

# **Rockefeller Capital Management UCITS ICAV**

(An Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registration number C185683 and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended)

## **PROSPECTUS**

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### **INVESTMENT MANAGER**

**Rockefeller & Co. LLC**

**DATED 1 December 2022**

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## INTRODUCTION

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

### Authorisation by the Central Bank of Ireland

The ICAV has been authorised by the Central Bank of Ireland (the “Central Bank”) as an “Undertaking for Collective Investment in Transferable Securities” (“UCITS”) under the UCITS Regulations and has been established as an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between Funds and will comply with the Central Bank UCITS Regulations. Authorisation by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the ICAV and the Central Bank will not be liable for the performance or default of the ICAV.

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.

This Prospectus (which term will include a reference to any Supplement hereto) provides information about the ICAV and the Funds. Prospective investors are required as part of the Subscription Agreement to confirm they have read and understood it. It contains information which prospective investors ought to know before investing in the ICAV and should be retained for future reference. Further copies may be obtained from the ICAV, at its address set out in the “Directory”. Copies of the most recent annual and semi-annual report of the ICAV are available free of charge on request.

Shares in the ICAV are offered only on the basis of the information contained in this Prospectus and the documents referred to herein. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation other than those contained in the KIID, this Prospectus, each relevant Supplement and, if given or made, such information or representation must not be relied upon as having been authorised. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any such Shares other than the Shares to which it relates or an offer to sell or the solicitation of an offer to buy such Shares by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus or the relevant Supplements nor the issue of Shares will, under any circumstances, create any implication that the affairs of the ICAV have not changed since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Directors of the ICAV whose names appear in the “Directory” of the Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information. This Prospectus may be translated into other languages provided that such translation will be a direct translation of the English text and in the event of a dispute, the English language version will prevail. All disputes as to the terms thereof will be governed by, and construed in accordance with, the laws of Ireland.

The ICAV is an “umbrella fund” enabling investors to choose between one or more investment objectives by investing in one or more separate Funds offered by the ICAV. It is intended that each Fund will have segregated liability from the other Funds and that the ICAV will not be liable as a whole to third parties for the liability of each Fund. However, investors should note the risk factor “ICAV’s Liabilities” under “Risk Considerations” below. A separate pool of assets will not be maintained for each Class. As of the date of this Prospectus, the ICAV is offering Shares in the Fund described in the most recent Supplements in force at the date of this Prospectus. The Directors may from time to time decide to offer, with the prior approval of the Central Bank, additional separate Funds and, with prior notice to and clearance from the Central Bank, additional classes of Shares in existing Funds. In such an event, this Prospectus will be updated and amended so as to include detailed information on the new Funds and/or classes, and/or a separate Supplement or addendum with respect to such Funds and/or classes will be prepared. Such updated and amended Prospectus or new separate

Supplement or addendum will not be circulated to existing Shareholders except in connection with their subscription for Shares of such Funds, but will be available on <https://rcm.rockco.com/ram/#Rockefeller-Capital-Management-UCITS-ICAV>.

Investors may, subject to applicable law, invest in any Fund offered by the ICAV. Investors should choose the Fund that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek independent advice in that regard. A separate pool of assets will be maintained for each Fund and will be invested in accordance with the investment policy applicable to the relevant Fund in seeking to achieve its investment objective. The Net Asset Value and the performance of the Shares of the different Funds and classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of a Fund will be achieved

The maximum redemption charge which may be imposed is 3% of the Net Asset Value of the Shares being redeemed. Investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Furthermore, unlike a deposit in a bank account, the principal invested in a Fund is capable of fluctuation.

Where a Share Class may make distributions out of capital, investors should note that this will result in the reduction of an investor's original capital invested in the relevant Fund. The relevant Fund's capital will be eroded and the distribution will be achieved by foregoing the potential for future capital growth and by potentially diminishing the value of future returns; this cycle may continue until all capital is depleted. Accordingly, distributions made out of capital during the life of the relevant Fund must be understood as a type of capital reimbursement. Distributions out of capital may have different tax implications to distributions of income and recommend that investors seek advice in this regard.

## **DISTRIBUTION AND SELLING RESTRICTIONS**

The distribution of this Prospectus and the offering of the Shares is restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or the person making the offer or solicitation is not qualified to do so or a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself or herself about and to observe all applicable laws and regulations of relevant jurisdictions. Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions and/or exchange control requirements that they might encounter under the laws of the countries of their citizenship, residence, or domicile and that might be relevant to the subscription, purchase, holding, exchange, redemption or disposal of Shares of a Fund.

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying Initial Application Form or Subscription Agreement in any such jurisdiction may treat this Prospectus or such Initial Application Form or Subscription Agreement as constituting an invitation to them to subscribe for Shares, nor should they in any event use such Initial Application Form or Subscription Agreement, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Initial Application Form or Subscription Agreement could lawfully be used without compliance with any registration or other legal requirements.

No Shares shall be issued in the United States or to any US Person other than pursuant to the provisions of this Prospectus.

No Shares shall be issued in the US or to any US Person unless the Directors otherwise approve in their sole discretion and applicable US disclosures are made prior to such approval.

The Shares have not been, nor will they be, registered or qualified under the Securities Act, or any applicable securities laws of any state or other political sub divisions of the United States of America. The Shares may not be offered, sold, transferred or delivered directly or indirectly in the US or to any US Person unless otherwise approved by the Directors

in their sole discretion. Any sales or transfers of Shares in violation of the foregoing shall be prohibited and treated by the ICAV as void. All applicants and transferees of Shares must complete an Initial Application Form and Subscription Agreement which confirm, among other things, that a purchase or a transfer of Shares would not result in a sale or transfer to a person or an entity which is a US Person unless otherwise approved by the Directors.

To the extent Shares are offered and sold within the United States or to or for the account or benefit of persons who are "US Persons" within the meaning of Regulation S under the Securities Act ("**Regulation S**"), such offers and sales will be made in transactions exempt from registration under the Securities Act pursuant to Section 4(a)(2) of the Securities Act, Rule 506(b) thereunder and the provisions of Regulation S. None of the US Securities and Exchange Commission, the US Commodity Futures Trading Commission, the securities regulatory authority of any state of the United States or the security regulatory authority of any other jurisdiction has passed upon the value of the Shares, made any recommendations as to their purchase, approved or disapproved this offering, or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws, pursuant to registration or exemption therefrom, and in compliance with the terms of this Prospectus and the organisational documents of the ICAV.

The ICAV does not permit investments by "benefit plan investors." The term "benefit plan investor" refers to (i) any "employee benefit plan" as defined in, and subject to the fiduciary responsibility provisions of ERISA, (ii) any "plan" as defined in and subject to Section 4975 of the IRC, and (iii) any entity deemed for purposes of ERISA or Section 4975 of the IRC to hold assets of any such employee benefit plan or plan due to investments made in such entity by already described benefit plan investors.

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**DIRECTORY**

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**Rockefeller Capital Management UCITS ICAV**

**Registered Office**

2nd Floor, Block E  
Iveagh Court, Harcourt Road  
Dublin 2, Ireland

**Directors of the ICAV:**

Laura Esposito  
John Skelly  
Gerry Brady

**Depositary:**

Northern Trust Fiduciary Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Manager:**

Carne Global Fund Managers (Ireland) Limited  
2nd Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

**Administrator, Registrar and Transfer Agent:**

Northern Trust International Fund Administration  
Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Directors of the Manager:**

Christophe Douche  
Elizabeth Beazley  
Neil Clifford  
Michael Bishop  
Teddy Otto  
Sarah Murphy

**Secretary:**

Carne Global Financial Services Limited  
2nd Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

**Investment Manager and Distributor:**

Rockefeller & Co. LLC  
45 Rockefeller Plaza, Fifth Floor  
New York  
NY 10111  
USA

**Legal Advisors as to Irish Law:**

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

**Auditors:**

Deloitte  
Deloitte & Touche House  
29 Earlsfort Terrace  
Dublin 2  
Ireland

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## DEFINITIONS

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In this Prospectus, the following words and phrases will have the meanings indicated below:

<b>“1933 Act”</b>	means the US Securities Act of 1933, as amended;
<b>“1940 Act”</b>	means the US Investment Company Act of 1940, as amended;
<b>“Accumulating Class”</b>	means any Class in respect of which the Directors have determined not to declare dividends, as may be specified in the relevant Supplement;
<b>“Administrator”</b>	means Northern Trust International Fund Administration Services (Ireland) Limited or such other company in Ireland for the time being appointed as administrator by the Manager as successor thereto, in accordance with the requirements of the Central Bank;
<b>“Administration Agreement”</b>	means the agreement dated 7 March 2019, as may be amended from time to time, between the ICAV, the Manager and the Administrator, pursuant to which the Administrator was appointed administrator of the ICAV;
<b>“Advisers Act”</b>	means the US Investment Advisers Act of 1940, as amended;
<b>“Article 8”</b>	means Article 8 of the SFDR in respect of the transparency of the promotion of environmental or social characteristics in pre-contractual disclosures;
<b>“Base Currency”</b>	means the base currency of a Fund, being USD unless otherwise determined by the Directors and disclosed in a Supplement;
<b>“Business Day”</b>	means, in relation to each Fund, such day as is defined in each Supplement;
<b>“Central Bank UCITS Regulations”</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as may be amended from time to time, together with any questions and answer documentation and other guidance issued by the Central Bank thereunder;
<b>“CFTC”</b>	means the US Commodity Futures Trading Commission;
<b>“Class” or “Classes”</b>	means any class or classes of Shares established by the Manager in respect of any Fund;
<b>“Class Currency”</b>	means the currency in which a Share class is designated;
<b>“Class Expenses”</b>	means any expenses attributable to a specific class including legal fees, marketing expenses (including tax reporting expenses) and the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlement system and such other expenses arising from such registration;
<b>“Code”</b>	means the US Internal Revenue Code of 1986, as amended;
<b>“Commodity Exchange Act”</b>	means the US Commodity Exchange Act, as amended;

<b>“Dealing Day”</b>	means, in relation to each Fund, such day as is defined in each Supplement;
<b>“Dealing Deadline”</b>	means, such time as may be determined by the Directors and set out in the Supplement for each Fund;
<b>“Depositary”</b>	means Northern Trust Fiduciary Services (Ireland) Limited, or such other company in Ireland as may for the time being be appointed as depositary of the assets of the ICAV as successor thereto in accordance with the requirements of the Central Bank;
<b>“Depositary Agreement”</b>	means the agreement dated 7 March 2019, as may be amended from time to time, between the ICAV, the Manager and the Depositary, pursuant to which the Depositary was appointed depositary of the ICAV;
<b>“Directors”</b>	means the directors of the ICAV for the time being and any duly constituted committee thereof;
<b>“Distributing Class”</b>	means any Class in respect of which the Directors have determined to declare dividends, as may be specified in the relevant Supplement;
<b>“Duties and Charges”</b>	means in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, custodian or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, conversion or redemption of Shares or the sale or purchase of investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the NAV and the price at which such assets were bought as a result of a subscription and sold as a result of a redemption), but will not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the NAV of Shares in the relevant Fund;
<b>“ESMA”</b>	means the European Securities and Markets Authority;
<b>“EEA”</b>	means the European Economic Area;
<b>“ESG”</b>	means environmental, social and governance;
<b>“ESG Integration”</b>	means the framework for the integration of the ESG factors and Sustainability Risks into the investment process for the ICAV;
<b>“EU”</b>	means the European Union;
<b>“EU Member State”</b>	means a member state of the EU;
<b>“Euro” or “€”</b>	means the unit of the European single currency;
<b>“Euronext Dublin”</b>	means the Irish Stock Exchange plc trading as Euronext Dublin;

<b>“Exempt Investor”</b>	means certain Irish Residents as described under <i>“Taxation of exempt Irish shareholders”</i> in the “Taxation” section below;
<b>“FDI”</b>	means financial derivative instruments;
<b>“Fund” or “Funds”</b>	means a distinct portfolio of assets established by the ICAV (with the prior approval of the Central Bank) constituting in each case a separate fund represented by one or more Classes of Shares with segregated liability from the other Funds and invested in accordance with the investment objective and policies applicable to such fund as specified in the relevant Supplement;
<b>“Fund Expense Cap”</b>	has the meaning set out in the section of the Prospectus headed “Administration and Depositary Fees, Fees of the Manager and Other Operating Expenses”, and as detailed in the relevant Supplement;
<b>“Hedged Class” or “Hedged Classes”</b>	means any Class or Classes of a Fund in respect of which currency hedging will be implemented as set out in a Supplement;
<b>“ICAV”</b>	means Rockefeller Capital Management UCITS ICAV;
<b>“Initial Application Form”</b>	means the application form to be completed and signed by an investor seeking to subscribe for Shares for the first time in such form as is approved by the ICAV or Manager from time to time;
<b>“Instrument of Incorporation”</b>	means the instrument of incorporation of the ICAV for the time being in force and as may be modified from time to time, subject to approval by the Central Bank;
<b>“Intermediary”</b>	means a person who: <ul style="list-style-type: none"> <li>(a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons, or</li> <li>(b) holds shares in an investment undertaking on behalf of other persons;</li> </ul>
<b>“Investment Manager”</b>	means Rockefeller & Co. LLC or such other company for the time being appointed as investment manager by the ICAV as successor thereto in accordance with the requirements of the Central Bank.
<b>“Investment Management Agreement”</b>	means the agreement dated 7 March 2019, as may be amended from time to time, between the ICAV, the Manager and the Investment Manager, pursuant to which the latter acts as investment manager and distributor in relation to the assets of the ICAV;
<b>“Irish Resident”</b>	means, unless otherwise determined by the Directors, any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the “Taxation” section below;
<b>“IRS”</b>	means the Internal Revenue Service, the US government agency responsible for tax collection and tax law enforcement;
<b>“Irish Revenue Commissioners”</b>	means the Irish authority responsible for taxation and customs duties;

<b>“Initial Offer Period”</b>	means in relation to each Class, such period as set out in the relevant Supplement during which time Shares may be offered at the Initial Offer Price;
<b>“Initial Offer Price”</b>	means such fixed price per Share as shall be set out in the relevant Supplement.
<b>“KIID”</b>	means key investor information document;
<b>“Manager”</b>	means Carne Global Fund Managers (Ireland) Limited or such other company as may from time to time be appointed to provide management company services to the ICAV in accordance with the requirements of the Central Bank;
<b>“Management Agreement”</b>	means the agreement dated 7 March 2019, as may be amended from time to time, between the ICAV and the Manager, pursuant to which the latter acts as management company in relation to the ICAV;
<b>“Net Asset Value” or “NAV”</b>	means the net asset value of the ICAV, or of a Fund, as appropriate, calculated as described herein;
<b>“NAV Hedge”</b>	a hedging method whereby the Class Currency of the Hedged Class is systematically hedged to the Base Currency;
<b>“Net Asset Value per Share” or “NAV per Share”</b>	means the Net Asset Value per Share of each Class of Shares of a Fund calculated as described herein;
<b>“OECD”</b>	means the Organisation for Economic Co-Operation and Development;
<b>“Ordinary Resolution”</b>	means a resolution passed by a simple majority of the votes cast by Shareholders entitled to attend and vote at general meetings of the ICAV or on matters affecting the relevant class of Shares, as the case may be;
<b>“Portfolio Hedge”</b>	a hedging method whereby the currency exposures of the Fund’s portfolio holdings attributable to the Hedged Class are systematically hedged back to the Class Currency of the Hedged Class;
<b>“Prospectus”</b>	means this document, any Supplement or addendum designed to be read and construed together with and to form part of this document and the ICAV’s most recent annual and semi-annual report and accounts (if issued);
<b>“Recognised Market”</b>	means such markets as are set out in Appendix B hereto;
<b>“Redemption Application”</b>	means an application by a Shareholder to the ICAV and/or the Administrator requesting that Shares of a Fund be redeemed in such form as is approved by the ICAV or Investment Manager from time to time;
<b>“Section 739B”</b>	means Section 739B of TCA;
<b>“SEC”</b>	means the US Securities and Exchange Commission;
<b>“SFDR”</b>	means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services provider;

<b>“Share” or “Shares”</b>	means a share or shares of any class in the ICAV or a Fund, as the context so requires;
<b>“Shareholder”</b>	means a holder of Shares;
<b>“Subscription Agreement”</b>	means the subscription agreement to be completed and signed by an investor seeking to subscribe for initial and / or additional Shares in such form as is approved by the ICAV or Manager from time to time;
<b>“Supplement”</b>	means a document which contains specific information in relation to a particular Fund and any addenda thereto;
<b>“Sustainability Risk”</b>	means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of a Fund’s investment(s);
<b>“Taxonomy Regulation”</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended from time to time;
<b>“tranche”</b>	means the Shares issued in one or more Classes which represent a separate Fund;
<b>“TCA” or “Taxes Act”</b>	means the Irish Taxes Consolidation Act 1997, as amended from time to time;
<b>“UCITS”</b>	means an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>“UCITS Regulations”</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations (as amended) and all applicable Central Bank regulations made or conditions imposed or derogations granted thereunder as may be amended from time to time;
<b>“US” or “United States”</b>	means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
<b>“USD” or “US\$”</b>	means US Dollars, the lawful currency of the US;
<b>“US Person”</b>	has such meaning as is set out in Appendix A hereto;
<b>“Valuation Day”</b>	means, in relation to a Fund, such day as will be specified in a Supplement; and
<b>“Valuation Point”</b>	means, in relation to a Fund, such time as will be specified in the relevant Supplement.

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## THE ICAV

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The ICAV was registered in Ireland pursuant to the Irish Collective Asset-Management Vehicles Act 2015 on 17 October 2018 under registration number C185683 and is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The sole object of the ICAV is the collective investment of its funds in property and giving members the benefit of the results of the management of its funds in accordance with the UCITS Regulations operating on the principle of risk spreading.

The ICAV is organised in the form of an umbrella fund with segregated liability between Funds. The Instrument of Incorporation provides that the ICAV may offer separate Funds. Each Fund will have a distinct portfolio of investments. The ICAV has obtained the approval of the Central Bank for the establishment of the Funds set out below. Information specific to a Fund will be set out in a separate Supplement.

<b>Funds of the ICAV</b>
Rockefeller Global Equity ESG Improvers UCITS
Rockefeller US Equity ESG Improvers UCITS
Rockefeller Climate Solutions UCITS

With the prior approval of the Central Bank, the Manager from time to time may create an additional Fund or Funds, the investment policies and objectives for which will be outlined in a Supplement, together with details of the initial offer period, the initial subscription price for each Share and such other relevant information in relation to the additional Fund or Funds as the Directors may deem appropriate, or the Central Bank requires, to be included. Each Supplement will form part of, and should be read in conjunction with, this Prospectus. In addition, the Manager may create additional Classes of Shares within a Fund to accommodate different terms, including different charges and/or fees and/or brokerage arrangements provided that the Central Bank is notified in advance, and gives prior clearance, of the creation of any such additional Class of Shares.

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

- (a) For each tranche of Shares the ICAV will keep separate books in which all transactions relating to the relevant Fund will be recorded and, in particular, the proceeds from the allotment and issue of Shares of each such tranche, the investments and liabilities and income and expenditure attributable thereto will be applied or charged to such Fund subject to the below;
- (b) Any assets derived from any other asset (whether cash or otherwise) comprised in any Fund will be applied in the books 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 will be applied to the relevant Fund;
- (c) In the event that there are any assets of the ICAV which the Manager does not consider are readily attributable to a particular Fund or Funds, the Manager will 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 will have the power to and may at any time and from time to time vary such basis in respect of assets not previously allocated;
- (d) Each Fund will be charged with the liabilities, expenses, costs, charges or reserves of the ICAV in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges or reserves of the ICAV not readily attributable to any particular Fund or Funds will be allocated and charged by the Directors in such manner and on such basis as the Manager in their discretion deems fair and equitable, and the Manager will have the power to and may at any time and from time to time vary such basis;
- (e) If, as a result of a creditor proceeding against certain of the assets of the ICAV or otherwise, a liability, expense, cost, charge or reserve would be borne in a different manner from that in which it has been borne under paragraph (d) above, or in any similar circumstances, the Manager may, with the consent of the Depositary, transfer in the books and records of the ICAV any assets to and from any of the Funds;

- (f) Subject as otherwise provided in the Instrument of Incorporation, the assets held in each Fund will be applied solely in respect of the Shares of the tranche to which such Fund appertains and will belong exclusively to the relevant Fund and will not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and will not be available for any such purpose.

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

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## INVESTMENT OBJECTIVES AND POLICIES

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The specific investment objective and policies of each Fund will be set out in the relevant Supplement and will be formulated by the Manager at the time of creation of each Fund.

With the exception of permitted investments in unlisted instruments, a Fund will invest in transferable securities and/or other liquid assets listed or traded on Recognised Markets and, to the limited extent specified in the relevant Supplement, in units/shares of other investment funds, all in accordance with the investment restrictions described in Appendix D “Investment Restrictions” below and as articulated in the relevant Supplement.

In addition, and to the extent only that the Investment Manager deems consistent with the investment policies of a Fund and set out in the relevant Supplement, a Fund may utilise for the purposes of efficient portfolio management, or to increase return or reduce risk, the investment techniques and instruments described in Appendix C. Such investment techniques and instruments may include financial derivative instruments. To the extent only that the Investment Manager deems consistent with the investment policies of a Fund and set out in the relevant Supplement, and in accordance with the requirements of the Central Bank, a Fund may also utilise financial derivative instruments for investment purposes. Where a Fund is intended to utilise financial derivative instruments, the Manager has employed a risk management process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative instruments, and details of this process have been provided to the Central Bank. The Investment Manager will not utilise financial derivative instruments which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank.

A Fund may use financial derivative instruments for investment purposes or for efficient portfolio management as is disclosed in the relevant Supplement. The following is a summary list of descriptions of the types of financial derivative instruments that a Fund may use:

### ***Futures***

Futures contracts are agreements to buy or sell a fixed amount of an index, equity, bond or currency at a fixed date in the future. Futures contracts are exchange-traded instruments and their dealing is subject to the rules of the exchanges on which they are dealt.

Futures transactions are effected through a clearinghouse associated with the exchange on which the contracts are traded. No money is paid or received on the purchase or sale of a future. Upon entering into a futures transaction, the purchaser is required to deposit an initial margin payment for the futures commission merchant (the “futures broker”). The initial margin payment will be deposited with the custodian bank in an account, registered in the futures broker’s name, that the futures broker can gain access to only under specified conditions. As a future is marked-to-market (that is, its value on the books is changed to reflect changes in its market value), subsequent margin payments, called variation margin, will be paid to or from the futures broker daily. At any time prior to expiration of the future, the purchaser may elect to close out its position, at which time a final determination of variation margin is made and any cash in the margin account must be paid or released. The purchaser then realises any loss or gain on the futures transaction for tax purposes.

### ***Index Futures***

Index futures are based on the value of the basket of securities that comprise an index. These contracts obligate the buyer or seller to pay cash to settle the futures transaction, based on the fluctuation of the index’s value in response to the change in the relative values of the underlying securities that are included in the index over the term of the contract. No delivery of the underlying securities is made to settle the futures contract. The buyer or seller of an index future is obligated to pay cash to settle the transaction, based on the fluctuation of the index’s value in response to the changes in the relative values of the underlying securities that are included in the index over the term of the contract. Either party may also settle the transaction by entering into an offsetting contract. An index cannot be purchased or sold directly.

### ***Interest Rate Futures***

An interest rate future obligates the seller to deliver (and the purchaser to take) cash or a specified type of debt security to settle the futures transaction. Either party could also enter into an offsetting contract to close out the position.

### ***Forwards***

A forward is an obligation to purchase or sell a specific asset at a future date at a price set at the time of the contract. A Fund may buy and sell currencies on a forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time, to reduce the risks of adverse changes in exchange rates. Currency forwards may be used for currency hedging and to shift exposure to currency fluctuations from one currency to another.

### ***Options***

A call option gives the buyer the right, but not the obligation, to purchase an underlying asset at a specified (strike) price. A put option gives the buyer the right, but not the obligation, to sell an underlying asset at a specified price. A Fund may buy and sell call and put options on futures contracts, financial indices, securities indices, currencies, financial futures, swaps and securities. Options may be traded on a securities or futures exchange or over-the-counter. A Fund may purchase and sell options on futures listed on US and other national exchanges.

A Fund may sell call options if they are “covered.” That means that while the call option is outstanding, the relevant Fund must either own the security subject to the call, or, for certain types of call options, identify liquid assets on its books that would enable it to fulfil its obligations if the option were exercised. A Fund has no limit on the amount of its total assets that may be subject to covered calls. The Fund in question may also sell put options. A Fund must identify liquid assets to cover any put options it sells.

### ***Swap Agreements***

Swap agreements are derivative products in which two parties agree to exchange payment streams that may be calculated in relation to a rate, index, instrument, or certain securities and a particular “notional amount” and which may embed an agreed fee or rate of return for the counterparty. Swaps may be structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease a Fund’s exposure to equity or debt securities, long-term or short-term interest rates, foreign currency values, mortgage-backed securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates and may increase or decrease the overall volatility of a Fund’s portfolio. Swap agreements can take many different forms and are known by a variety of names, including credit default swaps, total return swaps, interest rate swaps, volatility/variance swaps, variance swaps and currency swaps. A Fund is not limited to any particular form of swap agreement if the Investment Manager determines that other forms are consistent with that Fund’s investment objective and policies and the types of swap to be used in respect of a Fund will be set out in the relevant Supplement.

### ***Credit Default Swap***

A credit default swap is a transaction where a “protection buyer” or “buyer” in a credit default contract is obligated to pay the “protection seller” or “seller” a periodic stream of payments over the term of the contract provided that no credit event (as defined in the applicable contract) on an underlying reference obligation has occurred. If a credit event occurs, the seller may be required to transfer substantial value in cash or securities. A Fund may be either the buyer or seller in a credit default swap transaction.

### ***Swap Options/Swaptions***

Swap options are options to enter into swaps, such as interest rate swaps. In exchange for an option premium, the buyer gains the right but not the obligation to enter into a specified swap agreement with the issuer on a specified future date. Funds may also use credit default swaptions on indices, which are options to buy or sell the underlying credit default index swaps at a specified date

Further details regarding the risks relating to a Fund’s use of financial derivative instruments are set out in the section headed “Risk Considerations – Derivative Risks”.

## **Investment in Collective Investment Schemes**

Where so disclosed in the Relevant Supplement, a Fund may invest in other collective investment schemes. The Investment Manager will only invest in closed ended collective investment schemes where it believes that such investment will not prohibit the Fund from providing the level of liquidity to Shareholders referred to in this Prospectus and each relevant Supplement. The closed ended collective investment schemes in which a Fund may invest will include, without limitation, closed ended collective investment schemes listed or traded on the New York Stock Exchange, Euronext Dublin and the London Stock Exchange. Where it is appropriate to its investment objective and policies a Fund may also invest in other Funds of this ICAV. A Fund may only invest in another Fund of this ICAV if the Fund in which it is investing does not itself hold Shares in any other Fund of this ICAV. Any Fund that is invested in another Fund of this ICAV will be invested in a class of Shares for which no management or investment management fee is charged. No subscription, conversion or redemption fees will be charged on any such cross investments by a Fund.

Unless otherwise specified in the Relevant Supplement any such Fund's investment in such other, UCITS eligible collective investment schemes will be limited to 10% of their Net Asset Value in aggregate.

## **Alteration of Investment Objective and Policy**

The investment objective of each Fund will not at any time be altered without the prior approval of an Ordinary Resolution. Changes to investment policies which are material in nature may only be made with the prior approval of an Ordinary Resolution of the Shareholders of the Fund to which the changes relate. In the event of a change of investment objective and/or a material change in the investment policy a reasonable notification period will be provided by the Manager and the Manager will provide facilities to enable Shareholders to redeem their Shares prior to implementation of these changes. A non-material change in the investment policy will not require Shareholder approval, however a reasonable notification period will be provided to enable Shareholders to redeem their Shares prior to implementation of the change.

There can be no assurance or guarantee that a Fund's investments will be successful or its investment objective will be achieved. Please refer to the "Risk Considerations" in this Prospectus and in the Supplements for a discussion of those factors that should be considered when investing in that Fund.

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## SUSTAINABLE FINANCE

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The Manager in conjunction with the Investment Manager has adopted the following policy in respect of ESG Integration for the ICAV. ESG Integration describes the mechanism by which the Manager, acting through the Investment Manager as its delegate, integrates Sustainability Risks into investment decision-making, which may where relevant, require the Investment Manager to assess the potential Sustainability Risks associated with the purchase of investments.

### ***Integration and Analysis of Environmental, Social and Governance Factors***

The Investment Manager acts on the belief that ESG issues can identify potential risks and opportunities. The Investment Manager has signed the United Nations-supported Principles for Responsible Investment ("PRI") to support its commitment to responsible investing, pledging to comply with sustainability commitments and seeking to generate positive environmental and social impact. The Investment Manager operates a disciplined and distinct ESG-integrated investment process in respect of each of the Funds and further details on the manner in which Sustainability Risks are integrated into the investment decision making for the Funds, where relevant, is set out in the relevant Supplement for each Fund.

### ***Responsible Investing and Active Ownership***

Shareholder engagement is an important part of the Investment Manager's investment process. The Investment Manager views conversations with investee companies as a critical component of the investment process. Through engagement, the Investment Manager seeks to create long-term shareholder value and improve ESG standards globally. The Investment Manager considers itself a constructivist, not an activist. The Investment Manager's Proxy Voting & Shareholder Engagement Committee oversees the engagement process which is aligned with the Investment Manager's views of international best practices.

### ***Engagement***

The Investment Manager takes a constructive, consultative approach to interacting with portfolio companies. While many engagements are productive from the start, there are times where steps are taken with certain companies to escalate attention to ESG issues. The Investment Manager has also leveraged its active participation in prominent investor industry groups to inform its engagement approach. The Investment Manager's longstanding work with organisations such as CERES, PRI and the Interfaith Centre for Corporate Responsibility (ICCR) has, in the past, resulted in collaborative engagements with large multinational companies. The Investment Manager has also found value in participating in organisations dedicated to corporate governance, such as the Council of Institutional Investors (CII), to help enhance its own corporate governance analyses and will continue to do so when appropriate.

### ***Proxy Voting***

The Investment Manager believes that shareholder engagement and voting practices are interlinked. Voting is an integral part of the Investment Manager's responsibility as an asset manager of the Funds. The Investment Manager applies due care, diligence and judgment across all portfolio holdings in the interests of the Funds. Many ESG issues can be directly addressed through voting a proxy, and the Investment Manager believes that seeking to effect progress from within companies as a shareholder is an important way to provide impact and positive change. The Investment Manager sees proxy voting on behalf of the Funds as an effective market signal to the underlying companies.

The Investment Manager has developed voting principles and guidelines (the "**Guidelines**") that govern voting proxies in a prudent and diligent manner. The Investment Manager believes that non-financial issues such as ESG practices can have a significant economic impact on the value of an investee company, and evaluates these factors when voting on behalf of the Funds. The Investment Manager also believes that good citizenship is good business and that encouraging investee companies to improve their environmental and social responsiveness can lead to improved financial performance.

The Investment Manager does not automatically vote for or against any class of resolutions, but rather follows a list of

preferences. When appropriate, cases are reviewed individually when the Investment Manager intends to deviate from the Guidelines. The Investment Manager will do so only after due research. The Investment Manager recognises that there are often circumstances that even well thought out guidelines fail to contemplate. Exceptions to the Guidelines can be made after further review has led the Investment Manager to conclude that a change in voting is warranted and in the best interests of the relevant Fund.

On governance issues, the Investment Manager tends to favour resolutions that increase disclosure and reporting and that enhance the transparency of decision-making without placing an undue burden on the investee company or requiring the disclosure of proprietary or competitive information. In addition, the Guidelines favour proposals that:

- Preserve and enhance the rights of minority shareholders
- Increase the board's skill base
- Increase the accountability of both the board and management

With respect to environmental and social factors, the Investment Manager believes that companies should be able to demonstrate that they have appropriate policies and systems in place and that they encompass relevant sustainability risks and opportunities. The Guidelines seek to encourage progress and leadership from companies in areas such as:

- Production of products and services in a manner that is aligned with the sustainable development of the world's economy
- Human capital management policies and practices
- Environmental practices and risk mitigation

The Guidelines are based on three underlying principles, which the Investment Manager believes are fundamental to financial viability and long-term sustainability:

- The primacy of shareholders and the recognition of the standing of other stakeholders
- The independence of the directors and their duty to represent shareholders, including minority shareholders
- A commitment to promoting a culture of transparency and accountability throughout the investee company for sound corporate decision-making

The Guidelines address a broad range of issues reflecting the general views of the Investment Manager and are meant to be used in evaluating individual proxy proposals and to serve as a framework for exercising voting rights. They are not intended to provide a guide as to how the Investment Manager will vote in every instance. Rather, the Guidelines share the Investment Manager's view about corporate governance issues generally and provide insight into how the Investment Manager typically approaches issues on behalf of the Funds that commonly arise on corporate ballots. They are applied with policy discretion, taking into consideration the issues and facts specific to the investee company and the individual ballot item. They are not meant as a comprehensive guide for assessing a corporation or an industry.

### **Sustainability Risk**

Sustainability Risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability Risks can manifest themselves in different ways, such as but not limited to:

- failure to comply with ESG standards resulting in reputational damage, causing a fall in demand for products and services, or loss of business opportunities for a company or industry group,
- changes in laws, regulations or industry norms giving rise to possible fines, sanctions or change in consumer behaviour affecting a company or an entire industry's prospects for growth and development,
- Impacts on companies' operations, assets, supply chain and/or license to operate.

Sustainability Risks can lead to a significant deterioration in the financial profile, profitability or reputation of an

underlying investment of the Fund and thus may materially impact its market price or liquidity. The impact of Sustainability Risks on an investment may emerge over the medium to long term and investment decisions may be made on that basis, with the result that other investments may prove more profitable in the shorter term. Further, Sustainability Risks may not be realised in the manner or to the extent anticipated by the Investment Manager with the result that investments made on an assumption of the applicability of Sustainability Risks may not perform as well as expected. To the extent that a Sustainability Risk occurs, or occurs in a manner that is not anticipated by the Investment Manager, there may be a sudden, material negative impact on the value of an investment and hence on the Net Asset Value of the Fund. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the Net Asset Value of a Fund.

The integration of Sustainability Risk in the investment decision process of the Funds may have the effect of excluding profitable investments from the investment universe of that Fund and may also cause the Fund to sell or refrain from purchasing investments that otherwise would have been expected to be profitable.

Assessment of Sustainability Risks and the principal adverse impacts of investment decisions on sustainability factors is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. In addition, even when such data is identified and obtained, as with any data, there can be no guarantee that ESG data will be correctly assessed. Assessments may also not be conclusive in the investment process for a Fund and, where consistent with the investment policy of the relevant Fund, the Investment Manager may have the discretion to make investment decisions notwithstanding the potential for Sustainability Risks associated with the relevant investments. Equally, the assessment of Sustainability Risk is inevitably subjective to a degree and there can be no guarantee that all investments made by a Fund, even those which integrate the management of Sustainability Risks into their investment selection processes will reflect beliefs or values of any particular investor on sustainable investments. In addition, the circumstances in which Sustainability Risks are not or cannot be integrated into investment decision-making or the assessment of a Sustainability Risk itself may change over time depending on the availability of relevant data or other information which may become available.

### **Taxonomy Regulation**

The Taxonomy Regulation requires disclosure regarding how and to what extent a Fund's investments are in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation. In order for an investment to qualify as environmentally sustainable, it must *inter alia* comply with technical screening criteria established under the Taxonomy Regulation and it must not significantly harm any of the environmental objectives set out in the Taxonomy Regulation. Further information on the Taxonomy alignment of the Funds' investments, as applicable, will be set out in the relevant Supplement for each Fund.

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## RISK CONSIDERATIONS

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**An investment in a Fund involves a high degree of risk, including the risk that the entire amount invested may be lost.** Each Fund is primarily designed to purchase certain investments, which will introduce significant risk to the Fund, including asset performance, price volatility, administrative risk and counterparty risk. No guarantee or representation is made that any Fund's investment program will be successful. Prospective investors should consider the following additional factors in determining whether an investment in a Fund is a suitable investment.

**Each Fund may be deemed to be a speculative investment and is not intended as a complete investment program. Investment in a Fund is suitable only for persons who can bear the economic risk of the loss of their investment and who meet the conditions set forth in this Prospectus and the Subscription Agreement. There can be no assurances that a Fund will achieve its investment objective. Prospective Shareholders should carefully consider the risks involved in an investment in a Fund, including, but not limited to, those discussed below. Various risks discussed below may apply to a Fund. The following does not intend to describe all possible risks of an investment in a Fund. In addition, different or new risks not addressed below may arise in the future. Prospective Shareholders should consult their own legal, tax and financial advisors about the risks of an investment in a Fund. Any such risk could have a material adverse effect on a Fund and its Shareholders.**

**The difference at any one time between the subscription and redemption price of Shares in a Fund (including as a result of any applicable sales charge, redemption charge or anti-dilution levy) means that the investment should be viewed as medium to long term.**

Whilst some risks will be more relevant to certain Funds, investors should ensure that they understand all the risks discussed in this Prospectus, insofar as they may relate to that Fund. In addition the relevant Supplement provides more information on the specific risks associated with individual Funds.

Investors should read all the "Risk Considerations" in this Prospectus and the relevant Supplement to determine applicability to a specific Fund in which the investor intends to invest.

The following "Risk Considerations" detail particular risks associated with an investment in a Fund, which investors are encouraged to discuss with their professional advisers. It does not purport to be a comprehensive summary of all of the risks associated with an investment in a Fund.

### **GENERAL RISKS**

#### ***Forward-Looking Statements***

This Prospectus contains forward-looking statements, including observations about markets and industry and regulatory trends as of the original date of this Prospectus. Forward-looking statements may be identified by, among other things, the use of words such as "intends," "expects," "anticipates" or "believes," or the negatives of these terms, and similar expressions. Forward-looking statements reflect views as of such date with respect to possible future events. Actual results could differ materially from those in the forward-looking statements as a result of factors beyond the control of the Directors, Manager or Investment Manager. Prospective investors are cautioned not to place undue reliance on such statements. Neither the Director, Manager nor Investment Manager has any obligation to update any of the forward-looking statements in this Prospectus.

#### ***General Economic and Market Conditions***

The success of a Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities' prices and the liquidity of a Fund's investments. Volatility or illiquidity could impair a Fund's profitability or result in losses.

Where a Fund's assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by

the inability to broadly diversify investments and thereby subjecting the Fund to greater exposure to potentially adverse developments within those markets or sectors.

Since 2008 world financial markets have experienced extraordinary market conditions, including, among other things, extreme volatility in securities markets and the failure of credit markets to function. When such conditions arise, decreased risk tolerance by investors and significantly tightened availability of credit may result in certain securities becoming less liquid and more difficult to value, and thus harder to dispose of. Such conditions may be exacerbated by, among other things, uncertainty regarding financial institutions and other market participants, increased aversion to risk, concerns over inflation, instability in energy costs, complex geopolitical issues, the lack of availability and higher cost of credit and declining real estate and mortgage markets. These factors, combined with variable commodity pricing, declining business and consumer confidence, increased unemployment and diminished expectations for predictable global financial markets, may lead to a global economic slowdown and fears of a global recession. Neither the duration and ultimate effect of any such market conditions, nor the degree to which such conditions may worsen can be predicted. The continuation or further deterioration of any such market conditions and continued uncertainty regarding markets generally could result in further declines in the market values of potential investments or declines in market values. Such declines could lead to losses and diminished investment opportunities for a Fund, could prevent a Fund from successfully meeting its investment objectives or could require a Fund to dispose of investments at a loss while such unfavourable market conditions prevail. While such market conditions persist, a Fund would also be subject to heightened risks associated with the potential failure of brokers, counterparties and exchanges, as well as increased systemic risks associated with the potential failure of one or more systemically important institutions. See "*Failure of Brokers, Counterparties and Exchanges*".

In reaction to these events since 2008, regulators and lawmakers have taken unprecedented regulatory actions and enacted programs to stabilize the financial markets. Some of the programs enacted during this period have terminated; however, certain governments and regulators continue to consider and implement measures to stabilize global financial markets. Despite these efforts global financial markets remain extremely volatile. It is uncertain whether regulatory actions will be able to prevent losses and volatility in securities markets, or to stimulate the credit markets.

Unpredictable or unstable market conditions may result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realise value from a Fund's existing investments.

### ***Cyber Security Risk***

The ICAV and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting, the Directors, the ICAV, the Manager, the Investment Manager, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a ICAV's ability to calculate its NAV; impediments to trading for the Fund's portfolio; the inability of Shareholders to transact business with the ICAV; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which the Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

### ***Incentive Arrangements***

A Fund's incentive arrangements may involve the payment of performance fees and could create an incentive for the

Investment Manager to select riskier or more speculative trades than would be the case in the absence of such an arrangement. The payment of a performance fee in respect of a Fund will be based on the performance of that Fund which may include net realised and net unrealised gains and losses as at the end of each calculation period. As a result, payments of performance fees may be made in respect of unrealised gains which may subsequently never be realised.

### ***Performance Fee Methodology***

The methodology used by the ICAV in calculating a performance fee in respect of a Fund may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others.

### ***Fraud Risk***

None of the ICAV, the Manager, the Investment Manager, the Administrator, the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of or acting upon instructions from Shareholders, including but not limited to requests for redemptions of Shares, reasonably believed to be genuine, and shall not in any event be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorized or fraudulent instructions. Although, the Administrator shall employ reasonable procedures to seek to establish that instructions are genuine and that the subscription, redemption and switching procedures of the ICAV are adhered to, as appropriate.

### ***Competition***

A Fund may invest in equities, credit and fixed income securities, instruments, leveraged acquisitions and reorganisations. These markets are highly competitive. Competition for investment opportunities includes non-traditional participants, such as hedge funds, public funds including business development companies, and other private investors, as well as more traditional lending institutions. Some of these competitors may have access to greater amounts of capital and to capital that may be committed for longer periods of time or may have different return thresholds than a Fund, and thus these competitors may have advantages not shared by a Fund. In addition, the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. A Fund may incur significant expenses in connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third party advisors.

### ***Public Securities***

In the event that a Fund acquires fixed income securities and/or equity securities that are publicly traded, the Fund will be subject to the risks inherent in investing in public securities. In addition, in such circumstances the Fund may be unable to obtain financial covenants or other contractual rights that it might otherwise be able to obtain in making privately-negotiated debt investments. Moreover, a Fund may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to a privately-negotiated investment. Furthermore, a Fund may be limited in its ability to make investments, and to sell existing investments, in public securities if the Investment Manager or an affiliate has material, non-public information regarding the issuers of those securities. The inability to sell securities in these circumstances could materially adversely affect the investment results of a Fund.

### ***Stock Lending***

A Fund will have a credit risk on a counterparty to any securities lending contract. The risks associated with lending portfolio securities include the possible loss of rights against the collateral for the securities should the borrower fail financially.

### ***Insolvency Considerations With Respect to Issuers of Securities***

Various laws enacted for the protection of creditors may apply to the securities held by a Fund. Insolvency considerations will differ with respect to issuers located in different jurisdictions. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of a loan and/or bond, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such loan or bond and, after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation or if the present fair saleable value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the securities or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a loan or bond, payments made on such loan or bond could be subject to avoidance as a "preference" if made within a certain period of time before insolvency.

In general, if payments on securities may be avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as a Fund) or from subsequent transferees of such payments (such as the Shareholders). To the extent that any such payments are recaptured from a Fund, the resulting loss will be borne by the Shareholders of a Fund at that time pro rata. However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from a Shareholder only to the extent that such court has jurisdiction over such holder or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from a Shareholder that has given value in exchange for its Shares, in good faith and without knowledge that the payments were avoidable.

Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of a Fund.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganisation of a company usually involves the development and negotiation of a plan of reorganisation, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the ICAV and the Funds; it is subject to unpredictable and lengthy delays; and during the process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganisation will, in most cases, not pay current interest, may not accrue interest during reorganisation and may be affected adversely by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

A Fund may invest in companies based in the OECD and non-OECD countries. Investment in the debt of financially distressed companies domiciled in non-OECD countries involves additional risks. Bankruptcy law and process may differ substantially from that in OECD countries, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganisation timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganisation remains highly uncertain.

The Investment Manager, on behalf of a Fund, may elect to serve on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of a Fund's positions as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If the Investment Manager concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to a Fund, it may resign from that committee or group, and in such case a Fund may not realise the benefits, if any, of participation on the committee or group. In addition and also as discussed above, if a Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from

disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

A Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Reorganisations can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. It is possible that the ICAV, a Fund, or the Investment Manager could be named as defendants in civil proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Fund and would reduce net assets.

### ***Investments which are not Liquid***

Certain investments and types of investments are subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for a Fund to value illiquid securities accurately. Also, a Fund may not be able to dispose of illiquid securities or execute or close out a derivatives transaction readily at a time or price or at prices approximating those at which the Fund currently values them. Illiquid securities also may entail registration expenses and other transaction costs that are higher than those for liquid securities. Any use of the efficient portfolio management techniques described in Appendix C, may also adversely affect the liquidity of a Fund's portfolio and will be considered by the Investment Manager in managing the Fund's liquidity risk.

From time to time, the counterparties with which a Fund effects transactions might cease making markets or quoting prices in certain of the instruments in which a Fund has invested. In such instances, a Fund might be unable to enter into a desired transaction or to enter into any offsetting transaction with respect to an open position, which might adversely affect its performance.

### ***Country Risks***

Investments in securities of issuers of different nations and denominated in currencies other than the Base Currency present particular risks. Such risks include changes in relative currency exchange rates; foreign custody risk; time zone arbitrage; political, economic, legal and regulatory developments; taxation; the imposition of exchange controls; confiscation and other governmental restrictions (including those related to foreign investment currency repatriation) or changes in policy. Investment in securities of issuers from different countries offers potential benefits not available from investments solely in securities of issuers from a single country, but also involves certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. The growing inter-relationship of global economies and financial markets has increased the effect of conditions in one country or region on issuers of securities in a different country or region.

Issuers of foreign investments are generally subject to different accounting, auditing and financial reporting standards, practices and requirements in different countries throughout the world. The volume of trading, the volatility of prices and the liquidity of securities may vary in the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws of some countries may limit a Fund's ability to invest in securities of certain issuers located in those countries.

Different markets also have different clearance and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of a Fund is uninvested and no or limited return is earned thereon. The inability of a Fund to make intended investment purchases due to settlement problems could cause a Fund to miss attractive investment opportunities. The inability of a Fund to dispose of its investments due to a failed trade settlement could result in losses to a Fund due to subsequent declines in the value of its investments or, if the Fund has entered into a contract to sell the investments, in a possible liability to the purchaser. There may also be a danger

that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by, or to be transferred to, the Fund.

Some economies may be more vulnerable to political or economic changes than others. They may be more concentrated in particular industries or may rely on particular resources or trading partners to a greater extent. Certain economies may be adversely affected by shortages of investment capital or by high rates of inflation.

With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding taxes on dividend or interest payments or other income, limitations on the removal of funds or other assets of a Fund, political or social instability or diplomatic developments that could affect investments in those countries. Investments may be adversely affected by such possibilities or their realization. An issuer of securities or obligations may be domiciled in a country other than the country in whose currency such securities are denominated. Furthermore, the ability to collect or enforce obligations may vary depending on the laws and regulations of the issuer/borrower's jurisdiction. Additionally, the values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

A change in the value of a foreign currency against the Base Currency will result in a change in the Base Currency value of securities denominated in that foreign currency. If the Base Currency rises in value against a foreign currency, a security denominated in that currency will be worth less in the Base Currency and if the Base Currency decreases in value against a foreign currency, a security denominated in that currency will be worth more in the Base Currency. Foreign currency exchange transactions may impose additional costs on a Fund. A Fund can also invest in derivative instruments linked to foreign currencies. The change in value of a foreign currency against the Base Currency will result in a change in the Base Currency value of derivatives linked to that foreign currency. The Investment Manager's selection of foreign currency denominated investments may not perform as expected. Currency derivative investments may be particularly volatile and subject to greater risks than other types of foreign-currency denominated investments.

There may be very limited regulatory oversight of certain foreign banks or securities depositories that hold foreign securities and foreign currency and the laws of certain countries may limit the ability to recover such assets if a foreign bank or depository or their agents goes bankrupt. There may also be an increased risk of loss of portfolio securities.

If a Fund invests a significant amount of its assets in securities of different countries, it may be exposed to "time-zone arbitrage" attempts by investors seeking to take advantage of differences in the values of foreign securities that might result from events that occur after the close of the foreign securities market on which a security is traded and before the close of a particular stock that day, when a Fund's net asset value is calculated. If such time zone arbitrage were successful, it might dilute the interests of other shareholders.

At times, a Fund might increase the relative emphasis of its investments in a particular region of the world. Securities of issuers in a region might be affected by changes in economic conditions or by changes in government regulations, availability of basic resources or supplies, or other events that affect that region more than others. If a Fund has a greater emphasis on investments in a particular region, it may be subject to greater risks from adverse events that occur in that region than a Fund that invests in a different region or that is more geographically diversified. Political, social or economic disruptions in the region may adversely affect the values of a Fund's holdings.

### ***Russia***

Investment in securities listed on Russian exchanges is subject to heightened risks. Political and economic instability may occur and is likely to have a greater impact on the securities markets and the economy in Russia. Foreign investment is affected by repatriation and currency convertibility. Adverse government policies and taxation laws may also have an impact on a Fund's investments. The legal and regulatory environment is sometimes uncertain and the standards of corporate governance, accounting, auditing and reporting standards may not provide the same degree of investor information and protection as would apply in more developed markets. Furthermore, the settlement, clearing, registration and custody procedures may be underdeveloped which increases the risk of error, fraud or default.

### ***Temporary Defensive and Interim Investments***

A Fund may, in response to adverse market, economic political or other conditions, take a temporary defensive position. This means the Fund may invest a significant portion of its assets in cash, cash equivalents or money market instruments. A Fund might also hold these types of securities as interim investments for ancillary purposes so that it can pay its expenses, satisfy redemption requests or take advantage of investment opportunities. To the extent that a Fund invests in these securities, it might not achieve its investment objective.

### ***Portfolio Turnover***

“Portfolio turnover” describes the rate at which a Fund invested in or divested from its portfolio securities during its last fiscal year. For example, if the Fund sold all of its securities during the year to purchase securities, its portfolio turnover rate would have been 100%. The portfolio turnover rate will fluctuate from year to year. Increased portfolio turnover creates higher brokerage and transaction costs for a Fund, which could reduce its overall performance.

### ***Risks of Developing and Emerging Markets***

Investments in developing and emerging market countries are subject to all the risks associated with foreign investing, however, these risks may be magnified in developing and emerging markets. Investments in securities of issuers in developing or emerging market countries may be considered speculative. Additional information regarding certain of the risks associated with investing in developing and emerging markets is provided below.

- *Less Developed Securities Markets.* Developing or emerging market countries may have less well-developed securities markets and exchanges. Consequently they have lower trading volume than the securities markets of more developed countries and may be substantially less liquid than those of more developed countries.
- *Transaction Settlement.* Settlement procedures in developing or emerging markets may differ from those of more established securities markets, and settlement delays may result in the inability to invest assets or to dispose of portfolio securities in a timely manner. As a result there could be subsequent declines in the value of the portfolio security, a decrease in the level of liquidity of the portfolio or, if there is a contract to sell the security, a possible liability to the purchaser.
- *Price Volatility.* Securities prices in developing or emerging markets may be significantly more volatile than is the case in more developed nations of the world, which may lead to greater difficulties in pricing securities.
- *Less Developed Governments and Economies.* The governments of developing or emerging market countries may be more unstable than the governments of more developed countries. In addition, the economies of developing or emerging market countries may be more dependent on relatively few industries or investors that may be highly vulnerable to local and global changes. Developing or emerging market countries may be subject to social, political, or economic instability. Further, the value of the currency of a developing or emerging market country may fluctuate more than the currencies of countries with more mature markets. Furthermore, the settlement, clearing, registration and custody procedures may be underdeveloped which increases the risk of error, fraud or default.
- *Government Restrictions.* In certain developing or emerging market countries, government approval may be required for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. Other government restrictions may include confiscatory taxation, expropriation or nationalization of company assets, restrictions on foreign ownership of local companies, protectionist measures, and practices such as share blocking.
- *Privatization Programs.* The governments in some developing or emerging market countries have been engaged in programs to sell all or part of their interests in government-owned or controlled enterprises. However, in certain developing or emerging market countries, the ability of foreign entities to participate in privatization programs may be limited by local law. There can be no assurance that privatization programs will be successful.

### ***General Economic and Market Conditions***

The economies of individual emerging markets may differ favourably or unfavourably from developed economies in

such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, the economies of emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may have higher levels of debt or inflation.

With respect to certain countries, there is the possibility of nationalisation, expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income or gross sale or disposition proceeds, limitations on the removal of funds or other assets of a Fund, political changes, government regulation, social instability or diplomatic developments (including war), any of which could affect adversely the economies of such countries or the value of the Fund's investments in those countries.

Where a Fund's assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments thereby subjecting the Fund to greater exposure to potentially adverse developments within those markets or sectors.

#### *Volatility*

Emerging markets are more likely than developed markets to experience periods of extreme volatility. Such volatility could result in substantial losses for a Fund.

#### *Securities Markets*

Securities markets in emerging market countries may have substantially less volume of trading and are generally more volatile than securities markets of developed countries. In certain periods, there may be little liquidity in such markets. There is often less government regulation of stock exchanges, brokers and listed companies in emerging market countries than in developed market countries. Commissions for trading on emerging markets stock exchanges are generally higher than commissions for trading on developed market exchanges. Furthermore, some of a Fund's investments may not be listed on any stock market.

#### *Exchange Rate Fluctuations; Currency Considerations*

The assets of a Fund that are invested in emerging markets may be invested in securities denominated in currencies other than the Base Currency, and any income or capital received by such Fund from these investments may be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent only partially or fully unhedged) between the currency of the relevant emerging market and the currency in which a Class is denominated may affect the value of the Shares. As the currency exchange rates of emerging market countries tend to be more volatile than those of more developed economies, the effect of changes in exchange rates on the value of Shares in a Fund that are invested in emerging markets may be more pronounced than it would be for a fund that invests in more developed markets.

Foreign currency exchange rates are determined by forces of supply and demand in foreign exchange markets. These forces are, in turn, affected by international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. Foreign currency exchange rates may also be affected by affirmative government policies of intervention in the foreign exchange markets, and certain currencies may be affirmatively supported relative to the dollar by their or other governments. Changes in government policy, including a cessation of currency support intervention, may result in abrupt devaluations of such currencies.

Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a Fund at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell that currency to the dealer. Due to the relatively small size of the markets for currencies of emerging market countries, the spread between a dealer's sell and offer prices for such currencies may be greater than that for the currencies of more developed economies, which may result

in relatively higher currency exchange costs for a Fund. Where it is specified in a Supplement, a Fund may conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or by entering into forward or options contracts to purchase or sell currencies.

#### *Emerging Markets Legal and Regulatory Risk*

Many of the laws that govern private investment, securities transactions and other contractual relationships in emerging markets are new and largely untested. As a result, a Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the emerging markets in which assets of a Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. In addition, the income and gains of a Fund may be subject to withholding taxes imposed by governments for which shareholders may not receive a full tax credit.

Regulatory controls and corporate governance of companies in emerging markets usually confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. Disclosure and regulatory standards in emerging markets are in many respects less stringent than those in other international securities markets, with a low level of monitoring and regulation of the market and market participants, and limited and uneven enforcement of existing regulations. Consequently, the prices at which a Fund may acquire investments may be affected by other market participants' anticipation of the Fund's investing and by trading by persons with material non-public information. There may be less publicly available information about an issuer in an emerging market than would be available in a non-emerging market, and the issuer may not be subject to accounting, auditing and financial reporting standards comparable to those of companies in non-emerging markets. Balance sheet and income statement data appearing in the financial statements of emerging markets issuers may not reflect the financial position or results of operations of such issuers in the same way as financial statements prepared in accordance with generally accepted accounting principles in the United States, Western Europe or Japan. Emerging markets issuers that operate in certain inflationary economies may be required to keep records according to inflation accounting rules that require that certain balance sheet assets and liabilities be restated annually in order to express such items in terms of currency of constant purchasing power. This process may indirectly generate losses or profits. As a result, traditional investment measurements, such as price/earnings ratios, may not be useful in certain emerging markets.

Some emerging markets prohibit or impose substantial restrictions on investments in their capital markets by foreign entities such as a Fund. Certain emerging markets require governmental approval prior to investment by foreign persons, limit the amount of such investment in a particular company or limit such investment to only a specific class of securities, which may have less advantageous terms than securities available for purchase by nationals.

Substantial limitations may exist in certain emerging markets with respect to the ability to repatriate income, capital or the proceeds of sales of securities by foreign investors. In addition, if there is a deterioration in a country's balance of payments or for other reasons, an emerging market may impose restrictions on foreign capital remittances abroad. A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the Fund of any restrictions on investments. Finally, the concept of fiduciary duty to shareholders by officers and directors is also limited when compared to such concepts in developed markets. In certain instances management may take significant actions without the consent of shareholders and anti-dilution protection also may be limited.

#### *Diversification and Concentration*

Each Fund will attempt to reduce its exposure to the risks of individual securities by diversifying its investments across a broad number of different issuers. The Funds will not concentrate their investments in issuers in any one industry. At times, however, the Funds may emphasize investments in some industries or sectors more than others. The prices of securities of issuers in a particular industry or sector may go up and down in response to changes in economic conditions, government regulations, availability of basic resources or supplies, or other events that affect that industry

or sector more than others. To the extent that a Fund increases the relative emphasis of its investments in a particular industry or sector, its share values may fluctuate in response to events affecting that industry or sector.

### ***Environmental, Social and Governance Investing***

ESG Integration refers to an investment approach that incorporates ESG criteria into the investment process. There are a wide variety of ESG strategies available to investors, and prospective investors in Funds that employ ESG strategies (each, an “ESG Fund”) should carefully evaluate the Investment Manager’s ESG approach for consistency with their individual objectives and values. The Investment Manager’s ESG approach is expected to evolve over time as new ESG issues and concerns are identified and to reflect developments in best corporate governance and business practices.

ESG market data is limited and much of the data is unstructured and reported in varying increments and timetables. While the Investment Manager endeavours to obtain and analyse relevant ESG market data, there is no guarantee that it will be successful in these efforts. Supply chain information, in particular, is highly complex, multi-tiered and often involving suppliers in multiple countries. With respect to ESG Funds and as further detailed in the relevant Supplement, to the extent feasible and commercially prudent, the Investment Manager seeks to avoid investing in companies that derive material revenue from activities that violate its ESG criteria; however, there can be no assurance that direct or indirect exposures will be identified and/or avoided. Companies may not be required to meet all aspects of the Investment Manager’s ESG criteria to be included in the portfolio of an ESG Fund.

Where a Fund incorporates ESG criteria into the investment process, this could cause the Fund to avoid or sell stocks of companies that otherwise meet the financial criteria for inclusion in the Fund’s investment portfolio and could result in the Fund underperforming similar funds that do not incorporate the Investment Manager’s ESG criteria into their investment process. The Investment Manager manages other strategies and accounts which do not employ its ESG criteria; as a consequence the Investment Manager may cause these other strategies and accounts to own shares in companies that do not take a responsible ESG stance and which may be deemed controversial by certain investors in an ESG Fund.

In addition, where applicable the Investment Manager may vote proxies in a manner which is consistent with its ESG criteria, which may not always be consistent with maximizing the short-term performance of an ESG Fund. Due to varying investment objectives and client preferences and restrictions, the Investment Manager’s proxy voting position by company may not be consistent across all strategies and accounts that it manages. Moreover, the Investment Manager may vote proxies on behalf of other strategies and accounts in a manner which conflicts with proxies voted on behalf of an ESG Fund.

### ***Use of Leverage***

A Fund may borrow to avoid settlement failure and may be leveraged through the use of derivatives. These transactions may expose a Fund to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had a Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the relevant Fund’s cost of borrowing such funds (including interest, transaction costs and other costs of borrowing). Derivative instruments contain inherent leverage in that they provide more market exposure than the money paid or deposited when the transaction is entered into; consequently, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a Fund to the possibility of a loss exceeding the original amount invested or deposited. In addition, many of these products are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

### ***Concentration Risk***

A Fund will generally seek to diversify portfolio investments; however, a significant percentage of the Fund’s assets may be invested from time to time in groups of issuers deriving significant revenues from the same market, region or industry. To the extent a Fund makes such investments, the exposure to equity, credit and market risks associated with such market, region or industry will be increased.

### ***ICAV's Liabilities***

The ICAV will be responsible for paying its fees and expenses regardless of its level of profitability. Pursuant to Irish law, the ICAV should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities between Funds. However, there can be no categorical assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of a Fund will necessarily be upheld.

### ***Limited Disclosure of Certain Information Relating to Securities***

It is not anticipated that the ICAV, the Manager, the Administrator, the Depositary or the Investment Manager will provide any information to any purchasers of Shares relating to any securities held by a Fund. Other than as included in the periodic reports of the ICAV, the Manager, the Administrator, the Depositary and the Investment Manager will not be required to provide the Shareholders with financial or other information (which may include material non-public information) they receive pursuant to the securities held by a Fund and related documents.

### ***Limited Operating History; No Reliance on Past Performance***

A Fund may have limited or no operating history upon which prospective investors can evaluate its likely performance. The success of a Fund depends in substantial part upon the skill and expertise of the personnel of the Investment Manager and the ability of the Investment Manager to develop and successfully implement the investment policy of the Fund. No assurance can be given that the Investment Manager will be able to do so. Moreover, decisions made by the Investment Manager may cause a Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalised. Shareholders are not permitted to engage in the active management and affairs of a Fund. As a result, prospective investors will not be able to evaluate for themselves the merits of investments to be acquired by a Fund prior to their being required to pay for Shares of a Fund. Instead, such investors must rely on the judgment of the Investment Manager to conduct appropriate evaluations and to make investment decisions. Shareholders will be relying entirely on such persons to manage the assets of the ICAV. There can be no assurance that any of the key investment professionals will continue to be associated with the Investment Manager throughout the life of a Fund.

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

The performance of a Fund is largely dependent on the services of a finite number of persons at the Investment Manager. If the services of all or a substantial number of such persons were to become unavailable, the result of such a loss of key management personnel could be substantial losses for the Fund.

### ***Systemic Risk***

A default by one or several large institutions that are dependent on one another to meet their liquidity or operational needs may cause a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which a Fund interacts on a daily basis.

### ***Provisional Allotments***

As the ICAV or a Fund may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares, the ICAV or the Fund may suffer losses as a result of the non-payment of such subscription monies.

## ***FIXED INCOME RISKS***

### ***Debt Securities Generally***

Debt securities (including for the avoidance of doubt, money market instruments) are subject to the risk of an issuer's or a guarantor's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject

to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

In respect of structured securities, they may also be more volatile and less liquid than less complex securities. The timing of purchase and sale transactions in debt obligations may result in capital appreciation or depreciation because the value of debt obligations generally varies inversely with prevailing interest rates.

### ***Risks of Debt Securities***

In particular, debt securities may be subject to interest rate risk, duration risk, credit risk, extension risk, credit spread risk, reinvestment risk, prepayment risk, and event risk. Additional information regarding the risk associated with investing in debt securities is provided below.

Interest rate risk is the risk that when prevailing interest rates fall, the values of already-issued debt securities generally rise; and when prevailing interest rates rise, the values of already-issued debt securities generally fall, and they may be worth less than the amount a Fund paid for them. When interest rates change, the values of longer-term debt securities usually change more than the values of shorter-term debt securities. Risks associated with rising interest rates are heightened given that interest rates are at, or near, historic lows.

Duration risk is the risk that longer-duration debt securities will be more volatile and more likely to decline in price in a rising interest rate environment than shorter-duration debt securities.

Credit risk is the risk that the issuer of a security might not make interest and principal payments on the security as they become due. If an issuer fails to pay interest or repay principal, a Fund's income or share value might be reduced. Adverse news about an issuer or a downgrade in an issuer's credit rating, for any reason, can also reduce the market value of the issuer's securities.

"Credit spread" is the difference in yield between securities that is due to differences in their credit quality. There is a risk that credit spreads may increase when the market expects lower-grade bonds to default more frequently. Widening credit spreads may quickly reduce the market values of the Fund's lower-rated and unrated securities. Some unrated securities may not have an active trading market or may trade less actively than rated securities, which means that the Fund might have difficulty selling them promptly at an acceptable price.

Extension risk is the risk that an increase in interest rates could cause principal payments on a debt security to be repaid at a slower rate than expected. Extension risk is particularly prevalent for a callable security where an increase in interest rates could result in the issuer of that security choosing not to redeem the security as anticipated on the security's call date. Such a decision by the issuer could have the effect of lengthening the debt security's expected maturity, making it more vulnerable to interest rate risk and reducing its market value.

Reinvestment risk is the risk that when interest rates fall a Fund may be required to reinvest the proceeds from a security's sale or redemption at a lower interest rate. Callable bonds are generally subject to greater reinvestment risk than non-callable bonds.

Prepayment risk is the risk that the issuer may redeem the security prior to the expected maturity or that borrowers may repay the loans that underlie these securities more quickly than expected, thereby causing the issuer of the security to repay the principal prior to the expected maturity. A Fund may need to reinvest the proceeds at a lower interest rate, reducing its income.

Event risk is the risk that an issuer could be subject to an event, such as a buyout or debt restructuring, that interferes with its ability to make timely interest and principal payments and cause the value of its debt securities to fall.

### ***Corporate Debt***

Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition, a Fund may be paid interest in kind in

connection with its investments in corporate debt and related financial instruments (e.g., the principal owed to the Fund in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Fund may experience substantial losses.

### ***Sovereign Debt***

Sovereign debt securities (“**Sovereign Debt**”) include fixed income securities issued or guaranteed by governments, their agencies and instrumentalities, and securities issued by supranational entities such as the World Bank or the EU. Investment in Sovereign Debt can involve a high degree of risk, including the risk that the governmental entity that controls the repayment of Sovereign Debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity’s willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, 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, the governmental entity’s policy towards international lenders or agencies and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and other entities to reduce principal and interest arrearages on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on the implementation of economic reforms and/or economic performance and the timely service of such debtor’s obligations. Failure to implement such reforms, achieve specified levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties’ commitments to lend funds to the governmental entity, which may further impair such debtor’s ability or willingness to timely service its debts. Consequently, governmental entities may default on their Sovereign Debt.

Holders of Sovereign Debt may be requested to participate in the rescheduling or restructuring of such debt and to extend further loans to governmental entities. Restructuring arrangements have included, among other things, reducing and rescheduling interest and principal payments by negotiation, new or amended credit agreements and obtaining new credit for finance interest payments. There can be no assurance that foreign Sovereign Debt securities will not be subject to similar restructuring arrangements or to requests for new credit which may have adverse consequences for holders of such debt. Furthermore, certain participants in the secondary market for such debt may be directly involved in negotiating the terms of these arrangements and may therefore have access to information not available to other market participants. In the event of a default by a governmental entity, there may be limited or no effective legal remedies for collecting on such debt. A restructuring or default of Sovereign Debt may also cause additional impacts to the financial markets, such as downgrades to credit ratings, a flight to quality debt instruments, disruptions in common trading markets or unions, reduced liquidity, increased volatility, and heightened financial sector, foreign securities and currency risk, among others.

Debt securities issued by certain “supra-national” entities include entities designated or supported by governments to promote economic reconstruction or development, international banking organizations and related government agencies. Examples are the International Bank for Reconstruction and Development (commonly called the “World Bank”), the Asian Development Bank and the Inter-American Development Bank. A supra-national entity’s lending activities may be limited to a percentage of its total capital, reserves and net income. The governmental members of those supra-national entities are “stockholders” that typically make capital contributions and may be committed to make additional capital contributions if the entity is unable to repay its borrowings. There can be no assurance that the constituent governments will continue to be able or willing to honor their capitalization commitments.

### ***Investment in Fixed Income Securities and Risks of Interest and Exchange Rate Fluctuations***

The fixed-income securities market can be susceptible to increases in volatility and decreases in liquidity. Liquidity may decline unpredictably in response to overall economic conditions or credit tightening. During times of reduced market liquidity, a Fund may not be able to readily sell bonds at the prices at which they are carried on a Fund’s books and could experience a loss. If a Fund needed to sell large blocks of bonds to meet shareholder redemption requests or to raise cash, those sales could further reduce the bonds’ prices, particularly for lower-rated and unrated securities. An unexpected increase in redemptions by Fund shareholders, which may be triggered by general market turmoil or an increase in interest rates, could cause a Fund to sell its holdings at a loss or at undesirable prices.

Economic and other market developments can adversely affect fixed-income securities markets in the EU, the United States and elsewhere. At times, participants in debt securities markets may develop concerns about the ability of certain issuers of debt securities to make timely principal and interest payments, or they may develop concerns about the ability of financial institutions that make markets in certain debt securities to facilitate an orderly market. Those concerns may impact the market price or value of those debt securities and may cause increased volatility in those debt securities or debt securities markets. Under some circumstances, those concerns may cause reduced liquidity in certain debt securities markets, reducing the willingness of some lenders to extend credit, and making it more difficult for borrowers to obtain financing on attractive terms (or at all). A lack of liquidity or other adverse credit market conditions may hamper a Fund's ability to sell the debt securities in which it invests or to find and purchase suitable debt instruments.

More specifically, the Net Asset Value of the Shares of a Fund invested in fixed income securities will change in response to fluctuations in interest rates and currency exchange rates. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income securities generally can be expected to rise and when interest rates rise the value of fixed income securities generally can be expected to fall. The performance of investments in fixed income securities denominated in a specific currency will also depend on the interest rate environment in the country issuing the currency.

### ***Zero Coupon, Deferred Interest Bonds and Payment in Kind Bonds***

A Fund may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. A Fund may also invest in payment in kind bonds, which are debt obligations where interest is paid in the form of the issue of additional bonds. While zero coupon bonds and payment in kind bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments benefit the issuer by mitigating its initial need for cash to meet debt service and some also provide a higher rate of return to attract investors who are willing to defer receipt of such cash. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations which provide for regular payments of interest, and a Fund may accrue income on such obligations even though it receives no cash.

### ***Floating Rate Debt Instruments***

Floating rate debt securities present more complex types of interest rate risks. For example, range floaters are subject to the risk that the coupon will be reduced below market rates if a designated interest rate floats outside of a specified interest rate band or collar. Dual index or yield curve floaters are subject to lower prices in the event of an unfavourable change in the spread between two designated interest rates.

### ***Risks of Investing in Non-Investment Grade Fixed Income Securities***

Non-investment grade fixed income securities are considered predominantly speculative by traditional investment standards. In some cases, these obligations may be highly speculative and have poor prospects for reaching investment grade standing. Non-investment grade fixed income securities and unrated securities of comparable credit quality (commonly known as "high yield bonds") are subject to the increased risk of an issuer's inability to meet principal and interest obligations. These securities, also referred to as high yield securities, may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the high yield bond markets generally and less secondary market liquidity.

Non-investment grade fixed income securities are often issued in connection with a corporate reorganisation or restructuring or as part of a merger, acquisition, takeover or similar event. They are also issued by less established companies seeking to expand. Such issuers are often highly leveraged and generally less able than more established or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.

The market value of non-investment grade fixed income securities tends to reflect individual corporate developments to a greater extent than that of higher rated securities which react primarily to fluctuations in the general level of interest rates. As a result, where a Fund invests in such securities its ability to achieve its investment objective may depend to a greater extent on the Investment Manager's judgement concerning the creditworthiness of issuers than funds which invest in higher-rated securities. Issuers of non-investment grade fixed income securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of higher-rated securities by economic downturns, specific corporate developments or the issuer's inability to meet specific projected business forecasts. Negative publicity about the high yield bond market and investor perceptions regarding lower rated securities, whether or not based on fundamental analysis, may depress the prices for such securities.

A holder's risk of loss from default is significantly greater for non-investment grade fixed income securities than is the case for holders of other debt securities because such non-investment grade securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such securities. Investment by a Fund in defaulted securities poses additional risk of loss should non-payment of principal and interest continue in respect of such securities. Even if such securities are held to maturity, recovery by a Fund of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for non-investment grade fixed income securities is concentrated in relatively few market makers and is dominated by institutional investors, including mutual funds, insurance companies and other financial institutions. Accordingly, the secondary market for such securities is not as liquid as, and is more volatile than, the secondary market for higher-rated securities. In addition, market trading volume for high yield bonds is generally lower and the secondary market for such securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and a Fund's ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for a Fund to obtain precise valuations of the high yield bonds in its portfolio.

Credit ratings issued by credit rating agencies are designed to evaluate the safety of principle and interest payments of rated securities. They do not, however, evaluate the market value risk of non-investment grade securities and, therefore, may not fully reflect the true risks of an investment. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value of the security. Consequently, credit ratings are used only as a preliminary indicator of investment quality.

### ***Unrated Securities***

Because a Fund may purchase securities that are not rated by any nationally recognized statistical rating organization, the Investment Manager may internally assign ratings to those securities, after assessing their credit quality and other factors, in categories similar to those of nationally recognized statistical rating organizations. Unrated securities are considered "investment-grade" or "non-investment grade" if judged by the Investment Manager to be comparable to rated investment-grade or non-investment grade securities. There can be no assurance, nor is it intended, that the Investment Manager's credit analysis process is consistent or comparable with the credit analysis process used by a nationally recognized statistical rating organization. The Investment Manager's rating does not constitute a guarantee of the credit quality. In addition, some unrated securities may not have an active trading market, which means that a Fund might have difficulty selling them promptly at an acceptable price. In evaluating the credit quality of a particular security, whether rated or unrated, the Investment Manager will normally take into consideration a number of factors including, but not limited to, the financial resources of the issuer, the underlying source of funds for debt service on a security, the issuer's sensitivity to economic conditions and trends, any operating history of the facility financed by the obligation, the degree of community support for the financed facility, the capabilities of the issuer's management, and regulatory factors affecting the issuer or the particular facility

### ***Emerging Market Debt Securities***

In addition to the risks related to investments in emerging markets generally, emerging market debt securities may be subject to greater risk of loss of principal and interest than debt securities issued by obligors in developed countries and may be considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They may also be generally subject to greater risk than securities with issued by obligors in developed

countries in the case of deterioration of general economic conditions. Additionally, evaluating credit risk for emerging market debt securities may involve greater uncertainty. Because investors generally perceive that there are greater risks associated with emerging market debt securities, the yields or prices of such securities may tend to fluctuate more than those for debt securities issued by obligors in developed countries. The market for emerging market debt securities may be thinner and less active than that for debt securities issued by obligors in developed countries, which can adversely affect the prices at which emerging market debt securities are sold. In addition, adverse publicity and investor perceptions about emerging market debt securities and the economies of emerging market countries generally, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities.

### ***Risks of Spread Transactions***

Where a Fund enters into spread transactions, it is subject to the risk that the prices of the currencies underlying the positions comprising such spreads will not fluctuate in the same direction or to the same extent during the period in which the spread position is maintained. Under such circumstances, the Fund could sustain losses on one or both legs of the spread position.

### ***Arbitrage Risk***

A Fund can invest in securities in order to take advantage of a perceived relationship between the value of two securities present. Securities purchased or sold short pursuant to such a strategy may not perform as intended, which may result in a loss to the Fund. Additionally, issuers of a security purchased pursuant to such a strategy are often engaged in significant corporate events, such as restructurings, acquisitions, mergers, takeovers, tender offers or exchanges, or liquidations. Such events may not be completed as initially planned or expected, or may fail.

### ***Mortgage-Backed and Asset-Backed Securities***

A Fund may invest in securities that represent an interest in a pool of mortgages (“**mortgage-backed securities**”) and, subject to applicable law, credit card receivables, auto loans or other types of loans (“**asset-backed securities**”). Payments of principal and interest on the underlying loans are passed through to the holders of such securities over the life of the securities. Most mortgage-backed and asset-backed securities are subject to early prepayment of principal, which can be expected to accelerate during periods of declining interest rates. Such prepayments can usually be reinvested only at the lower yields then prevailing in the market. Therefore, during periods of declining interest rates, these securities are less likely than other fixed income obligations to appreciate in value and less effective at locking in a particular yield. On the other hand, mortgage-backed and asset-backed securities are subject to substantially the same risk of depreciation during periods of rising interest rates as other fixed income securities.

Asset-backed securities present certain credit risks that are not presented by mortgage-backed securities because asset-backed securities generally do not have the benefit of a security interest over the collateral that is comparable to mortgage assets. There is the possibility that, in some cases, recoveries on repossessed collateral may not be available to support payments on these securities.

### ***Structured Notes***

A Fund may invest in structured notes. The values of the structured notes in which a Fund will invest may be linked to equities or debt instruments (“**reference instruments**”). These notes differ from other types of debt securities in several respects. The interest rate or principal amount payable at maturity may vary based on changes in the value of the reference instruments. A structured note may be positively or negatively indexed; that is, its value or interest rate may increase or decrease if the value of the reference instrument increases. Similarly, its value may increase or decrease if the value of the reference instrument decreases. Further, the change in the principal amount payable with respect to, or the interest rate of, a structured note may be a multiple of the percentage change (positive or negative) in the value of the underlying reference instrument(s). Investments in structured notes involve certain risks, including the credit risk of the issuer and the normal risks of price changes in response to changes in interest rates. Further, in the case of certain structured notes, a decline or increase in the value of the reference instrument may cause the interest rate to be reduced to zero, and any further declines or increases in the reference instrument may then reduce the principal amount payable on maturity. Finally, these securities may be less liquid than other types of securities,

and may be more volatile than their underlying reference instruments.

### ***Event-Linked Securities***

Event-linked securities (including “catastrophe” bonds and other insurance-linked securities) are fixed income securities for which the return of principal and payment of interest is contingent on the non-occurrence of a trigger event, such as a hurricane, earthquake, or other catastrophe or series of catastrophe events that leads to physical or economic loss(es). If the trigger event occurs prior to maturity, a Fund may lose all or a portion of its principal and additional interest. Event-linked securities may expose a Fund to certain other risks, including issuer default, adverse regulatory or jurisdictional interpretations, liquidity risk and adverse tax consequences.

### ***Senior Loans and Other Loans***

A Fund may invest in loans, and in particular, in floating rate loans (sometimes referred to as “adjustable rate loans”) that hold (or in the judgment of the Investment Manager, hold) a senior position in the capital structure of corporations, partnerships or other business entities that, under normal circumstances, allow them to have priority of claim ahead of (or at least as high as) other obligations of a borrower in the event of liquidation. These investments are referred to as “Senior Loans.” Senior loans typically have higher recoveries than other debt obligations that rank lower in the priority of payments for a particular debtor, because in most instances they take preference over those subordinated debt obligations, with respect to payment of interest and principal, and over stock. However, a Fund is still subject to the risk that the borrower under a loan will default on scheduled interest or principal payments and that the assets of the borrower to which a Fund has recourse will be insufficient to satisfy in full the payment obligations that the borrower has to the Fund. The risk of default will increase in the event of an economic downturn or, in the case of a floating rate loan, a substantial increase in interest rates (because the cost of the borrower’s debt service will increase as the interest rate on its loan is upwardly adjusted). A Fund may own a debt obligation of a borrower that becomes, or is about to become, insolvent. A Fund can also purchase debt obligations that are extended to a bankrupt entity (so called debtor-in-possession or ‘DIP’ financing) or debt obligations that are issued in connection with a restructuring of the borrower under insolvency laws.

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

A Fund may acquire securities subject to repurchase agreements. Repurchase agreements may be acquired for temporary defensive purposes, to maintain liquidity to meet anticipated share redemptions, pending the investment of the proceeds from sales of shares, or pending the settlement of portfolio securities transactions. In a repurchase transaction, the purchaser buys a security from, and simultaneously resells it to, an approved institution for delivery on an agreed-upon future date. The resale price exceeds the purchase price by an amount that reflects an agreed-upon interest rate effective for the period during which the repurchase agreement is in effect.

A reverse repurchase agreement is the sale of a debt obligation to a party for a specified price, with the simultaneous agreement to repurchase it from that party on a future date at a higher price. Similar to a borrowing, reverse repurchase agreements provide a Fund with cash for investment and operational purposes. Reverse repurchase agreements that the Fund may engage in also create leverage. When the Fund engages in reverse repurchase agreements, changes in the value of a Fund’s investments will have a larger effect on its share price than if it did not engage in these transactions due to the effect of leverage. Reverse repurchase agreements create fund expenses and require that a Fund have sufficient cash available to repurchase the debt obligation when required.

Reverse repurchase agreements also involve the risk that the market value of the debt obligation that is the subject of the reverse repurchase agreement could decline significantly below the price at which a Fund is required to repurchase the security. A Fund will identify liquid assets on its books to cover its obligations under reverse repurchase agreements until payment is made to the other party.

In the event the other party to a repurchase agreement or a reverse repurchase agreement becomes subject to a bankruptcy or other insolvency proceeding or such party fails to satisfy its obligations thereunder, the ICAV could (i) experience delays in recovering cash or the securities sold (and during such delay the value of the underlying securities may change in a manner adverse to the ICAV) or (ii) lose all or part of the income, proceeds or rights in the securities to which the ICAV would otherwise be entitled.

## **EQUITIES RISKS**

### ***Equity and Equity-Related Securities and Instruments***

Equity market risk is the possibility that stock prices overall will decline over short or even extended periods. Equity markets are volatile and tend to move in cycles, with periods of rising and falling stock prices. This volatility in stock prices means that the value of an investor's holding in a Fund may go down as well as up and an investor may not recover the amount invested. Equities are representatives of companies' capital and expose the investor at the economic risk of the enterprise, so the investor is exposed to the risk of losing completely the money invested in equities.

A Fund may, directly or indirectly, purchase equity-related securities and instruments, such as convertible securities, warrants, rights, stock options and individual stock futures. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even loss of a key executive, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer's stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. In addition, certain options and other equity-related instruments may be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk and operations risk, and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities in which a Fund invests and can result in significant losses.

### ***Risks of Investing in Stocks***

The value of a Fund's portfolio may be affected by changes in the stock markets. Stock markets may experience significant short-term volatility and may fall sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and may move in the opposite direction from one another.

The prices of individual stocks generally do not all move in the same direction at the same time. For example, "growth" stocks may perform well under circumstances in which "value" stocks in general have fallen. A variety of factors can affect the price of a particular company's stock. These factors may include, but are not limited to: poor earnings reports, a loss of customers, litigation against the company, general unfavorable performance of the company's sector or industry, or changes in government regulations affecting the company or its industry. To the extent that securities of a particular type are emphasized (for example foreign stocks, stocks of small- or mid-cap companies, growth or value stocks, or stocks of companies in a particular industry), fund share values may fluctuate more in response to events affecting the market for those types of securities.

### **Investment in Small Capitalisation Companies**

Small-cap companies may be either established or newer companies, including "unseasoned" companies that have been in operation for less than three years. While smaller companies might offer greater opportunities for gain than larger companies, the investment risk associated with small cap companies is higher than that normally associated with larger, older companies due to the greater business risks associated with small size, the relative age of the company, limited product lines, distribution channels and financial and managerial resources. Further, there is typically less publicly available information concerning smaller companies than for larger, more established ones. The securities of small companies are often traded only over-the-counter and may not be traded in the volumes typical of trading on national securities exchange. Nonetheless, a Fund will not invest more than 10% of its net assets in securities traded over the counter as provided in the "Investment Restrictions" section. As a result, in order to sell this type of holding, a Fund may need to discount the securities from recent prices or dispose of the securities over a long period of time. The prices of this type of security may be more volatile than those of larger companies which are often traded on a national securities exchange.

When a Fund invests in smaller company securities that might trade infrequently, investors might seek to trade fund shares based on their knowledge or understanding of the value of those securities (this is sometimes referred to as “price arbitrage”). If such price arbitrage were successful, it might interfere with the efficient management of a Fund’s portfolio and a Fund may be required to sell securities at disadvantageous times or prices to satisfy the liquidity requirements created by that activity. Successful price arbitrage might also dilute the value of fund shares held by other shareholders.

### **Investing in Small, Unseasoned Companies**

These are companies that have typically been in operation for less than three years, including the operations of any predecessors. Because small, unseasoned companies may be less secure financially, they may rely on borrowing to a greater extent. In that case, they may be more susceptible to adverse changes in interest rates than larger, more established companies. Small, unseasoned companies may also offer fewer products and rely on fewer key personnel. Market or economic developments may have a significant impact on these companies and on the value of their securities. These companies may have a limited trading market and the prices of their securities may be volatile, which could make them difficult to sell in a short period of time at a reasonable price. If other investors that own the security are trading it at the same time, it may have a more significant effect on the security’s price than that trading activity would have on the security price of a larger company. Securities of smaller, newer companies are also subject to greater risks of default than those of larger, more established issuers. These securities may be considered speculative and could increase overall portfolio risks.

### **Investment in Mid Capitalisation Companies**

Mid-cap companies are generally companies that have completed their initial start-up cycle, and in many cases have established markets and developed seasoned management teams. While mid-cap companies might offer greater opportunities for gain than larger companies, they also involve greater risk of loss. They may be more sensitive to changes in a company’s earnings expectations and may experience more abrupt and erratic price movements than larger companies. Mid-cap companies’ securities often trade in lower volumes and in many instances, are traded over-the-counter or on a regional securities exchange, where the frequency and volume of trading is substantially less than is typical for securities of larger companies traded on national securities exchanges. Therefore, the securities of mid-cap companies may be subject to wider price fluctuations and may be less liquid than securities of larger exchange-traded issuers, meaning it might be harder for a Fund to dispose of those holdings at an acceptable price when it wants to sell them. Mid-cap companies may have less established markets for their products or services and may have fewer customers and product lines than larger companies. They may have more limited access to financial resources and may not have the financial strength to sustain them through business downturns or adverse market conditions. Since mid-cap companies typically reinvest a high proportion of their earnings in their business, they may not pay dividends for some time, particularly if they are newer companies. Mid-cap companies may have unseasoned management or less depth in management skill than larger, more established companies. They may be more reliant on the efforts of particular members of their management team and management changes may pose a greater risk to the success of the business. Securities of unseasoned companies may be particularly volatile, especially in the short term and in periods of market instability, and may have limited liquidity in a declining market. It may take a substantial period of time to realise a gain on an investment in a mid-cap company, if any gain is realised at all.

### ***Preferred Stock, Convertible Securities, Rights and Warrants***

The value of preferred stocks, convertible securities, rights and warrants will vary with the movements in the equity market and the performance of the underlying common stock, in particular. Their value is also affected by adverse issuer or market information. Thus, for example, as the value of the underlying common stock of an issuer fluctuates, the value of the preferred stock of such issuer would also be expected to fluctuate. With respect to warrants, their value may decrease or may be zero and thus not be exercised if the market price of the underlying securities remains lower than the specified price at which holders of warrants are entitled to buy such securities, resulting in a loss to the Fund of the purchase price of the warrant (or the embedded warrant price in the case of securities issued with warrants attached).

With respect to convertible debt securities, the market value of such securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock

underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stock in an issuer's capital structure and consequently entail less risk than the issuer's common stock. In evaluating a convertible security, the Investment Manager will give primary emphasis to the attractiveness of the underlying common stock. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on a Fund's ability to achieve its investment objective.

### ***Voting Rights***

The Investment Manager may in its discretion exercise or procure the exercise of all voting or other rights which may be exercisable in relation to investments held by a Fund, including Shares held by a Fund in another Fund. In relation to the exercise of such rights the Investment Manager may establish guidelines for the exercise of voting or other rights and the Investment Manager may, in its discretion, elect not to exercise or procure the exercise of such voting or other rights.

### **Dividend Risk**

There is no guarantee that the issuers of the stocks held by a Fund will declare dividends in the future or that, if dividends are declared, they will remain at their current levels or increase over time. Depending on market conditions, dividend paying stocks that also meet a Fund's investment criteria may not be widely available for purchase by a Fund. This may increase the volatility of a Fund's returns and may limit the ability of a Fund to produce current income while remaining fully diversified. High-dividend stocks may not experience high earnings growth or capital appreciation. A Fund's performance during a broad market advance could suffer because dividend paying stocks may not experience the same capital appreciation as non-dividend paying stocks.

### ***Depository Receipts***

A Fund may purchase sponsored or unsponsored American Depository Receipts ("ADRs"), European Depository Receipts ("EDRs") and Global Depository Receipts ("GDRs") (collectively "**Depository Receipts**") typically issued by a bank or trust company which evidence ownership of underlying securities issued by a foreign corporation. EDRs and GDRs are typically issued by banks or trust companies and evidence ownership of underlying securities issued by a corporation.

Generally, Depository Receipts in registered form are designed for use in the US securities market and Depository Receipts in bearer form are designed for use in securities markets outside the United States. Depository Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. Depository Receipts may be issued pursuant to sponsored or unsponsored programs. In sponsored programs, an issuer has made arrangements to have its securities traded in the form of Depository Receipts. In unsponsored programs, the issuer may not be directly involved in the creation of the program. Although regulatory requirements with respect to sponsored and unsponsored programs are generally similar, in some cases it may be easier to obtain financial information from an issuer that has participated in the creation of a sponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between such information and the market value of the Depository Receipts.

### **Real Estate Risk**

An investment in a Fund may be closely linked to the performance of the real estate markets. Real estate securities are subject to the same risks as direct investments in real estate and mortgages, and their value will depend on the value of the underlying properties or the underlying loans or interests. The underlying loans may be subject to the risks of default or of prepayments that occur earlier or later than expected, and such loans may also include so-called "subprime" mortgages. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property and interest rates. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying

properties.

### **Real Estate Investment Trust (REIT) Risk**

Investing in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of any credit extended. REITs are dependent upon management skills, may not be diversified geographically or by property/mortgage asset type, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs may be more volatile and/or more illiquid than other types of equity securities.

REITs (especially mortgage REITs) are also subject to interest rate risks. When interest rates decline, the value of a REIT's investment in fixed rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT's investment in fixed rate obligations can be expected to decline. In contrast, as interest rates on adjustable rate mortgage loans are reset periodically, yields on a REIT's investments in such loans will gradually align themselves to reflect changes in market interest rates, causing the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments in fixed rate obligations.

Investing in certain REITs involves risks similar to those associated with investing in small capitalization companies. These REITs may have limited financial resources, may trade less frequently and in limited volume and may be subject to more abrupt or erratic price movements than larger company securities. Historically, small capitalization stocks, such as REITs, have been more volatile in price than the larger capitalization stocks included in the S&P 500 Index. The management of a REIT may be subject to conflicts of interest with respect to the operation of the business of the REIT and may be involved in real estate activities competitive with the REIT. REITs may own properties through joint ventures or in other circumstances in which the REIT may not have control over its investments. REITs may incur significant amounts of leverage.

While the Investment Manager attempts to invest wisely, all investments involve risk. Because a Fund could invest in real estate securities, including REITs, the Fund is subject to the risks of investing in the real estate industry, such as changes in general and local economic conditions, the supply and demand for real estate and changes in zoning and tax laws. If a Fund concentrates in the real estate industry, its holdings can vary significantly from broad market indexes. As a result, a Fund's performance can deviate from the performance of such indexes. Because the Investment Manager invests in stocks, there is the risk that the price of a particular stock owned could go down or pay lower-than-expected or no dividends. In addition to an individual stock losing value, the value of the equity markets or of companies comprising the real estate industry could go down.

### **REAL ESTATE RELATED SECURITIES**

Although a Fund may not invest directly in real estate, a Fund may invest in securities of issuers that are principally engaged in the real estate industry. Therefore, an investment by a Fund is subject to certain risks associated with the ownership of real estate and with the real estate industry in general. These risks include, among others: possible declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds or other limitations on access to capital; overbuilding; risks associated with leverage; market illiquidity; extended vacancies of properties; increase in competition, property taxes, capital expenditures and operating expenses; changes in zoning laws or other governmental regulation; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; tenant bankruptcies or other credit problems; casualty or condemnation losses; uninsured damages from floods, earthquakes or other natural disasters; limitations on and variations in rents, including decreases in market rates for rents; investment in developments that are not completed or that are subject to delays in completion; and unfavourable changes in interest rates. To the extent that assets underlying a Fund's investments are concentrated geographically, by property type or in certain other respects, a Fund may be subject to certain of the foregoing risks to a greater extent.

Investments by a Fund in securities of companies providing mortgage servicing will be subject to the risks associated with refinancings and their impact on servicing rights.

## **DERIVATIVE RISKS**

### ***Derivative Instruments Generally***

A Fund may make extensive use of derivatives in its investment policy. Derivatives are financial instruments that derive their performance, at least in part, from the performance of an underlying asset, index, or interest rate. Examples of derivatives include, but are not limited to, swap agreements, futures contracts, options contracts, and options on futures contracts. A futures contract is an exchange-traded agreement between two parties, a buyer and a seller, to exchange a particular financial instrument at a specific price on a specific date in the future. An option transaction generally involves a right, which may or may not be exercised, to buy or sell a financial instrument at a particular price on a specified future date.

A Fund's use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities or more traditional investments, depending upon the characteristics of the particular derivative and the overall portfolio of the Fund as a whole. Derivatives permit an investor to increase or decrease the level of risk of its portfolio, or change the character of the risk to which its portfolio is exposed, in much the same way as an investor can increase or decrease the level of risk, or change the character of the risk, of its portfolio by making investments in specific securities.

Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on a Fund's performance. If a Fund invests in derivatives at inopportune times or judges market conditions incorrectly, such investments may lower the Fund's return or result in a loss, which could be significant. Derivatives are also subject to various other types of risk, including market risk, liquidity risk, structuring risk, counterparty financial soundness, credit worthiness and performance risk, legal risk and operations risk. In addition, a Fund could experience losses if derivatives are poorly correlated with its other investments, or if the Fund is unable to liquidate its position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives.

Engaging in derivative transactions involves a risk of loss to a Fund that could materially adversely affect the Fund's NAV. No assurance can be given that a liquid market will exist for any particular contract at any particular time.

A Fund's use of derivative instruments involves risks different from and possibly greater than, the risks associated with investing directly in securities. These risks include:

- Potential changes in value in response to interest rate changes or other market developments or as a result of the counterparty's credit quality;
- The potential for the derivative transaction to not have the effect the Investment Manager anticipated;
- The failure of the counterparty to the derivative transaction to perform its obligations under the transaction or to settle a trade;
- Possible mispricing or improper valuation of the derivative instrument;
- Imperfect correlation in the value of a derivative with the asset, rate, or index underlying the derivative;
- The risks specific to the asset underlying the derivative instrument;
- Possible increase in the amount and timing of taxes payable by investors;
- Lack of liquidity for a derivative instrument if a secondary trading market does not exist;
- The potential for reduced returns to a Fund due to losses on the transaction and an increase in volatility; and
- The potential for conflicts of interest if a Fund enters into derivatives transactions with or through the Manager,

the Investment Manager or one of its affiliates.

- Legal risks arising from the form of contract used to document derivative trading.

When a Fund invests in certain derivative instruments, it could lose more than the stated amount of the instrument. In addition, some derivative transactions can create investment leverage and may be highly volatile and speculative in nature.

Further, when a Fund invests in a derivative instrument, it may not be required to post collateral equal to the amount of the derivative investment. Consequently, the cash held by the Fund (generally equal to the unfunded amount of the derivative) will typically be invested in money market instruments and therefore, the performance of the Fund will be affected by the returns achieved from these investments. It is possible that returns on the investment of this cash may have a negative impact on the performance and/or returns of the Fund. Risk factors in relation to the specific types of derivatives that a Fund may use are also set out in the Supplement.

### ***Derivatives with Respect to High-Yield and Other Indebtedness***

A Fund may engage in trading of derivatives with respect to high yield and other debt. In addition to the credit risks associated with holding high yield debt securities, with respect to derivatives involving high yield and other debt, the Fund will usually have a contractual relationship only with the counterparty of the derivative, and not with the issuer of the indebtedness. Generally, a Fund will have no right to directly enforce compliance by the issuer with the terms of the derivative nor any rights of set-off against the issuer, nor have any voting rights with respect to the indebtedness. A Fund will not directly benefit from the collateral supporting the underlying indebtedness and will not have the benefit of the remedies that would normally be available to a holder of the indebtedness. In addition, in the event of the insolvency of the counterparty to the derivative, the Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying indebtedness. Consequently, the Fund will be subject to the credit risk of the counterparty as well as that of the issuer of the indebtedness. As a result, concentrations of such derivatives in any one counterparty may subject the Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the issuer of the underlying indebtedness.

### ***Futures***

A Fund may use futures as part of its investment program. 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 particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. It is also possible that an exchange may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The circumstances described above could prevent the Investment Manager from liquidating unfavourable positions promptly and subject a Fund to substantial losses. These circumstances could also impair the Fund’s ability to withdraw its investments in order to satisfy redemption requests by Shareholders in a timely manner. An investment in a Fund is therefore suitable only for certain sophisticated investors that will not be materially impacted by postponements of the Fund’s normal redemption dates.

The successful use of futures for speculative purposes is subject to the ability to predict correctly movements in the direction of the relevant market, and, to the extent the transaction is entered into for hedging purposes, to ascertain the appropriate correlation between the transaction being hedged and the price movements of the futures contract.

### ***Forward Contracts***

A Fund may enter into forward contracts and options thereon which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Banks and other dealers with whom a Fund may maintain accounts may require the Fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. A Fund’s counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There

have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a Fund. In addition, disruptions can occur in any market traded by a Fund due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to a Fund. In addition, a Fund may be exposed to credit risks with regard to counterparties with whom it trades as well as risks relating to settlement default. Such risks could result in substantial losses to such Fund. An example of a forward contract is a currency forward.

### ***When-Issued and Forward Commitment Securities***

A Fund may purchase securities on a “when-issued” basis and may purchase or sell securities on a “forward commitment” basis in order to hedge against anticipated changes in interest rates and prices or for speculative purposes. These transactions involve a commitment by the Fund to purchase or sell securities at a future date (ordinarily at least one or two months later). The price of the underlying securities, which is generally expressed in terms of yield, is fixed at the time the commitment is made, but delivery and payment for the securities takes place at a later date. No income accrues on securities that have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery to the Fund. There is a risk that securities purchased on a when-issued basis may not be delivered and that the purchaser of securities sold by the Fund on a forward basis will not honour its purchase obligation. In such cases, the Fund may incur a loss.

### ***Options***

A Fund may directly or indirectly sell or purchase call options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing his entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security.

A Fund may directly or indirectly sell or purchase put options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put option holds the underlying security, the loss on the put option will be offset in whole or in part by any gain on the underlying security.

### ***Trading in futures contracts, options, foreign exchange and leveraged foreign exchange transactions***

The risk of loss in trading futures contracts, options, foreign exchange and leveraged foreign exchange transactions can be substantial. In particular:

- (a) If a Fund purchases or sells a futures contract or leveraged foreign exchange transaction, the Fund may sustain a total loss of the Fund's position. If the market moves against a Fund's position, the Fund may be called upon to deposit a substantial amount of additional margin funds on short notice in order to maintain its position. If a Fund does not provide the required funds within the specified time, its position may be liquidated

at a loss, and the Fund will be liable for any resulting deficit in its account.

- (b) Under certain market conditions, a Fund may find it difficult or impossible to liquidate a position.
- (c) The placement of contingent orders by the Investment Manager authorised by a Fund, such as a 'stop-loss' or 'stop limit' order, will not necessarily limit a Fund's losses to the intended amounts, since market conditions may make it difficult or impossible to execute such orders.
- (d) A 'spread' position may not be less risky than a simple 'long' or 'short' position.
- (e) The high degree of leverage that is often obtainable in futures and leveraged foreign exchange trading can work against a Fund as well as for a Fund. The use of leverage can lead to large losses as well as gains.
- (f) A Fund is subject to substantial charges for management and advisory fees. It may be necessary for a Fund to make substantial trading profits to avoid depletion or exhaustion of its assets.

### **Swap Agreements**

A Fund may enter into swap agreements. Swaps may be subject to various types of risks, including market risk, liquidity risk, structuring risk, tax risk, and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

The most significant factor in the performance of swaps is the change in individual equity values, specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap calls for payments by a Fund, the Fund must have sufficient cash available to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of a swap agreement would be likely to decline, potentially resulting in losses to the Fund.

Swaps may be individually negotiated transactions in the over-the-counter market in which a Fund assumes the credit risk of the other counterparty to the swap and is exposed to the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of the swap counterparty. Such over-the-counter swap transactions may be highly illiquid and may increase or decrease the volatility of a Fund's portfolio. If there is a default by a counterparty, a Fund under most normal circumstances will have contractual remedies pursuant to the swap agreement; however, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Fund being less than if the Fund had not entered into the transaction. Furthermore, there is a risk that a swap counterparty could become insolvent and/or the subject of insolvency proceedings, in which event the recovery of the collateral posted by the Fund with such counterparty or the payment of claims under the swap agreement may be significantly delayed and the Fund may recover substantially less than the full value of the collateral entrusted to such counterparty or of the Fund's claims.

A Fund will also bear the risk of loss if it breaches the swap agreement or if it fails to post or maintain required collateral. Recent changes in law and regulation require certain types of swap agreements to be transacted on exchanges and/or cleared through a clearinghouse, and will in the future require additional types of swap agreements to be transacted on exchanges and/or cleared through a clearinghouse. See "The EU Regulation on OTC derivatives, central counterparties and trade repositories" and "Changes to US Securities Law - Derivatives Regulation."

### **Credit Default Swaps**

A Fund may enter into credit default swap transactions. If a Fund is a protection buyer under the contract and no credit event occurs, the Fund will lose its investment and recover nothing. However, if a credit event occurs, the Fund (as buyer) may receive the full notional value of the reference obligation even if the reference obligation has little or no value. As a seller, a Fund generally receives a fixed rate of income throughout the term of the contract, which generally is between six months and ten years (depending on the maturity of the underlying reference obligation), provided that there is no credit event. If a credit event occurs, a Fund (as seller) will be required to pay the full notional value of the reference obligation. Credit default swap transactions may involve greater risks than if a Fund had invested in the

reference obligation directly.

A Fund may also purchase credit default swap contracts in order to hedge against the risk of a credit event with respect to debt securities it holds. This would involve the risk that the credit default swap may expire worthless and would only generate income in the event of an actual credit event by the issuer of the underlying reference obligation. It would also involve a credit risk that the seller may fail to satisfy its payment obligations to the Fund in the event of a credit event.

Selling credit default protection creates a synthetic “long” position which may replicate the terms of credit exposure to the referenced cash-market security or index. However, there can be no assurance that the price relationship between the cash-market security or index and the credit derivative will remain constant, and events unrelated to the underlying security or index (such as those affecting availability of borrowed money and liquidity, or the creditworthiness of a counterparty) can cause the price relationship to change. This risk is known as “basis risk.” Basis risk may cause a Fund to realise a greater loss on an investment in synthetic form than might otherwise be the case with a cash-market security. To the extent the Fund purchases credit default swap protection to hedge risk, basis risk may cause the hedge to be less effective or ineffective.

### ***Interest Rate Swaps***

In an interest rate swap, the Fund and another party exchange the right to receive interest payments. For example, they might swap the right to receive floating rate payments based on a reference rate for the right to receive fixed rate payments. An interest rate swap enables an investor to buy or sell protection against changes in an interest rate. An interest rate swap may be embedded within a structured note or other derivative instrument. Interest rate swaps are subject to interest rate risk and credit risk. An interest rate swap transaction could result in losses if the underlying asset or reference rate does not perform as anticipated. Interest rate swaps are also subject to counterparty risk. If the counterparty fails to meet its obligations, the Fund may lose money.

### ***Total Return Swaps***

In a total return swap transaction, one party agrees to pay the other party an amount equal to the total return on a defined underlying asset or a non-asset reference during a specified period of time. The underlying asset might be a security or asset or basket of securities or assets or a non-asset reference such as a securities or other type of index. In return, the other party would make periodic payments based on a fixed or variable interest rate or on the total return from a different underlying asset or non-asset reference. Total return swaps could result in losses if the underlying asset or reference does not perform as anticipated. Total return swaps can have the potential for unlimited losses. They are also subject to counterparty risk. If the counterparty fails to meet its obligations, the Fund may lose money.

### ***Volatility/Variance Swaps***

A Fund may enter into types of volatility swaps to hedge the volatility of a particular security, currency, index or other financial instrument, or to seek to increase its investment return. In volatility swaps, counterparties agree to buy or sell volatility at a specific level over a fixed period. For example, to hedge the risk that the value of an asset held by a Fund may fluctuate significantly over the Fund’s period of investment, a Fund might enter into a volatility swap pursuant to which it will receive a payment from the counterparty if the actual volatility of the asset over a specified time period is greater than a volatility rate agreed at the outset of the swap. Alternatively, if the Investment Manager believes that a particular security, currency, index or other financial instrument will demonstrate more (or less) volatility over a period than the market’s general expectation, to seek to increase investment return a Fund might enter into a volatility swap pursuant to which it will receive a payment from the counterparty if the actual volatility of that underlying instrument over the period is more (or less) than the volatility rate agreed at the outset of the swap. Volatility swaps are subject to credit risks (if the counterparty fails to meet its obligations), and the risk that the Investment Manager is incorrect in its forecast of volatility for the underlying security, currency, index or other financial instrument that is the subject of the swap. If the Investment Manager is incorrect in its forecast, the Fund would likely be required to make a payment to the counterparty under the swap.

### ***Swap Options/Swaptions***

A swaption is a contract that gives the holder the right, but not the obligation, to enter into an interest rate swap at a preset rate within a specified period of time. In return, the purchaser pays a “premium” to the seller of the contract. The seller of the contract receives the premium and bears the risk of unfavorable changes in the preset rate on the underlying interest rate swap.

### ***Collateral and security interests***

A Fund may pass its assets to a counterparty as margin, collateral or security. The provision by a Fund of assets as margin, collateral or security increases that Fund's exposure to the counterparty and the potential detrimental impact on the Fund of a default by or the insolvency of the counterparty. While the assets are held by the counterparty, they will be outside of the Depositary's custody network. The relevant Fund will have a contractual right, in accordance with the terms and conditions of the relevant agreement, for the return of those (or equivalent) assets, however the Fund will be subject to the risk that the counterparty may not perform its obligation to return the assets when required to do so. In the event that the counterparty is unable or unwilling to meet its contractual obligations in this regard, there may be a detrimental impact on the relevant Fund.

In addition, a Fund may grant a counterparty a security interest over its assets, whether by way of charge, pledge, lien or otherwise. This interest will generally give the counterparty certain preferential rights over the assets, in the event that the Fund fails to meet its obligations to the counterparty.

### ***Hedging Transactions***

Hedging techniques used by the Investment Manager may involve a variety of derivative transactions, including futures contracts, exchange-listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions (collectively, “Hedging Instruments”). Hedging techniques involve unique risks. In particular, the variable degree of correlation between price movements of Hedging Instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of a Fund's positions. In addition, certain Hedging Instruments and markets may not be liquid in all circumstances. As a result, in volatile markets a Fund may not be able to close out transactions in certain of these instruments without recurring losses substantially greater than the initial deposit. Although the contemplated use of these instruments should tend to minimise the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain which might result from an increase in the value of such position. The ability of a Fund to hedge successfully will depend on the Investment Manager's ability to predict pertinent market movements, which cannot be assured. A Fund is not required to hedge and there can be no assurance that hedging transactions may be available or, even if undertaken, will be effective. In addition it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-US currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Furthermore, over-hedged or under-hedged positions may arise due to factors beyond the control of the Fund. To the extent that hedging is successful, the performance of the class is likely to move in line with the performance of the underlying assets and investors in a Hedged Class will not benefit if the class currency falls against the base currency and/or the currency in which the assets of the Fund are denominated. Where foreign exchange hedging does not take place, performance may be strongly influenced by movements in exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

### ***Position Limits***

“Position limits” imposed by various regulators and/or counterparties may also limit a Fund's ability to effect desired trades. Position limits are the maximum amounts of net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if a Fund does not intend to exceed applicable position limits, it is possible that different accounts managed by the Investment Manager and its affiliates may be aggregated. If at any time positions managed by the Investment Manager were to exceed applicable position limits, the Investment Manager would be required to liquidate positions, which might include positions of a Fund, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, a Fund might have to forego or modify certain of its contemplated trades.

### ***Necessity for Counterparty Trading Relationships***

Participants in the over-the-counter markets 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 it is anticipated that a Fund will be able to establish the necessary counterparty business relationships to permit the Fund to effect transactions in the over-the-counter commodities markets and other counterparty markets, including the swaps market, there can be no assurance that it will be able to do so or, if it does, that it will be able to maintain such relationships. An inability to continue existing or establish new relationships could limit the Fund's activities and would require the Fund to conduct a more substantial portion of such activities in the futures markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to the Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

### ***Failure of Brokers, Counterparties and Exchanges***

A Fund will be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, the Fund deals, whether it engages in exchange-traded or off-exchange transactions. A Fund may be subject to risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Fund, or the bankruptcy of an exchange clearing house. A Fund may also be subject to risk of loss of its funds on deposit with brokers who are not required by their own regulatory bodies to segregate customer funds. A Fund may be required to post margin for its foreign exchange transactions either with the Investment Manager or other foreign exchange dealers who are not required to segregate funds (although such funds are generally maintained in separate accounts on the foreign exchange dealer's books and records in the name of the Fund).

In the case of a bankruptcy of the counterparties with which, or the brokers, dealers and exchanges through which, a Fund deals, or a customer loss as described in the foregoing paragraph, the Fund might not be able to recover any of its assets held, or amounts owed, by such person, even property specifically traceable to the Fund, and, to the extent such assets or amounts are recoverable, the Fund might only be able to recover a portion of such amounts. Further, even if the Fund is able to recover a portion of such assets or amounts, such recovery could take a significant period of time. Prior to receiving the recoverable amount of the Fund's property, the Fund may be unable to trade any positions held by such person, or to transfer any positions and cash held by such person on behalf of the Fund. This could result in significant losses to the Fund.

A Fund may effect transactions on "over-the-counter" or "interdealer" markets. Participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. To the extent the Fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, the Fund may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterized by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which, in turn, may subject the Fund to the risk that a counterparty will not settle a transaction in accordance with agreed terms and conditions due to, among other things, a dispute over the terms of the contract or a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The inability of the Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses to the Fund.

A Fund may engage in direct or indirect trading of securities, currencies, derivatives (including swaps, forward contracts, futures, options and repurchase and reverse repurchase agreements) and other instruments (as permitted by its investment policy) on a principal basis. As such, a Fund as transferee or counterparty could experience both delays in liquidating the underlying security, future or other investment and losses, including those arising from: (i) the risk of the inability or refusal to perform with respect to such transactions on the part of the principals with which the Fund trades, including without limitation, the inability or refusal to timely return collateral posted by the Fund; (ii) possible decline in the value of any collateral during the period in which the Fund seeks to enforce its rights with respect

to such collateral; (iii) the need to remargin or repost collateral in respect of transferred, assigned or replaced positions; (iv) reduced levels of income and lack of access to income during such period; (v) expenses of enforcing its rights; and (vi) legal uncertainty concerning the enforceability of certain rights under swap agreements and possible lack of priority against collateral posted under the swap agreements. Any such failure or refusal, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. A Fund will not be excused from performance on any such transactions due to the default of third parties in respect of other trades in which its trading strategies were to have substantially offset such contracts.

## **CURRENCY RISKS**

### ***Currency Transactions***

A Fund may engage in a variety of currency transactions. In this regard, spot and forward contracts and over-the-counter options are subject to the risk that counterparties will default on their obligations. Since a spot or forward contract or over-the-counter option is not guaranteed by an exchange or clearing house, a default on the contract would deprive a Fund of unrealised profits, transaction costs and the hedging benefits of the contract or force a Fund to cover its purchase or sale commitments, if any, at the current market price. To the extent that a Fund is fully invested in securities while also maintaining currency positions, it may be exposed to greater combined risk. The use of currency transactions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary Fund securities transactions. If the Investment Manager is incorrect in its forecasts of market values and currency exchange rates, the investment performance of a Fund would be less favourable than it would have been if this investment technique were not used.

A Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a Fund at one rate, while offering a lesser rate of exchange should the Fund sell to the dealer.

### ***Currency Risks***

As a result of investment in obligations involving currencies of various countries, the value of the assets of a Fund as measured in a Fund's Base Currency will be affected by changes in currency exchange rates, which may affect a Fund's performance independent of the performance of its securities investments. A Fund may or may not seek to hedge all or any portion of its foreign currency exposure. However, even if a Fund attempts such hedging techniques, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-Base Currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations.

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. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates also can be affected unpredictably by intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world. To the extent that a substantial portion of a Fund's total assets, adjusted to reflect a Fund's net position after giving effect to currency transactions, 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 Counterparty Risk***

Contracts in the foreign exchange market are not regulated by a regulatory agency, and such contracts are not guaranteed by an exchange or its clearing house. Consequently, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank-traded instruments rely on the dealer or counterparty being contracted with to fulfil its contract. As a result, trading in interbank foreign exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which

a Fund has a forward contract. Although the Investment Manager intends to trade with counterparties it believes to be responsible, failure by a counterparty to fulfil its contractual obligations could expose a Fund to unanticipated losses.

### ***Share Currency Designation Risk***

The ICAV may from time to time in its sole discretion, and without notice to the Shareholders, issue multiple Hedged Classes of Shares which are designated in a currency other than the Base Currency of a Fund. Each Fund, however, seeks to achieve its investment objectives in its Base Currency. In seeking to provide investors in any Hedged Classes with a return in the applicable Class Currency substantially in line with the investment objectives of the Fund, the Investment Manager intends to seek to hedge the foreign currency exposure of such interests through foreign exchange transactions. Foreign exchange hedging involves the ICAV seeking to mitigate the risk of losses caused by adverse exchange rate fluctuations through the use of the efficient portfolio management techniques (including futures and currency forwards) set out in Appendix C within the conditions and limits imposed by the Central Bank to hedge the foreign currency exposure of such Classes into the Base Currency of the relevant Fund. There can be no assurance that foreign exchange hedging will be effective. For example, foreign exchange hedging may not take into account the changes in foreign currency exposure resulting from appreciation or depreciation of the assets of a Fund allocable to Hedged Classes in the periods between Dealing Days of the relevant Fund. In addition, foreign exchange hedging may not fully protect investors from a decline in the value of the Base Currency against the relevant Class Currency because, among other reasons, the valuations of the underlying assets of the Fund used in connection with foreign exchange hedging could be materially different from the actual value of such assets at the time the foreign exchange hedging is implemented, or because a substantial portion of the assets of the Fund may lack a readily ascertainable market value. Moreover, while holding Shares of a Hedged Class should protect investors from a decline in the value of the Base Currency against the relevant Class Currency, investors in a Hedged Class will not generally benefit when the Base Currency appreciates against the relevant Class Currency. The value of Shares of any Hedged Class will be exposed to fluctuations reflecting the profits and losses on, and the costs of, the foreign exchange hedging.

While the Investment Manager will seek to limit any foreign exchange hedging if the liabilities arising from any foreign exchange hedging utilized by a Fund exceed the assets of the applicable class of interests on behalf of which such hedging activities were undertaken, it could adversely impact the NAV of other classes in a Fund. In addition, foreign exchange hedging will generally require the use of a portion of a Fund's assets for margin or settlement payments or other purposes. For example, a Fund may from time to time be required to make margin, settlement or other payments, including in between Dealing Days of the relevant Fund, in connection with the use of certain hedging instruments. Counterparties to any foreign exchange hedging may demand payments on short notice, including intra-day. As a result, a Fund may liquidate assets sooner than it otherwise would have and/or maintain a greater portion of its assets in cash and other liquid securities than it otherwise would have, which portion may be substantial, in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. A Fund generally expects to earn interest on any such amounts maintained in cash, however, such amounts will not be invested in accordance with the investment policy of the Fund, which may materially adversely affect the performance of the Fund (including Base Currency denominated Shares). Moreover, due to volatility in the currency markets and changing market circumstances, the Investment Manager may not be able to accurately predict future margin requirements, which may result in a Fund holding excess or insufficient cash and liquid securities for such purposes. Where a Fund does not have cash or assets available for such purposes, the Fund may be unable to comply with its contractual obligations, including without limitation, failing to meet margin calls or settlement or other payment obligations. If a Fund defaults on any of its contractual obligations, the Fund and its Shareholders (including holders of Base Currency denominated Shares) may be materially adversely affected.

There may be circumstances in which the Investment Manager may determine not to conduct any foreign exchange hedging in whole or in part for a certain period of time, including without limitation, where the Investment Manager determines, in its sole discretion, that foreign exchange hedging is not practicable or possible or may materially affect a Fund or any direct or indirect investors therein, including the holders of Base Currency denominated Shares. As a result, foreign currency exposure may go fully or partially unhedged for that period of time. Shareholders may not receive notice of certain periods for which foreign currency exposure is unhedged.

There can be no assurance that the Investment Manager will be able to hedge, or be successful in hedging, the currency exposure, in whole or in part, of Shares of any Hedged Class. In addition, a Fund is not expected to utilize

foreign exchange hedging during the period when the Fund's assets are being liquidated or the Fund is being wound up, although it may do so in the Investment Manager's sole discretion. The Investment Manager may, in its sole discretion and subject to applicable law, delegate the management of all or a portion of the foreign exchange hedging to one or more of its affiliates.

## **OTHER SECURITIES RISKS**

### ***Investment in Collective Investment Schemes***

Each Fund will bear its proportionate share of any fees and expenses paid by collective investment schemes in which the Fund may invest (including funds affiliated with the Investment Manager, other than a Fund of the ICAV), in addition to all fees and expenses payable by each Fund. Investments in funds affiliated with the Investment Manager will be subject to the Investment Manager's fiduciary obligations to a Fund and will be made on an arm's length basis. Where a Fund invests in units of a collective investment scheme managed by the Investment Manager or its affiliates, and the Investment Manager or its affiliate, as the case may be, is entitled to receive a preliminary charge for its own account in respect of an investment in such fund, the Investment Manager or the affiliate, as appropriate, will waive the preliminary charge. Where the Investment Manager receives any commission by virtue of investing in a fund advised or managed by the Investment Manager, such commission will be paid into the assets of the relevant Fund.

### ***Exchange Traded Funds ("ETFs")***

ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. ETFs, like mutual funds, have expenses associated with their operation, including advisory fees. When a Fund invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. Such ETF's expenses may make owning shares of the ETF more costly than owning the underlying securities directly. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities.

### ***Purchases of Securities and Other Obligations of Financially Distressed Companies***

A Fund may directly or indirectly purchase securities and other obligations of issuers that are experiencing significant financial or business distress ("**Distressed Companies**"), including issuers involved in bankruptcy or other reorganisation and liquidation proceedings. These investments are considered speculative. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time, if ever. In fact, many of these instruments ordinarily remain unpaid unless and until the issuer reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in issuers experiencing significant business and financial distress is unusually high. There is no assurance that a Fund will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to an issuer, a Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. In addition, distressed investments may require active participation by the Investment Manager and its representatives. This may expose a Fund to litigation risks or restrict a Fund's ability to dispose of its investments. Under such circumstances, the returns generated from a Fund's investments may not compensate Shareholders adequately for the risks assumed.

### ***Restricted Securities***

A Fund may invest in securities that are not registered under the 1933 Act or under the laws of any non-US jurisdiction pursuant to an exemption thereunder ("**Restricted Securities**"). Restricted Securities may be sold in private placement transactions between issuers and their purchasers and may be neither listed on an exchange nor traded in other established markets. In many cases, privately placed securities may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale. As a result of the absence of a public trading market, privately placed securities may be less liquid and more difficult to value than publicly traded securities. To the extent that privately placed securities may be resold in privately negotiated transactions, the prices realised from the

sales, due to illiquidity, could be less than those originally paid by the Fund or less than their fair market value. In addition, issuers whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that may be applicable if their securities were publicly traded. If any privately placed securities held by a Fund are required to be registered under the securities laws of one or more jurisdictions before being resold, a Fund may be required to bear the expenses of registration. A Fund's investments in private placements may consist of direct investments and may include investments in smaller, less seasoned issuers, which may involve greater risks. These issuers may have limited product lines, markets or financial resources or they may be dependent on a limited management group. In making investments in such securities, a Fund may obtain access to material non-public information, which may restrict a Fund's ability to conduct portfolio transactions in such securities.

### ***Stripped Securities***

Stripped securities are created when the issuer separates the interest and principal components of an instrument and sells them as separate securities. In general, one security is entitled to receive the interest payments on the underlying assets (the interest only or "IO" security) and the other to receive the principal payments (the principal only or "PO" security). Some stripped securities may receive a combination of interest and principal payments. The yields to maturity on IOs and POs are sensitive to the expected or anticipated rate of principal payments (including prepayments) on the related underlying assets, and principal payments may have a material effect on yield to maturity. If the underlying assets experience greater than anticipated prepayments of principal, a Fund may not fully recoup its initial investment in IOs. Conversely, if the underlying assets experience less than anticipated prepayments of principal, the yield on POs could be adversely affected. Stripped securities may be highly sensitive to changes in interest rates and rates of prepayment.

### **ADDITIONAL RISKS**

#### *Umbrella Cash Collection Account*

Subscription monies received in respect of a Fund will be held in the Umbrella Cash Collection Account in the name of the ICAV and will be an asset of the relevant Fund. Investors will be unsecured creditors of the Fund with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the NAV of the Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of a Fund, there is no guarantee that the Fund will have sufficient funds to pay unsecured creditors in full.

Payment by a Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, from the relevant redemption date. Redeeming Shareholders and Shareholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the relevant Fund, and will not benefit from any appreciation in the NAV of the Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of a Fund during this period, there is no guarantee that the Fund will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of another sub-fund of the ICAV, recovery of any amounts to which a Fund is entitled, but which may have transferred to such other sub-fund as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent sub-fund may have insufficient funds to repay amounts due to the Fund. Accordingly, there is no guarantee that a Fund will recover such amounts. Furthermore, there is no guarantee that in such circumstances a Fund would have sufficient funds to repay any unsecured creditors.

### ***Correlation of Performance Across Investments and Strategies***

The Investment Manager may invest in securities in a manner which is intended to provide some degree of portfolio diversification. However, there can be no assurance that the performance of its investments will not be correlated. For example, in periods of illiquidity such as those experienced in 2008, assets in certain market sectors which historically did not show a high degree of correlation became correlated due to the sharp decrease in liquidity available to investors and the loss of systemically important institutions that affected all such investments. Similarly, there can be no assurance that the strategy employed by the Investment Manager will be uncorrelated with other investment strategies in the future.

### ***Execution of Orders; Electronic Trading***

A Fund's investment strategies and trading strategies depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. A Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges or systems failures attributable to a Fund, the Investment Manager, a Fund's counterparties, brokers, dealers, agents or other service providers. In such event, a Fund might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. As a result, a Fund would not be able to achieve the market position selected by the Investment Manager, which may result in a loss. In addition, a Fund relies heavily on electronic execution systems (and may rely on new systems and technology in the future), and such systems may be subject to certain systemic limitations or mistakes, causing the interruption of trading orders made by a Fund.

### ***Trading on Exchanges***

A Fund may trade, directly or indirectly, futures and securities on exchanges located anywhere. Some exchanges are "principals' markets" in which performance is solely the individual member's responsibility with whom the trader has entered into a commodity contract and not that of an exchange or its clearinghouse, if any. In the case of trading on such exchanges, a Fund will be subject to the risk of the inability of, or refusal by, a counterparty to perform with respect to contracts. Moreover, in certain jurisdictions there is generally less government supervision and regulation of worldwide stock exchanges, clearinghouses and clearing firms than, for example, in the United States. A Fund is also subject to the risk of the failure of the exchanges on which its positions trade or of their clearinghouses or clearing firms and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

### ***Depositories and Sub-Custodians***

The assets of a Fund will be held by the Depository. There are risks involved in dealing with the depository who settles a Fund's trades. It is expected that all securities and other assets deposited with depositories will be identified as being assets of a Fund, and hence a Fund should not be exposed to credit risk with regard to such parties. However, it may not always be possible to achieve such segregation, and there may be practical or time problems associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

The Depository may appoint sub-custodians in certain jurisdictions to hold assets of a Fund. Subject and without prejudice to the terms of the Depository Agreement, as described in the Depository section below, the Depository may not be responsible in certain circumstances for cash or assets which are held by sub-custodians in certain jurisdictions, nor for any losses suffered by a Fund as a result of the bankruptcy or insolvency of any such sub-custodian. A Fund may have a potential exposure on the default of any sub-custodian. In such event, many of the protections that would normally be provided to a customer by a depository may not be available to a Fund. Custody services in certain jurisdictions remain undeveloped, and accordingly there are transaction and custody risks of dealing in certain jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy in certain jurisdictions, the ability of a Fund to recover assets held by a sub-custodian in the event of its insolvency would be in doubt.

### ***Third Party Litigation***

A Fund's investment activities subject it to the normal risks of becoming involved in litigation by third parties. The expense of defending against any such claims and paying any amounts pursuant to settlements or judgments would

generally be borne by such Fund and would reduce its net assets.

### ***Substantial Subscriptions***

The Investment Manager may not be able to invest all net subscription proceeds immediately following the Dealing Day. To the extent that a Fund's assets are not invested immediately following the relevant Dealing Day, there could be a negative impact on the performance of a Fund, as the Fund will not be pursuing its investment objective in respect of the portion of its assets held in cash or other liquid assets.

### ***Substantial Redemptions***

Substantial redemption requests by Shareholders in a concentrated period of time could require a Fund to liquidate certain of its investments more rapidly than might otherwise be desirable in order to raise cash to fund the redemptions and achieve a portfolio appropriately reflecting a smaller asset base. This may limit the ability of the Investment Manager to successfully implement the investment policy of a Fund and could negatively impact the value of the Shares being redeemed and the value of Shares that remain outstanding. In addition, following receipt of a redemption request, a Fund may be required to liquidate assets in advance of the applicable Dealing Day, which may result in a Fund holding cash or highly liquid investments pending such Dealing Day. During any such period, the ability of the Investment Manager to successfully implement the investment policy of a Fund may be impaired and the Fund's returns may be adversely affected as a result.

Moreover, regardless of the time period over which substantial redemption requests are made, the resulting reduction in the NAV of a Fund could make it more difficult for the Fund to generate profits or recover losses. Shareholders will not receive notification of substantial redemption requests in respect of any particular Dealing Day from a Fund and, therefore, may not have the opportunity to redeem their Shares or portions thereof prior to or at the same time as the redeeming Shareholders.

The risk of substantial redemption requests in a concentrated period of time may be heightened in the event that a Fund accepts investments related directly or indirectly to the offering of structured products including, without limitation, in connection with the hedging of positions under such structured products, particularly those structured products with a fixed life. A Fund may or may not accept such investments, as determined by the Fund in its sole discretion, and such investments could, at any time, make up a significant portion of the Fund's NAV.

### ***Limited Liquidity of Shares: Redemptions***

An investment in a Fund is of limited liquidity since Shares may be subject to certain restrictions. Subject to limited redemption rights, each Shareholder must be prepared to bear the economic risk of an investment in the ICAV for an indefinite period. Shares are subject to the restrictions on transfer. See "Transfer of Shares" section of the Prospectus. Redemption rights may be limited or postponed under certain circumstances. See "Temporary Suspension of Dealings" section of the Prospectus.

A distribution in respect of a redemption may be made in kind, at the discretion of the Manager in consultation with the Investment Manager; provided that where the redemption request represents less than 5% of the NAV of a Fund, the Shareholder's consent is required. The investments so distributed may not be readily marketable or saleable and may have to be held by such Shareholder for an indefinite period of time.

An investment in a Fund is therefore suitable only for certain sophisticated investors that can bear the risks associated with the limited liquidity of their Shares. There is no independent market for the purchase or sale of Shares, and none is expected to develop.

### ***Adjustments***

If at any time the ICAV determines, in its sole discretion, that an incorrect number of Shares was issued to a Shareholder because the NAV in effect on the Dealing Day was incorrect, the ICAV will implement such arrangements as it determines, in its sole discretion, are required for an equitable treatment of such Shareholder, which arrangements may include redeeming a portion of such Shareholder's shareholding for no additional consideration or issuing new

Shares to such Shareholder for no consideration, as appropriate, so that the number of Shares held by such Shareholder following such redemption or issuance, as the case may be, is the number of Shares as would have been issued at the correct NAV. In addition, if at any time after a redemption of Shares (including in connection with any complete redemption of Shares by a Shareholder) the ICAV determines, in its sole discretion, that the amount paid to such Shareholder or former Shareholder pursuant to such redemption was materially incorrect (including because the NAV at which the Shareholder or former Shareholder purchased such Shares was incorrect), the ICAV will pay to such Shareholder or former Shareholder any additional amount that the ICAV determines such Shareholder or former Shareholder was entitled to receive (other than de minimus amounts or where the Shareholder or former Shareholder does not wish to receive such payment), or, in the ICAV's sole discretion, seek payment from such Shareholder or former Shareholder of (and such Shareholder or former Shareholder will be required to pay) the amount of any excess payment that the ICAV determines such Shareholder or former Shareholder received, in each case without interest. In the event that the ICAV elects not to seek the payment of such amounts from a Shareholder or former Shareholder or is unable to collect such amounts from a Shareholder or former Shareholder, the NAV will be less than it would have been had such amounts been collected.

### ***Valuations of Assets***

The valuation of a Fund's assets obtained for the purpose of calculating NAV may not be reflected in the prices at which securities are sold. For details of the valuation of assets please see the "Administration of the ICAV".

### ***Indemnification of the Investment Manager***

The Investment Management Agreement contains broad exculpation and indemnification provisions that require the ICAV and a Fund, out of the assets of the ICAV and a Fund, to exculpate and indemnify the Investment Manager (and each of its directors, officers, employees and agents) against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including reasonable legal fees or expenses) suffered or incurred by the Investment Manager in connection with the performance of its duties and/or the exercise of its powers under the Investment Management Agreement, in the absence of negligence, wilful default, bad faith or fraud.

## **REGULATORY RISKS**

### ***Government Investment Restrictions***

Government regulations and restrictions may limit the amount and types of securities that may be purchased or sold by a Fund. The ability of a Fund to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger portions of a Fund's assets may be invested in those countries where such limitations do not exist. Such restrictions may also affect the market price, liquidity and rights of securities and may increase Fund expenses. In addition, policies established by the governments of certain countries may adversely affect each Fund's investments and the ability of a Fund to achieve its investment objective.

In addition, the repatriation of both investment income and capital is often subject to restrictions such as the need for certain governmental consents, and even where there is no outright restriction, the mechanics of repatriation may affect certain aspects of the operation of a Fund.

### ***The EU Regulation on OTC derivatives, central counterparties and trade repositories***

The EU Regulation on OTC derivatives, central counterparties and trade repositories ("**EMIR**") introduced uniform requirements covering financial counterparties, such as investment firms, credit institutions, insurance companies and managers of alternative investment funds and certain non-financial counterparties in respect of central clearing of so-called "eligible" OTC derivative contracts through a duly authorised central counterparty, reporting the details of derivative contracts to a trade repository and certain risk mitigation requirements.

Prospective investors should be aware that the regulatory changes arising from EMIR may adversely affect a Fund's ability to adhere to its investment approach and to achieve its investment objective.

## **MIFID II**

The Markets in Financial Instruments Directive (“MiFID”) has been repealed and replaced by the MiFID II Directive and the Markets in Financial Instruments Regulation (“MiFIR”) (together “MiFID II”), which entered into force on 2 July 2014 and which has applied since 3 January 2018 in all EU Member States. MiFID II applies to investment firms, market operators and service providers providing post-trade transparency in the EU but will not apply directly to the ICAV or the Investment Manager. MiFID II requires that all purchases and sales of financial instruments in the EU will have to be conducted on (i) Regulated Markets (“RMs”) (such as EU stock exchanges), (ii) Multilateral Trading Facilities (“MTFs”), or (iii) Organised Trading Facilities (“OTFs”). All non-equities trades in the EU, such as interests in bonds, structured finance products, emission allowances or derivatives will have to be conducted on OTFs and all trading in shares in the EU will have to be conducted on organised trading venues such as RMs or MTFs.

Prospective investors should be aware that the regulatory changes arising from MiFID II may adversely affect a Fund’s ability to adhere to its investment approach and to achieve its investment objectives.

## **TAX RISKS**

### ***Non-Irish taxes***

The ICAV may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The ICAV may not be able to benefit from a reduction in the rate of such non-Irish tax by virtue of the double taxation treaties between Ireland and other countries. The ICAV may not, therefore, be able to reclaim any non-Irish withholding tax suffered by it in particular countries. If this position changes and the ICAV obtains a repayment of non-Irish tax, the Net Asset Value of the ICAV will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

### ***Financial transaction tax***

A number of EU Member States are proposing to implement a financial transaction tax (“FTT”), which is currently being discussed. In its proposed form, the FTT applies to certain transactions in financial instruments involving financial institutions where at least one party to which is located in a participating EU Member State, or where the financial instrument is issued in a participating EU Member State. The FTT is currently set to be levied at a minimum rate of 0.1% on all transactions other than derivatives which are to be taxed at a minimum rate of 0.01%. The FTT can be charged on both counterparties, depending on the nature of their activities, their location, and the subject matter of the transaction. The current proposals therefore do impact on certain financial institutions located outside the eleven participating EU Member States, as well as certain financial institutions located outside the EU.

The precise timing and ultimate form of any legislation and related regulations implementing the proposed FTT are not yet fully known. Any changes to the current framework of the taxation of financial transactions within the EU, including changes contemplated by the proposed FTT, could adversely affect the cost of investment or hedging strategies pursued by the Fund as well as the value and liquidity of certain assets within the Fund, such as securities, derivatives and structured finance securities. Additionally, the proposed FTT contains certain anti-avoidance rules which would restrict the ability of the Fund to mitigate the impact of these charges. It should be noted that a similar tax has already been introduced in France and Italy and other EU Member States may introduce a similar tax. Participating EU Member States which implement the FTT, such as France and Italy, are expected to repeal any similar taxes with effect from the implementation of the FTT.

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## CONFLICTS OF INTEREST

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The Depositary, the Manager, the Investment Manager and the Administrator or their delegates or affiliates may from time to time act as manager, registrar, administrator, transfer agent, trustee, depositary, investment manager or advisor or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the ICAV or any Fund. Therefore, it is possible that in the due course of their business, any of them may have potential conflicts of interests with the ICAV or any Fund. Each will at all times have regard in such event to its obligations under the Instrument of Incorporation and / or any agreements to which it is party or by which it is bound in relation to the ICAV or any Fund and, in particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise, and they will each respectively endeavour to ensure that such conflicts are resolved fairly and, in particular, the Investment Manager has agreed to act in a manner which it in good faith considers fair and equitable in allocating investment opportunities to the ICAV or the Funds as appropriate.

The Instrument of Incorporation provides that the estimate of a competent person may be accepted when determining the probable realisation value of unlisted securities or of securities listed or traded on a Recognised Market where the market price is unrepresentative or unavailable. Thus an estimate provided by the Investment Manager for these purposes may be accepted and investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated probable realisation value of the security, the higher the fees payable to the Investment Manager.

There is no prohibition on dealing in the assets of a Fund by entities related to the Depositary, the Manager, the Investment Manager or the Administrator. However, any such transactions must be negotiated at arm's length and in the best interests of Shareholders. Such transactions may be entered into if: (a) a certified valuation of the transaction by a person approved by the Depositary (or, in the case of a transaction involving the Depositary, the Manager) as independent and competent is obtained; (b) execution of the transaction is on best terms on organised investment exchanges in accordance with the rules of the relevant exchange; or (c) where (a) and (b) are not practical, the transaction is executed on terms which the Depositary is satisfied (or, in the case of a transaction involving the Depositary, on terms which the Manager is satisfied) conform to the principle of execution negotiated at arm's length and in the best interest of Shareholders. The Depositary (or the Manager, in the case of a transaction involving the Depositary) shall document how the above requirements were conformed with. With regard to (c) above, the Depositary (or the Manager, in the case of a transaction involving the Depositary) shall document their rationale for being satisfied that the transaction conformed with the above requirements.

Conflicts of interest may also arise out of, among other circumstances, (a) the Investment Manager's side-by-side management of (i) accounts with asset-based fees and accounts with performance-based fees, (ii) accounts for affiliated clients and accounts for non-affiliates, (iii) larger accounts and smaller accounts, and (b) the investment by an Investment Manager, whether for affiliated or non-affiliated accounts, in classes or types of securities, or at levels in the capital structure, of an issuer, that are different from the classes or types of securities, or level in the capital structure, in which they have invested on behalf of a Fund. The Investment Manager may also have financial interests or relationships with issuers in whose securities they invest in for client accounts, including the Funds.

The conflicts of interest described above could create incentives to favour one or more clients over others in the allocation of investment opportunities, time, aggregation and timing of investments. The Investment Manager has developed policies and procedures that seek to address, mitigate and assess these and other conflicts of interest. It cannot be guaranteed, however, that these policies and procedures will detect and prevent, or lead to the disclosure of, each and every situation in which a conflict may arise. The Investment Manager will use its reasonable endeavours to ensure that the performance of its respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and equitably.

A director of the ICAV or the Investment Manager may be a party to, or otherwise interested in, any transaction or arrangement in which the ICAV is interested. At the date of this Prospectus other than as disclosed under "Management and Administration – The Board of Directors," no director of the ICAV has any interest, beneficial or non-beneficial, in the ICAV or any material interest in any agreement or arrangement relating to the ICAV. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

In placing orders with brokers and dealers to make purchases and sales for the Fund, the Investment Manager will seek to obtain best execution for the Fund. In determining what constitutes best execution, the Investment Manager may consider factors it deems relevant, including, but not limited to, the ability to match up natural order flow; the ability to control anonymity, timing or price limits; the quality of the back office; commission rates; use of automation; and / or the ability to provide information relating to the particular transaction or security. Information and research services furnished by brokers or dealers through which or with which a Fund effects securities transactions may be used by the Investment Manager in advising other funds or accounts and, conversely, information and research services furnished to the Investment Manager by brokers or dealers in connection with other funds or accounts that it advises may be used in advising a Fund. The Investment Manager may cause the Fund to pay a brokerage commission that is higher than may be charged by another member of an exchange, broker, or dealer, if it determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such member, broker, or dealer, viewed in terms of either that particular transaction or its overall responsibilities with respect to the Fund and / or other accounts over which the Investment Manager or its affiliates exercise investment discretion. The benefits provided under any soft commission arrangements must assist in the provision of investment services to the ICAV or a Fund. Any soft commission arrangements will be disclosed in the periodic reports of the relevant Fund.

A director of the ICAV, the Manager or the Investment Manager may be a party to, or otherwise interested in, any transaction or arrangement in which the ICAV is interested. At the date of this Prospectus other than as disclosed under "Management and Administration – The Board of Directors" below, no director of the ICAV has any interest, beneficial or non-beneficial, in the ICAV or any material interest in any agreement or arrangement relating to the ICAV. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

The Investment Manager and its affiliates may invest in Shares 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 and its affiliates may hold a high proportion of the Shares and voting rights of a Fund or class in issue. The Investment Manager and its affiliates are under no obligation to make or maintain their investments and may reduce or dispose of any of these in the Fund or Share Class at any time.

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## **BORROWING POLICY**

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Under the Instrument of Incorporation, the Manager is empowered to exercise all of the borrowing powers of the ICAV, subject to any limitations under the UCITS Regulations, and to charge the assets of the ICAV as security for any such borrowings.

Under the UCITS Regulations, a Fund may not grant loans or act as guarantor on behalf of third parties, borrow money except for temporary borrowings in an amount not exceeding 10% of its net assets and except as otherwise permitted under the UCITS Regulations. A Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions under Regulation 103 of the UCITS Regulations provided that the offsetting deposit (i) is denominated in the Base Currency of a Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding. Currency risks may arise where the offsetting balance is not maintained in the Base Currency of a Fund. Please refer to the Currency Risks section above in this regard.

Subject to the provisions of the UCITS Regulations and the Central Bank UCITS Regulations, the ICAV may, from time to time, where collateral is required to be provided by a Fund to a relevant counterparty in respect of derivatives transactions, pledge investments of the relevant Fund equal in value to the relevant amount of required collateral, to the relevant derivative counterparty.

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## FEES AND EXPENSES

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Fees and expenses applicable to a Fund are set out in the relevant Supplement.

### ***Investment Management Fees***

The Investment Manager will be entitled to receive an investment management fee in respect of a Fund or Class pursuant to the Investment Management Agreement. Details of the investment management fee will be contained in the relevant Supplements.

Unless stated to the contrary in the relevant Supplements, the Investment Manager will be responsible for discharging, from its fee, the fees of any advisor or other delegate, including any sub-investment manager, appointed by it in respect of a Fund.

The investment management fee will accrue at each relevant Valuation Point based on the NAV of the relevant Fund as of the prior Dealing Day and will be paid monthly in arrears.

The Investment Manager may from time to time and at its sole discretion, out of its own resources, decide to rebate to some or all Shareholders, or provide retrocessions to intermediaries, part or all of its fees, without notice to other Shareholders.

The Investment Manager may waive all or a portion of the investment management fee in respect of any Class.

### ***Performance Fees***

The Investment Manager may, for one or more Funds, charge a performance fee. If applicable, such performance fee will be described in the relevant Supplement and will be charged at the level of the individual Classes.

### ***Administration and Depositary Fees, Fees of the Manager and Other Operating Expenses***

The aggregate fees and out-of-pocket expenses of the Manager, Administrator and Depositary (which shall accrue daily and be payable monthly in arrears out of the assets of each Fund), in addition to certain other fees and ongoing expenses such as fees payable to any appointed distributor, sub-custodian (such fees to be at normal commercial rates), a pro rata share of fees payable to the Directors of the ICAV, the designated persons of the ICAV, permanent representatives and other agents of each Fund, and certain other expenses, such as the fees and expenses of each Fund's auditors, tax and legal advisers, directors and officers liability insurance, the establishment costs of the ICAV and each Fund (including expenses relating to the drafting of this Prospectus and any Supplement, the negotiation and preparation of the material contracts, the printing of this Prospectus, the preparation and printing of related marketing material (including factsheets), and the fees and expenses of its professional advisers), any fees or expenses arising from conducting oversight of the service providers to the ICAV and / or the Funds, any costs associated with maintaining a website in respect of the ICAV and the Funds, any fees or expenses involved in registering and maintaining the registration of the Fund with any governmental agency or stock exchange in Ireland and in any other country, including the fees and expenses of paying agents, information agents and/or correspondent banks, (such payments to be made at normal commercial rates), expenses related to the services for valuing securities held by the Fund for purposes of NAV calculation, expenses related to the services for currency hedging arrangements in respect of any Hedged Class, reporting (examples of which may include MiFID and Solvency II related reporting and such other investor reporting that may be requested, provided or required from time to time) and publishing expenses, including the costs of printing, preparing, translating and distributing prospectuses, explanatory memoranda, periodical reports or registration statements and the costs of reports to Shareholders and Shareholder meetings will not exceed a percentage per annum of the relevant Fund's Net Asset Value attributable to the relevant class as specified in the relevant Supplement (collectively referred to as the "**Fund Expense Cap**"). The allocation of expenses may vary between Share classes; however as per paragraph (d) of the section "The ICAV" above, the allocation of operating expenses will be done on a fair and equitable basis regardless of the Fund Expense Cap of any particular Share Class. In the event that such fees and expenses exceed that percentage in respect of any financial year, the Investment Manager has agreed to waive a portion of its investment management fee as is equal to such

excess and/or reimburse the relevant Fund so that the Fund Expense Cap is not breached. The Fund Expense Cap is a maximum figure and as such, in the event that the amount of such fees and expenses actually incurred during any financial year is less than the relevant percentage disclosed in the relevant Supplement, such lower amount shall be charged.

The Fund Expense Cap does not include any other expenses not set out above including, but not limited to withholding tax, stamp duty or other taxes on the investments of a Fund, commissions and brokerage fees incurred with respect to a Fund's investments, interest on borrowings and bank charges incurred in negotiating, effecting or varying the terms of such borrowings (including any liquidity facility entered into in respect of a Fund), any commissions charged by intermediaries in relation to an investment in a Fund, and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the ICAV.

The Investment Manager may, at its discretion, contribute directly towards the expenses attributable to the establishment and/or operation of the ICAV and/or the marketing, distribution and/or sale of Shares and may from time to time at its sole discretion waive part of the investment management fee in respect of any particular payment period. The Investment Manager will be entitled to be reimbursed by the ICAV in respect of any Fund expenses borne by the Investment Manager.

### ***Establishment, Organisational and Operating Expenses***

The establishment and organisational expenses of the ICAV and the Funds are included within the Fund Expense Cap as detailed above. These expenses are being amortised over the first 60 months of the ICAV's operation or such other period as the Directors may determine.

### ***Directors Fees***

The Directors are entitled to receive fees in any year (which are included in the Fund Expense Cap). Although some of the Directors may not receive a fee in remuneration for their services to the ICAV, all of the Directors will be paid for all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any other meetings in connection with the business of ICAV.

Charges and expenses that are not specifically attributable to a particular Fund may be allocated among the Funds based on their respective net assets or any other reasonable basis given the nature of the charges.

### ***Sales Charge***

Investors may be subject to a sales charge of up to 5% of the net subscription amount. Details of any sales charge will be set out in the relevant Supplement.

### ***Redemption Charge***

Investors may be subject to a redemption charge of up to 3% of the NAV of the Shares. Details of any redemption charge will be set out in the relevant Supplement.

### ***Anti-Dilution Levy***

The actual cost of purchasing investments may be higher or lower than the value used in calculating the Net Asset Value. These costs may include dealing charges, commission and transaction charges and the dealing spread may have a materially disadvantageous effect on a Shareholder's interest in a Fund. To prevent this effect, known as "dilution", a Fund may charge an anti-dilution levy as shall be disclosed in the relevant Supplement in the circumstances set out in the following paragraph.

On any Dealing Day where there are net subscriptions or net redemptions, the Manager or their delegates may determine (based on such reasonable factors as they see fit, including without limitation, the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in

relation to the size of a Fund) to add an anti-dilution levy to the subscription price on that Dealing Day or deduct an anti-dilution levy from the redemption payments, in order to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund.

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## ADMINISTRATION OF THE ICAV

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Unless otherwise specified in a Supplement applicable to a particular Fund, the provisions in relation to the calculation of the Net Asset Value will apply to all Funds as set out below.

### Determination of Net Asset Value

The Administrator will determine the Net Asset Value of the ICAV, the Net Asset Value of a Fund and the Net Asset Value per Share of each Class of Shares, as appropriate, to the nearest two decimal places (or to such other number of decimal places as the Manager may determine from time to time in relation to a Fund), at each Valuation Point and in accordance with the Instrument of Incorporation and this Prospectus. All approvals given or decisions made by the Depositary in relation to the calculation of the Net Asset Value of the ICAV, the Net Asset Value of a Fund or the Net Asset Value per Class of Shares will be given or made, as the case may be, following consultation with the Investment Manager.

Where there is no more than one Class of Shares of a Fund, the NAV per Share of a Fund will be calculated by dividing the assets of the relevant Fund less its liabilities (including tax liabilities on capital gains on disposition of securities and reserve for taxes on unrealised capital gains) by the number of Shares in issue in a Fund. Shares of different Funds are expected to perform differently and each Fund will bear its own fees and expenses to the extent specifically attributable to that Fund. Any liabilities of the ICAV that are not attributable to any Fund may be allocated amongst the Funds based on their respective NAV or on any other reasonable basis approved by the Manager, following consultation with the Depositary having taken into account the nature of the liabilities.

In calculating the Net Asset Value and Net Asset Value per Share, the Administrator shall not be responsible for the accuracy of financial data, opinions or advice furnished to it by the Manager, the Investment Manager or their delegates, the ICAV, the ICAV's agents and delegates including a prime broker(s), market makers and/or independent third party pricing services. The Administrator may accept, use and rely on prices provided to it by the ICAV, the Manager, the Investment Manager or their delegates or other agreed independent third party pricing services for the purposes of determining the Net Asset Value and Net Asset Value per Share and shall not be liable to the ICAV, the Manager, the Investment Manager, the Depositary, an external valuer, any Shareholder or any other person in so doing by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the ICAV, the Manager, the Investment Manager, their delegates, other independent third party pricing services or other delegates that the Administrator is directed to use by the ICAV, the Manager or an external valuer in accordance with the ICAV's valuation policy. The ICAV and the Manager acknowledges that the Administrator has not been retained to act as its external valuer or independent valuation agent.

### *Net Asset Value per Share of a Class*

Where a Fund issues multiple Classes of Shares, the NAV of each Class of Shares will be determined by calculating the amount of the NAV of a Fund attributable to each Class. The amount of the NAV of a Fund attributable to a Class will be determined by establishing the number of Shares in issue in the Class, by allocating relevant Class Expenses management fee and investment management fees to the Class and making appropriate adjustments to take account of distributions paid out of a Fund, if applicable, and apportioning the NAV of a Fund accordingly. Currency related transactions may be utilised for the benefit of a particular Class of Shares, a Hedged Class, and, in such circumstances, their cost and related liabilities and/or benefits will be for the account of that Class only. Accordingly, such costs and related liabilities (including tax liabilities on capital gains on disposition of securities and reserve for taxes on unrealised capital gains) and/or benefits will be reflected in the NAV per Share for Shares of any such Class. Where there is more than one Class in a Fund denominated in the same currency (which is a currency other than the Base Currency), the Investment Manager may aggregate any currency related transactions entered into on behalf of such Classes and apportion the gains/losses on and the costs of the relevant financial instruments pro rata to each such Class in the Fund. The currency exposures of the assets of a Fund will not be allocated to separate Classes.

The NAV per Share of a Class will be calculated by dividing the NAV of the Class by the number of shares in issue in that Class. Class Expenses, management fees or investment management fees or charges not attributable to a

particular Class may be allocated amongst the Classes based on their respective NAV or any other reasonable basis approved by the Manager following consultation with the Depositary and having taken into account the nature of the fees and charges. Where Classes of Shares are issued which are priced in a currency other than the Base Currency, currency conversion costs will be borne by that Class.

#### *Valuation of the assets*

In determining the value of the assets, debt securities which are quoted, listed or traded on or under the rules of any Recognised Market are generally valued at the last traded price published by that Recognised Market.

Generally, equity securities for which the primary market is on a Recognised Market are valued at the last traded price of the relevant Recognised Market as at each Valuation Point, or if there was no trade on such day, at the mean between the last bid and asked prices or at the last bid price on such day in the absence of an asked price. Fixed income securities may be valued using matrix pricing (i.e. valuing securities by reference to the valuation of other securities which are considered comparable in rating, yield, due date and other characteristics) where reliable market quotations are not available. The matrix methodology will be compiled by a competent person appointed by the Manager and approved for the purpose by the Depositary (the "Competent Person").

If the security is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market will be that which the Manager, or the Administrator as their delegate, determine provides the fairest criterion of value for the security. For equities securities, this will be the primary exchange on which securities are traded unless otherwise determined by the Manager.

If prices for a security quoted, listed or traded on the relevant Recognised Market are not available at the relevant time or are unrepresentative in the opinion of the Manager, or their delegate, such security will be valued at such value as will be estimated with care and good faith as the probable realisation value of such security by the Manager, or their delegate or the Competent Person or valued at the probable realisation value estimated with care and in good faith by any other means provided that such means is approved by the Depositary. Adjustments to listed investments may include those deemed necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant, including any events specific to issuers, market sectors or volatility occurring in security markets after the close of the Recognised Market which precedes the Fund's Valuation Point. Such fair valuations may include prices supplied by a pricing service approved by the Manager. Neither the Manager nor the Administrator, the Investment Manager, or the Depositary will be under any liability if a price reasonably believed by them to be the latest available price may be found not to be such.

The value of any instrument, including (i) debt and equity securities, which are not normally quoted, listed or traded on or under the rules of a Recognised Market, and (ii) in respect of which the Manager or their delegate (in consultation with the Investment Manager) determine that the last traded price as set out above is not representative of its fair market value, (iii) over the counter derivatives and (iv) futures contracts and futures options which are traded on a Recognised Market but for which the settlement price is not available, will be valued at their probable realisation value as determined with care and in good faith by the Investment Manager or its delegates appointed for such purpose by the Manager with the approval of the Depositary or by the Competent Person. The value of any investments listed, quoted or traded on a Recognised Market but acquired or traded at a premium or discount outside of or off the Recognised Market may be valued taking into account the level of premium or discount as of the date of valuation.

Shares in collective investment schemes will be valued on the basis of the latest published net asset value of such shares. If such prices are unavailable, the shares will be valued at their probable realisation value estimated with care and good faith by the Manager, or by the Competent Person.

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

Futures contracts and futures options which are traded on a Recognised Market will be valued at the settlement price as determined by the relevant Recognised Market at the close of business on that market on the Valuation Day. Where the settlement price is not available these securities will be valued at their probable realisation value as determined

with care and in good faith by the Investment Manager or its delegates appointed for such purpose by the Manager with the approval of the Depositary or by the Competent Person. Other exchange traded derivatives, excluding futures and futures options and swaps, will be valued at the last sale price on their Recognised Markets on the Valuation Day as reported by the exchange. In the absence of transactions on the Valuation Day, the value will be determined at the mean of between the closing “bid” and “asked” prices on the Recognised Market on the Valuation Day.

All swaps and currency forwards, as well as other FDIs which are not traded on a Recognised Market, shall be valued by a pricing service approved by the Competent Person, or as provided by a market maker in such securities whose value approximates the probable realisation value of such instruments. When the settlement date of a forward contract is an interim date for which a quotation is not available, interpolated values are derived using the nearest dated forward currency rate.

For purposes of determining the NAV of a Fund, the liabilities of the Fund to be deducted from the Fund's assets on the applicable Valuation Day will include accrued debts, liabilities and obligations of the Fund (including fees to service providers which have been earned but not yet paid and tax liabilities) and any contingencies for which reserves or accruals are made.

Notwithstanding the above provisions the Manager or their delegate may (a) adjust the valuation of any particular asset; where such adjustment or other method of valuation is considered necessary to reflect the fair value in the context of currency, applicable rate of interest, maturity, marketability and/or such other considerations which are deemed relevant, or (b) permit some alternative method of valuation to be used for a specific / particular asset, if the Manager deem it necessary and the alternative method of valuation is approved by the Depositary and the rationale / methodologies used are clearly documented.

In determining the ICAV's NAV, all assets and liabilities (including tax liabilities on capital gains on disposition of securities and reserve for taxes on unrealised capital gains) initially expressed in foreign currencies will be converted into the Base Currency of the relevant Fund using the latest available exchange rates at the Valuation Point on each Valuation Day. If quotations are not available, the rate of exchange will be determined in accordance with policies established in good faith by the Manager or their delegate.

It is anticipated that if an investment becomes illiquid, such illiquid investment will be valued by a Competent Person and with input or recommendation by the Investment Manager. It is anticipated that the valuation methodology for such illiquid investments will take into account factors such as the size of the position and materiality of the adjustment to the net asset valuation and the duration of the suspension and likely timeframe of resolution that the suspension will be lifted. Investors should note that such factors are subject to change from time to time depending on the Competent Person's assessment of the nature of the circumstances giving rise to the illiquidity, general market conditions and input from the Investment Manager from time to time.

The Manager and/or the Investment Manager may, and may be required under certain circumstances to, engage one or more third parties to value assets of the ICAV. Any such third party engaged by the Manager and/or the Investment Manager will value such assets in the manner otherwise described above in this “Determination of Net Asset Value” section.

#### **Availability of the Net Asset Value per Share**

Except where the determination of the NAV per Share of a Fund has been suspended, in the circumstances described below, the NAV per Share of each Class of Shares will be available at the registered office of the ICAV. Such information will relate to the latest available NAV per Share which is usually for the previous Dealing Day and is made available for information purposes only. It is not an invitation to subscribe for or redeem Shares at that NAV per Share. The up-to-date Net Asset Value will be available on the website <https://rcm.rockco.com/ram/#Rockefeller-Capital-Management-UCITS-ICAV>.

## Temporary Suspension Of Dealings

The Manager may at any time, in consultation with the Depositary, temporarily suspend the issue, valuation, sale, purchase and/or redemption of Shares in any Fund during:

- (a) any period when any organised exchange on which a substantial portion of the investments for the time being comprised in the relevant Fund are quoted, listed, traded or dealt in is closed otherwise than for ordinary holidays, or during which dealings in any such organised exchange are restricted or suspended;
- (b) any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Manager, the disposal or valuation of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Manager, be effected or completed normally or without prejudicing the interest of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the relevant Fund or during any period when for any other reason the value of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Manager, be promptly or accurately ascertained;
- (d) any period when the relevant Fund is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the relevant Fund, or the transfer or payment of the funds involved in connection therewith cannot, in the opinion of the Manager, be effected at normal prices;
- (e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Manager, have an adverse impact on the relevant Fund or the remaining Shareholders in the relevant Fund;
- (f) 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;
- (g) any period when proceeds of any sale or redemption of the Shares cannot be transmitted to or from the account of the relevant Fund;
- (h) any period in which the redemption of the Shares would, in the opinion of the Manager, result in a violation of applicable laws;
- (i) any period in which notice has been given to Shareholders of a resolution to wind up the ICAV;
- (j) any period when the Manager determine that it is in the best interests of the Shareholders to do so; or
- (k) any period during which dealings in a collective investment scheme in which a Fund has invested a significant portion of its assets are suspended.

The Central Bank and any relevant Shareholders will be notified immediately of any such suspension or postponement. Shareholders who have requested an issue or redemption of Shares will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension, but will not have priority over other Shareholders who requested an issue or redemption of Shares. Shares will be held by the Shareholder during the period of suspension as if no redemption request had been made. The ICAV will take reasonable steps to bring any period of suspension or postponement to an end as soon as possible. For the avoidance of doubt, no dividends will be paid at times when the redemption of Shares or the calculation of NAV per Share is suspended for any reason specified above.

The ICAV, in its discretion, may terminate, in part or in whole, the temporary suspension of the issue, valuation, sale, purchase and/or redemption of Shares in any Fund. The ICAV will notify all affected Shareholders of any termination of a temporary suspension.

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## SUBSCRIPTION FOR SHARES

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Unless otherwise specified in a Supplement applicable to a particular Fund, the procedure for determining the subscription price and applying for Shares in a Fund is as set out below.

Shares in a Fund may be purchased on any Dealing Day at the Net Asset Value per Share on the relevant Dealing Day on the terms and in accordance with the procedures described below and in the relevant Supplement.

Subscription orders are effected at the Net Asset Value per Share applicable on the relevant Dealing Day. Details of the deadline by which subscription monies must be received by the ICAV will be set out in the relevant Supplement. If subscription monies are not received on or before the deadline set out in the relevant Supplement the relevant allotment of shares may be cancelled. In such an event the investor will indemnify the ICAV, the Manager, the Investment Manager, the Administrator and any of their respective affiliates for any and all claims, losses, liabilities or damages (including attorneys' fees and other related out-of-pocket expenses) suffered or incurred by any such person as a result of the investor not remitting the amount of its subscription by the due date for such subscription or otherwise failing to comply with the terms of such Subscription Agreement. In the event that the Directors decide not to cancel a provisional allotment of Shares notwithstanding that cleared funds have been received by the ICAV after the relevant cut-off time, the Directors reserve the right to charge interest on such subscription monies at prevailing interest rates commencing on the fourth Business Day following the relevant Dealing Day. In addition, upon the failure of a Shareholder to pay subscription monies by the date due, the Directors may, in their sole discretion, redeem any Shares held by the Shareholder in the ICAV and apply the redemption proceeds in satisfaction of the Shareholder's liabilities to the ICAV, the Investment Manager or any of their respective affiliates pursuant to the indemnity described above. Please see "Redemption of Shares – Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax" in the Prospectus.

No subscription order will be accepted after the relevant Valuation Point for a Fund. Subscriptions for Shares denominated in a currency other than the Base Currency will not be accepted by the Administrator. All orders must be received and paid for in the relevant Class Currency.

If a subscription order is received prior to the Dealing Deadline, Shares will be issued at the NAV per Share applicable on the relevant Dealing Day. Subscription orders received after the relevant Dealing Deadline will be held over without interest on any related subscription monies and, in the absolute discretion of the Manager, either (i) such subscription monies will be returned (without interest) to the person from whom the subscription order and subscription funds were received, or (ii) the relevant Shares will be issued on the next applicable Dealing Day at the relevant NAV per Share. Notwithstanding this deadline, the Manager may determine in its sole discretion to accept such subscriptions in exceptional circumstances and provided that such subscriptions for Shares are received before the Valuation Point on the preceding Dealing Day. Subscription orders will not be processed at times when the calculation of the NAV per Share is suspended in accordance with the terms of the Prospectus and the Instrument of Incorporation.

The Manager may also issue Shares in any Class on terms providing for the transfer to the ICAV of any investments provided that: (a) the assets to be transferred in to the Fund must qualify as investments of the Fund in accordance with the investment objectives, policies and restrictions which are set out in the relevant Supplement and this Prospectus; (b) the Manager will be satisfied that the terms of any such exchange will not be such as are likely to result in any material prejudice to the Shareholders; (c) the number of Shares to be issued will be not more than the number which would have been issued for settlement in cash on the basis that the amount of such cash was an amount equal to the value of the investments to be so vested in the ICAV as determined by the Manager on the relevant Dealing Day; (d) no Shares will be issued until the investments will have been vested in the Depositary to the Depositary's satisfaction; (e) any Duties and Charges arising in connection with the transfer of such investments in the ICAV will be paid by the person to whom the Shares are to be issued, or by the relevant Fund; and (f) the Depositary will be satisfied that the terms on which the shares are issued will not be such as are likely to result in any prejudice to the existing Shareholders.

An applicant wishing to make an initial subscription for Shares in a Fund must complete and send the Initial Application Form and Subscription Agreement to the Administrator together with all support documentation in relation to money laundering prevention checks. Initial Application Forms, Subscription Agreements and money laundering prevention documentation may be sent by facsimile provided that the signed original Initial Application Form is sent by post

immediately thereafter. An initial subscription request will not be accepted until all anti-money laundering procedures have been completed by the Administrator. Subsequent purchases of Shares, following a properly completed initial subscription, may be made by completing and submitting a Subscription Agreement to the Administrator prior to the relevant Dealing Deadline. Subscription Agreements may be sent by facsimile or electronic means (e.g. via clearing platform/SWIFT trading) as previously agreed with the Administrator.

The Manager or their delegates are under no obligation to consider the allotment and issue of Shares in a Fund to an applicant unless and until the Administrator has received a completed Initial Application Form (including the original), Subscription Agreement and anti-money laundering documentation and always have discretion as to whether or not to accept a subscription. Following the Initial Offer Period (as specified in the relevant Supplement), Shares to be issued will be issued at the relevant NAV per Share prevailing as of the relevant Dealing Day on the terms and in accordance with the procedures described above.

Initial Application Forms and Subscription Agreements can be obtained by contacting the Administrator. Except at the discretion of the ICAV, subscription orders will be irrevocable. Each prospective investor will be required to agree in the Subscription Agreement to, under certain circumstances, indemnify the ICAV or a Fund, the Administrator, the Investment Manager and any of their respective affiliates for any and all claims, losses, liabilities or damages (including attorneys' fees and other related out-of-pocket expenses) suffered or incurred by any such person as a result of the investor not remitting the amount of its subscription by the due date for such subscription or otherwise failing to comply with the terms of such Subscription Agreement. In addition, upon the failure of a Shareholder to pay subscription monies by the date due, the Manager may, in their sole discretion, redeem any Shares held by the Shareholder in the ICAV and apply the redemption proceeds in satisfaction of the Shareholder's liabilities arising as a result of such failure to pay subscription proceeds to the ICAV or a Fund, the Manager, the Administrator, the Investment Manager or any of their respective affiliates pursuant to the indemnity described above. Please see "Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax".

The Subscription Agreement contains, among other provisions, certain representations, warranties, agreements, undertakings and acknowledgements relating to a prospective Shareholder's suitability to purchase Shares, the terms of the Shares and other matters. Subscribers should understand that the Shares are offered and sold in reliance upon the representations, warranties, agreements, undertakings and acknowledgements made by the subscriber and contained in the Subscription Agreement, and that such provisions may be asserted as a defence by the ICAV, the Manager, the Investment Manager and the Administrator in any action or proceeding relating to the offer and sale of Shares.

The ICAV, the Investment Manager or its affiliates and/or service providers or agents of the ICAV or the Investment Manager may from time to time be required or may, in their sole discretion, determine that it is advisable to disclose certain information about a Fund and the Shareholders, including, but not limited to, investments held by a Fund and the names and level of beneficial ownership of Shareholders, to (i) regulatory authorities of certain jurisdictions, which have or assert jurisdiction over the disclosing party or in which the Fund directly or indirectly invests, or (ii) any counterparty of or service provider to the Investment Manager or the ICAV. By virtue of the entering into a Subscription Agreement, each Shareholder consents to any such disclosure relating to such Shareholder.

The ICAV, the Manager or the Administrator may, in their sole discretion, reject any subscription order for Shares for any reason, including in particular, where the ICAV, the Manager or Administrator, as appropriate, reasonably believes the subscription order may represent a pattern of excessive trading or market timing activity in respect of the ICAV.

Measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 – 2018 which are aimed at the prevention of money laundering and terrorist financing may, subject as set out below, require an applicant for Shares to verify its identity to the Administrator or the ICAV in advance of initial investment in the ICAV. The Administrator will notify applicants if additional proof of identity is required.

The details given above are by way of example only and, regardless of the material produced by an applicant or its representatives, the Administrator or the ICAV may request such additional information and documentation as it, in its absolute discretion, considers is necessary to fully verify the identity or source of funds of an applicant and to establish the circumstances of the application. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the ICAV may reject the application and the subscription monies relating

thereto, in which case the subscription monies may be returned without interest to the account from which the monies were originally debited, subject to any advice or request from the relevant authorities that the subscription monies should be retained pending any further directions from them or the Administrator or the ICAV may refuse to withhold payment of a redemption request until full information has been provided, in each case without any liability whatsoever on the part of the ICAV, the Administrator or any service provider to the ICAV. No interest will be paid either on subscription proceeds pending settlement to the account of the ICAV or on redemption proceeds pending settlement to the account of the Shareholder. Amendments to an investor's registration details and payment instructions will only be effected on receipt of authenticated documentation as required by the Administrator. Redemption orders will be processed on receipt of facsimile or electronic instructions (e.g. via clearing platform/SWIFT trading) only where payment is made to the account of record. The ICAV may issue fractional Shares up to three decimal places.

#### *Written Confirmation of Ownership*

The Administrator will be responsible for maintaining the ICAV's register of Shareholders in which all issues, redemptions and transfers of Shares will be recorded. All Shares issued will be in registered form and no Share certificates will be issued. Ownership will be evidenced by entry in the Share register. Following each transfer, purchase, redemption and conversion of Shares written confirmations of ownership will be sent by email or electronic means (e.g. via clearing platform/SWIFT trading) to each Shareholder. A Share may be registered in a single name or in up to four joint names. The register of Shareholders will be available for inspection at the registered office of the ICAV during normal business hours.

#### *Excessive Trading*

Investment in the Funds is intended for long-term purposes only. Excessive and/or short term trading can disrupt portfolio investment strategies and may increase expenses and/or negatively impact returns for all Shareholders. The ICAV reserves the right to reject any purchase order for any reason with prior notice. Transactions placed through distribution agents or institutional investors on an omnibus basis may be deemed a part of a group for purposes of this policy and may be rejected in whole or in part. Shareholders should be aware of the challenges in determining and enforcing short term or excessive trading in omnibus accounts. Neither the Administrator nor the ICAV accepts responsibility or liability should such activity occur through omnibus accounts. It shall be the responsibility of the intermediary to determine if these short term or excessive trading restrictions are being breached.

#### *Financial Knowledge and Experience*

Each investor must represent and warrant in his, her or its Subscription Agreement that, among other things, he, she or it has reviewed this Prospectus and understands the risks of an investment in the ICAV, has the financial knowledge and experience to evaluate such investment, is able to bear the substantial risks of an investment in the ICAV and can afford to lose his, her or its entire investment.

#### **Operation of the Subscription and Redemption Collection Account**

The ICAV has established a collection account at umbrella level in the name of the ICAV (the "**Umbrella Cash Collection Account**"), and has not established such accounts at Fund level. All subscriptions into and redemptions and distributions due from the Funds will be paid into the Umbrella Cash Collection Account. Monies in the Umbrella Cash Collection Account, including early subscription monies received in respect of a Fund, do not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers.

Pending issue of the Share and / or payment of subscription proceeds to an account in the name of the relevant Fund, and pending payment of redemption proceeds or distributions, monies in the Umbrella Cash Collection Account are assets of the relevant Funds to which they are attributable, and the relevant investor will be an unsecured creditor of the relevant Fund in respect of amounts paid by or due to it and will not be a Shareholder.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from, a Fund will be channelled and managed through the Umbrella Cash Collection Account. Redemptions and distributions, including blocked redemptions or distributions, will

be held in the Umbrella Cash Collection Account until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming investor.

The Depositary will be responsible for oversight of the monies in the Umbrella Cash Collection Account, and for ensuring that relevant amounts in the Umbrella Cash Collection Account are attributable to the appropriate Funds.

The Manager and the Depositary have agreed an operating procedure in respect of the Umbrella Cash Collection Account, which identifies the participating Funds, the procedures and protocols to be followed in order to transfer monies from the Umbrella Cash Collection Accounts, the daily reconciliation processes, and the procedures to be followed where there are shortfalls in respect of a Fund due to late payment of subscriptions, and / or transfers to a Fund of monies attributable to another Fund due to timing differences.

Where subscription monies are received in the Umbrella Cash Collection Account without sufficient documentation to identify the investor or the relevant Fund, such monies shall be returned to the relevant investor. Failure to provide the necessary complete and accurate documentation is at the investor's risk.

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## REDEMPTION OF SHARES

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Shareholders may request that Shares of a Fund be redeemed on any Dealing Day by completing and submitting a Redemption Application to the Administrator to arrive no later than the Dealing Deadline, in order to be effective on a Dealing Day. Redemption Applications received after the relevant Dealing Deadline will be held over until the next applicable Dealing Day, unless the Manager determines in their sole discretion, in exceptional circumstances and where such Redemption Applications are received before the relevant Valuation Point, to accept such Redemption Applications on the relevant Dealing Day. Redemption Applications may be sent by facsimile or electronic means (e.g. via clearing platform/SWIFT trading) as previously agreed with the Administrator. Any minimum holding period in relation to a Fund may be set out in the relevant Supplement. Redemption Applications received after the relevant Dealing Deadline will be effective on the next succeeding Dealing Day. Redemption Applications will not be processed at times when the redemption of Shares or the calculation of the NAV per Share is suspended in accordance with the terms of this Prospectus and the Instrument of Incorporation. Shares which have been subject to a Redemption Application will be entitled to dividends, if any, up to the Dealing Day upon which the redemption is effective.

If redemption requests on any Dealing Day represent 10% or more of the Net Asset Value of a Fund, the Manager may, in its discretion, refuse to redeem any Shares in excess of 10% (at any time including after the cut-off time on the Dealing Day). Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all Shares to which the original request related have been redeemed.

A distribution in respect of a redemption may be made in kind, at the discretion of the Manager, after consultation with the Investment Manager, provided that where the redemption request represents less than 5% of the NAV of a Fund, the redemption in kind will only be made with the consent of the redeeming Shareholder. The assets to be transferred will be selected at the discretion of the Manager with the approval of the Depositary and taken at their value used in determining the redemption price of the Shares being so redeemed. As a result, such distributions will only be made if the Manager and the Depositary consider that they will not materially prejudice the interests of the Shareholders of the relevant Fund as a whole and the Depositary is satisfied that the assets distributed are equivalent to the amount of the distribution declared. Shareholders will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities. If a Shareholder so requests, the Investment Manager will seek to sell the assets to be distributed to that Shareholder and distribute the cash proceeds to the Shareholder provided however that the ICAV may withhold a reserve to meet expected taxes in connection with the sale of such assets, any remainder of which will be distributed in due course once all relevant taxes are discharged.

The minimum holding amount in respect of each Fund will be set out in the relevant Supplement.

### *Redemption Price*

Shares will be redeemed at the applicable Net Asset Value per Share, obtained on the Dealing Day on which redemption is effected, subject to any applicable fees associated with such redemption.

All payments of redemption monies will be made, except in the exceptional circumstances specified above, on the day specified in the relevant Supplement, following the Dealing Day on which the Redemption Application is effective (and in any event, no later than 10 Business Days after the Relevant Dealing Day) and will be made by telegraphic transfer to the Shareholder's account, details of which will be notified by the Shareholder to the Administrator in the original Subscription Agreement or subsequently in writing. For the avoidance of doubt, no redemption payment will be made until the original Initial Application Form and required certified copies of anti-money laundering documentation has been received from the investor.

Redemptions for Shares denominated in a currency other than the Base Currency will not be accepted by the Administrator. All orders must be received and paid for in Class currency.

### *Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax*

If a redemption causes a Shareholder's holding in a Fund to fall below the minimum holding amount set out in the relevant Supplement, the ICAV may redeem the whole of that Shareholder's holding. Before doing so, the ICAV will

notify the Shareholder in writing and allow the Shareholder thirty days to purchase additional Shares to meet the minimum requirement.

Shareholders are required to notify the Manager and the Administrator immediately in writing in the event that they become Irish Residents or US Persons. Shareholders who become US Persons may be required to dispose of their Shares on the next Dealing Day thereafter to persons who are not US Persons. Shareholders who become Irish Residents will cause the ICAV to become subject to Irish tax on a subsequent disposal of Shares held by such Shareholders whether by way of a redemption or transfer and on any distributions made in respect of such Shares. The ICAV will be obliged to account for and remit such tax to the Irish Revenue Commissioners. However, the ICAV will be entitled to deduct from the payment arising on such a chargeable event an amount equal to the appropriate tax and/or where applicable, to redeem and/or cancel such number of Shares held by the Shareholder or such beneficial owner as are required to discharge the tax liability. The relevant Shareholder will indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax in any jurisdiction on the happening of a chargeable event if no such deduction, redemption or cancellation has been made. The Irish taxation implication of disposals of Shares by Shareholders is outlined in the section entitled "Taxation" below.

The ICAV may, in its sole discretion, require any Shareholder to redeem some or all of its Shares at any time where, in the opinion of the Manager or the Investment Manager, the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage to the ICAV, the Manager, the Investment Manager, a Fund or its Shareholders as a whole or where the Directors resolve to redeem such Shares. The ICAV may also, in its sole discretion, redeem some or all of the Shares of a Shareholder where the Shareholder has failed to pay subscription monies by the due date and may apply the redemption proceeds in satisfaction of the Shareholder's liabilities to the ICAV or the Investment Manager or any of its respective affiliates pursuant to the indemnity described under "Subscription for Shares".

In addition, the ICAV may redeem all of its Shares of a Fund or Class in issue if the redemption of the Shares or Class is approved by a resolution of the Shareholders or where the Depositary has served notice of its intention to retire and an alternative depositary has not been approved within ninety (90) days from the date of such notice.

The Instrument of Incorporation of the ICAV permit the ICAV to redeem Shares where during a period of six years any dividend on the Shares remains unpaid and no acknowledgement has been received in respect of any confirmation of ownership of the Shares sent to the Shareholder and require the ICAV to hold the redemption monies as a permanent debt of the ICAV. The Instrument of Incorporation also provides that any unclaimed dividends may be forfeited after six years and on forfeiture will form part of the assets of the relevant Fund.

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## DIVIDEND DISTRIBUTION POLICY

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The Instrument of Incorporation empowers the Directors to declare dividends in respect of any Shares out of net income (including dividend and interest income) and the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the ICAV and out of capital. Distributions out of capital may provide for more income to be distributed to Shareholders but may also result in the value of future returns being diminished. Investors in the distributing Share Classes should also be aware that the payment of distributions out of capital by the ICAV may have different tax implications for them to distributions of income and you are therefore recommended to seek tax advice in this regard. Investors should be aware that distributions out of capital are a type of capital reimbursement.

No dividends will be paid unless all required documentation including all documentation in relation to money laundering checks has been provided.

At the discretion of the Manager, dividends in respect of Shares in any Fund may be paid in the currency of the relevant class. Any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.

The dividend distribution policy in respect of a Fund is set out in the relevant Supplement.

The Manager may from time to time, and in its sole discretion, determine that the ICAV shall, on behalf of one or more Funds, apply an equalisation formula in respect to any distributing Shares for any period where they believe it to be in the best interests of the Shareholders. In such circumstances, the subscription price of the distributing Shares in the relevant Fund will be deemed to include an equalisation amount which represents a portion the accrued income of the relevant class up to the point of subscription, and the first distribution in respect of distributing Shares in the relevant Fund will include a payment of capital usually equal to the amount of such equalisation payment. The redemption price of each distributing Share will also include an equalisation payment in respect of the accrued income of the relevant Fund up to the Dealing Day on which the relevant distributing Shares are redeemed.

Dividends will be paid by wire transfer in accordance with the bank account details nominated by the Shareholder on the Subscription Agreement within 14 days of the date of declaration of the dividends unless the Shareholder shall have elected that dividends otherwise payable in cash be automatically re-invested in further Shares in the Fund.

The dividend distribution policy in respect of any future Funds of the ICAV, together with details of method of payment of dividends and frequency of payments, will be specified in an updated version of this Prospectus or a supplement to the Prospectus reflecting the creation of the new Fund or Funds.

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## TRANSFER OF SHARES

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All transfers of Shares will be effected by a transfer in writing in any usual or common form or any other form approved by the Manager and the Administrator and every form of transfer will state the necessary information in relation to the transferor and the transferee which will allow the Administrator to process the request. The instrument of transfer of a Share will be signed by or on behalf of the transferor. The transferor will be deemed to remain the holder of the Share until the name of the transferee is entered on the Share register in respect thereof. The Manager may decline to register any transfer of Shares if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Share Class and/or Fund as set out in the relevant Supplement. The registration of transfers may be suspended at such times and for such periods as the Manager may from time to time determine, provided, however, that such registration will not be suspended for more than 30 days in any calendar year. The Manager may decline to register any transfer of Shares unless the authenticated instrument of transfer, as deemed by the Administrator, and such other documents as the Manager and/or the Administrator may require, including without limitation an Initial Application Form and Subscription Agreement, are deposited at the office of the Administrator or at such other place as the Manager may reasonably require, together with such other evidence as the Manager and/or the Administrator may reasonably require to show the right of the transferor to make the transfer and to verify the identity of the transferee. Such evidence may include a declaration that the proposed transferee is not a US Person or acting for or on behalf of a US Person.

The Manager will decline to register a transfer of Shares if, in the opinion of the Manager, the transfer will be unlawful or result or be likely to result in any adverse regulatory, pecuniary, legal or taxation consequences or material administrative disadvantage to the ICAV, a Fund or its Shareholders as a whole.

The Manager will decline to register a transfer of Shares if the transferee is a US Person or acting for or on behalf of a US Person.

In the event that the ICAV does not receive a Declaration in respect of the transferee confirming that the transferee is not an Irish Resident or is an Exempt Investor, the ICAV will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption or other payment in respect of the Shares as described in the section headed "Taxation" below.

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## CONVERSION OF SHARES

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Shareholders may be entitled to exchange any or all of their Shares of any Class in a Fund (“**Original Class**”) for either (a) Shares of the same Class in any other Fund available for issue at that time; or (b) Shares of another Class in the same Fund available for issue at that time (each of (a) and (b), a “**New Class**”).

When requesting the conversion of Shares as an initial investment in a New Class, Shareholders should ensure that the NAV of the Shares converted is equal to or exceeds the minimum holding (if any) for the relevant New Class. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding for the relevant Original Class. If the number of Shares of the New Class to be issued on conversion is not an integral number of Shares, the ICAV may at its discretion issue fractional new Shares or retain the surplus arising for the benefit of the Fund in which the New Class Shares are being issued.

Shareholders should be aware that the ICAV reserves the right to accept or reject a conversion of Shares in its sole discretion.

A Shareholder should obtain and read the Prospectus and the Supplement relating to any Fund or any Class of Shares of a Fund and consider its investment objective, policies and applicable fees before requesting any exchange into that Fund or any Class of Shares of a Fund. A Shareholder must meet all the investor requirements of the new Class of Shares before requesting any exchange into that Class of Shares, as set out in the relevant Supplement.

The general provisions and procedures relating to redemptions of Shares of the Original Class and subscriptions for Shares of the New Class will apply to any conversion of Shares, including the provisions in relation to sales charges, redemption charges and anti-dilution levies. Shares may be exchanged on any Dealing Day, upon notice given not later than the earlier of the Dealing Deadline for the Original Class or the Dealing Deadline for the New Class, as set out in the relevant Supplement. Such notice must be given in writing, on a form available from the Administrator and may be sent by facsimile or electronic means as agreed with the Administrator at the number set out on the Subscription Agreement. In the event that an exchange request is received after the relevant cut-off time such request will be effected on the following Dealing Day, unless the Manager otherwise determines, in exceptional circumstances and where such exchange request is received before the relevant Valuation Point(s), to accept such exchange request on the relevant Dealing Day. The Manager will ensure that the relevant cut-off time for requests for exchange are strictly complied with and will therefore take all adequate measures to prevent practices known as “late trading”. The costs of any foreign exchange trade necessitated by the conversion will be borne by the converting Shareholder. Shareholders should contact the Administrator for further information.

The exchange of Shares of a Fund may be temporarily suspended by the Fund upon the occurrence of certain events described below under “Temporary Suspension of Dealings”.

An exchange of Shares may have tax consequences for a Shareholder. Shareholders should consult with their normal tax adviser if they are in any doubt as to such tax consequences.

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## TERMINATION OF THE ICAV, A FUND OR SHARE CLASS

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The ICAV and each Fund is established for an unlimited period and may have unlimited assets. However, the ICAV may redeem all of its Shares or the Shares of any tranche (representing a Fund) or Class in issue if:

- (a) the redemption of the Shares in a Class or tranche (representing a Fund) is approved by a resolution in writing signed by all of the holders of the Shares in that Class or tranche (representing a Fund), as appropriate;
- (b) the NAV of the Fund, or of a Class of Shares in a Fund, falls below USD 1 million or its foreign currency equivalent (or such other amount as may be determined from time to time by the Manager);
- (c) the Manager deems it appropriate because of an adverse political, economic, fiscal environment affecting the ICAV or relevant class or tranche (representing a Fund) of Shares; or
- (d) where the Depositary has served notice of its intention to retire and an alternative depositary has not been appointed within 90 days from the date of such notice. See the section headed "Depositary" above.

In the event of termination or merger, the Shares of the ICAV or relevant tranche or Class will be redeemed after giving such prior written notice as may be required by law to all holders of such Shares. Such notice periods will be at least two weeks and may be up to three months. The Shares will be redeemed at the NAV per Share of such class on the relevant Dealing Day less their pro rata share of such sums as the ICAV in its discretion may from time to time determine as an appropriate provision for Duties and Charges in relation to the estimated realisation costs of the assets of the Fund and in relation to the redemption and cancellation of the Shares to be redeemed.

If the ICAV will be wound up or dissolved (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may with the authority of an Ordinary Resolution, divide among the Shareholders pro-rata to the value of their shareholdings in the ICAV (as determined in accordance with the Instrument of Incorporation) in specie the whole or any part of the assets of the ICAV, and whether or not the assets will consist of property of a single kind and may for such purposes value any class or classes of property in accordance with the valuation provisions in the Instrument of Incorporation. The liquidator may, with the authority of an Ordinary Resolution, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator will think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but not so that any Shareholder will be compelled to accept any asset in respect of which there is a liability. If a Shareholder so requests, the Investment Manager will seek to sell the assets to be distributed to that Shareholder and distribute the cash proceeds to the Shareholder provided however that the ICAV may withhold a reserve to meet expected taxes in connection with the sale of such assets, any remainder of which will be distributed in due course once all relevant taxes are discharged. Shareholders will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities.

Unamortised establishment and organisational expenses at the time of any such termination will be borne by the relevant Fund and will reduce the Net Asset Value per Share of Shares then outstanding pro rata in accordance with the NAV of each such Share.

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## MANAGEMENT AND ADMINISTRATION

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### ***The Board of Directors***

The Directors have overall responsibility for the management of the ICAV (and any wholly owned subsidiaries) including making general policy decisions and reviewing the actions of the Manager, the Investment Manager, the Depositary, the Administrator and any other service providers appointed by the ICAV from time to time.

The Directors are responsible for managing the business affairs of the ICAV in accordance with the Instrument of Incorporation. The Directors may have delegated certain functions to the Manager which, in turn, has delegated certain of its duties to the Administrator, the Investment Manager and other parties, subject to the supervision and direction by the Manager and subject to compliance with the requirements of the Central Bank. It is intended that the ICAV will be managed and controlled in Ireland.

The Directors are listed below with their principal occupations. All of the Directors serve in a non-executive capacity.

The Directors as of the date of this Prospectus are as follows:

### ***Directors***

**Laura Esposito (US).** Laura Esposito is a Managing Director and Head of the Enterprise Client Coverage Group for Rockefeller. She is also a member of the firm's Operating Committee. Prior to joining Rockefeller in May 2018, Ms Esposito served as co-head of global sales and marketing at TT International. She previously worked at First Eagle Investment Management covering North American and European institutional investors and consultants. Ms Esposito also held various roles in institutional distribution at Goldman Sachs Asset Management and Lord Abbett. She started in the industry in 1998 and has twenty years of experience. Ms Esposito earned a B.S. from the Villanova School of Business and is a member of the Advisory Council for the Anne Welsh McNulty Institute for Women's Leadership at Villanova University.

**John Skelly (Ireland).** John is a Principal of Carne with over 30 years of experience in the financial services industry. John acts as a director and chairman on the boards of a number of industry-leading funds and management companies. He acts for Irish, Cayman and Luxembourg funds. John is a specialist in compliance, regulation, risk, product development, finance and operations for both traditional funds and hedge funds and has helped develop the operational infrastructure of a number of management companies and investment funds. He has in-depth understanding of hedge fund and traditional fund operational requirements and has project managed a number of fund launches. He has expert knowledge of the risk and compliance AIFMD and UCITS V requirements. Prior to joining Carne in 2006 John held a number of senior management positions with leading banks and asset management companies including BNP Paribas Securities Services and Norwich Union Investments (now Aviva Investors). He is a Fellow of the Institute of Chartered Accountants and trained with Deloitte. He holds a Bachelor of Commerce degree from University College Dublin.

**Gerry Brady (Ireland).** Gerry is an independent, non-executive director and consultant in the regulated, international financial services industry. Mr Brady has over 25 years' experience of the funds industry, both as a director and full-time executive, and has held senior executive management positions in Bank of Bermuda, Capita Financial Group and Northern Trust. Mr Brady has worked both abroad and in Ireland and is a past Council member of Irish Funds (IF) and former Executive Board member of Financial Services Ireland/Irish Business and Employers Confederation (FSI/IBEC). Mr Brady has a First Class Honours degree in Economics and is a Fellow of the Institute of Chartered Accountants of Ireland (FCA) and a Chartered Financial Analyst (CFA).

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## MANAGER

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The ICAV delegates UCITS management company functions to Carne Global Fund Managers (Ireland) Limited. The Central Bank UCITS Regulations refer to the "responsible person", being the party responsible for compliance with the relevant requirements of the Central Bank UCITS Regulations on behalf of an Irish authorised UCITS. The Manager assumes the role of the responsible person for the ICAV.

### The Manager

The ICAV has appointed the Manager to act as manager to the ICAV and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the ICAV. The Manager is a private limited company and was incorporated in Ireland on 10 November 2003 under the registration number 377914 and has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing management and related administration services to UCITS collective investment schemes. The Manager's parent company is Carne Global Financial Services Limited, a company incorporated in Ireland with limited liability.

The Manager is responsible for the general management and administration of the ICAV's affairs and for ensuring compliance with the UCITS Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. However, pursuant to the Administration Agreement, the Manager has delegated certain of its administration and transfer agency functions in respect of each Fund to the Administrator.

Pursuant to the Investment Management Agreement, the Manager has delegated certain investment management functions in respect of each Fund to the Investment Manager.

The directors of the Manager are as follows:

**Christophe Douche (nationality: French – Luxembourg resident).** Mr Douche is a Director with the Carne Group with over 23 years' experience in the funds industry, focusing on risk management, compliance, AML and corporate governance. His roles have included acting as conducting officer, executive director and chairman on fund boards, committees and management companies. Mr Douche currently acts as conducting officer in charge of risk for Carne Global Fund Managers (Luxembourg) SA. He also acts as Head of the Carne Group Risk & Valuation Teams. Previously he worked as a director with responsibility for risk & operations with FundRock where he was the conducting officer in charge of risk, distribution, central administration and depositary oversight. He also acted as Head of Regulatory Compliance and AML and Head of Investment Compliance during his time with FundRock. Prior to that he worked with State Street Bank Luxembourg as fund compliance manager and with Natixis Private Banking Luxembourg as a manager in the fund compliance and fund depositary department. Mr Douche has a master's degree in Finance and Economics and a degree in Banking, Finance and Insurance from University Nancy.

**Elizabeth Beazley (nationality: Irish - Ireland resident).** Ms Beazley is a Director with the Carne Group specialising in corporate governance, product development, financial reporting and fund oversight for both mutual and hedge funds. Ms Beazley has a 20-year track record in financial services. As Group Chief of Staff for Carne Group, Ms Beazley works on various strategic projects within the Executive Committee and oversees the Global Onboarding team at Carne which is responsible for overseeing a team project managing the establishment of UCITS and AIFs and several third-party management companies covering service provider selection, governance, documentation drafting and operational set-up.

Ms Beazley currently acts as director on a number of funds/management companies. Prior to joining Carne, Ms Beazley spent four years with AIB/BNY Fund Management in Ireland, and before that worked for HSBC. Ms Beazley has been a member of various industry working groups including the Technical committee and the ETF committee and currently sits on the Irish Funds' Management Company working group. She graduated with a Bachelor of Commerce from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business. Ms Beazley is a member of the Association of Chartered Certified Accountants.

**Neil Clifford (nationality: Irish – Ireland resident).** Mr Clifford is a Director and Chief Executive Officer of the

Manager. He is an experienced Irish-based investment management professional and fund director, with wide experience in the governance and operations of traditional and alternative investment funds. Mr Clifford joined the Manager in October 2014 from Irish Life Investment Managers (“ILIM”) (April 2006 – September 2014), where he was Head of Alternative Investments. He began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Mr Clifford was a senior equity analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Mr Clifford holds a degree in Electrical Engineering from University College Cork and a Masters of Business Administration from the Smurfit School of Business, University College, Dublin. He has also attained the professional certifications of Chartered Alternative Investment Analyst (CAIA) and Financial Risk Manager (FRM – Global Association of Risk Professionals).

**Michael Bishop (nationality: British – U.K. resident).** Mr Bishop was with UBS Global Asset Management (U.K.) Ltd. (1990 – 2011) holding executive director and then managing director positions and was responsible for the development and management of the U.K. business's range of investment funds. His areas of expertise include U.K. open-ended investment companies, unit trusts, unit linked funds and Irish, Cayman Islands, Channel Islands and other investment structures. He was a director of and responsible for the launch of UBS Global Asset Management Life Ltd. and UBS (Ireland) plc. Mr Bishop has designed and launched products catering for all capabilities including equities, fixed income and alternative strategies. He has also been responsible for service provider appointment and management, as well as holding senior accounting and managerial roles with other financial services companies including Flemings and Tyndall. He has served on a number of the Investment Management Association's committees, industry forums and consultation groups specialising in U.K. and international regulation, product development and taxation. Mr Bishop is a fellow of the Chartered Association of Certified Accountants. Since retiring in 2011, he has been involved with various charities.

**Teddy Otto (nationality: German – Ireland resident).** Mr Otto is a Principal with the Carne Group. He specialises mainly in product development, fund establishment and risk management. Before joining the Manager, Mr Otto was employed by the Allianz / Dresdner Bank group in Ireland for six years. During this time, he acted as head of fund operations, head of product management and was appointed as a director of the Irish management company for Allianz Global Investors and a range of Irish and Cayman domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at DeutscheBank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. Mr Otto holds a degree in business administration from Technische Universität Berlin.

**Sarah Murphy (nationality: Irish – Ireland resident).** Ms Murphy is an Executive Director and the Chief Operating Officer of the Manager. The Manager is a UCITS Management Company and Alternative Investment Fund Manager which currently manages in excess of €130bn in assets across a wide range of fund structures and asset classes. Ms Murphy began her career at the Carne Group as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses.

Prior to joining the Carne Group, Ms Murphy held a number of senior management roles in BDO Ireland's corporate services business. During this period, Ms Murphy was responsible for providing advisory services to a broad range of domestic and international clients in relation to corporate governance and company law issues associated with acquisitions, disposals and company re-organisations.

The secretary of the Manager is Carne Global Financial Services Limited.

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## INVESTMENT MANAGER

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The Investment Manager provides discretionary investment management, distribution, marketing and advisory services in relation to the ICAV. The Investment Manager will also act as promoter of the ICAV. The registered office of the Investment Manager is located at 45 Rockefeller Plaza, Fifth Floor, New York, NY 10111.

The Investment Manager's principal business and occupation is to provide investment management services to clients.

Under the Investment Management Agreement, the Investment Manager is entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations in accordance with the requirements of the Central Bank, provided that such delegation or sub-contract will terminate automatically on the termination of the Investment Management Agreement and provided further that the Investment Manager will remain responsible and liable for any acts or omissions of any such delegate as if such acts or omissions were those of the Investment Manager. All sub-investment managers appointed will be disclosed in the ICAV's periodic reports. Details on any sub-investment managers appointed will be disclosed to Shareholders on request. Such sub-investment managers will not be paid directly by the ICAV but instead will be paid by the Investment Manager.

The Investment Management Agreement provides that the appointment of the Investment Manager shall continue until terminated by either party on not less than 90 days' notice or immediately upon certain breaches or certain insolvency events of either party. In the absence of negligence, wilful default, fraud or bad faith the Investment Manager will not be liable for any loss damage arising directly or indirectly out of any act or omission arising as a result of the performance by the Investment Manager of its obligations and duties under the Investment Management Agreement. The ICAV has agreed to indemnify the Investment Manager out of the assets of the relevant Fund, against losses suffered by the Investment Manager in the performance of its duties and obligations under the Investment Management Agreement, except for losses arising out of the negligence, wilful default, fraud or bad faith of the Investment Manager.

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## DEPOSITARY

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The ICAV has appointed Northern Trust Fiduciary Services (Ireland) Limited as the depositary responsible for providing depositary services to the ICAV.

The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 September 2019, the Northern Trust Group's assets under custody totalled in excess of US\$8.8 trillion.

The Depositary has been entrusted with the following main functions:

- (a) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Instrument of Incorporation;
- (b) ensuring that the value of the Shares is calculated in accordance with applicable law and the Instrument of Incorporation;
- (c) carrying out the instructions of the ICAV unless they conflict with applicable law and the Instrument of Incorporation;
- (d) ensuring that in transactions involving the assets of the ICAV any consideration is remitted within the usual time limits;
- (e) ensuring that the income of the ICAV is applied in accordance with applicable law and the Instrument of Incorporation;
- (f) monitoring the ICAV's cash and cash flows;
- (g) safe-keeping of the ICAV's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets; and
- (h) enquiring into the conduct of the ICAV and the Manager in each accounting period and report thereon to the Shareholders. The Depositary's report shall state whether in the Depositary's opinion the ICAV has been managed in that period:
  - (i) in accordance with the limitations imposed on the borrowing powers of the ICAV and the Depositary by the Instrument of Incorporation and by the Central Bank under the powers granted to the Central Bank by the UCITS Regulations; and
  - (ii) otherwise in accordance with the provisions of the Instrument of Incorporation and the UCITS Regulations.

If the ICAV has not been managed in accordance with (h)(i) or (ii) above, the Depositary must state why this is the case and outline the steps which the Depositary has taken to rectify the situation.

Conflicts of interest may arise as a result of the appointment of the Depositary and up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to the Shareholders on request from the ICAV. A list of the Depositary's delegates is outlined in detail at Appendix E.

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that: (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations; (ii) the Depositary can demonstrate that there is an objective reason for the delegation; and (iii) the Depositary has exercised

all due skill, care and diligence in the selection and appointment of any third-party to whom it wants to delegate parts of the services, and continues to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary Agreement provides that the Depositary shall be liable, (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) 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; and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations. The Depositary Agreement may be terminated by either party on one hundred and twenty (120) days' notice to the other party or immediately upon certain breaches or certain insolvency events of either party or in the event that the performance of the Depositary Agreement ceases to be lawful.

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## ADMINISTRATOR

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The Manager has appointed Northern Trust International Fund Administration Services (Ireland) Limited to act as administrator, registrar and transfer agent of each Fund of the ICAV.

The Administrator is responsible for the administration of the ICAV's affairs including the calculation of the Net Asset Value and preparation of the ICAV's annual and semi-annual report, subject to the overall supervision of the Manager and the ICAV. The Administrator is not responsible for the monitoring of the ICAV's or any Fund's investments with any investment rules and restrictions contained in any agreement and / or this Prospectus, unless otherwise stated.

The Administrator was incorporated as a limited liability company on 15 June 1990. The Administrator is a wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. The Administrator's principal business is the provision of administration services to collective investment schemes.

The Administration Agreement provides that the appointment of the Administrator shall continue until terminated by either party on not less than 90 days' notice or immediately upon certain breaches or certain insolvency events of either party or in the event that the performance of the Administration Agreement ceases to be lawful. In the absence of fraud, negligence or wilful default, the Administrator will not be liable for any loss arising as a result of the performance or non-performance by the Administrator of its obligations and duties under the Administration Agreement. The ICAV has agreed to indemnify the Administrator out of the assets of the relevant Fund, against losses suffered by the Administrator in the performance of its duties and obligations under the Administration Agreement, except for losses arising out of the fraud, negligence or wilful default of the Administrator.

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## PAYING AGENT

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Local laws/regulations in certain jurisdictions may require (i) the Manager, acting on behalf of the ICAV, to appoint facilities agents/paying agents/representatives/distributors/correspondent banks (any such appointee is hereafter referred to as a "Paying Agent" and provided further that any such appointment may be made notwithstanding that it is not a legal or regulatory requirement) and (ii) the maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or who are obliged under local regulations to pay subscription monies, or receive redemption monies or dividends, through a Paying Agent are subject to the credit risk of the Paying Agent with respect to (a) the subscription monies for investment in a Fund held by the Paying Agent prior to the transmission of such monies to the Depositary for the account of the relevant Fund, and (b) the redemption monies and dividend payments held by the Paying Agent (after transmission by the ICAV) prior to payment to the relevant Shareholder. Fees and expenses of the Paying Agents appointed by the Manager (in respect of the ICAV) which will be at normal commercial rates, will be borne by the Fund in respect of which a Paying Agent has been appointed. All Shareholders of the relevant Fund on whose behalf a Paying Agent is appointed may use the services provided by Paying Agents appointed by the Manager on behalf of the ICAV.

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## REMUNERATION POLICY

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The Manager is subject to remuneration policies, procedures and practices (together, the “**Remuneration Policy**”), as required under the UCITS Directive. The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the ICAV. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the ICAV and the investors in the ICAV and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the ICAV, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually.

Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any) are available via [www.carnegroup.com](http://www.carnegroup.com). The Remuneration Policy will be made available for inspection and a paper copy may be obtained, free of charge, at the registered office of the Manager, upon request.

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## MEETINGS OF AND REPORTS TO SHAREHOLDERS

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All general meetings of the ICAV will be held in Ireland. 21 days' notice (excluding the day of posting and the day of the meeting) will be given in respect of each general meeting of the ICAV. The notice will specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. The requirements for quorum and majorities at all general meetings are set out in the Instrument of Incorporation. Two members present in person or by proxy will constitute a quorum, save in the case of a meeting of any one Fund or Class where the quorum will be at least two Shareholders who hold at least one third of the Shares of the relevant Fund or Class and in either case if a quorum is not present and the meeting is adjourned one member may constitute the quorum. Under Irish law an Ordinary Resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. Under Irish law, the Instrument of Incorporation can be amended only with the agreement of the Shareholders by special resolution.

The ICAV has determined not to convene an annual general meeting each year.

### ***Reports to Shareholders***

Shareholders will receive an annual report containing audited financial statements of the ICAV for the period ending 31 December in each year which will be published within four months of year-end and provided to Shareholders as soon as practical thereafter. The annual audited financial statements will be sent to Shareholders and prospective investors on request. In addition to the annual reports, each Shareholder will be provided with monthly statements showing their holdings in a Fund and any transactions effected by such Shareholder during the relevant month.

In addition, the ICAV will prepare and circulate to Shareholders a half-yearly report for the period ending 30 June in each year which will include unaudited semi-annual accounts for the ICAV and each Fund. The unaudited semi-annual report will be published within two months of the end of the relevant period and provided to Shareholders as soon as practical thereafter.

**Ireland**

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

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

**Taxation of the ICAV**

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

The ICAV will be obliged to account for Irish income tax to the Irish Revenue Commissioners if Shares are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.

**Taxation of Non-Irish Shareholders**

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the ICAV will not deduct any Irish tax in respect of the Shareholder's Shares once the declaration set out in the Subscription Agreement has been received by the ICAV confirming the Shareholder's non-resident status. The declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland.

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

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

**Taxation of exempt Irish Shareholders**

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

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

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).

3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
15. Qualifying companies (within the meaning of section 110 TCA).
16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the ICAV without requiring the ICAV to deduct or account for Irish tax.

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

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

### **Taxation of Other Irish Shareholders**

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

#### *Distributions by the ICAV*

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

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

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

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

#### *Redemptions and Transfers of Shares*

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

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

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

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

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

#### *'Eighth Anniversary' Events*

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

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

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

However, if less than 10% of the Shares (by value) in the relevant Fund of the ICAV are held by non-exempt Irish resident Shareholders, the ICAV may elect not to account for Irish tax on this deemed disposal. To claim this election, the ICAV must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Shareholders (including the value of their Shares and their Irish tax reference numbers); and

2. notify any non-exempt Irish resident Shareholders that the ICAV is electing to claim this exemption.

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

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

### *Share Exchanges*

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

### **Stamp Duty**

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

### **Gift and Inheritance Tax**

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

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

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

### **FATCA**

Ireland has an intergovernmental agreement with the United States of America (the "IGA") in relation to FATCA, of a type commonly known as a 'model 1' agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The ICAV intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. Unless an exemption applies, the ICAV shall be required to register with the US Internal Revenue Service as a 'reporting financial institution' for FATCA purposes and report information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Exemptions from the obligation to register for FATCA purposes and from the obligation to report information for FATCA purposes are available only in limited circumstances. Any information reported by the ICAV to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

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

## **OECD Common Reporting Standard**

The automatic exchange of information regime known as the "Common Reporting Standard" proposed by the Organisation for Economic Co-operation and Development applies in Ireland. Under these measures, the ICAV is expected to be required to report information to the Irish Revenue Commissioners relating to Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU Member States and other jurisdictions which implement the OECD Common Reporting Standard.

## **Meaning of Terms**

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

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

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

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

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

### *Meaning of 'Residence' for Individuals*

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

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

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

*Meaning of 'Ordinary Residence' for Individuals*

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2022 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2025.

### **The Share Capital**

The ICAV may issue up to 500,000,000,002 Shares of no par value. The maximum issued Share capital of the ICAV shall be 500,000,000,002 Shares of no par value and the minimum issued Share capital of the ICAV shall be €2.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Fund in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the ICAV, but do not entitle the holders to participate in the dividends or net assets of any Fund.

The Manager also reserves the right to redesignate any Class of Shares from time to time, provided that Shareholders in that Class will first have been notified by the ICAV that the Shares will be redesignated and will have been given the opportunity to have their Shares redeemed by the ICAV.

Each of the Shares entitles the holder to attend and vote at meetings of the ICAV and of the Fund represented by those Shares. The Instrument of Incorporation provides that matters may be determined at meetings of the Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. Each Shareholder will have one vote on a show of hands. Each Shareholder will be entitled to such number of votes as will be produced by dividing the aggregate NAV of that Shareholder's shareholding (expressed or converted into the Base Currency and calculated as of the relevant record date) by one. The "relevant record date" for these purposes will be a date being not more than thirty days prior to the date of the relevant general meeting or written resolution as determined by the Directors. Where a separate written resolution or general meeting of a particular Class or tranche of Shares is held, in such circumstances, the Shareholders' votes will be calculated by reference only to the NAV of each Shareholder's shareholding in that particular Class or tranche, as appropriate. The Subscriber Shareholders will have one vote for each Subscriber Share held. In relation to a resolution which in the opinion of the Directors affects more than one Class of Shares or gives or may give rise to a conflict of interest between the Shareholders of the respective Classes, such resolution will be deemed to have been duly passed, only if, in lieu of being passed through a single meeting of the Shareholders of those Classes, such resolution will have been passed at a separate meeting of the Shareholders of each such Class.

### **Currency Hedging**

A Fund may use FDI on behalf of a specific Hedged Class in order to hedge some or all of the foreign exchange risk for such Hedged Classes.

There are two methods used for Share Class currency hedging as detailed below:

#### *NAV Hedging*

The Investment Manager may employ techniques and instruments to protect against fluctuations, caused by movements in currency rates, between the Class Currency of a Hedged Class and the Base Currency of a Fund, with the goal of providing a similar return for the Hedged Class to that which would have been obtained for a Share class denominated in the Base Currency of the Fund. It is typically used when most portfolio holdings are either denominated in, or hedged back to, the Base Currency. While the Investment Manager (or its agents) may seek to use this NAV Hedging for certain Hedged Classes, there can be no guarantee that they will be successful in doing so. In this context, foreign exchange hedging will not be used for speculative purposes.

Changes in the exchange rate between the Base Currency and the Class Currencies of the Hedged Classes may lead to a difference in the value of the Shares in the Hedged Classes as expressed in such Class Currencies. The Investment Manager will try to mitigate this risk by using techniques and instruments, including forward currency exchange contracts. The use of the NAV Hedge may substantially limit the holders of the relevant Hedged Classes from benefiting if the Class Currencies of the Hedged Classes fall against the Base Currency. In such circumstances,

investors in these Hedged Classes may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains or losses on, and the costs of, the relevant financial instruments.

### *Portfolio Hedging*

The Investment Manager may also utilise Portfolio Hedging which seeks to minimise the effect of exchange rate fluctuations between the currency exposures of the underlying portfolio holdings and the Class Currency of the Hedged Class. It is typically used when most of the portfolio holdings are neither denominated in, nor hedged back to, the Base Currency. Where such hedging is undertaken, the currency exposures of the assets of the Fund are systematically hedged back to the Class Currency of the Hedged Class in proportion to the Hedged Class' share of the Net Asset Value of the Fund, unless for specific currencies, it is impractical or not cost effective to apply the Portfolio Hedge. The use of the Portfolio Hedge may substantially limit the holders of the relevant Hedged Class from benefiting if the Class Currency of the Hedged Class decreases in value relative to the currencies in which the underlying assets of the Fund being hedged are denominated.

As the foreign exchange hedging in respect of the Hedged Classes will be utilised solely for the benefit of the Hedged Classes, its cost and related liabilities and/or benefits will be for the account of the holders of the Hedged Classes only. Accordingly, such costs and related gains and/or losses from the hedging transactions will be reflected in the Net Asset Value per Share of the relevant Hedged Classes. Hedging transactions will be clearly attributable to a specific Hedged Class and the currency exposures of Hedged Classes denominated in different currencies may not be combined or offset. The currency exposures of the assets of a Fund may not be allocated to separate Hedged Classes. The Investment Manager will limit hedging in respect of the Hedged Classes to the extent of the Hedged Classes' currency exposure and the Hedged Classes will not generally be leveraged as a result of the hedging. Although a Hedged Class may not generally be leveraged as a result of the use of such techniques and instruments, the value of such instruments may be up to but may not exceed 105% of the portion of the Net Asset Value attributable to the relevant Hedged Class, but shall also not be below 95% of the portion of the Net Asset Value attributable to the relevant Hedged Class. The Investment Manager will monitor hedging and will adjust the level of hedging on at least a monthly basis to ensure that under-hedged and over-hedged positions are not carried forward from month to month. This review will also incorporate a procedure to ensure that any position materially in excess of 100% will not be carried forward from month to month.

Investors should refer to the paragraph under the heading "Share Currency Designation Risk" in the "Risk Considerations" section, for a description of the risks associated with hedging the foreign currency exposure of the Hedged Classes.

Where a Fund offers Hedged Classes, the hedging method used by the Fund (ie, either NAV Hedge or Portfolio Hedge) will be indicated in the relevant Supplement.

### **Unhedged Classes**

In the case of unhedged Shares Classes, a currency conversion will take place on subscription, redemption, switching and distribution at prevailing exchange rates and the investor is subject to currency risk in the form of potential capital losses resulting from movements of the exchange rate between the investor's currency and the currency of the Share Class in which such investor invests.

### **Data Privacy**

The ICAV will control and protect personal data in accordance with the requirements of Regulation (EU) 2016/679, the General Data Protection Regulation or "GDPR", as described in greater detail in the data privacy statement adopted by the ICAV and the Manager. A copy of this data privacy statement will be appended to the Subscription Agreement.

### **Material Contracts**

The following contracts have been entered into and are, or may be, material:

- (a) The Management Agreement;

- (b) The Investment Management Agreement;
- (c) The Depositary Agreement; and
- (d) The Administration Agreement.

**Supply and Inspection of Documents**

Copies of the following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the ICAV:

- (a) The Instrument of Incorporation of the ICAV;
- (b) The certificate of incorporation; and
- (c) The UCITS Regulations.

A copy of the Instrument of Incorporation of the ICAV (as amended from time to time) and the latest financial reports of the ICAV, as appropriate, may be obtained, free of charge, upon request at the registered office of the ICAV.

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**APPENDIX A – DEFINITIONS OF US PERSON AND NON-US PERSON**

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A. Regulation S Definition of US Person

- (1) **“US Person”** means:
- (a) any natural person resident in the United States;
  - (b) any partnership or corporation organised or incorporated under the laws of the United States;
  - (c) any estate of which any executor or administrator is a US Person;
  - (d) any trust of which any trustee is a US Person;
  - (e) any agency or branch of a foreign entity located in the United States;
  - (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
  - (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
  - (h) any partnership or corporation if:
    - (i) organised or incorporated under the laws of any foreign jurisdiction; and
    - (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.
- (2) Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States will not be deemed a “US Person.”
- (3) Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person will not be deemed a “US Person” if:
- (a) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (b) the estate is governed by foreign law.
- (4) Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person will not be deemed a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a “US Person.”
- (5) Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country will not be deemed a “US Person.”
- (6) Notwithstanding (1) above, any agency or branch of a US Person located outside the United States will not be deemed a “US Person” if:

- (a) the agency or branch operates for valid business reasons; and
  - (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- (7) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans will not be deemed “US Persons.”

B. Under the Commodity Exchange Act, a “Non-United States Person” is defined as:

- (1) a natural person who is not a resident of the United States;
- (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States Persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being Non-United States Persons; and
- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

C. Under the Code and the Treasury Regulations promulgated thereunder, a “US Person” is defined as:

- (1) an individual who is a US citizen or a US “resident alien.” Currently, the term “resident alien” is defined to generally include an individual who (i) holds an Alien Registration Card (a “**green card**”) issued by the US Immigration and Naturalization Service or (ii) meets a “substantial presence” test. The “substantial presence” test is generally met with respect to any current calendar year if (i) an individual is present in the US on at least 31 days during such year and (ii) the sum of (A) the number of days on which such individual is present in the US during the current year, (B) 1/3 of the number of such days during the first preceding year, and (C) 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days;
- (2) a corporation or partnership created or organised in the United States or under the law of the United States or any state;
- (3) a trust where (i) a US court is able to exercise primary supervision over the administration of the trust and (ii) one or more US Persons have the authority to control all substantial decisions of the trust; and
- (4) an estate that is subject to US tax on its worldwide income from all sources.

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## APPENDIX B – RECOGNISED MARKETS

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The following exchanges and markets constitute Recognised Markets for the purposes of this Prospectus:

Any stock exchange in an EU Member State or in any of the following member countries of the OECD:

Australia, Canada, Japan, Hong Kong, New Zealand, Norway, Switzerland, the UK and the United States of America.

Any of the following stock exchanges:

- Argentina
  - Buenos Aires Stock Exchange
  - Cordoba Stock Exchange
  - La Plata Stock Exchange
  - Mendoza Stock Exchange
  - Rosario Stock Exchange
  - Bolsa de Comercio de Santa Fe
  - Mercado Abierto Electrónico (MAE)
  - Mercado a Termino de Rosario
  - Mercado de Valores de Rosario
  - Mercados de Futuros y Opciones SA (Merfox)
- Bangladesh
  - Dhaka Stock Exchange
  - Chittagong Stock Exchange
- Botswana
  - Botswana Stock Exchange
  - Serowe Stock Exchange
- Brazil
  - Rio de Janeiro Stock Exchange
  - Sao Paulo Stock Exchange
  - Bahia-Sergipe-Alagoas Stock Exchange
  - Brasilia Stock Exchange
  - Extremo Sul Porto Alegre Stock Exchange
  - Minas Esperito Santo Stock Exchange
  - Parana Curitiba Stock Exchange
  - Pernambuco e Paraiba Recife Stock Exchange
  - Regional Fortaleza Stock Exchange
  - Santos Stock Exchange
- Chile
  - Santiago Stock Exchange
  - Valparaiso Stock Exchange
  - Bolsa Electronica de Chile
- China
  - Shanghai Securities Exchange
  - Shenzhen Stock Exchange
- Colombia
  - Colombian Stock Exchange

- Bogota Stock Exchange
- Medellin Stock Exchange
- Occidente Stock Exchange
- Egypt Cairo and Alexandria Stock Exchange
- Ghana Ghana Stock Exchange
- Hong Kong The Stock Exchange of Hong Kong Limited
- India The National Stock Exchange of India
- Metropolitan Stock Exchange of India Ltd
- The Stock Exchange, Mumbai
- Delhi Stock Exchange
- Ahmedabad Stock Exchange
- Bangalore Stock Exchange
- Cochin Stock Exchange
- Guwahati Stock Exchange
- Magadh Stock Exchange
- Pune Stock Exchange
- Hyderabad Stock Exchange
- Ludhiana Stock Exchange
- Uttar Pradesh Stock Exchange
- Calcutta Stock Exchange
- Bombay Stock Exchange
- Madras Stock Exchange
- Delhi Stock Exchange
- Gauhati Stock Exchange
- Magadh Stock Exchange
- Indonesia Jakarta Stock Exchange
- Surabaya Stock Exchange
- Israel Tel Aviv Stock Exchange Limited
- Jordan Amman Stock Exchange
- Kazakhstan Kazakhstan Stock Exchange
- Kenya Nairobi Stock Exchange
- Korea Korea Stock Exchange
- (South) KOSDAQ
- Korea Futures Exchange
- Korean Securities Dealers Association
- Kuwait Kuwait Stock Exchange
- Malaysia Kuala Lumpur Stock Exchange
- The Bursa Malaysia Berhad
- Bumipatra Stock Exchange
- Mauritius Stock Exchange of Mauritius
- Morocco Casablanca Stock Exchange
- Mexico Mexico Stock Exchange
- Mercado Mexicana de Derivados
- Nigeria Nigerian Stock Exchange
- Lagos Stock Exchange
- Kaduna Stock Exchange
- Port Harcourt Stock Exchange
- Oman Muscat Securities Market
- Pakistan Karachi Stock Exchange
- Lahore Stock Exchange
- Islamabad Stock Exchange
- Peru Lima Stock Exchange

- Philippines Philippines Stock Exchange
- Qatar Doha Securities Market
- Russia Moscow Exchange
- Saudi Arabia Saudi Stock Exchange (Tadawul)  
Riyadh Stock Exchange
- Serbia Belgrade Stock Exchange
- Singapore Singapore Stock Exchange  
SESDAQ
- South Africa Johannesburg Stock Exchange
- Sri Lanka Colombo Stock Exchange
- Taiwan Taiwan Stock Exchange
- (Republic of GreTai Securities Market (GTSM)
- China) Taiwan Futures Exchange (TAIFEX)
- Thailand Stock Exchange of Thailand  
Market for Alternative Investments (MAI)
- Turkey Istanbul Stock Exchange
- Uganda Kampala Stock Exchange
- United Arab Abu Dhabi Securities Market (ADX)
- Emirates Borse Dubai
- (UAE) Dubai: Financial Market (DFM)
- Dubai: Gold and Commodities Exchange
- Dubai: International Financial Exchange
- (DIFX)
- Dubai: Mercantile Exchange
- Vietnam Ho Chi Min Stock Exchange (HOSE)  
Ho Chi Minh Securities Trading Center  
Hanoi Securities Trading Center
- Zambia Lusaka Stock Exchange

The following markets:

- the market organised by the International Capital Market Association;
- the market conducted by “listed money market institutions” as described in the Financial Services Authority Publication “The Regulation of the Wholesale cash and Derivatives Markets under Section 43 of the Financial Services Act 1986 (The Grey Paper)” dated June 1999 (as amended from time to time);
- (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; and (c) the over-the-counter market in the United States conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and the Financial Industry Regulatory Authority and by banking institutions regulated by the US Comptroller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

- AIM - the alternative investment market in the U.K. regulated and operated by the London Stock Exchange;
- the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable instruments); and
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.
- Multilateral Trading Facilities which meet with applicable regulatory criteria, as same may be amended from time to time.

## **DERIVATIVES MARKETS**

In the case of an investment in FDI, in any derivative market approved in the United Kingdom or in a member state of the European Economic Area and the following exchanges or markets:

American Stock Exchange, Chicago Mercantile Exchange, Chicago Board of Options Exchange, Chicago Board of Trade, Coffee, Sugar and Cocoa Exchange, Iowa Electronic Markets, Kansas City Board of Trade, Mid-American Commodity Exchange, Minneapolis Grain Exchange, New York Cotton Exchange, New York Mercantile Exchange, New York Futures Exchange, Twin Cities Board of Trade, CME Group, Montreal Derivatives Exchange, China Financial Futures Exchange, Dalian Commodity Exchange, Shanghai Futures Exchange, Zhengzhou Commodity Exchange, China Interbank Bond Market, Hong Kong Futures Exchange, Ace Derivatives & Commodity Exchange, Indonesia Commodity and Derivatives Exchange, Bursa Malaysia Derivatives Berhad, Singapore International Monetary Exchange, Singapore Commodity Exchange, Tokyo Financial Exchange, Tokyo Commodity Exchange, Taiwan Futures Exchange, Thailand Futures Exchange, Agricultural Futures Exchange of Thailand, Singapore Commodity Exchange, Singapore Mercantile Exchange, New Zealand Exchange, Athens Derivative Exchange, Borsa Italiana (IDEM), EUREX Deutschland, EUREX Zurich, EUREX for Bunds, OATs, BTPs, Euronext Derivatives Amsterdam, Euronext Derivatives Brussels, Euronext Derivatives Paris, ICE Futures Europe, London Metal Exchange, Meff Renta Variable (Madrid), OMX Nordic Exchange Copenhagen, OMX Nordic Exchange Stockholm and South African Futures Exchange, participant exchanges of the Options Clearing Corporation.

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

With the exception of permitted investments in unlisted securities the ICAV will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, recognised and open to the public) and which is listed in this Prospectus.



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## APPENDIX C – EFFICIENT PORTFOLIO MANAGEMENT

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**This section of the Prospectus clarifies the instruments and / or strategies which the ICAV engages in for efficient portfolio management purposes. Where derivative instruments are used for investment / speculative purposes details of the derivative instruments to be used will be specifically disclosed in the relevant Supplement. The Manager 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.**

The Investment Manager may, on behalf of each Fund and subject to the conditions and limits set out in the Central Bank UCITS Regulations, employ techniques and instruments relating to transferable securities for hedging purposes (to protect an asset of a Fund against, or minimise liability from, fluctuations in market value or foreign currency exposures) or for efficient portfolio management purposes (with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to the Fund provided such transactions are not speculative in nature). Investment in FDI which give exposure to foreign exchange will only be used for hedging purposes. Such techniques and instruments may include investments in exchange-traded or over-the-counter (“**OTC**”) FDI, such as futures and currency forwards (which may be used to manage market and currency risk respectively), options (including call and put options which may be used to achieve cost efficiencies) and swaps, including credit default swaps (which may be used to manage interest rate and credit risk respectively). A Fund may also invest in the FDI as part of its investment strategy where such intention is disclosed in the Fund’s investment policy and provided that the counterparties to such transactions are institutions subject to prudential supervision and, in relation to OTC transactions, belong to categories approved by the Central Bank.

Where a Fund is intended to utilise financial derivative instruments, the Manager has employed a risk management process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative instruments, and details of this process have been provided to the Central Bank. Such risk management process will also allow the Manager to measure, monitor and manage the global exposure from FDIs (“**global exposure**”) which each Fund gains. Unless otherwise specified in the relevant Supplement, the Manager will use the commitment approach to calculate its global exposure. The ICAV will, on request, provide supplemental 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 investment.

The conditions and limits for the use of such techniques and instruments in relation to each Fund are as follows:

1. For Funds using the commitment approach, in no circumstances will the global exposure of a Fund exceed 100% of its Net Asset Value.
2. Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
3. A Fund may invest in FDIs dealt in OTC provided that the counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
4. Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

Where provided for in the relevant Supplement, the Manager may alternatively use a methodology known as “Value at Risk” (“**VaR**”) in order to measure the global exposure of a Fund and manage the potential loss to it due to market risk. The VaR methodology measures the potential loss to a Fund at a particular confidence (probability) level over a specific time period and under normal market conditions. The Manager uses a one-tailed 99% confidence level, a one month holding period and a historical observation period of not less than one year for the purposes of carrying out this calculation.

There are two types of VaR measure which can be used to monitor and manage the global exposure of a Fund: “Relative

VaR” and “Absolute VaR”.

Relative VaR is the VaR of a Fund divided by the VaR of an appropriate benchmark or reference portfolio allowing the global exposure of a Fund to be compared to, and limited by reference to, the global exposure of the appropriate benchmark or reference index. The UCITS Regulations specify that the VaR of the Fund must not exceed twice the VaR of the benchmark or reference index.

Absolute VaR is commonly used as the relevant VaR measure for absolute return style funds where a benchmark or reference portfolio is not appropriate for risk measurement purposes. In accordance with the requirements of the Central Bank, the VaR measure for such a Fund must not exceed 20% of that Fund's Net Asset Value.

### **Efficient Portfolio Management - Other Techniques and Instruments**

1. In addition to the investments in FDIs noted above, the ICAV may (without limit) employ other techniques and instruments relating to transferable securities and money market instruments subject to the conditions imposed by the Central Bank, such as repurchase / reverse repurchase agreements, (“**repo contracts**”) and securities lending only for efficient portfolio management. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including FDIs which are not used for direct investment purposes, will be understood as a reference to techniques and instruments which fulfil the following criteria:
  - (a) they are economically appropriate in that they are realised in a cost-effective way;
  - (b) they are entered into for one or more of the following specific aims:
    - reduction of risk;
    - reduction of cost;
    - generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the Central Bank UCITS Regulations;
  - (c) their risks are adequately captured by the risk management process of the ICAV (in the case of FDIs only); and
  - (d) they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in the sales documents.

Techniques and instruments (other than FDIs) which may be used for efficient portfolio management purposes are set out below and are subject to the conditions set out below.

2. The following applies to repo contracts and securities lending arrangements, in particular, and reflects the requirements of the Central Bank and is subject to changes thereto:
  - (a) Repo contracts and securities lending may only be effected in accordance with normal market practice.
  - (b) The ICAV must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.
  - (c) Repo contracts or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.
  - (d) Where repurchase agreements are entered into on behalf of the ICAV, it must be 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 agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the ICAV.

- (e) Where reverse repurchase agreements are entered into on behalf of the ICAV, it must be 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 callable 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. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the ICAV.
3. Any revenues from efficient portfolio management techniques not received directly by the ICAV, net of direct and indirect operational costs and fees (which do not include hidden revenue), will be returned to the ICAV. To the extent the ICAV engages in securities lending it may appoint a securities lending agent, which may or may not be an affiliate of the Investment Manager, and which may receive a fee in relation to its securities lending activities. Any operational costs arising from such securities lending activities will be borne by the securities lending agent out of its fee. The names of any securities lending agents appointed will be disclosed in the periodic reports of the ICAV.
  4. The counterparties to all efficient portfolio management techniques, which may or may not be related to the Investment Manager or Depository, will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Fund, unless otherwise specified in the relevant Supplement. Where a counterparty (which is an entity with legal personality typically located in OECD jurisdictions) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Investment Manager in the credit assessment process and where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Investment Manager without delay.
  5. When Issued, Delayed Delivery and Forward Commitment Securities

The ICAV may invest in securities on a when-issued, delayed delivery and forward commitment basis and such securities will be taken into consideration in calculating a Fund's investment restriction limits.

#### **Risks and potential conflicts of interest involved in efficient portfolio management techniques.**

There are certain risks involved in efficient portfolio management activities and the management of collateral in relation to such activities (see further below). Please refer to the section of this Prospectus entitled "Conflicts of Interest" and "Risk Considerations" and, in particular but without limitation, the risk factors relating to FDI risks, counterparty risk, and counterparty risk to the Depository and other depositaries. These risks may expose investors to an increased risk of loss.

#### **Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques**

*For the purposes of this section, "Relevant Institutions" refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1998 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.*

- (a) Collateral obtained in respect of OTC financial derivative transactions and efficient portfolio management techniques ("**Collateral**"), such as a repo contract or securities lending arrangement, must comply with the following criteria:
  - (i) liquidity: Collateral (other than cash) should be transferable securities or money market instruments (of any maturity) which are highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-

sale valuation. Collateral should also comply with the provisions of Regulation 74 of the UCITS Regulations;

- (ii) valuation: Collateral should be capable of being valued (marked to market) on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place. Collateral may be marked to market daily by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to variation margin requirements;
  - (iii) issuer credit quality: Collateral should be of high quality, as determined by way of a credit assessment process. Where the issuer is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process; and where an issuer is downgraded below the two highest short-term credit ratings by such credit rating agency this shall result in a new credit assessment being conducted of the issuer without delay;
  - (iv) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
  - (v) diversification:
    - (a) Subject to (b) below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and
    - (b) A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Fund should receive securities from at least 6 different issues, but securities from any single issue shall not account for more than 30% of the Fund's Net Asset Value. A Fund is able to accept transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international body of which one or more EU Member States are members as collateral accounting for more than 20% of that Fund's Net Asset Value; and
  - (vi) immediately available: Collateral must be capable of being fully enforced by the ICAV at any time traded without reference to or approval from the counterparty.
- (b) Until the expiry of the repo contract or securities lending arrangement, collateral obtained under such contracts or arrangements:
- (i) must be marked to market daily (as valued by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk); and
  - (ii) must equal or exceed, in value, at all times the value of the amount invested or securities loaned.
- (c) Collateral must be held by the Depositary, or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated and unconnected to the provider of the Collateral.
- (d) Non-cash Collateral:
- Non- cash Collateral cannot be sold, re-invested or pledged.

(e) Cash Collateral:

Cash as Collateral may only be:

- (i) placed on deposit with Relevant Institutions;
- (ii) invested in high quality government bonds;
- (iii) used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the ICAV can recall at any time the full amount of the cash on an accrued basis; and
- (iv) invested in short term money market funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash Collateral. Where cash collateral is re-invested it will be subject to the same risks as direct investments as set out under "Risk Considerations" above.

- (f) In the event that the ICAV accepts collateral other than cash, it will implement a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The ICAV shall ensure that each decision to apply or refrain from applying a haircut is documented. The haircut policy may take account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with any stress testing policy. The value of any Collateral received by the ICAV, adjusted in light of the haircut policy, will equal or exceed, in value, at all times, the relevant counterparty exposure.

**Permitted types of collateral**

In accordance with the above criteria, it is proposed that a Fund will accept the following types of Collateral:

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

## APPENDIX D – INVESTMENT RESTRICTIONS

The assets of each Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised below and such additional investment restrictions, if any, as may be adopted by the Directors, the details of such additional investment restrictions will be set out below and / or in the Supplement.

<b>1</b>	<b>Permitted Investments</b>
	Investments of a UCITS are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of alternative investment funds.
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	Financial derivative instruments.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “ Rule 144 A securities” provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) may be raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments across all issuers may not exceed 80% of the Net Asset Value of the UCITS.
<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and 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 UCITS shall not invest more than 20% of its assets in deposits made with the same body.
2.8	The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.  This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
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 net assets: <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
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 net assets.
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 net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	<p>A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:  OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
3.1	A UCITS may not invest more than 20% of net assets in any one CIS.
3.2	Investment in alternative investment funds may not, in aggregate, exceed 30% of net assets.
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 UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company 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 UCITS investment in the units of such other CIS.

3.5	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4 Index Tracking UCITS</b>	
4.1	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
4.2	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5 General Provisions</b>	
5.1	An investment company, ICAV 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	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) 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.</p>
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a UCITS in the capital of a company incorporated in a non-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 UCITS 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-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.</li> <li>(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>
5.4	UCITS 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 recently authorised UCITS 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 their authorisation, provided they observe the principle of risk spreading.

<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
<b>5.7</b>	Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of investment funds; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	A UCITS' global exposure relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (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 Central Bank UCITS Regulations.)
<b>6.3</b>	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

Notwithstanding the limits set out in sections 3.1 and 3.2 above, a Fund shall not have greater than 10% exposure in aggregate to collective investment schemes.

The ICAV shall not acquire commodities, precious metals or certificates representing them.

The Directors, in consultation with the Manager, may at their absolute discretion from time to time impose such further investment restrictions as shall be compatible with or in the interests of investors, in order to comply with the laws and regulations of the countries where investors are located.

The investment restrictions referred to above are deemed to apply at the time of purchase of the investments. If such limits are exceeded for reasons beyond the control of the ICAV, or as a result of the exercise of subscription rights, the ICAV must adopt, as a priority objective, the remedying of the situation, taking due account of the interests of Shareholders.

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

**APPENDIX E – THE DEPOSITARY’S SUB-CUSTODIANS**

The Depositary has delegated custody and safekeeping of the ICAV’s assets to the following third-party delegates in the referenced markets as sub-custodians of the ICAV’s assets: This list may be updated from time to time and is available upon request in writing from the Administrator or the Depositary. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to The Northern Trust Company or any of the sub-delegates listed below. The Depositary will notify the Directors of the ICAV of any such conflict should it so arise.

<b>1. Jurisdiction</b>	<b>2. Subcustodian</b>	<b>3. Subcustodian Delegate</b>
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	The Northern Trust Company	
<b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	
<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	
<b>Canada</b>	The Northern Trust Company, Canada	
<b>Canada*</b>	Royal Bank of Canada	
<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>Clearstream</b>	Clearstream Banking S.A.,	
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Côte d’Ivoire</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Egypt</b>	Citibank N.A., Cairo Branch	
<b>Estonia</b>	Swedbank AS	
<b>Eswatini (formerly Swaziland)</b>	Standard Bank Eswatini Limited	

<b>Finland</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>France</b>	The Northern Trust Company	
<b>Germany</b>	The Northern Trust Company	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	UniCredit Bank Hungary Zrt.	
<b>Iceland</b>	Landsbankinn hf	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	Euroclear Bank S.A./N.V.	
<b>Israel</b>	Bank Leumi Le-Israel B.M.	
<b>Italy</b>	Citibank Europe plc	
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Standard Chartered Bank	
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
<b>Morocco</b>	Société Générale Marocaine de Banques	
<b>Namibia</b>	Standard Bank Namibia Ltd	
<b>Netherlands</b>	The Northern Trust Company	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Oman</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Polska Kasa Opieki Spółka Akcyjna,	

<b>Portugal</b>	BNP Paribas Securities Services	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	
<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	
<b>Senegal</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	
<b>South Africa</b>	The Standard Bank of South Africa Limited	
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Citibank Europe plc	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Nordea Bank Abp	
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	
<b>Taiwan</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	
<b>Tunisia</b>	Union Internationale De Banques	
<b>Turkey</b>	Citibank A.S.	
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Kingdom</b>	Euroclear UK & International Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	

\* The Royal Bank of Canada serves as Northern Trust's Sub-Custodian for securities not eligible for settlement in Canada's local central securities depository.