy w Warszawie S.A.</b> ul. Senatorska 16 <b>00-293</b> Warsaw, Poland	<b>Rejestr Papierów Wartościowych</b> Swietokrzyska 11-21 Warsaw <b>00950</b> , Poland
	<b>Bank Polska Kasa Opieki S.A.</b> 31 Zwirki I Wigury Street <b>02-091</b> , Warsaw,	<b>Krajowy Depozyt Papierów Wartościowych, S.A.</b> Aktyn Business Center Chmielna 132/143 <b>00-806</b> Warsaw, Poland

<b>MARKET</b>	<b>SUBCUSTODIAN</b>	<b>DEPOSITORY</b>
	Poland	
<b>Portugal</b>	<b>Deutsche Bank AG, Netherlands</b> (operating through its Amsterdam branch with support from its Lisbon branch) De Entrees 99-197 <b>1101 HE</b> Amsterdam, Netherlands	<b>INTERBOLSA - Sociedad Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.</b> Avenida de Boavista #3433 <b>4100 – 138</b> Porto, Portugal
<b>Puerto Rico</b>	<b>Citibank N.A.</b> 1 Citibank Drive, Lomas Verdes Avenue San Juan, Puerto Rico <b>00926</b>	see U.S. depositories
<b>Qatar</b>	<b>HSBC Bank Middle East Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) 2 FI Ali Bin Ali Tower Building no.: 150 Airport Road Doha, Qatar	<b>Qatar Central Securities Depository</b> Al Khaleej Insurance Company Bldg. Grand Hamad Street Doha, Qatar
<b>Romania</b>	<b>Citibank Europe plc, Dublin – Romania Branch</b> 8, Iancu de Hunedoara Boulevard <b>712042</b> , Bucharest Sector 1, Romania	<b>National Bank of Romania</b> 25 Lipscani Street Bucharest <b>70421</b> , Romania
		<b>S.C. Depozitarul Central S.A.</b> 34-36 Carol I Boulevard Floors 3, 8 and 9 <b>020922</b> , Bucharest 2, Romania
<b>Russia</b>	<b>AO Citibank</b> 8-10 Gasheka Street, Building 1 <b>125047</b> Moscow, Russia	<b>National Settlement Depository</b> Building 8, 1/13 Sredny Kislovsky Pereulok Moscow <b>125009</b> , Russia
<b>Saudi Arabia</b>	<b>HSBC Saudi Arabia Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) HSBC Head Office 7267 Olaya - Al Murooj Riyadh <b>12283-2255</b> Kingdom of Saudi Arabia	<b>Saudi Arabian Monetary Authority</b> Al-Ma'ather Street P.O. Box 2992 Riyadh <b>11169</b> , Saudi Arabia
		<b>Tadawul Central Securities Depository</b> P O Box 60612 Riyadh <b>11555</b> , Saudi Arabia

MARKET	SUBCUSTODIAN	DEPOSITORY
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast 23, Bld de la République 17 BP 1141 Abidjan 17 Côte d'Ivoire	Dépositaire Central – Banque de Règlement 18 Rue Joseph Anoma 01 BP 3802 Abidjan 01 Ivory Coast
		Banque Centrale des Etats d'Afrique de l'Ouest Avenue Abdoulaye FADIGA 3108 Dakar, Senegal
Serbia	UniCredit Bank Serbia JSC Rajiceva 27-29 11000 Belgrade, Serbia	Central Securities Depository and Clearinghouse Pop Lukina 7-9 11000 Belgrade, Serbia
Singapore	Citibank N.A. 3 Changi Business Park Crescent #07-00, Singapore 486026	Monetary Authority of Singapore Financial Sector Promotion 10 Shenton Way MAS Building Singapore 079117
	United Overseas Bank Limited 156 Cecil Street FEB Building #08-03 Singapore 069544	The Central Depository (Pte.) Limited 4 Shenton Way #02-01 SGX Centre 2 Singapore 068807
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s. Šancová 1/A 813 33 Bratislava, Slovak Republic	Centrálny depozitár cenných papierov SR, a.s. ul. 29 augusta 1/A 814 80 Bratislava, Slovak Republic
Slovenia	UniCredit Banka Slovenija d.d. Šmartinska 140 SI-1000 Ljubljana, Slovenia	KDD – Centralna klirinško depotna družba d.d. Tivolska cesta 48 1000 Ljubljana, Slovenia
South Africa	FirstRand Bank Limited Mezzanine Floor 3 First Place Bank City Corner Simmonds & Jeppe Sts. Johannesburg 2001 Republic of South Africa	Strate (Pty) Ltd. 5th Floor, One Exchange Square Gwen Lane, Sandown 2196 Republic of South Africa
	Standard Bank of South Africa Limited 3rd Floor, 25 Pixley Ka Isaka Seme St. Johannesburg 2001 Republic of South Africa	

<b>MARKET</b>	<b>SUBCUSTODIAN</b>	<b>DEPOSITORY</b>
<b>Spain</b>	<b>Deutsche Bank S.A.E.</b> Calle de Rosario Pino 14-16, Planta 1 <b>28020</b> Madrid, Spain	<b>IBERCLEAR</b> Calle Pedro Teixeira, 8 <b>28020</b> Madrid, Spain
<b>Sri Lanka</b>	<b>The Hongkong and Shanghai Banking Corporation Limited</b> 24, Sir Baron Jayatilake Mawatha Colombo <b>01</b> , Sri Lanka	<b>Central Bank of Sri Lanka</b> P.O. Box 590 30, Janadhipathi Mawatha Colombo <b>01</b> , Sri Lanka
		<b>Central Depository System (Pvt) Limited</b> 04-01 West Block World Trade Centre Echelon Square Colombo <b>1</b> , Sri Lanka
<b>Republic of Srpska</b>	<b>UniCredit Bank d.d.</b> Zelenih beretki 24 <b>71 000</b> Sarajevo Federation of Bosnia and Herzegovina	<b>Central Registry of Securities in the Republic of Srpska JSC</b> Bana Milosavljevića 6 <b>78</b> Banja Luka, Republic of Srpska
<b>Swaziland</b>	<b>Standard Bank Swaziland Limited</b> Standard House, Swazi Plaza Mbabane, Swaziland <b>H101</b>	<b>Central Bank of Swaziland</b> Umntsholi Building Mahlokohla Street Mbabane, Swaziland H100
<b>Sweden</b>	<b>Nordea Bank AB (publ)</b> Smålandsgatan 17 <b>105 71</b> Stockholm, Sweden	<b>Euroclear Sweden</b> Box 7822 <b>103 97</b> Stockholm, Sweden
	<b>Skandinaviska Enskilda Banken AB (publ)</b> Sergels Torg 2 <b>SE-106 40</b> Stockholm, Sweden	
<b>Switzerland</b>	<b>Credit Suisse (Switzerland) Limited</b> Uetlibergstrasse 231 <b>8070</b> Zurich, Switzerland	<b>SIX SIS AG</b> Brandschenke – Str. 47 <b>CH-8022</b> Zurich, Switzerland
	<b>UBS Switzerland AG</b> Max-Högger-Strasse 80-82 <b>CH-8048</b> Zurich-Alstetten, Switzerland	
<b>Taiwan R.O.C.</b>	<b>Deutsche Bank AG</b> 296 Ren-Ai Road Taipei <b>106</b> Taiwan, Republic of China	<b>Central Bank of the Republic of China (Taiwan)</b> 2, Roosevelt Road, Section 1 Taipei, Taiwan, Republic of China

MARKET	SUBCUSTODIAN	DEPOSITORY
	<b>Standard Chartered Bank (Taiwan) Limited</b> 168 Tun Hwa North Road Taipei <b>105</b> , Taiwan, Republic of China	<b>Taiwan Depository and Clearing Corporation</b> 11F, 363 Fushin N. Rd Taipei, Taiwan, Republic of China
<b>Tanzania</b>	<b>Standard Chartered Bank (Tanzania) Limited</b> 1 Floor, International House Corner Shaaban Robert St and Garden Ave PO Box 9011 Dar es Salaam, Tanzania	<b>Central Depository System (CDS), a department of the Dar es Salaam Stock Exchange</b> 14th floor Golden Jubilee towers Ohio Street Dar es Salaam, Tanzania
<b>Thailand</b>	<b>Standard Chartered Bank (Thai) Public Company Limited</b> Sathorn Nakorn Tower 14th Floor, Zone B 90 North Sathorn Road Silom, Bangkok <b>10500</b> , Thailand	<b>Thailand Securities Depository Company Limited</b> 62 The Stock Exchange of Thailand Building, 4, 6 & 7 Floors Thanon Rachadapisek Road Klongtoey Bangkok, <b>10110</b> Thailand
<b>Togo</b>	<b>via Standard Chartered Bank Côte d'Ivoire S.A.</b> , Abidjan, Ivory Coast 23, Bld de la République 17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire	<b>Dépositaire Central – Banque de Règlement</b> 18 Rue Joseph Anoma 01 BP 3802 Abidjan <b>01</b> Ivory Coast  <b>Banque Centrale des Etats d'Afrique de l'Ouest</b> Avenue Abdoulaye FADIGA <b>3108</b> Dakar, Senegal
<b>Tunisia</b>	<b>Union Internationale de Banques</b> 65 Avenue Bourguiba <b>1000</b> Tunis, Tunisia	<b>Tunisie Clearing</b> 92-94, Avenue Hédi Chaker 8ème étage <b>1002</b> Tunis Belvédère (Immeuble GAT) Tunisia
<b>Turkey</b>	<b>Citibank, A.Ş.</b> Tekfen Tower Eski Buyukdere Caddesi 209 Kat 3 Levent <b>34394</b> Istanbul, Turkey	<b>Central Bank of Turkey</b> Türkiye Cumhuriyet Merkez Bankası Head Office Istiklal Cad. 10 Ulus, <b>06100</b> Ankara, Turkey
	<b>Deutsche Bank A.Ş.</b> Eski Buyukdere Caddesi Tekfen Tower No. 209	<b>Central Registry Agency</b> Resitpasa Mahallesi Tuncay Artun Caddesi Emirgan, Sarıyer <b>34467</b> Istanbul, Turkey

MARKET	SUBCUSTODIAN	DEPOSITORY
	Kat: 17 4 Levent <b>34394</b> Istanbul, Turkey	
<b>Uganda</b>	<b>Standard Chartered Bank Uganda Limited</b> 5 Speke Road P.O. Box 7111 Kampala, Uganda	<b>Bank of Uganda</b> P.O. Box 7120 Kampala, Uganda  <b>Securities Central Depository</b> Plot 1, Pilkington Road Worker's House, 2nd floor North Wing P.O. Box 23552 Kampala, Uganda
<b>Ukraine</b>	<b>PJSC Citibank</b> 16-g Dilova St. Kyiv <b>03150</b> , Ukraine	<b>National Depository of Ukraine</b> 3, B.Grinchenka Str. <b>01001</b> Kiev, Ukraine
<b>United Arab Emirates Dubai Financial Market</b>	<b>HSBC Bank Middle East Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) HSBC Securities Services Emaar Square Level 3, Building No. 5 P O Box 502601 Dubai, United Arab Emirates	<b>Clearing, Settlement and Depository Division, a department of the Dubai Financial Market</b> P.O. Box 9700 Dubai, United Arab Emirates
<b>United Arab Emirates Dubai International Financial Center</b>	<b>HSBC Bank Middle East Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) HSBC Securities Services Emaar Square Level 3, Building No. 5 P O Box 502601 Dubai, United Arab Emirates	<b>Central Securities Depository, owned and operated by NASDAQ Dubai Limited</b> Level 7, The Exchange Building Gate District Dubai International Financial Centre P.O. Box 53536 Dubai, United Arab Emirates
<b>United Arab Emirates Abu Dhabi</b>	<b>HSBC Bank Middle East Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) HSBC Securities Services Emaar Square Level 3, Building No.	<b>Clearing, Settlement, Depository and Registry department of the Abu Dhabi Securities Exchange</b> P.O. Box 33733 Abu Dhabi, United Arab Emirates

MARKET	SUBCUSTODIAN	DEPOSITORY
	5 P O Box 502601 Dubai, United Arab Emirates	
<b>United Kingdom</b>	<b>State Street Bank and Trust Company, United Kingdom branch</b> 525 Ferry Road Edinburgh EH5 2AW, Scotland	<b>Euroclear UK &amp; Ireland Limited</b> 33 Cannon St London EC4M 5SB, England
<b>United States</b>	<b>State Street Bank and Trust Company</b> One Lincoln Street Boston, MA 02111 United States	<b>Depository Trust &amp; Clearing Corporation</b> 55 Water Street New York, NY 10041 United States
		<b>Federal Reserve Bank</b> 20th Street and Constitution Avenue, NW Washington, DC 20551 United States
<b>Uruguay</b>	<b>Banco Itaú Uruguay S.A.</b> Zabala 1463 11000 Montevideo, Uruguay	<b>Banco Central del Uruguay</b> Diagonal Fabini 777 Montevideo, Uruguay
<b>Venezuela</b>	<b>Citibank, N.A.</b> Centro Comercial El Recreo Torre Norte, Piso 19 Avenida Casanova Caracas, Venezuela 1050	<b>Banco Central de Venezuela Torres Financiera</b> esquina de Carmelitas Avenida Urdante Parroquia Altagracia Caracas 1010, Venezuela
		<b>Caja Venezolana de Valores Avenida Sorocaima</b> entre Av. Venezuela y Av. Tamanaco Edificio Atrium Nivel C-1, El Rosal, Venezuela
<b>Vietnam</b>	<b>HSBC Bank (Vietnam) Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) Centre Point 106 Nguyen Van Troi Street Phu Nhuan District Ho Chi Minh City, Vietnam	<b>Vietnam Securities Depository</b> #45-47 Ben Chuong Duong Street District 1, Ho Chi Minh City Vietnam
<b>Zambia</b>	<b>Standard Chartered Bank Zambia Plc.</b> Standard Chartered House Cairo Road	<b>Bank of Zambia</b> Bank Square Cairo Road P.O. Box 30080 Lusaka 10101, Zambia

MARKET	SUBCUSTODIAN	DEPOSITORY
	P.O. Box 32238 <b>10101</b> , Lusaka, Zambia	<b>LuSE Central Shares Depository Limited</b> Farmers House 3rd Floor Central Park P.O. Box 34523 Lusaka <b>10101</b> , Zambia
<b>Zimbabwe</b>	<b>Stanbic Bank Zimbabwe Limited</b> (as delegate of Standard Bank of South Africa Limited) 3rd Floor Stanbic Centre 59 Samora Machel Avenue Harare, Zimbabwe	<b>Chengetedzai Depository Company Limited</b> No. 1 Armagh Avenue Eastlea Harare, Zimbabwe  <b>Reserve Bank of Zimbabwe</b> 80 Samora Machel Avenue Harare, Zimbabwe

<b>Transnational Depositories</b>		<b>Euroclear Bank S.A./N.V.</b> 1 Boulevard du Roi Albert II <b>B-1210</b> Brussels, Belgium  <b>Clearstream Banking, S.A.</b> 67, Boulevard Grand Duchy Charlotte <b>L-1010</b> Luxembourg
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**Old Mutual Global Investors Series II ICAV**

An open-ended umbrella Irish collective asset-management vehicle  
with segregated liability between sub-funds  
formed in Ireland  
under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a  
UCITS pursuant to the Regulations.

**SUPPLEMENT**

**Old Mutual Absolute Return Government Bond Fund**

Dated 6 April 2018

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## 1. **IMPORTANT INFORMATION**

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This Supplement contains information relating specifically to Old Mutual Absolute Return Government Bond Fund (the "**Fund**"), a Fund of Old Mutual Global Investors Series II ICAV (the "**ICAV**"), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank as a UCITS pursuant to the Regulations. There are currently no other Funds of the ICAV in existence.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 26 June 2017 (the "Prospectus").**

**Due to the higher than average degree of risk because of its ability to invest in financial derivative instruments for investment purposes which may increase the volatility of the Fund, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**As the price of Shares in each Fund may fall as well as rise, the ICAV shall not be a suitable investment for an investor who cannot sustain a loss on their investment. A typical investor has an investment horizon of 5 years or more and is prepared to accept a moderate level of volatility. This is not a guide to the future volatility of the Fund and may move over time. Investors may also refer to the KIID for the most up-to-date SRRI measurement.**

**The Fund may invest in FDI for investment purposes and for efficient portfolio management purposes. (See "Borrowing, Risk Management and Leverage; Leverage" below for details of the leverage effect of investing in FDI).**

**Investors should note that the Fund may invest principally in FDI. This may expose the Fund to particular risks involving derivatives. Please refer to "Derivatives Risk" in Appendix III to the Prospectus (entitled "Risk Factors").**

**Investors should read and consider Appendix III to the Prospectus (entitled "Risk Factors") before investing in the Fund.**

**It should be noted that, in certain circumstances, dividends may be declared out of the capital of the Fund. Please refer to "Dividend Policy" below for further details. In any such cases, there is a greater risk that capital may be eroded and distribution will be achieved by foregoing the potential for future capital growth of your investment. This cycle may continue until all capital is depleted.**

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## 2. DEFINITIONS

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**Base Currency** means Sterling;

**Business Day** means any day (other than a Saturday or Sunday) on which commercial banks are open for business in London, New York and Dublin and/or such other day or days as may be determined by the Directors from time to time and as notified to Shareholders in advance;

**Dealing Day** means each Business Day and/or such other day or days as the Directors may in their absolute discretion determine and notify in advance to Shareholders provided that there shall be at least two Dealing Days in each Month occurring at regular intervals;

**Dealing Deadline** means 12.00 noon (Irish time) on the relevant Dealing Day, or such other time for the relevant Dealing Day as may be determined by Directors and notified in advance to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point;

**Minimum Fund Size** means £10,000,000 (or the currency equivalent thereof) or such other amount as the Directors may in their absolute discretion determine;

**Minimum Share Class Size** means £500,000 (or the currency equivalent thereof) or such other amount as the Directors may in their absolute discretion determine;

**Settlement Date** in respect of subscriptions and redemptions respectively shall have the meaning outlined in the section entitled "Key Information for Buying and Selling Shares" below;

**Valuation Point** means the time at which the Net Asset Value per Share of the Fund is determined on each Dealing Day being 12.00 noon (Irish Time).

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

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### 3. INFORMATION ON THE FUND

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#### 3.1 Investment Objective, Investment Policies and Investment Strategy

##### 3.1.1 Investment Objective:

The investment objective of the Fund is to seek to deliver positive total returns on a rolling twelve month basis with stable levels of volatility uncorrelated to bond and equity market conditions.

Investors should be aware that their capital is at risk and that there is no guarantee that the positive total returns will be achieved over the rolling twelve months or any time period.

##### 3.1.2 Investment Policies:

The Fund shall seek to achieve its investment objective by investing in a combination of debt securities (as set out below) and taking exposure to them indirectly (both long and short) through FDI in accordance with the investment strategy outlined below.

The types of debt securities in which the Fund may invest shall include, but shall not be limited to, bonds (which may be fixed and/or floating rate), debt securities and other similar instruments denominated in the domestic currencies of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Slovenia, Spain, Sweden, Switzerland, United Kingdom and the United States of the following types:

- sovereign and central bank debt of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Slovenia, Spain, Sweden, Switzerland, United Kingdom and the United States;
- debt securities issued by major international institutions (as prescribed by the Bank of England and including, for example, the African Development Bank, the European Investment Bank, the European Union, the International Finance Corporation, the Islamic Development Bank and the Nordic Investment Bank);
- bonds of the highest credit quality (broadly equivalent to AAA) issued by government agencies or banks in G10 countries, explicitly guaranteed by national governments;
- conventional debt securities issued by the Federal Home Loan Mortgage Corporation, Federal National Mortgage Corporation and the Federal Home Loan Banks system;
- UK and Dutch prime residential mortgage-backed securities of the most senior tranches and highest credit quality;
- UK, US and EEA asset-backed securities of the most senior tranches and highest credit quality (broadly equivalent to AAA) backed by credit cards, auto loans, student and consumer loans.

The Fund is not constrained geographically. The Fund will be managed with a focus on OECD countries and their Investment Grade sovereign debt but may invest in or have exposure of up to 10% (long or short) in below Investment Grade debt securities.

Subject to the investment restriction 2.1 in Appendix I of the Prospectus the securities shall be listed, traded or dealt in on any recognised exchange worldwide (within the list in Appendix II of the Prospectus).

The Fund may invest in FDIs for (i) efficient portfolio management and (ii) investment purposes. The types of FDI in which the Fund may invest are listed below:

#### Exchange traded derivatives

- **Futures** (specifically futures on bonds, interest rates, inflation, swaps, currencies, indices (including commodity indices excluding food and agriculture) and futures on the expected volatility of the foregoing)
- **Options** (specifically options on bonds, interest rates, inflation, swaps, currencies, indices (including commodity indices excluding food and agriculture) and options on the expected volatility of the foregoing)

#### OTC derivatives

- **Swaps** (specifically swaps on bonds, interest rates, inflation, currencies, indices (including bond, interest rate and commodity indices excluding food and agriculture) and swaps on the expected volatility of the foregoing)
- **Contracts for Difference** on bonds and indices
- **Forward Settled Transactions** on foreign exchange and interest rates
- **Credit Default Swaps** (specifically sovereign CDS and index CDS)
- **Caps and Floors** such as interest rate caps, interest rate floors, inflation rate caps, inflation cap floors
- **Options** (specifically options on bonds, interest rates, inflation, swaps, currencies, indices (including commodity indices excluding food and agriculture) and options on the expected volatility of the foregoing)

Any commodity index that may be the reference of an FDI used by the Fund must be cleared in advance by the Central Bank. The Fund may seek to gain such commodity index exposure as a means of taking a view on inflation, consistent with the Fund's investment objective and strategy. Exposure to commodity indices excludes any exposure to food or agriculture which the Fund will not trade.

Please refer to the section of the Prospectus entitled "Details of FDI used with a Summary of their Commercial Purpose" for more details on each type of FDI set out above.

In order to pursue its investment objective and due to the need to manage cover requirements in respect of the FDI used (in accordance with the Central Bank's requirements), at times the Fund may need to hold large levels of or be fully invested in cash and cash equivalents. In the interests of efficient cash management the Fund may invest such cash in deposits, treasury bills, short-term securities, commercial paper and money market funds which are UCITS and which in turn provide exposure to Money Market Instruments, exchange traded funds or other collective investment schemes. Any investment in collective investment schemes/ exchange traded funds shall not exceed in aggregate 10% of the Net Asset Value of the Fund. The Fund will only invest in non-UCITS collective investment schemes that satisfy the conditions applied by the Central Bank.

The Fund is not a feeder UCITS scheme and will not hold units or shares in a feeder UCITS scheme.

### **3.1.3 Investment Strategy:**

Construction of the portfolio is determined by the Investment Manager on a fully discretionary basis, based on its views on global macroeconomic factors and informed by its customised analytic tools to measure and analyse bond duration (that is, the sensitivity of bond prices to changes in bonds' yield).

The strategy relies on the Investment Manager's ability to take both long and short exposure to certain interest and inflation rates and foreign currencies that enables the Investment Manager to take positions that best reflect its views on macroeconomic factors such as interest rates, inflation and economic growth. These views are based on external inputs, including investment bank research and central bank research notes, combined with the team's internal discussion and understanding of the dominant forces driving the global economy.

It is intended that the Fund's bond exposure will be managed to operate in normal circumstances within an anticipated range of 2500 % long exposure and 2500 % short exposure. Short exposure will be achieved through the use of FDI as referred to under the heading "Investment Policies" above and in accordance with the requirements in the Regulations. As the Fund is managed to be directional in nature,

the net exposure can be expected to vary within this range dependent on the macro views of the Investment Manager.

### **3.2 Efficient Portfolio Management Techniques and Securities Financing Transactions**

The Fund may invest in or use FDI as disclosed in the section "Investment Policies" above.

In addition, the Fund may engage in transactions in the FDI (disclosed above) for the purposes of efficient portfolio management and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank.

The Fund may use repurchase/reverse repurchase agreements for efficient portfolio management purposes.

The Fund may use repurchase/reverse repurchase agreements (i.e. Securities Financing Transactions) in accordance with the requirements of SFTR and the Central Bank Rules. Any type of assets that may be held by the Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. The Fund may also use swaps which come within the definition of Total Return Swaps under SFTR and apply these to certain types of assets held by the Fund as disclosed in the section "Investment Policies" above. The proportion of assets that may be subject to Securities Financing Transactions and Total Return Swaps is not limited and therefore at any given time as much as all the assets of the Fund could be subject to them. In any case the most recent semi-annual and annual report of the relevant Fund will express as an absolute amount and as a percentage of the Fund's assets the amount of Fund assets subject to Securities Financing Transactions and Total Return Swaps.

Warrants and share purchase rights will not be directly acquired but may be issued to the Fund pursuant to its investment in a particular security and, in such cases, may be retained for the purposes of efficient portfolio management and traded or exercised when considered appropriate.

Please refer to the section of the Prospectus entitled "Efficient Portfolio Management" for further details.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions or Securities Financing Transactions. Please refer to the section of the Prospectus entitled "Collateral Policy" for further details.

The use of FDI and Securities Financing Transactions for the purposes outlined above will expose the Fund to the risks disclosed in Appendix III to the Prospectus (entitled "Risk Factors").

### **3.3 Borrowing, Risk Management and Leverage**

#### **3.3.1 Borrowing**

The ICAV may only borrow on a temporary basis for the account of the Fund and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Fund. In accordance with the provisions of the Regulations, the ICAV may charge the assets of the Fund as security for borrowings of the Fund.

Repurchase/reverse repurchase agreements do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.

#### **3.3.2 Risk Management**

The Fund may utilise FDI as referred to in the section headed "Use of Derivatives and Efficient Portfolio Management Techniques" above.

As the Fund will engage in FDI to the extent that the commitment approach does not adequately capture the global exposure of the portfolio, the Investment Manager has advised the Directors that it considers that the Value at Risk ("**VaR**") methodology is an appropriate methodology to calculate the Fund's global exposure and market risk, taking into account the investment objectives and policies of the Fund and the

complexity of the FDI used.

VaR is the advanced risk measurement methodology used to assess the Fund's market risk. This leverage effect entails greater risk for investors.

In accordance with the Central Bank's requirements, the Fund will use an absolute VaR model to measure the global market risk. The absolute VaR model is considered appropriate as the Fund does not define the investment target in relation to a benchmark. The VaR limit for the Fund will not exceed 2.24 per cent. of the Net Asset Value of the Fund. It should be noted this is lower than the standard UCITS regulatory level of 4.47 per cent. The VaR for the Fund will be calculated daily using the following quantitative standards: a one-tailed 99 per cent. confidence level, a 1 day holding period, and the historical observation period will not be less than 1 year (250 Business Days) and quarterly data set updates, or more frequent when market prices are subject to material changes.

Investors should be aware that VaR is a way of measuring the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The Fund could however be exposed to losses which are much greater than envisaged by VaR, more so under abnormal market conditions. It should be noted that VaR does not explicitly measure leverage; rather, VaR is a statistical risk measure and the actual loss of a particular transaction or to the Fund overall may materially exceed the loss indicated by the use of VaR.

There are also limitations in using VaR as a statistical measure of risk because it does not directly limit the level of leverage in the Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility. In addition, it utilises past performance data which cannot predict future market developments and it is based on a model that underestimates the importance of extreme values which is aimed at providing Shareholders with a more meaningful picture of the investment risk posed by the leverage employed by the use of FDIs within the fund.

### 3.3.3 Leverage

The Fund will be leveraged as a result of its use of FDI and may therefore generate a notional exposure above 100% of the Net Asset Value of the Fund; leverage is calculated using a sum of the gross notionals approach.

The level of leverage (meaning increases to the Fund's exposure achieved by any method, and calculated based on the sum of the gross notionals of the derivatives used, in accordance with the requirements of the Central Bank) is expected to be within the range of 3,000% to 5,000% but there may be periods when the leverage will be materially below these levels. It is also possible that this could increase during abnormal market conditions or, for example, in a scenario where the Fund takes specific short term interest rate FDI positions in order to pursue its investment strategy at the precise point that a central bank is expected to adjust interest rates. Such events are not expected to occur at a regular frequency but could present for short periods two or three times per year or more, depending on market circumstances. In such cases the Fund will be managed to work within a maximum expected level of 30,000% of the Fund's Net Asset Value (with the increase from the normal expected range a result of the concentrated use of certain types of short term interest rate FDI that carry high levels of leverage when calculated based on the sum of the gross notionals). This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure - which means this figure is higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the risk exposure, this calculation may not provide an accurate measure of the Fund's actual risk of loss position and not give a proper picture of what is economically at stake.

In addition to calculating the Fund's exposure based on the sum of the absolute value of the notionals of the derivatives used and monitoring global market risk based on the absolute VaR model (as discussed above), the Fund will utilise a third method of measuring risk.

The Fund also elects to employ an additional risk measurement model - a "benchmark adjusted" level of leverage. Under this model, the absolute notional value of each interest rate and inflation rate derivative

(of any duration) is adjusted to its 10-year bond equivalent amount (to better reflect the actual level of leverage created). Also, delta-adjusted notional values are applied for options. Absolute notional values are applied for all other derivatives. A total is then calculated as a percentage of the Net Asset Value of the Fund. The Fund's benchmark adjusted leverage is expected to be managed, in normal circumstances, within a range of 800% to 1,500% of the Fund's Net Asset Value although there may be periods when it will be materially below these levels. It is also possible that this could increase, for example, during abnormal market conditions, and the Fund will be managed to work within a maximum expected benchmark adjusted leverage level of 5,000% of the Fund's Net Asset Value.

### **3.4 Investment Restrictions**

Investors must note that the ICAV and the Fund adheres to the restrictions and requirements set out under the Regulations, as may be amended from time to time. These are set out in Appendix I to the Prospectus.

In addition, the following investment restrictions apply to the Fund:

The Fund shall not invest more than 10% of its Net Asset Value in other CIS.

In accordance with the requirements of the Central Bank, the Fund will apply for a derogation from some of the investment restrictions for six months following the date of the first issue of Shares of the Fund pursuant to the Regulations but will observe the principle of risk-spreading.

### **3.5 Cross Investing**

Subject to the requirements of the Central Bank, where more than one Fund is established within the ICAV, and if this is considered appropriate to the investment objective and policies of the Fund, the Fund may invest in the other Funds of the ICAV. Any commission received by the Investment Manager in respect of such investment will be paid into the assets of the Fund. In addition, no Preliminary Charge, Repurchase Charge or Exchange Charge may be charged on the cross-investing Fund's investment. In order to avoid double-charging of management and/or performance fees, the Fund may not be charged an Investment Management Fee or performance fee in respect of that part of its assets invested in other Funds of the ICAV unless such investment in another Fund is made into a Class of Shares that does not attract any Investment Management Fee or performance fee. Investment may not be made by the Fund in a Fund which itself cross-invests in another Fund within the ICAV.

Please also refer to the section of the Prospectus entitled "Cross-Investment".

### 3.6 Key Information for Buying and Selling Shares

Share Class	Currency	Hedged / Unhedged	Initial Offer Period*	Initial Issue Price	Minimum Initial Investment Amount**	Minimum Additional Subscription Amount**	Minimum Shareholding**
A (USD) Hedged Accumulation Shares***	USD	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 USD	1,000	500	500
A (EUR) Hedged Accumulation Shares***	EUR	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 EUR	1,000	500	500
A (GBP) Accumulation Shares	GBP	Unhedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 GBP	1,000	500	500
A (GBP) Income Shares	GBP	Unhedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 GBP	1,000	500	500
A (CHF) Hedged Accumulation Shares***	CHF	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 CHF	1,000	500	500
A (SGD) Hedged Accumulation Shares***	SGD	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 SGD	1,000	500	500
A (SEK) Hedged Accumulation Shares***	SEK	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 SEK	1,000	500	500
C (USD) Hedged Accumulation Shares***	USD	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 USD	1,000	500	500

Share Class	Currency	Hedged / Unhedged	Initial Offer Period*	Initial Issue Price	Minimum Initial Investment Amount**	Minimum Additional Subscription Amount**	Minimum Shareholding**
I (USD) Hedged Accumulation Shares***	USD	Hedged	9.00 am (Irish time) on 23 September, 2015 to 12.00 noon (Irish time) on 7 October 2015	10.00 USD	10,000	5,000	5,000
I (EUR) Hedged Accumulation Shares***	EUR	Hedged	9.00 am (Irish time) on 23 September, 2015 to 12.00 noon (Irish time) on 7 October 2015	10.00 EUR	10,000	5,000	5,000
I (CHF) Hedged Accumulation Shares***	CHF	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 CHF	10,000	5,000	5,000
I (SEK) Hedged Accumulation Shares***	SEK	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 SEK	10,000	5,000	5,000
I (EUR) Hedged Income Shares***	EUR	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 EUR	5,000,000	2,500,000	2,500,000
R (GBP) Accumulation Shares	GBP	Unhedged	9.00 am (Irish time) on 23 September, 2015 to 12.00 noon (Irish time) on 7 October 2015	10.00 GBP	5,000,000	2,500,000	2,500,000
R (GBP) Income Shares	GBP	Unhedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 GBP	10,000	5,000	5,000

Share Class	Currency	Hedged / Unhedged	Initial Offer Period*	Initial Issue Price	Minimum Initial Investment Amount**	Minimum Additional Subscription Amount**	Minimum Shareholding**
N (USD) Hedged Accumulation Shares***	USD	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 USD	1,000	500	500
U1 (USD) Hedged Accumulation Shares***	USD	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 USD	100,000,000	50,000,000	50,000,000
U1 (EUR) Hedged Accumulation Shares***	EUR	Hedged	9.00 am (Irish time) on 23 September, 2015 to 12.00 noon (Irish time) on 7 October 2015	10.00 EUR	100,000,000	50,000,000	50,000,000
U1 (GBP) Accumulation Shares	GBP	Unhedged	9.00 am (Irish time) on 23 September, 2015 to 12.00 noon (Irish time) on 7 October 2015	10.00 GBP	100,000,000	50,000,000	50,000,000
U1 (GBP) Income Shares	GBP	Unhedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 GBP	100,000,000	50,000,000	50,000,000
U1 (CHF) Hedged Accumulation Shares***	CHF	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 CHF	100,000,000	50,000,000	50,000,000
U2 (USD) Hedged Accumulation Shares***	USD	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 USD	250,000,000	125,000,000	125,000,000

Share Class	Currency	Hedged / Unhedged	Initial Offer Period*	Initial Issue Price	Minimum Initial Investment Amount**	Minimum Additional Subscription Amount**	Minimum Shareholding**
U2 (EUR) Hedged Accumulation Shares***	EUR	Hedged	9.00 am (Irish time) on 23 September, 2015 to 12.00 noon (Irish time) on 7 October 2015	10.00 EUR	250,000,000	125,000,000	125,000,000
U2 (GBP) Accumulation Shares	GBP	Unhedged	9.00 am (Irish time) on 23 September, 2015 to 12.00 noon (Irish time) on 7 October 2015	10.00 GBP	250,000,000	125,000,000	125,000,000
U2 (GBP) Income Shares	GBP	Unhedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 GBP	250,000,000	125,000,000	125,000,000
U2 (CHF) Hedged Accumulation Shares***	CHF	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 CHF	250,000,000	125,000,000	125,000,000
W (GBP) Accumulation Shares	GBP	Unhedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 GBP	250,000,000	125,000,000	125,000,000
X (USD) Hedged Accumulation Shares***	USD	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 USD	20,000,000	10,000,000	10,000,000
X (EUR) Hedged Accumulation Shares***	EUR	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 EUR	20,000,000	10,000,000	10,000,000
X (GBP) Accumulation Shares	GBP	Unhedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 GBP	20,000,000	10,000,000	10,000,000

Share Class	Currency	Hedged / Unhedged	Initial Offer Period*	Initial Issue Price	Minimum Initial Investment Amount**	Minimum Additional Subscription Amount**	Minimum Shareholding**
F (USD) Hedged Accumulation Shares***	USD	Hedged	9.00 am (Irish time) on 23 September, 2015 to 12.00 noon (Irish time) on 7 October 2015	10.00 USD	25,000,000	10,000,000	10,000,000
F (EUR) Hedged Accumulation Shares***	EUR	Hedged	9.00 am (Irish time) on 23 September, 2015 to 12.00 noon (Irish time) on 7 October 2015	10.00 EUR	25,000,000	10,000,000	10,000,000
F (GBP) Accumulation Shares	GBP	Unhedged	9.00 am (Irish time) on 23 September, 2015 to 12.00 noon (Irish time) on 7 October 2015	10.00 GBP	25,000,000	10,000,000	10,000,000
L2 (USD) Hedged Accumulation Shares***	USD	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 USD	300,000,000	150,000,000	150,000,000
L2 (EUR) Hedged Accumulation Shares***	EUR	Hedged	9.00 am (Irish time) on 01 April 2016 to 12.00 noon (Irish time) on 30 June 2016	10.00 EUR	300,000,000	150,000,000	150,000,000
L2 (GBP) Accumulation Shares	GBP	Unhedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 GBP	300,000,000	150,000,000	150,000,000
L2 (CHF) Hedged Accumulation Shares***	CHF	Hedged	9.00 am (Irish time) on 9 April 2018 to 12.00 noon (Irish time) 9 October 2018	10.00 CHF	300,000,000	150,000,000	150,000,000

\*The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such extension if subscriptions for Shares have been received and otherwise shall be notified subsequently, on an annual basis.

\*\*Subject to the discretion of the Directors in each case to allow lesser amounts.

\*\*\*The ICAV shall enter into certain currency related transactions (through the use of FDI as disclosed above in Section 3.2 entitled "Efficient Portfolio Management and Securities Financing Transactions") in order to hedge the currency exposure of any Hedged Share Classes denominated in a currency other than the Base Currency, as described under the heading "Currency Hedged Classes" in the Prospectus.

Applications received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline, save in exceptional circumstances where the Directors may in their absolute discretion (reasons to be documented) determine and provided the Applications are received before the Valuation Point for the relevant Dealing Day. Repurchase requests received after the Dealing Deadline shall be treated as having been received by the following Dealing Deadline, save in exceptional circumstances where the Directors may in their absolute discretion (reasons to be documented) determine and provided they are received before the Valuation Point for the relevant Dealing Day.

Settlement Date (for subscriptions): Subscription monies should be paid to the Subscriptions / Redemptions Account so as to be received in cleared funds by no later than three Business Days after the relevant Dealing Day. If payment in full and/or a properly completed Application Form have not been received by the relevant times stipulated above, the application may be refused.

Settlement Date (for repurchases): Payment of Repurchase Proceeds will normally be made by electronic transfer to the account of the repurchasing Shareholder at the risk and expense of the Shareholder within three Business Days of the relevant Dealing Day and, in all cases, will be paid within ten (10) Business Days of the Dealing Deadline for the relevant Dealing Day, provided that all the required documentation has been furnished to and received by the Administrator.

### **3.7 Dividend Policy**

It is intended to declare dividends in respect of the following Classes: A (GBP) Income Shares, R (GBP) Income Shares, U1 (GBP) Income Shares, U2 (GBP) Income Shares and I (EUR) Hedged Income Shares. Dividends shall be declared semi-annually at the discretion of the Directors, in consultation with the Investment Manager. It is currently intended to distribute in March and September of each year. There is no guarantee of regular distribution and, if any distribution is made, there is no guarantee of the amount being distributed.

Dividends may be declared out of net income (i.e. income less expenses) (whether in the form of dividends, interest or otherwise) and net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and unrealised losses), subject to certain adjustments and, in accordance with the requirements of the Central Bank, partially or fully out of the capital of the Fund.

It is not currently intended for any other Classes to distribute dividends to the Shareholders. The income and earnings and gains of such Classes will be accumulated and reinvested on behalf of Shareholders.

### **3.8 Fees and Expenses**

The following fees and expenses (denoted as percentages of Net Asset Value) will be incurred by the ICAV on behalf of the Fund and will affect the Net Asset Value of the relevant Share Class of the Fund.

## Share Class Fee Table:

Share Class	Hedged / Unhedged	Preliminary Charge	Fixed Operating Expense ("FOE") <sup>2</sup>	Investment Management Fee	Contingent Deferred Sales Charge	Distribution Fee	Performance fee	Repurchase Charge	Exchange Charge
A (USD) Hedged Accumulation Shares	Hedged	up to 6.25%	0.30%	1.00%	N/A	Nil	15%	Nil	Nil
A (EUR) Hedged Accumulation Shares	Hedged	up to 6.25%	0.30%	1.00%	N/A	Nil	15%	Nil	Nil
A (GBP) Accumulation Shares	Unhedged	up to 6.25%	0.25%	1.00%	N/A	Nil	15%	Nil	Nil
A (GBP) Income Shares	Unhedged	up to 6.25%	0.25%	1.00%	N/A	Nil	15%	Nil	Nil
A (CHF) Hedged Accumulation Shares	Hedged	up to 6.25%	0.30%	1.00%	N/A	Nil	15%	Nil	Nil
A (SGD) Hedged Accumulation Shares	Hedged	up to 6.25%	0.30%	1.00%	N/A	Nil	15%	Nil	Nil
A (SEK) Hedged Accumulation Shares	Hedged	up to 6.25%	0.30%	1.00%	N/A	Nil	15%	Nil	Nil
C (USD) Hedged Accumulation Shares	Hedged	up to 1.00%	0.30%	1.00%	YES	Up to 1.50%	15%	Nil	Nil
I (USD) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.50%	N/A	Nil	15%	Nil	Nil
I (EUR) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.50%	N/A	Nil	15%	Nil	Nil
I (CHF) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.50%	N/A	Nil	15%	Nil	Nil
I (SEK) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.50%	N/A	Nil	15%	Nil	Nil
I (EUR) Hedged Income Shares	Hedged	Nil	0.30%	0.50%	N/A	Nil	15%	Nil	Nil
R (GBP) Accumulation Shares	Unhedged	Nil	0.25%	0.50%	N/A	Nil	15%	Nil	Nil
R (GBP) Income Shares	Unhedged	up to 6.25%	0.25%	0.50%	N/A	Nil	15%	Nil	Nil
N (USD) Hedged Accumulation Shares	Hedged	up to 3%	0.30%	1.00%	N/A	up to 1.00%	15%	Nil	Nil
U1 (USD) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.45%	N/A	Nil	15%	Nil	Nil

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*Please note that the FOE will be reduced by 0.05% where the Net Asset Value of the Fund exceeds £1.5bn (or the currency equivalent thereof).*

Share Class	Hedged / Unhedged	Preliminary Charge	Fixed Operating Expense ("FOE") <sup>2</sup>	Investment Management Fee	Contingent Deferred Sales Charge	Distribution Fee	Performance fee	Repurchase Charge	Exchange Charge
U1 (EUR) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.45%	N/A	Nil	15%	Nil	Nil
U1 (GBP) Accumulation Shares	Unhedged	Nil	0.25%	0.45%	N/A	Nil	15%	Nil	Nil
U1 (GBP) Income Shares	Unhedged	Nil	0.25%	0.45%	N/A	Nil	15%	Nil	Nil
U1 (CHF) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.45%	N/A	Nil	15%	Nil	Nil
U2 (USD) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.40%	N/A	Nil	15%	Nil	Nil
U2 (EUR) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.40%	N/A	Nil	15%	Nil	Nil
U2 (GBP) Accumulation Shares	Unhedged	Nil	0.25%	0.40%	N/A	Nil	15%	Nil	Nil
U2 (GBP) Income Shares	Unhedged	Nil	0.25%	0.40%	N/A	Nil	15%	Nil	Nil
U2 (CHF) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.40%	N/A	Nil	15%	Nil	Nil
X (USD) Hedged Accumulation Shares	Hedged	Nil	0.30%	Nil	N/A	Nil	Nil	Nil	Nil
X (EUR) Hedged Accumulation Shares	Hedged	Nil	0.30%	Nil	N/A	Nil	Nil	Nil	Nil
X (GBP) Accumulation Shares	Unhedged	Nil	0.25%	Nil	N/A	Nil	Nil	Nil	Nil
F (USD) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.30%	N/A	Nil	15%	Nil	Nil
F (EUR) Hedged Accumulation Shares	Hedged	Nil	0.30%	0.30%	N/A	Nil	15%	Nil	Nil
F (GBP) Accumulation Shares	Unhedged	Nil	0.25%	0.30%	N/A	Nil	15%	Nil	Nil
L2 (USD) Hedged Accumulation Shares	Hedged	Nil	0.30%	1.25%	N/A	Nil	Nil	Nil	Nil
L2 (EUR) Hedged Accumulation Shares	Hedged	Nil	0.30%	1.25%	N/A	Nil	Nil	Nil	Nil
L2 (GBP) Accumulation Shares	Unhedged	Nil	0.25%	1.25%	N/A	Nil	Nil	Nil	Nil
L2 (CHF) Hedged Accumulation Shares	Hedged	Nil	0.30%	1.25%	N/A	Nil	Nil	Nil	Nil
W (GBP) Accumulation Shares	Unhedged	Nil	0.25%	0.40%	N/A	Nil	15%	Nil	Nil

## Performance Fee

The Investment Manager may be entitled to a performance fee out of the Fund's assets (the "**Performance Fee**"). Such Performance Fee is in addition to the Investment Manager Fee and is outside the scope of the FOE. The Performance Fee is applicable to all share classes with the exception of: X (USD) Hedged Accumulation Shares, X (EUR) Hedged Accumulation Shares, X (GBP) Accumulation Shares, L2 (USD) Hedged Accumulation Shares, L2 (EUR) Hedged Accumulation Shares, L2 (GBP) Accumulation Shares and L2 (CHF) Hedged Accumulation Shares.

The Performance Fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value and will be payable semi-annually in arrears in respect of each performance period ending on either 31 March or 30 September in each year (a "**Performance Period**").

The Performance Fee as at the end of each Performance Period for all Share Classes shall be equal in aggregate to 15 per cent. of the amount by which any increase in the Net Asset Value per Share of each Class during the Performance Period exceeds the "Hurdle Rate" which will be the average (1) Sterling Overnight Interbank Average Rate for the GBP Share Classes, (2) Euro Overnight Index Average for the EUR Share Classes, (3) Federal Funds Effective Overnight Rate for the USD Share Classes, (4) Swiss Average Overnight Rate for the CHF Share Classes, (5) Singapore Dollar Overnight Deposit Rate for the SGD Share Classes, and (6) Stockholm Interbank Offered Rates for the SEK Share Classes during the Performance Period multiplied by the weighted average number of total Shares in issue of each Class on each Dealing Day during the Performance Period.

The Initial Issue Price as set out above in the section of the Supplement headed "Key Information for Buying and Selling Shares" is the starting price for the calculation of the first Performance Fee payable of any Share Class to which a Performance Fee is applicable. The first Performance Period will be the period commencing on the Business Day which immediately follows the closing of the Initial Offer Period in respect of the relevant Class of Shares and ending on either 31 March or 30 September, whichever occurs first.

In calculating the Net Asset Value per Share of each Class for Performance Fee purposes, no deduction is made on account of Performance Fees accrued in the Performance Period and any net income distributed to Shareholders in respect of the period is added back.

The Performance Fee is only payable when the Net Asset Value of each Class exceeds the Hurdle Rate above the Net Asset Value High Water Mark as described below. If, during a Performance Period, the performance of the Shares does not exceed the Hurdle Rate above the Net Asset Value High Water Mark as described below, no Performance Fee is payable until such unachieved performance is reclaimed.

All Performance Fee payments shall be subject to the restriction that in paying a Performance Fee, the Net Asset Value per Share of each Class at the end of the relevant Performance Period shall not be less than the Net Asset Value per Share Class on the last day that a Performance Fee was paid (the "**Net Asset Value High Water Mark**"). The Performance Fee is only payable on the increase in the Net Asset Value per Share of each Class during the Performance Period over the relevant Hurdle Rate during the Performance Period.

The amount of the Performance Fee will be calculated by the Administrator. The calculation of the Performance Fee for each Performance Period shall be verified by the Depositary.

The calculation of the Performance Fee shall also be reviewed by the Auditor as part of the annual audit of the ICAV.

The Investment Manager may, at its discretion, waive the Performance Fee payable in respect of a Performance Period.

**Performance Fees are payable on net realised and net unrealised gains and losses as at the end of each Performance Period and as a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.**

### **3.9 Other Fees and Expenses**

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus.

#### **3.9.1 Dilution Adjustment**

A Dilution Adjustment may be payable on the redemption or subscription of Shares. Please see the section headed "Dilution Adjustment" in section 7.2 of the Prospectus for further details.

#### **3.9.2 Establishment Expenses**

All fees and expenses relating to the establishment and organisation of the Fund as detailed in the section of the Prospectus entitled "Establishment Expenses" may be borne by the ICAV and amortised in accordance with the provisions of the Prospectus.