

**VIRTUS GLOBAL FUNDS ICAV**

**An open-ended Irish collective asset-management vehicle structured as an umbrella fund with segregated liability between sub-funds and authorised under the laws of Ireland pursuant to the Regulations.**

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**PROSPECTUS**

This Prospectus is dated 28 February 2023

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## TABLE OF CONTENTS

DIRECTORY.....	2
IMPORTANT INFORMATION .....	3
DEFINITIONS.....	7
FUNDS .....	14
INVESTMENT OBJECTIVE AND POLICIES.....	14
ADDITIONAL INVESTMENT TECHNIQUES .....	15
USE OF FINANCIAL DERIVATIVE INSTRUMENTS .....	17
INVESTMENT RESTRICTIONS.....	23
INCOME POLICY .....	29
RISK FACTORS .....	30
MANAGEMENT OF THE ICAV .....	52
SHARE DEALINGS .....	61
REDEMPTION OF SHARES .....	64
CALCULATION OF NET ASSET VALUE/VALUATION OF ASSETS.....	68
SUSPENSION OF CALCULATION OF NET ASSET VALUE .....	70
NOTIFICATION OF PRICES.....	72
FEEs AND EXPENSES.....	72
<b>TAXATION</b> .....	73
GENERAL INFORMATION .....	86
DATA PROTECTION.....	89
APPENDIX I RECOGNISED MARKETS .....	93
APPENDIX II GUIDELINES OF EFFICIENT PORTFOLIO MANAGEMENT .....	98
APPENDIX III LIST OF SUB-CUSTODIAL AGENTS APPOINTED BY THE DEPOSITARY ...	106

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## DIRECTORY

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**Directors of the ICAV:**

Vincent Dodd (Irish Resident)  
Michael Angerthal (US Resident)  
Patrick Bradley (US Resident)

**Registered Office:**

One Dockland Central  
Guild Street  
IFSC  
Dublin D01 E4X0  
Ireland

**Depository:**

The Bank of New York Mellon SA/NV  
Dublin Branch  
Riverside II  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
D02 DH99  
Ireland

**Investment Manager:**

Virtus Investment Advisers, Inc.  
One Financial Plaza  
Hartford  
CT 06103  
USA

**Administrator:**

BNY Mellon Fund Services (Ireland) Designated  
Activity Company  
One Dockland Central  
Guild Street  
IFSC  
Dublin 1  
Ireland

**Manager:**

KBA Consulting Management Limited  
35 Shelbourne Road  
Ballsbridge  
Dublin D04 A4E0  
Ireland

**Irish Legal Advisers:**

Dechert  
Second Floor, 5 Earlsfort Terrace  
Dublin D02 CK83  
Ireland

**Auditor & Tax Advisor:**

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin D01 X9R7  
Ireland

**Secretary of the ICAV:**

Dechert Secretarial Limited  
Second Floor, 5 Earlsfort Terrace  
Dublin D02 CK83  
Ireland

**Distributor:**

VP Distributors, LLC  
One Financial Plaza  
Hartford  
CT 06103  
USA

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## IMPORTANT INFORMATION

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If Applicants are in any doubt about the contents of this Prospectus and the relevant Supplement, Applicants should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser.

**The Directors whose names appear in the section entitled "Directors of the ICAV" below 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 such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.**

Shares representing interests in different Funds may be issued from time to time by the Directors. Shares of more than one class may be issued in relation to a Fund. All Shares of each class will rank *pari passu* save as provided for in the relevant Supplement. On the introduction of any new Fund (for which prior Central Bank approval is required) or any new class of Shares (which must be issued in accordance with the requirements of the Central Bank and notified to and cleared in advance by the Central Bank), the Director will issue a new or updated Supplement setting out the relevant details of each such Fund or new class of Shares, as the case may be. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each class of Shares) and will be invested in accordance with the investment objective and policies applicable to such Fund. Particulars relating to individual Funds and the classes of Shares available therein are set out in the relevant Supplement. Any amendments to the Prospectus or any Supplement must be cleared in advance by the Central Bank.

Distribution of this Prospectus and the relevant Supplement is not authorised in any jurisdiction, publication of the annual report and audited accounts of the ICAV with a copy of such report and accounts or the then latest published semi-annual report and unaudited accounts (or the then last published annual report and audited accounts, if more recent). Such reports and this Prospectus and the relevant Supplement together form the prospectus for the issue of Shares in the ICAV.

The ICAV does not intend, but reserves the right to accept subscriptions from Applicants that are employee benefit plans subject to the United States Employee Retirement Income Security Act 1974, as amended (ERISA).

**Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.**

This Prospectus may be translated into other languages and such translations shall contain only the same information as this Prospectus. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

### INVESTOR RESPONSIBILITY

**Prospective investors should review this Prospectus carefully and in its entirety and consult a stockbroker, bank manager, solicitor, accountant or other financial advisers in relation to (i) the legal requirements within their own countries for the purchase, holding, exchange, redemption or disposal of Shares; (ii) any foreign exchange restrictions to which they are subject in their**

own countries in relation to the purchase, holding, exchange, redemption or disposal of Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares. Prospective investors should seek the advice of their legal, tax and financial advisers if they have any doubts regarding the contents of this Prospectus.

Certain terms used in this Prospectus are defined in the section entitled "Definitions" below.

## **AUTHORISATION BY THE CENTRAL BANK**

**The ICAV is an open-ended Irish collective asset-management vehicle structured as an umbrella fund with segregated liability between Funds and is authorised by the Central Bank as a UCITS within the meaning of the Regulations. The authorisation of the ICAV as a UCITS by the Central Bank 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. The authorisation of the ICAV by the Central Bank shall not constitute a warranty by the Central Bank as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV.**

## **INVESTMENT RISKS**

There can be no assurance that a Fund will achieve its investment objective. An investment in a Fund involves investment risks, including possible loss of the amount invested. **In view of the fact that a sales fee or a redemption fee may be payable on a subscription or redemption by an investor in a Fund the difference at any one time between the sale and repurchase price of shares in the Fund means that the investment should be regarded as a medium to long term investment.** Details of certain investment risks and other information for an investor are set out more fully in this Prospectus.

## **DISTRIBUTION AND SELLING RESTRICTIONS**

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 application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares, pursuant to this Prospectus or the Application Form, to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

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

The ICAV has not been and will not be registered under the Securities Act of 1933 of the United States of America (as amended) (the "**1933 Act**") or the securities laws of any of the States of the United States. Except with respect to permitted U.S. Persons (as defined herein) the Shares may not be offered, sold or delivered directly or indirectly in the United States of America, its territories or

possessions or in any State or the District of Columbia (the "**United States**") or to or for the account or benefit of any U.S. Person (as defined herein). In reliance on the private placement exemption from the registration requirements of the 1933 Act provided by Section 4(2) of the 1933 Act and Regulation D thereunder, the ICAV may arrange or permit the private sale of Shares to a limited number (being not more than 100) of "accredited investors" (as defined in Rule 501(a) of Regulation D under the 1933 Act) in the United States under restrictions and other circumstances designed to preclude a distribution that would otherwise require registration of the Shares under the 1933 Act. Any resales or transfers of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the ICAV. Applicants for Shares will be required to certify whether or not they are a "U.S. Person".

The ICAV will not be registered under the United States Investment Company Act of 1940 (the "**Investment Company Act**") since it will limit to not more than 100 the number of beneficial owners of its securities that are U.S. Persons. The Directors will not knowingly permit the number of Shareholders who are U.S. Persons to exceed 100. To ensure this limit is maintained the Directors, in consultation with the Manager, may require the mandatory repurchase of Shares beneficially owned by U.S. Persons.

The Instrument gives powers to the Directors to impose restrictions (but not the obligation) on the holding of Shares by (and consequently to effect the redemption of Shares held by) or the transfer of Shares to any U.S. Person (unless permitted under certain exceptions under the laws of the United States) or by any person or persons in circumstances (whether directly or indirectly affecting such person or person, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which in the opinion of the Directors might result in the ICAV incurring any liability to taxation or suffering pecuniary disadvantage which the ICAV might not otherwise have incurred or suffered.

## **RELIANCE ON THIS PROSPECTUS AND ON THE KEY INVESTOR INFORMATION DOCUMENT**

Shares in the ICAV are offered only on the basis of the information contained in this Prospectus and Key Investor Information Document and, as appropriate, after publication of the first half-yearly report of the ICAV or, after publication of the first audited annual accounts of the ICAV, the latest audited annual accounts and any subsequent half-yearly report of the ICAV. These reports form part of the Prospectus. 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 representations in connection with the offering of Shares in the ICAV other than those contained in this Prospectus and in any subsequent half-yearly or annual report for the ICAV and, if given or made, such information or representations must not be relied on as having been authorised by the Directors, the Manager, the Investment Manager or the Sub-Investment Manager, the Administrator or the Depositary.

Statements in this Prospectus are based on the law and practice currently in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the ICAV have not changed since the date hereof.

This Prospectus should be read in its entirety before making any application for Shares.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument, copies of which are available as mentioned herein.

Distribution of this Prospectus in certain jurisdictions will require that the Prospectus be translated into other languages. Where such translation is required, the translated version of the Prospectus will accord in all respects with the English version.

Contingent deferred sales charge (“CDSC”) may be payable at rates set out under “Fees and Expenses” in the relevant Supplement. **The impact of such CDSC is to reduce the proceeds of redemption for the relevant Class if the redemption is carried out in the time frame indicated and means that investment in such Shares should be viewed as medium to long term.**

Shareholders should note that the Instrument permits the Directors to impose a Sales Charge of up to a maximum of 5% of the Net Asset Value per Share purchased. A redemption fee (“Redemption Fee”) of up to 3% may also be chargeable.

In the event that such charges are imposed, the difference at any time between the sale and repurchase price of Shares means that any investment in the ICAV should be viewed as being in the medium to long term. Prices of Shares in the ICAV may fall as well as rise. These charges may only be applied if provided for in the relevant Supplement.

The ICAV, the Manager and the Administrator have a responsibility to regulators for compliance with money laundering regulations around the world and for that reason, existing Shareholders and potential subscribers for Shares may be asked for proof of identity. Until satisfactory proof of identity is provided by potential investors or transferees, either of the above reserve the right to withhold issuance of Shares or any transfer of Shares. In case of delay or failure to provide satisfactory proof of identity, any of the above may take such action as they see fit.

This Prospectus and the relevant Supplement shall be governed by and construed in accordance with Irish law.

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## DEFINITIONS

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Defined terms used in this Prospectus shall have the meanings attributed to them in this section.

<b>Accounting Period</b>	a calendar year ending 30 September;
<b>Administration Agreement</b>	the agreement dated 29 March 2019 between the ICAV, the Manager and the Administrator as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank pursuant to which the Administrator has been appointed to provide administration services to the ICAV;
<b>Administrator</b>	BNY Mellon Fund Services (Ireland) Designated Activity Company or any successor thereto duly appointed in accordance with the requirements of the Central Bank as the administrator of the ICAV and each Fund;
<b>Anti-Dilution Levy</b>	a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of Fund assets in the event of receipt for processing of large subscription or repurchase requests (as determined at the discretion of the Directors) including subscriptions and/or repurchases which would be effected as a result of requests for exchange from one Fund into another Fund;
<b>Applicant</b>	any person who completes and submits the Subscription Agreement to the Administrator with a copy to the Investment Manager or Sub-Investment Manager in the manner set out in the Prospectus and any Supplement;
<b>Associated Person</b>	<p>a person who is associated with a Director if, and only if, he or she is:</p> <ol style="list-style-type: none"><li>1. that Director's spouse, parent, brother, sister or child;</li><li>2. a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls; or</li><li>3. a partner of that Director.</li></ol> <p>A company will be deemed to be associated with a Director if it is controlled by that Director;</p>
<b>Base Currency</b>	in relation to any Fund such currency as is specified in the Supplement for the relevant Fund;
<b>Benchmarks Regulation</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives

2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;

<b>Business Day</b>	in relation to any Fund such day or days as is or are specified in the Supplement for the relevant Fund;
<b>Central Bank</b>	the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the ICAV;
<b>Central Bank UCITS Regulations</b>	The Central Bank (Supervision and enforcement Act 2013(Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (as may be amended) and Guidelines issued by the Central Bank from time to time;
<b>Class</b>	unless the context otherwise requires, each Class of Shares in the ICAV;
<b>Companies Act</b>	the Irish Companies Act as amended, consolidated, supplemented or re-enacted from time to time;
<b>Connected Person</b>	means the persons defined as such in the section entitled "Portfolio Transactions and Conflicts of Interest" below;
<b>Data Protection Legislation</b>	the Data Protection Acts 1988 to 2018, the GDPR and any other laws that apply to the ICAV in relation to the processing of personal data;
<b>Dealing Day</b>	in respect of each Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Fund provided that there shall be at least two dealing days at regular intervals in every month;
<b>Dealing Deadline</b>	in relation to applications for subscription, redemption or switching of shares in a Fund, the day and time specified in the relevant Supplement;
<b>Depository</b>	The Bank of New York Mellon SA/NV, Dublin Branch, or any successor thereto duly appointed depository of the ICAV in accordance with the requirements of the Central Bank;
<b>Depository Agreement</b>	the agreement dated 29 March 2019 between the ICAV and the Depository as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank pursuant to which the Depository was appointed to the ICAV;
<b>Directors</b>	the directors of the ICAV, each a "Director";
<b>Distribution Agreement</b>	the agreement dated 9 August 2019 between the Manager, the ICAV and the Distributor as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank pursuant to which the Distributor was appointed to the ICAV;

<b>Distributor(s)</b>	means VP Distributors, LLC and/or any additional or successor distributor thereto duly appointed;
<b>EEA</b>	means the European Economic Area which comprises the Member States together with Iceland, Lichtenstein and Norway;
<b>EEA Member State</b>	means a member state of the EEA;
<b>Emerging Market Countries</b>	means countries which include but not limited to the People’s Republic of China (“ <b>PRC</b> ”) (references herein to “China” or “PRC” do not include the Hong Kong Special Administrative Region of the People’s Republic of China, Macau or Taiwan), Taiwan, South Korea, Brazil, India, South Africa, Mexico, Turkey, Indonesia, Hong Kong, Argentina, Chile, Columbia, Czech Republic, Egypt, Hungary, Malaysia, Morocco, Pakistan, Peru, Philippines, Poland, Russia, Saudi Arabia, Sri Lanka and Thailand. The list of markets is not exhaustive and may change over time;
<b>EPM</b>	efficient portfolio management;
<b>ESG</b>	environmental, social and governance;
<b>ESMA</b>	the European Securities and Markets Authority;
<b>EU</b>	the European Union;
<b>Euro, EUR or €</b>	lawful currency of the Eurozone;
<b>Eurozone</b>	those countries that use the Euro as their lawful currency;
<b>FATCA</b>	the U.S. Foreign Accounting Tax Compliance Act, and any related rules and regulations, as promulgated by the U.S. Internal Revenue Service from time to time;
<b>FDIs</b>	financial derivative instruments;
<b>Fund</b>	a separate portfolio of assets which is invested in accordance with the investment objective and policies as set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such fund shall be applied and charged and "Funds" means all or some of the Funds as the context requires and any other funds as may be established by the ICAV from time to time with the prior approval of the Central Bank;
<b>GDPR</b>	EU General Data Protection Regulations (EU) 2016/679;
<b>Hedged Share Class</b>	a Share Class whose dealing currency is hedged against the Base Currency of the relevant Fund in the section entitled “Class Currency Hedging” below.
<b>ICAV</b>	Virtus Global Funds ICAV and includes where the context so admits or requires, the Funds;
<b>ICAV Act</b>	Irish Collective Asset-management Vehicle Act 2015;

<b>Initial Offer Price</b>	the price per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified in the relevant Supplement;
<b>Initial Offer Period</b>	the period during which Shares in a Fund are initially offered at the Initial Offer Price as specified in the relevant Supplement;
<b>Instrument</b>	the Instrument of Incorporation of the ICAV dated 9 November 2016 as may be further amended and restated from time to time;
<b>Investment Company Act</b>	the United States Investment Company Act of 1940 as amended;
<b>Investment Management Agreement</b>	the investment management agreement dated 9 August 2019 between the ICAV, the Manager and the Investment Manager as substituted, amended, supplemented, novated or otherwise modified from time to time in accordance with the requirements of the Central Bank pursuant to which the Investment Manager was appointed to provide investment management services to the ICAV;
<b>Investment Manager</b>	Virtus Investment Advisers, Inc. or any successor or any addition thereto duly appointed in accordance with the requirements of the Central Bank and/or as specified in the Supplement in respect of each Fund as the investment manager for that relevant Fund;
<b>Manager</b>	KBA Consulting Management Limited;
<b>Member State</b>	means a member state of the EU;
<b>MiFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or any statutory modification or re-enactment thereof and related legislation;
<b>MiFID Regulations</b>	S.I. No 375 of 2017 European Union (Markets in Financial Instruments) Regulations 2017, as amended, supplemented, consolidated or otherwise modified from time to time and any regulations or conditions made thereunder by the Central Bank;
<b>Minimum Initial Investment Amount or minimum initial subscription amount</b>	such amount (if any) as the Directors may from time to time determine as the minimum initial investment amount required by each Applicant for Shares of each class in a Fund as is specified in the relevant Supplement;
<b>Minimum Net Asset Value</b>	such amount as the Directors decide for each Fund and as set out in the relevant Supplement;
<b>Minimum Redemption Amount</b>	such as amount as the Directors decide for each Fund and as set out in the relevant Supplement;
<b>Minimum Shareholding</b>	such value of Shares of any class (if any) as specified in the Supplement for the relevant class of Shares within a Fund;
<b>Money Market Instruments</b>	shall have the meaning prescribed in the Central Bank UCITS Regulations and may include obligations of the U.S.

	Government, high-quality commercial paper, certificates of deposit, bankers' acceptances and bank interest-bearing demand accounts;
<b>Month</b>	a calendar month;
<b>Net Asset Value or Value or Net Asset per Share</b>	in respect of the assets of a Fund or the Shares in a Fund, the amount determined in accordance with the principles set out in the section entitled "Calculation of Net Asset Value/Valuation of Assets" below as the Net Asset Value of a Fund or the Net Asset Value per Share;
<b>Non-Member State</b>	a state which is not a Member State;
<b>OECD</b>	the Organisation for Economic Co-operation and Development;
<b>Ordinary Resolution</b>	a resolution passed by a simple majority of the votes cast in its favour by Shareholders entitled to attend and vote at general meetings of the ICAV or on matters affecting the relevant Class, as the case may be, or a resolution in writing signed by all the Shareholders entitled to vote on such resolution;
<b>PRC</b>	People's Republic of China (references to "China" or "PRC" do not include the Hong Kong Special Administrative Region of the People's Republic of China, Macau or Taiwan);
<b>Recognised Market</b>	any recognised market or exchange listed in accordance with the requirements of the Central Bank, which does not issue a list of approved markets. The Recognised Markets are listed at Appendix I;
<b>Redemption Price</b>	the redemption price for Shares calculated in the manner described in the section entitled "Redemption Price" below;
<b>Redemption Proceeds</b>	the amount reflecting the Net Asset Value of the Shares to be redeemed on the relevant Dealing Day;
<b>Regulations</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended from time to time and any rules, guidance or Q&A document made by the Central Bank pursuant to them which are applicable to the ICAV;
<b>Sales Charge</b>	in respect of a Fund, the charge payable (if any) on the subscription for Shares as is specified in the relevant Supplement;
<b>Securities Act</b>	the United States Securities Act of 1933, as amended;
<b>Settlement Date</b>	in respect of receipt of monies for subscription for Shares or dispatch of monies for the redemption of Shares, the date specified in the Supplement for the relevant Fund. In the case of redemptions, this date will be no more than ten Business Days after the relevant Dealing Deadline, or if later, the receipt of customer identification and payment documentation;

<b>Shares</b>	unless the context otherwise requires, a Share or Shares of whatsoever Class in the capital of the ICAV (other than Subscriber Shares) entitling the holders to participate in the profits of the ICAV as described in this Prospectus;
<b>Shareholders</b>	holders of Shares, and each a "Shareholder";
<b>SFDR</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial sector;
<b>Special Resolution</b>	a resolution passed with the support of 75% or more of the votes cast in its favour by Shareholders entitled to attend and vote at general meetings of the ICAV or on matters affecting the relevant Class as the case may be, or a resolution in writing signed by all the Shareholders entitled to vote on such resolution;
<b>Sub-Investment Manager</b>	any entity duly appointed in accordance with the requirements of the Central Bank and/or as specified in the Supplement in respect of each Fund as the sub-investment manager for that relevant Fund;
<b>Subscription Agreement</b>	the agreement pursuant to the provisions of which an Applicant agrees to purchase Shares in and become a Shareholder of the ICAV;
<b>Subscription Price</b>	means the Net Asset Value per Share of the relevant Fund as at the Valuation Point;
<b>Subscriber Shares</b>	the initial issued share capital of 2 Shares of €1 each and initially designated as Subscriber Shares;
<b>Subscriptions/Redemptions Account</b>	the single, omnibus account for all Funds in the name of the ICAV through which subscription and redemption proceeds and dividend income (if any) for each Fund are channelled, operated in accordance with the Central Bank's requirements and the details of which are specified in the Application Form;
<b>Supplement</b>	any supplement to the Prospectus issued on behalf of the ICAV with respect to a Fund from time to time;
<b>Sustainability Risk</b>	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 the investment. If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment;
<b>Tax Documentation</b>	any tax forms, declarations, attestations, powers of attorney, or other documentation which may be requested to allow the ICAV or Depositary to apply for reduced rates or reclaim of withholding tax that may be permitted in the name of the Shareholder under the applicable laws, guidance and market practice on investments made by the Funds;

<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;
<b>TCA</b>	the Irish Taxes Consolidation Act, 1997, as amended from time to time;
<b>Transferable Securities</b>	shall have the meaning prescribed in the Central Bank UCITS Regulations;
<b>UCITS</b>	an undertaking for collective investment in transferable securities established pursuant to the Regulations;
<b>UCITS Directive</b>	Council Directives 2009/65/EC relating to UCITS as amended, supplemented, consolidated, modified or replaced from time to time;
<b>Unhedged Share Class</b>	a class of Shares where typically, Shares may be applied and paid for and income payments calculated and paid and redemption proceeds paid in a currency other than the Base Currency of the relevant Fund on the basis of a currency conversion at the prevailing spot currency exchange rate of the relevant Base Currency for the currency of the relevant Share class;
<b>United Kingdom and UK</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>United States and US</b>	the United States of America, (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction;
<b>US Dollars, USD, US\$ Dollars</b>	means the lawful currency of the United States or any successor currency;
<b>U.S. Person</b>	shall have the meaning prescribed in Regulation S under the Securities Act and thus shall include (i) any natural person resident in the United States; (ii) any partnership or corporation organised or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any trustee is a U.S. Person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; (vii) any discretionary account dealer or other fiduciary organised or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if (A) organised or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural

persons, estates or trusts; and

**Valuation Point**

the point in time by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the relevant Supplement.

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**FUNDS**

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The ICAV is an Irish collective asset-management vehicle registered on 15 March 2016. The ICAV is authorised in Ireland by the Central Bank pursuant to the Regulations. The sole object of the ICAV is the collective investment of its funds in Transferable Securities and giving members the benefit of the results of the management of its funds.

The ICAV has obtained the approval of the Central Bank for the establishment of the following Fund(s):

- Virtus GF SGA Global Growth Fund;
- Virtus GF U.S. Small-Mid Cap Fund; and
- Virtus GF Clean Energy Fund.

The ICAV is structured as an umbrella fund in that different Funds may be established from time to time by the ICAV with the prior approval of the Central Bank. On the introduction of any new Fund, the ICAV will issue documentation setting out the relevant details of each such Fund. A separate portfolio of assets will be maintained for each Fund. Separate records will also be maintained for each Fund with assets and liabilities allocated to the relevant Fund and each Fund will be invested in accordance with the investment objective applicable to such Fund. Particulars relating to each Fund are set out in the relevant Supplement.

Shares will be issued in relation to each Fund. Different classes of Shares may also be issued in relation to any Fund subject to notifying and clearing in advance with the Central Bank the creation of each class of Shares. The different classes of Shares available for issue in each Fund will be set out in the relevant Supplement. Different classes of Shares may be established to reflect different Applicant profiles, including taxation status of the Applicant. The different classes of Shares in a Fund may, inter alia, have different charging structures, may be Hedged or Unhedged Share Classes and the Minimum Initial Investment Amount therefor may also differ. The different classes of Shares within a Fund together represent interests in a single pool of assets. Details in respect of each Class of Shares of each Fund will be set out in the relevant Supplement.

The liability of each Applicant shall be limited to the amount payable for the Shares for which the Applicant has agreed to subscribe. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument, copies of which are available as mentioned herein.

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**INVESTMENT OBJECTIVE AND POLICIES**

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The objective of each Fund is to invest in transferable securities, FDIs and/or other liquid financial assets with the aim of spreading investment risk. The transferable securities and other assets in which the Funds may invest generally must be quoted, or dealt in, on a Recognised Market.

The Manager shall not make any change to the investment objective or material changes to the investment policies of a Fund each as disclosed in the relevant Supplement unless Shareholders have,

in advance, and on the basis of an ordinary resolution of the Shareholders of that Fund or with the prior written approval of all the Shareholders of that Fund in accordance with the Instrument or such other majority as is specified in the Instrument approved the relevant change/changes. In the event that any such change is effected, the Manager shall provide reasonable notice to the Shareholders of that Fund to enable Shareholders to redeem prior to implementation.

Details of the investment objectives and policies of each Fund appear in the relevant Supplement. There can be no assurance that each Fund will achieve its investment objective.

A summary of the investment process for the selection of investments in each Fund is outlined in the relevant Supplement.

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## **ADDITIONAL INVESTMENT TECHNIQUES**

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In addition to the principal investment objectives and policies as set out above and in the relevant Supplement, each of the Funds may engage in additional investment techniques that present additional risks to a Fund as indicated in the list below. Each of the investments below will comply with the UCITS Regulations in relation to eligibility of investments and will be managed in such a way so as to ensure there is no impact on the relevant Fund's ability to redeem Shares on each Dealing Day. Each technique and certain risks associated is described in the list below. Full details of risks associated with the Funds are set out in the section entitled "RISK FACTORS" below.

### **Equity Securities**

Equity securities are stocks or shares which represent an ownership interest. The prices of equity securities are more volatile than those of fixed income securities. The prices of equity securities will rise and fall in response to a number of different factors. In particular, equity securities will respond to events that affect entire financial markets or industries (such as changes in inflation or consumer demand) and to events that affect particular issuers (such as news about the success or failure of a new product). Equity securities also are subject to "stock market risk," meaning that stock prices in general may decline over short or extended periods of time. When the value of the stocks held by a Fund goes down, the value of the Fund's shares will be affected.

### **Market Risk**

The value of securities in the Fund's portfolio may decline due to daily fluctuations in the securities markets that are generally beyond the Fund's control, including the quality of the Fund's investments, economic conditions, adverse investor sentiment, poor management decisions, lower demand for a company's goods or services, and general market conditions. In a declining market, the prices for all securities (including those in the Fund's portfolio) may decline, regardless of their long-term prospects. Security values tend to move in cycles, with periods when securities markets generally rise and periods when they generally decline. In addition, local, regional or global events such as war, acts of terrorism, natural or environmental disasters, the spread of infectious illnesses or other public health issues, recessions, or other events could have a significant impact on the Fund, its investments and the trading of its Shares.

### **Bank Loans**

A Fund may invest in loans issued by banks, other financial institutions, and other investors to corporations, partnerships, limited liability companies and other entities to finance leveraged buyouts, recapitalizations, mergers, acquisitions, stock repurchases, debt refinancing and, to a lesser extent, for general operating and other purposes, but may not originate loans. An investment in bank loans involves risk that the borrowers under bank loans may default on their obligations to pay principal or interest when due. In the event a borrower fails to pay scheduled interest or principal payments on a bank loan held by a Fund, the relevant Fund will experience a reduction in scheduled interest or

principal payments on a bank loan held by the Fund, the Fund will experience a reduction in its income and a decline in the market value of the bank loan, which will likely reduce dividends and lead to a decline in the net asset value of the Fund. If a Fund acquires a bank loan from another lender, for example, by acquiring a participation, the Fund may also be subject to credit risks with respect to that lender.

A Fund will generally invest in bank loans that are secured with specific collateral. However, there can be no assurance that liquidation of collateral would satisfy the borrower's obligation in the event of non-payment or that such collateral could be readily liquidated. In the event of the bankruptcy of a borrower, the relevant Fund could experience delays and limitations on its ability to realize the benefits of the collateral securing the bank loan. Bank loans are typically structured as floating rate instruments in which the interest rate payable on the obligation fluctuates with interest rate changes. As a result, the yield on bank loans will generally decline in a falling interest rate environment causing the Fund to experience a reduction in the income it receives from a bank loan. Bank loans are generally of below investment grade quality and may be unrated at the time of investment; are generally not registered with the SEC or state securities commissions; and are generally not listed on any securities exchange. In addition, the amount of public information available on bank loans is generally less extensive than that available for other types of assets.

### **Depository Receipts**

Certain Funds may invest in American Depositary Receipts (“**ADRs**”) sponsored by U.S. banks, European Depositary Receipts (“**EDRs**”), Global Depositary Receipts (“**GDRs**”), ADRs not sponsored by U.S. banks, other types of depository receipts (including non-voting depository receipts) and other similar instruments representing securities of foreign companies. Although certain depository receipts may reduce or eliminate some of the risks associated with non-U.S. investing, these types of securities generally are subject to many of the same risks as direct investment in securities of non-U.S. issuers.

### **Convertible Securities**

A convertible security is generally a debt security or Preferred Stock that may be converted within a specified period of time into common stock of the same or a different issuer. A convertible security shares features of both equity and debt securities. The Fund may invest directly in convertible bonds, which are fixed income securities that are convertible into other debt or equity securities. Like an equity security, the value of a convertible security tends to increase as the price of the underlying stock goes up and decrease as it goes down. Like a debt security, a convertible security provides a fixed income stream and also tends to increase in value when interest rates fall and decrease in value as interest rates rise.

### **Illiquid and Restricted Securities**

Certain securities in which a Fund invests may be difficult to sell at the time and price beneficial to the Fund, for example due to low trading volumes or legal restrictions. When there is no willing buyer or a security cannot be readily sold, the Fund may have to sell at a lower price or may be unable to sell the security at all. The sale of such securities may also require the Fund to incur expenses in addition to those normally associated with the sale of a security.

### **Non-U.S. Securities (Including Emerging Markets)**

Investment in securities of non-U.S. companies involves risks and considerations not typically associated with investing in U.S. companies and the value of non-U.S. securities may be more volatile than those of U.S. securities. The values of non-U.S. securities are subject to economic and political developments in countries and regions where issuers operate or are domiciled, or where the securities are traded, such as changes in economic or monetary policies, and to changes in currency exchange

rates. Values may also be affected by restrictions on receiving the investment proceeds from a non-U.S. country.

Additional information in relation to specific risks related to investments in emerging market countries are set out in the section “**RISK FACTORS: Emerging Markets Risk**”.

### **Short-Term Investments**

Short-term investments include Money Market Instruments, certificates of deposit, high-quality commercial paper, on-demand interest bearing bank accounts, bankers’ acceptances and other similar types of short-term instruments that are not U.S. Government securities. These securities generally present less risk than other investments, but they are generally subject to credit risk and may be subject to other risks as well.

### **When-Issued and Delayed-Delivery Securities**

A Fund may purchase securities on a when-issued or delayed-delivery basis. The value of the security on its settlement date may be more or less than the price paid as a result of changes in interest rates and market conditions. If the value of such a security on its settlement date is less than the price paid by the Fund, the value of the Fund’s shares may decline.

### **Zero Coupon, Step Coupon, Deferred Coupon and PIK Bonds**

A Fund may invest in any combination of zero coupon and step coupon bonds and bonds on which interest is payable in kind (“**PIK**”). The market prices of these bonds generally are more volatile than the market prices of securities that pay interest on a regular basis. Since the relevant Fund will not receive cash payments earned on these securities on a current basis, the relevant Fund may be required to make distributions from other sources. This may result in higher portfolio turnover rates and the sale of securities at a time that is less favourable

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## **USE OF FINANCIAL DERIVATIVE INSTRUMENTS**

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Each Fund may invest in FDIs directly as part of its investment strategy and for EPM purposes, subject to the conditions and within the limits laid down by the Central Bank, where such intention is disclosed in the relevant Fund's investment policy. Guidelines on the use of FDIs for EPM purposes are set out in Appendix II below. Using FDIs may increase the degree of leverage in a Fund relative to unlevered purchases. However, by purchasing either the right or obligation to sell a security at a price which is higher than the Fund initially paid, using FDIs may reduce a Fund's overall exposure to particular markets, individual securities or specific market factors, such as currency and interest rates. Such exposure can also be created by purchasing puts (the right to sell to a counterparty at a fixed price in the future) without holding the underlying asset. This technique is known as "going short" or "shorting".

Where permitted by the investment objective and policy for a particular Fund, and by the investment strategy as set out in the relevant Supplement, the Fund may also use short positions to create negative exposures to certain securities or market factors, so as to benefit from falling prices, without the relevant Fund having any corresponding or related long position.

### *Repurchase/reverse repurchase agreements*

The ICAV may enter into repurchase/reverse repurchase agreements for the purposes of EPM subject to the conditions and limits set out in the Central Bank UCITS Regulations.

A repurchase agreement, or sale-and-repurchase agreement, also known as a repo, is the sale of securities together with an agreement for the seller to buy back the securities at a later date. Under a

repurchase agreement a Fund sells securities to a counterparty with an agreement by the Fund to repurchase the securities at the same price, plus interest, at a specified rate.

A reverse repurchase agreement, also known as a reverse repo, is the purchase of securities from a counterparty with an agreement for the purchaser to resell the securities at a later date to the counterparty. Under a reverse repurchase agreement a Fund buys securities from a counterparty with an agreement by the Fund to resell the securities at the same price, plus interest, at a specified rate. Security is held by the Fund as collateral for the counterparty's repurchase obligation.

For repurchase agreements, a Fund shall ensure that it is able at any time to recall any securities subject to the agreement or to terminate the repurchase agreement into which it has entered. In relation to reverse repurchase agreements, a Fund should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

## **Types of FDI**

The types of FDIs that a Fund may use consist principally of the following instruments, however, the specific types of FDIs instruments and relevant underlying assets used by each Fund are set out in the relevant Supplement:

### *Futures*

A Fund may enter into futures contracts (including single stock or basket equity futures and stock index futures), and options on futures contracts, which involve the purchase or sale of a contract to buy or sell a specified security or other financial instrument at a specific future date and price on an exchange or the over-the-counter ("OTC") market. A Fund may enter into such contracts as a substitute for taking a position in any underlying asset or to increase returns.

A bond future is a contractual obligation for the contract holder to purchase or sell a bond on a specified date at a predetermined price. The date and price are determined at the time the future is purchased.

An equity future is a contractual obligation where the contracted parties commit to buy or sell a specified amount of an individual equity or a basket of equities or an equity index at an agreed contract price on a specified date.

An interest rate future is a contract between the buyer and seller agreeing to the future delivery of any interest-bearing asset. The interest rate future allows the buyer and seller to lock in the price of the interest-bearing asset for a future date.

### *Total Return Swaps*

If a Fund invests in total return swaps or other FDI with the same characteristics, the underlying asset or index may be comprised of equity or debt securities, Money Market Instruments or other eligible investments which are consistent with the investment objective and policies of a Fund as set out in the relevant Supplement. Where the investment policy of a Supplement provides that total return swaps are to be used as part of the primary investment policy, the Fund may invest in total return swaps up to 100% of its Net Asset Value with an expected range of usage in line with the percentage of long and short exposure of the relevant Fund otherwise such instruments are limited to 1/3 of the Net Asset Value of the relevant Fund. The underlying instruments permitted for total return swaps are as set out under "Swaps" in this section " and will be set out in the relevant Supplement.

The counterparties to such transactions are typically banks, investment firms, broker-dealers or other financial institutions or intermediaries. The risk of the counterparty defaulting on its obligations under the total return swap and its effect on Shareholder returns are described in the section "Risks associated with FDI" under the heading "Settlement Risk". In addition, there may be potential conflicts of interests where the Manager, Investment Manager or Sub-Investment Manager enters into securities lending arrangements that may incur a higher arranging fee which may not be in the best interests of the Fund and its Shareholders or where the Manager, Investment Manager or Sub-Investment Manager contracts with connected parties. Details of the ICAV's conflicts of interest policy is set out in the section "**Portfolio Transactions and Conflicts of Interest**".

#### *Currency Forward Contracts*

A Fund may use currency forward contracts to hedge the risk to the portfolio to non-Base Currency exchange price movements. Generally, these instruments allow a Fund to lock in a specified exchange rate for a period of time. Currency forward contracts also may be used to increase a Fund's exposure to non-Base Currencies that may rise in value relative to the Base Currency or to shift a Fund's exposure to currency fluctuations from one country to another.

#### *Contracts for Difference*

Contracts for difference ("**CFDs**") (also known as synthetic swaps) are a contract between two parties, typically described as "buyer" and "seller", stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time (if the difference is negative, then the buyer pays instead to the seller) and can be used to secure a profit or avoid a loss by reference to fluctuations in the value or price of equities or financial instruments or in an index of such equities or financial instruments. An equity CFD is designed to replicate the economic performance and the cash flows of a conventional share investment. Contracts for difference may be used either as a substitute for direct investment in the underlying security or as an alternative to and for the same purposes as futures and options, particularly in cases where there is no futures contract available in relation to a specific security, or where an index option or index future represents an inefficient method of gaining exposure because of pricing risk or the risk of delta or beta mismatches.

#### *Options*

A Fund may purchase call and put options and write (i.e. sell) covered call and put option contracts in accordance with its investment objective and policies. A "call option" is a contract sold for a price giving its holder the right to buy a specific number of securities at a specific price prior to a specified date. A "covered call option" is a call option issued on securities already owned by the writer of the call option for delivery to the holder upon the exercise of the option. A "put option" gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying securities at the exercise price at any time during the option period. A put option sold by a Fund is covered when, among other things, a Fund segregates permissible liquid assets having a value equal to or greater than the exercise price of the option to fulfil the obligation undertaken or otherwise covers the transaction. A Fund may purchase and sell call and put options in respect of specific securities (or groups or "baskets" of specific securities) or securities indices, currencies (as described in more detail above) or futures. A Fund also may enter into OTC options contracts, which are available for a greater variety of securities, and a wider range of expiration dates and exercise prices, than are exchange-traded options. Successful use by a Fund of options and options on futures will depend on the Manager's, Investment Manager's or Sub-Investment Manager's ability to predict correctly movements in the prices of individual securities, the relevant securities market generally, currencies or interest rates.

#### *Swaps*

Swap agreements are two-party contracts for periods ranging from a few weeks to more than one year. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular agreed investments or instruments.

In an equity swap, the gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount", i.e. the return or increase/ decrease in value of a particular equity security or "basket" of securities or securities index.

Total return swap agreements will be used to gain exposure to particular securities or securities markets in instances where (1) it is not possible due to local market restrictions or not economic to do so through the underlying security or (2) the Manager/Investment Manager or Sub-Investment Manager desires a degree of leverage, either in the portfolio or for the specific situation. The Funds may utilise total return swap contracts in respect of securities and securities indices whereby the Fund typically exchanges a fixed cash flow based on the total return of an equity for floating rate cash flows. These contracts allow the Funds to manage its exposures to certain securities or securities indices. For these instruments the Funds' return will be based on the return of the underlying equity/index. Counterparties to swap agreements will not breach the exposure limits as set out in the section entitled "Investment Restrictions" below and will comply with the requirements of the Central Bank.

Counterparties to total return swaps entered into by a Fund will not assume any discretion over the composition or management of the Fund's investment portfolio or over the underlying of the FDI, or that the approval of the counterparty is required in relation to any portfolio transactions by the Fund.

A Credit Default Swap ("CDS") is a credit derivative contract in which one party (protection buyer) pays a periodic fee to another party (protection seller) in return for compensation for default (or similar credit event) by a reference entity. The reference entity is not a party to the credit default swap. CDS contracts can be used to buy or sell credit protection and can be on single names issuers or on indices.

Interest rate swaps involve the exchange by one party with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party, and only the net amount, is paid by one party to the other.

Currency rate swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. These agreements transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency rate swaps generally include an exchange of principal at maturity.

#### *Warrants and Rights*

A warrant is a security that entitles the holder to buy stock of the company that issued the warrant at future date at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preference shares or bonds or in connection with corporate actions. Warrants are typically longer-dated options and are often traded over-the-counter; however, the Funds will only invest in those traded on a Recognised Market. Rights are similar to warrants, but normally have a shorter duration and are offered or distributed to shareholders of a company.

#### *When-Issued, Delayed Delivery and Forward Commitment Securities*

Each Fund may purchase securities on a when-issued basis or purchase securities on a forward commitment (sometimes called delayed delivery) basis. These transactions are a commitment by the Fund to purchase securities at a future date with the price of the underlying securities and the date when the securities will be delivered and paid for (the settlement date) fixed at the time the transaction is negotiated. When-issued purchases and forward commitment transactions are normally negotiated directly with the other party. When-issued and delayed delivery securities and forward commitments involve the risk that the security the Fund buys will lose value prior to its delivery, the security will not be issued or the other party to the transaction will not meet its obligation, resulting in both opportunity and investment loss.

### *Participatory Notes*

Participatory notes (“**P-Notes**”) are instruments derived from and/or linked to an underlying security, and futures and are purchased where access to an underlying security is difficult or more risk is involved in the local settlement process. P-Notes are only used to obtain access to a specific security, primarily in less liquid markets, including China, India, Brazil and Turkey. Normally such an investment will involve the purchase of the local security by a local branch of an internationally recognised investment bank/broker who will issue a note on the underlying security. The counterparty to a Fund is normally an internationally recognised investment bank/broker or else the note may be listed and traded through a Recognised Market.

### *Equity-linked Notes*

Equity-Linked Notes (“**ELNs**”) are debt instruments, usually bonds, that differ from standard fixed income securities in that the final payout is based on the return of an underlying equity, which can be a single stock, basket of stocks, or an equity index. ELNs are used to gain market exposure or exposure to a particular asset class, typically in markets where direct investment is not possible or practical. ELNs’ values are based on the price movements of a reference security or index. The value of these ELNs will rise and fall in response to changes in the reference security or index. On the maturity date of each ELN, a Fund will receive a payment from a counterparty based on the value of the referenced security (notional amount multiplied by price of the referenced security) and record a realized gain or loss.

### *Structured Financial Instruments*

Certain Funds may invest in Structured Financial Instruments (“**SFI**”), which are debt instruments linked to the performance of an asset, a foreign currency, an index of securities, an interest rate, or other financial indicators. The payment on an SFI may vary linked to changes of the value of the underlying assets.

### *Risk Management*

The Manager or, if relevant, the Investment Manager or Sub-Investment Managers operate a risk management process (the “**Risk Management Process**”) on behalf of each Fund in relation to the use of FDIs which allows it to accurately measure, monitor and manage the various risks associated with FDIs and other investments, and which is intended to ensure that the Fund’s investments including FDI exposure remains within the limits described below. This Risk Management Process also takes into account any exposure created through FDIs embedded in investments held by the Funds. In particular, the Manager, Investment Manager or Sub-Investment Managers will manage exposure risk using either the commitment approach or an absolute Value at Risk (“**VaR**”) methodology in accordance with the Central Bank’s requirements.

The Manager, the Investment Manager or the Sub-Investment Managers will employ a risk management process in relation to the Funds using FDI which will enable them to accurately monitor, manage and measure the risks attached to FDI positions. Details of this process have been provided to the Central Bank. Each Fund will only utilise FDIs that have been included in the risk management process. In particular, they will manage exposure risk using either the commitment approach or an absolute Value at Risk methodology in accordance with the Central Bank’s requirements.

Where a Fund is a non-sophisticated user of FDIs (e.g. where it uses simple derivatives for non-complex hedging and/or investment strategies), it may utilise the commitment approach. The commitment approach is a mathematical measure used to calculate the global exposure of the relevant Fund in respect of FDI use at a given time which, for Funds utilising the commitment approach, may not exceed the Net Asset Value of that Fund.

VaR is a statistical methodology that attempts to predict, using historical data, the likely scale of losses that might be expected to occur over a given period of time at a given level of confidence. In other words, the absolute VaR approach is a measure of the maximum potential loss due to the market risk over a specified period of time. The historical observation period will not be less than 1 year; however, a shorter observation period may be used if justified, (e.g. as a result of significant recent changes in price volatility).

While VaR is a widely used tool to measure the risk of a portfolio, it does have some limitations. Generally, limitations result from the methodology's reliance on historical data and estimated correlations between portfolio holdings, which may or may not be a good predictor of future market environments, particularly where a Fund experiences abnormal market conditions. Investors should be aware that in such conditions, the Net Asset Value of a Fund using FDI may drop considerably and investors may suffer significant financial losses.

Where applicable, the use of FDI, and the risk management methodology used by a particular Fund will be set out in the relevant Supplement. Where a Fund does not use FDI, the Supplement will confirm this.

Leverage will be calculated using either the commitment approach or based on the sum of the notionals. The commitment approach differs from that of the sum of notionals in a number of ways. Under the commitment approach, hedging is allowed between FDIs, provided that they refer to the same underlying asset. Accordingly, where a Fund is long against an underlying asset and has purchased protection (a short exposure) through an option, against the same underlying asset, the commitment approach allows the two exposures, long and short, to be added, meaning that, the commitment exposure will be less than that of the sum of notional exposure; and duration netting is allowed between FDIs. For Funds that do not have a duration target, this methodology will not be used in the determination of the commitment leverage.

Given the differences in the approach to the calculation of the commitment leverage compared to sum of notionals leverage, the commitment leverage may be significantly lower than the sum of notionals leverage, when risk mitigation strategies are employed by the relevant Fund

#### *Collateral Policy*

For the purposes of limiting the Funds' credit risk in respect of OTC transactions or repurchase agreements, collateral may be received from, or posted to, counterparties on behalf of the Funds. Collateral will normally comprise cash and/or securities of varying maturity issued or guaranteed by certain member states of the OECD or by their public or local authorities or by their supranational institutions and organisations provided such collateral complies with the requirements of the Central Bank. The level of collateral will be sufficient to limit the Funds' exposure to a counterparty within the Central Bank UCITS Regulations and will be determined by the Manager, Investment Manager or relevant Sub-Investment Manager after applying appropriate haircuts to minimise the risk of loss to the Funds.

When applying a haircut, the ICAV considers 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 the stress testing policy. The value of the collateral, adjusted in light of the haircut policy, shall equal or exceed, in value, at all times, the relevant counterparty exposure.

Where cash collateral is received and re-invested, it will only be invested in deposits with relevant institutions; high-quality government bonds; reverse repurchase agreements (provided the transactions are with credit institutions subject to prudential supervision and are callable at any time for the full amount of cash on an accrued basis); and European short term money market funds. The re-investment of cash collateral is subject to Market and Liquidity Risk as set out in the section entitled "Risks associated with FDI" below.

### *Class Currency Hedging*

The ICAV may also enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class designated as a Hedged Share Class into the relevant class currency for the purposes of EPM. While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the ICAV. Each Fund may employ such techniques and instruments provided that the level of the currency exposure hedged does not exceed 105% of the Net Asset Value of a Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed this level and that positions materially in excess of 100% of the Net Asset Value of a Class are not carried forward from month to month. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Hedged Share Class. All over-hedged positions will be included in the calculation of a Fund's global exposure in accordance with Central Bank UCITS Regulations. Otherwise, a Fund will not be leveraged as a result of the transactions entered into for the purposes of hedging.

While the ICAV may attempt to hedge against currency exposure at a Class level, there can be no guarantee that the value of a Class will not be affected by fluctuations in the value of the Base Currency relative to the class currency (if different). Any costs related to such hedging shall be borne separately by the relevant Class. All gains/losses which may be made by any Class of any Fund as a result of such hedging transactions shall accrue to the relevant Class of Shares. Hedging transactions shall be clearly attributable to the relevant Class of Shares. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. The use of Class hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the class currency falls against the Base Currency and/or the currency in which the assets of the relevant Fund are denominated.

In the case of Classes designated as Unhedged Shares Classes, a currency conversion will take place on subscription, redemption and conversion and any distributions at prevailing exchange rates. The value of a class currency denominated in a currency other than the Base Currency will be subject to share currency designation risk in relation to the Base Currency.

### *Fund/Portfolio Currency Hedging*

Each Fund generally operates the investment portfolio in its Base Currency as specified in the relevant Supplement. As long as a Fund holds securities or currencies denominated in a currency other than the denomination of the Base Currency of a Fund, the value of a Fund may be affected by the value of the local currency relative to the currency in which that Fund is denominated. The ICAV may use currency hedging techniques to remove the currency exposure against Base Currency as applicable in order to limit currency exposure between the currencies of a Fund's investment portfolio and the Base Currency; however, this may not be possible or practicable in all cases. As long as a Fund holds securities denominated in a currency other than the Base Currency of the Fund, the Fund's Net Asset Value will be affected by the value of the local currency relative to the Base Currency.

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## **INVESTMENT RESTRICTIONS**

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The assets of each Fund must be invested in accordance with the restrictions on investments set out in the Regulations and such additional investment restrictions, if any, as may be adopted from time to time by the Directors in respect of any Fund. The ICAV will comply with the Central Bank UCITS Regulations and relevant guidance issued by the Central Bank. The principal investment restrictions applying to each Fund under the Regulations are described as follows:

## **1. PERMITTED INVESTMENTS**

Investments of a Fund are confined to:

- 1.1 Transferable securities and money market instruments as prescribed in the Central Bank UCITS Regulations 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;
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;
- 1.3 Money market instruments other than those dealt on a regulated market;
- 1.4 Units of UCITS;
- 1.5 Units of alternative investment funds (AIFs);
- 1.6 Deposits with credit institutions;
- 1.7 Financial derivative instruments

## **2. INVESTMENT RESTRICTIONS**

- 2.1 A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1;
- 2.2 Subject to paragraph 2, a Fund may invest no more than 10% of assets of a Fund in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply;  
  
Paragraph 1 does not apply to an investment by a responsible person in US Securities known as " Rule 144 A securities" provided that;
  - (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and
  - (b) the securities are not illiquid securities i.e. they may be realised by a Fund within 7 days at the price, or approximately at the price, which they are valued by the Fund;
- 2.3 A Fund 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%;
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (as described in paragraph 2.3 above) is 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 Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund;
- 2.5 The transferable securities and money market instruments referred to in paragraphs 2.4 and 2.5 above shall not be taken into account for the purpose of applying the limit of 40 per cent referred to in paragraph 2.3;

- 2.6 Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank Regulations held as ancillary liquidity shall not exceed:
- 2.7 10% of the NAV of the UCITS; or where the deposit is made with the Depositary 20% of the net assets of the UCITS.
- 2.8 The risk exposure of a Fund 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 in 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, 2.6 and 2.7 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:
- (a) investments in transferable securities or money market instruments;
  - (b) deposits; and/or
  - (c) risk exposures arising from OTC derivatives transactions.
- 2.10 The limits referred to in paragraphs 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 paragraphs 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 A Fund 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.

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 InterAmerican 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, Export-Import Bank.

A Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

### **3. INVESTMENT IN OTHER COLLECTIVE INVESTMENT SCHEMES ("CIS")**

- 3.1 A Fund may not invest more than 20% of net assets in any one CIS.

- 3.2 Investment in AIFs may not, in aggregate, exceed 30% of net assets.
- 3.3 The CIS are prohibited from investing more than 10% of net assets in other 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, the Manager, the Investment Manager or Sub-Investment Manager receives a commission (including a rebated commission), the Manager shall ensure that the relevant commission is paid into the property of the UCITS.
- 3.6 When the Manager on behalf of a Fund (the "**Investing Fund**") invests in the units of another sub-fund of the ICAV (the "**Receiving Fund**"), that investment is subject to the following requirements, in addition to the provisions of paragraph 3.5:
- (a) the Receiving Fund cannot hold units in any other sub-fund within the ICAV; and
  - (b) the rate of the annual management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Fund's assets invested in Receiving Funds (whether such fee is paid directly at the Investing Fund level, indirectly at the level of the Receiving Funds or a combination of both) shall not exceed the rate of the maximum annual management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Fund's assets, such that there shall be no double charging of the annual management fee to the Investing Fund as a result of its investments in the Receiving Fund. This provision is also applicable to the annual fee charged by the Investment Manager where this fee is paid directly out of the assets of the Fund.

#### 4. **INDEX TRACKING UCITS**

- (a) A Fund 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 Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
- (b) The limit in paragraph 4.(a) above may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

#### 5. **GENERAL PROVISIONS**

- (a) The ICAV acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights that would enable it to exercise significant influence over the management of an issuing body.
- (b) A Fund may acquire no more than:
  - (i) 10% of the non-voting shares of any single issuing body;
  - (ii) 10% of the debt securities of any single issuing body;
  - (iii) 25% of the shares or units of any single CIS;

- (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in sub-paragraphs (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.

- (c) Paragraphs 5.(a) and 5.(b) above shall not be applicable to:
  - (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - (ii) transferable securities and money market instruments issued or guaranteed by a Non-Member State;
  - (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
  - (iv) shares held by a Fund 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 Non-Member State, where under the legislation of that Non-Member State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that Non-Member 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 paragraphs 2.3 to 2.11, 3.1, 3.2, 5.(a), 5.(b) above and paragraphs 5.(d), 5.(e) and 5.(f) below, and provided that where these limits are exceeded, paragraphs 5.(e) and 5.(f) below are observed; or
  - (v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares or units at the request of Shareholders exclusively on their behalf.
- (d) A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments that form part of their assets.
- (e) The Central Bank may allow recently authorised Funds to derogate from the provisions of paragraphs 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 above for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- (f) If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- (g) The ICAV may not carry out uncovered sales of transferable securities; money market instruments; shares or units of CIS; or FDIs. Any short selling of money market instruments by a Fund is prohibited.
- (h) A Fund may hold ancillary liquid assets.

## **6. EPM**

In accordance with Article 51(2) of the UCITS Directive, the ICAV may employ investment techniques and FDI for EPM of the assets of any Fund including hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the Central Bank under the Regulations and Central Bank UCITS Regulations and described below. Please see Appendix II for more information.

## **7. BORROWING POLICY**

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

Under the Regulations, a Fund may borrow up to 10% of its assets provided this borrowing is on a temporary basis. A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties.

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(1) of the Regulations provided that the offsetting deposit (i) is denominated in the base currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding.

The Manager shall ensure that a Fund with foreign currency borrowings which exceed the value of a back-to-back deposit treats that excess as borrowing for the purpose of Regulation 103 of the Regulations. Where the balance returned to the Fund is in a foreign currency other than the Base Currency, the Fund may be exposed to currency risk such that the amount returned may be less than it would have been if the offsetting balance had been held in the Base Currency.

## **8. USE OF INDICES/BENCHMARKS**

Investors should note the Funds are actively managed by the Investment Manager or the Sub-Investment Managers, meaning that the issuers and securities in which a Fund invests will not be selected by reference to an index, rather will be determined using the investment process as described in each Supplement.

However, certain Funds may use indices as "comparator benchmarks" to compare the performance of the Fund against. Such "comparator benchmarks" are not used to constrain portfolio composition or as a target for the performance of the relevant Fund. Where a comparator benchmark is used, the relevant "comparator benchmark" will be identified in the Supplement for that Fund.

A reference index may, at any time, change where, for reasons outside of the Fund's control, that reference index has been replaced, or another reference index or benchmark may reasonably be considered by the Manager to have become a more appropriate standard. Details and past performance of any comparator benchmarks which are used for the purposes outlined above will be included in the key investor information documents of the relevant Fund.

Separately, in circumstances where the Funds are using benchmarks in accordance with the Benchmarks Regulation, the ICAV is required to ensure that the benchmark is either provided by a benchmark administrator included in the register maintained by ESMA or is a benchmark which is included in the register maintained by ESMA. The Benchmarks Regulation contains transitional provisions in respect of third country benchmark administrators allowing existing benchmark administrators a period of time to apply for authorisation or registration under the Benchmarks Regulation. During that period of time, the Funds are permitted to use such benchmarks in accordance with the Benchmarks Regulation.

Without limitation, the Directors may adopt additional investment restrictions with respect to any Fund to facilitate the distribution of Shares in the relevant Fund to the public in a particular jurisdiction. Any such additional investment restrictions will be disclosed in the Prospectus. In addition, the investment restrictions set out above may be changed from time to time by the Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares in the Funds are currently offered, provided that the assets of the Fund will at all times be invested in accordance with the restrictions on investments set out in the Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to any Fund, a reasonable notification period will be provided by the ICAV to enable Shareholders in the relevant Fund to redeem their Shares prior to implementation of these changes.

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## INCOME POLICY

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For the purposes of this section the following expressions bear the following meanings:

**Income** means all dividends, interest income and all other income earned by a Fund to which each Shareholder is beneficially entitled as these items of income arise in the Fund during an Income Period and payable to the Shareholders of the Fund calculated and as may be adjusted as described below;

**Income Date** means the date or dates by reference to which an Income Payment may at the discretion of the Directors be declared and paid and unless otherwise determined by the Directors, shall be declared not later than 30 June of each calendar year and shall be paid not later than 30 November of each calendar year;

**Income Payment** means a payment of Income on at least a yearly basis, but no payment will be made during the first four months of the calendar year;

**Income Period** means any period ending on an Accounting Period or an Income Date as the Directors may select and beginning on the day following the last preceding Accounting Date or the day following the last preceding Income Date or the date of the initial issue of Shares of a Fund as the case may be.

The Directors may, if they think fit, pay the Income of a Fund to Shareholders of that Fund who are registered in the register of Shareholders as of the Income Date on a pro rata basis. Income Payments may be paid on at least a yearly basis. The Income Payment so distributed may, at the request of the Shareholder; be paid by telegraphic transfer or be automatically reinvested in additional Shares in the relevant class, free of charge. The Income Payments in respect of any Income Period shall be a sum equal to the Income (if any) received by a Fund which may be adjusted by the Directors as it deems appropriate as follows:

1. addition or deduction of a sum by way of adjustments to allow for the effect of sales or purchases cum or ex-dividend;
2. addition of a sum representing any interest or dividends or other income accrued but not received by the ICAV at the end of the Income Period and deduction of a sum representing (to the extent that an adjustment by way of addition has been made in respect of any previous Income Period) interest or dividends or other income accrued at the end of the previous Income Period;
3. addition of the amount (if any) available for payment in respect of the last preceding Income Period but not distributed in respect thereof;

4. addition of a sum representing the estimated or actual repayment of tax resulting from any claims in respect of income tax relief or double taxation relief or otherwise applicable to Shareholders participating in the relevant class of Shares;
5. deduction of the amount of any tax or other estimated or actual liability properly payable out of the Income of a Fund;
6. deduction of an amount representing participation in income paid upon the cancellation of Shares during the Income Period; and
7. deduction of such amount as the Director or their delegate may certify necessary in respect of any expenses, remuneration or other payments (including without limitation, administration expenses and disbursements) accrued during the Income Period and properly payable out of the income or capital of a Fund;

provided always that in the absence of gross negligence, fraud, bad faith, wilful default or recklessness, the Directors shall not be responsible for any error in any estimates of tax repayments or double taxation relief expected to be obtained or of any sums payable by way of taxation or receivable as income, but if the same shall not prove in all respects correct it shall ensure that any consequent deficiency or surplus shall be provided for in the Income Period in which a further or final settlement or determination is made of such tax repayment or relief or amount payable or receivable and no adjustment shall be made to any payment previously made.

The Shareholders are absolutely entitled to the income of the Fund as it arises whether or not an Income Payment is made. In determining the Income Payment that may be made, the ICAV will be entitled to deduct from the income of the Fund any expenses in respect of the Fund.

The ICAV shall ensure that there is sufficient funds upon completion of the sale of the investments agreed to be sold to include cash sufficient to pay any Income.

Any Income Payment not claimed within six years from its due date will lapse and revert to the relevant Fund. No Income Payment or other amount payable to any Shareholder shall bear interest against the Fund and the ICAV. No Income Payment shall be made if this would result in the Net Asset Value of a Fund being reduced below the Minimum Net Asset Value.

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## RISK FACTORS

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### General Risk

The Funds will be investing in assets selected in accordance with the respective investment objectives and policies. The value of investments and the income from them, and therefore the value of and income from Shares relating to each Fund, will therefore be closely linked to the performance of such investments. Investments made by a Fund will be speculative and therefore involves a degree of risk. There is no guarantee that the investment objective of a Fund, or its risk monitoring, will be achieved and results may vary substantially over time. A Fund's investment strategy may carry considerable risks. It should be remembered that **the price of Shares and the income from them may fall as well as rise**, and that investors may not get back the amount they have invested. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase.

The income and gains of a Fund from its assets may suffer withholding tax which may or may not be reclaimable in the countries where such income and gains arise. If the position changes in the future and either the application of a higher or lower rate results in an additional payment of tax or a repayment to the relevant Fund respectively, the Net Asset Value will not be re-stated and the benefit

or the cost will be allocated to the existing Shareholders of the relevant Fund rateably at the time of the adjustment.

### **Market Risk**

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously. Equity securities generally have greater price volatility than fixed-income securities. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the ICAV and its investments, including hampering the ability of the Investment Manager or any Sub-Investment Manager to invest a Fund's assets as intended.

### **New Fund Risk**

The Fund may not grow to an economically viable size, in which case the Fund may cease operations and investors may be required to liquidate or transfer their investments at an inopportune time.

### **Business Risk**

The investment results of each Fund will be reliant on the success of the Investment Manager and Sub-Investment Managers.

### **Management Risk**

Where Funds are actively managed, an investment in the Fund is subject to the risk that the investment process, techniques and risk analyses applied will not produce the desired results, and that the Fund's investments may underperform the market or applicable benchmarks. The NAV of the Shares changes daily based on the performance of the securities and other instruments in which it invests. Different types of securities and other instruments tend to shift into and out of favour with investors depending on market and economic conditions. There is no guarantee that the Investment Manager's or Sub-Investment Manager's judgments about the attractiveness or value of, or potential income from, particular investments will be correct or produce the desired results. If the Investment Manager or Sub-Investment Manager fails to accurately judge potential investments, the Share price may be adversely affected.

### **Counterparty Risk**

A Fund will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. A Fund may pass cash or other assets to its counterparties as collateral in accordance with the requirements of the Central Bank. At any one time, a Fund may be exposed to the creditworthiness of its counterparties in respect of all or part of such collateral. Also, transactions may not always be delivery versus payment and this may expose a Fund to greater counterparty risk. Generally, the Fund's Investment Manager or Sub-Investment Manager will assess the counterparty's creditworthiness before entering into a transaction with the counterparty. In the event of the insolvency of a counterparty, a Fund might not be able to recover cash or assets of equivalent value in full.

## **ESG Risk**

Although the Investment Manager's or Sub-Investment Manager's consideration of ESG factors is intended to aid the evaluation of the financial risks and rewards of a given investment and is not expected to by itself determine an investment decision for the Fund, the consideration of ESG factors could nevertheless cause the Fund to perform differently compared to funds that do not have such considerations or could result in the Fund's forgoing opportunities to buy or sell investments when it might otherwise be advantageous to do so. There is no guarantee that ESG integration and engagement will enhance the quality of asset allocation or portfolio construction. ESG considerations, at times, may be based on company disclosures or third-party information sources that are forward-looking statements of intent and not necessarily fact-based or objectively measurable which may result in significant differences in interpretations of what it means for a company to have positive ESG factors. This lack of uniformity and objective metrics can lead to missed opportunities or miscalculations as to the realised future impact of perceived positive and negative ESG factors on company fundamentals, leading to poor investment outcomes. While the Investment Manager's or Sub-Investment Manager's believe their interpretations of ESG factors and those provided by its third-party data providers are reasonable, the ESG-related portfolio decisions they make may differ from other investors' or investment managers' views on ESG.

Due to ESG considerations or parameters set for a Fund, the Investment Manager or Sub-Investment Managers may be less inclined or unable to invest in certain issuers that provide positive financial returns.

The integration of these ESG characteristics and risks could have a materially positive or negative impact on the performance of a Fund.

## **Temporary Defensive Positions**

In certain adverse market, economic, political or other conditions, a Fund may temporarily depart from its normal investment policies and strategies. At such times, the Fund may invest in cash or cash equivalents, such as Money Market Instruments, and to the extent permitted by applicable law and the Fund's investment restrictions, shares of other CIS, including money market funds. Under such circumstances, the Fund may invest up to 100% of its assets in these investments and may do so for extended periods of time. To the extent that the Fund invests in Money Market Instruments or other CIS, Shareholders of the Fund would indirectly pay both the Fund's expenses and the expenses relating to the other CIS with respect to the Fund's assets invested in such investment companies. When the Fund takes a temporary defensive position, the Fund may not be able to achieve its investment objective.

## **Liquidity Risk**

From time to time, certain investments held by the Fund may have limited marketability or have restrictions on sale and may be difficult to sell at favourable times or prices. The Fund could lose money if it is unable to dispose of an investment at a time that is most beneficial to the Fund.

## **Equity Securities Risk**

Equity securities are those securities issued by a corporation or other entity that entitle the holder to a pro rata share of the profits of the corporation. Equity securities of an issuer in a Fund's portfolio may decline in price if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. Equity investments are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions. A Fund's NAV may be correspondingly impacted.

## **Market Volatility Risk**

The value of the securities in the Fund may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be short- or long-term. Local, regional or global events such as war (e.g. Russia's invasion of Ukraine), acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the fund and its investments, including hampering the ability of the fund's portfolio manager(s) to invest the fund's assets as intended.

## **Country/Geographic Region Risk**

To the extent that a Fund invests a significant portion of its assets in a specific geographic region or a particular country, the Fund will generally have more exposure to that region or country's economic risks. In the event of economic or political turmoil or a deterioration of diplomatic relations in a region or country where a significant portion of the Fund's assets are invested, the Fund may experience substantial illiquidity or reduction in the value of the Fund's investments. Adverse conditions in a certain region or country can also adversely affect securities of issuers in other countries whose economies appear to be unrelated.

## **Common Stocks**

The value of a company's common stock may fall as a result of factors directly relating to that company, such as decisions made by its management or decreased demand for the company's products or services. A stock's value may also decline because of factors affecting not just the company, but also companies in the same industry or sector. The price of a company's stock may also be affected by changes in financial markets that are relatively unrelated to the company, such as changes in interest rates, exchange rates or industry regulation. Companies that pay dividends on their common stock generally only do so after they invest in their own business and make required payments to bondholders and on other debt and preferred stock. Therefore, the value of a company's common stock will usually be more volatile than its bonds, other debt and preferred stock.

### *Large Market Capitalization Companies*

The value of investments in larger companies may not rise as much as smaller companies, or that larger companies may be unable to respond quickly to competitive challenges, such as changes in technology and consumer tastes.

### *Small and Medium Market Capitalization Companies*

Small-and medium-sized companies often have narrower markets, fewer products or services to offer, and more limited managerial and financial resources than larger, more established companies. As a result, the performance of small-and medium-sized companies may be more volatile, and may face a greater risk of business failure, which could increase the volatility and risk of loss to a fund

### *Real Estate Securities and REITs*

Some Funds may invest in equity securities of companies linked to the real estate industry or publicly traded securities of closed-ended Real Estate Investment Trusts (REITs). REITs are companies that acquire and/or develop real property for long term investment purposes. They invest the majority of their assets directly in real property and derive their income primarily from rents.

The performance of a Fund investing in real estate securities will be dependent in part on the performance of the real estate market and the real estate industry in general.

REITs are usually subject to certain risks, including fluctuating property values, changes in interest rates, property taxes and mortgage-related risks. Furthermore, REITs are dependent on management

skills, are not diversified, and are subject to heavy cash flow dependency, risks of borrower default and self-liquidation.

#### *When-issued Securities*

Certain Funds may invest in when-issued securities. This involves the Fund entering into a commitment to buy a security before the security has been issued. The payment obligation and the interest rate on the security are determined when the Fund enters into the commitment. The security is typically delivered 15 to 120 days later.

If the value of the security being purchased falls between the time the Fund commits to buy it and the payment date, the Fund may sustain loss. The risk of this loss is in addition to the Fund's risk of loss on the securities actually in its portfolio at the time. In addition, when the Fund buys a security on a when-issued basis, it is subject to the risk that market rates of interest will increase before the time the security is delivered, with the result that the yield on the security delivered to the Fund may be lower than the yield available on other comparable securities at the time of delivery.

#### *Initial Public Offerings ("IPOs")*

Investors should note that certain Funds, notwithstanding their investment policy and/or restrictions, may not be eligible to participate in equity IPOs due to the fact that the parent companies and/or affiliates of the Management Company, which themselves are precluded from participating in equity IPOs, or other investors subject to similar restrictions, have invested in such Funds. Such ineligibility for equity IPOs results in the loss of an investment opportunity, which may adversely affect the performance of the concerned Funds.

#### *Investing in Warrants*

When the Funds invest in warrants, the value of these warrants is likely to be subject to higher fluctuations than the prices of the underlying securities because of the greater volatility of warrant prices.

#### *Master Limited Partnerships (MLPs)*

MLPs are publicly traded partnerships which primarily own US energy infrastructure. This includes assets involved in the exploration and production, gathering and processing, and the transportation of oil and natural gas. MLPs have a risk and a liquidity similar to a publicly traded stock and give investors the opportunity to have attractive distribution competitive with higher yielding bonds. MLPs are usually subject to sector concentration risks, changes in interest rates, risks linked to changes in the tax-advantaged status. Furthermore, MLPs are subject to heavy cash flow dependency, and risks of default.

#### **Depositary Receipts Risk**

Certain Funds may invest in ADRs sponsored by U.S. banks, EDRs, GDRs, ADRs not sponsored by U.S. banks, other types of depositary receipts (including non-voting depositary receipts) and other similar instruments representing securities of foreign companies. Although certain depositary receipts may reduce or eliminate some of the risks associated with foreign investing, these types of securities generally are subject to many of the same risks as direct investments in securities of foreign issuers.

#### **Preferred Stocks**

If interest rates rise, the dividend on preferred stocks may be less attractive, causing the price of preferred stocks to decline. Preferred stocks may have mandatory sinking fund provisions, as well as provisions for their call or redemption prior to maturity which can have a negative effect on their prices when interest rates decline. Issuers may threaten preferred stockholders with the cancellation of

all dividends and liquidation preference rights in an attempt to force their conversion to less secure common stock. Certain preferred stocks are equity securities because they do not constitute a liability of the issuer and therefore do not offer the same degree of protection of capital or continuation of income as debt securities. The rights of preferred stock on distribution of a corporation's assets in the event of its liquidation are generally subordinated to the rights associated with a corporation's debt securities. Therefore, in the event of an issuer's bankruptcy, there is substantial risk that there will be nothing left to pay preferred stockholders after payments, if any, to bondholders have been made. Preferred stocks may also be subject to credit risk.

### **Investment in Other CIS Risk**

Through its investments in other UCITS or other eligible CIS, a Fund is exposed to not only to the risks of the underlying CIS' investments but also to certain additional risks. Assets invested in other CIS incur a layering of expenses, including operating costs, advisory fees and administrative fees that Shareholders in the relevant Fund indirectly bear. Such fees and expenses may exceed the fees and expenses the Fund would have incurred if it invested in the underlying fund's assets directly. To the extent that the expense ratio of an underlying CIS changes, the weighted average operating expenses borne by the relevant Fund may increase or decrease. An underlying CIS may change its investment objective or policies without the approval of the relevant Fund, and the relevant Fund might be forced to withdraw its investment from the underlying fund at a time that is unfavourable to the relevant Fund.

### **Unlisted Securities Risk**

Unlisted securities tend to be more volatile and have a higher risk profile than listed securities. There being no Recognised Market for unlisted securities, it may be difficult for the Company to obtain reliable information about the value of any such security, or the extent of the risks to which it is exposed or to dispose of any such security quickly and/or on terms advantageous to the Company. Due to the nature of unlisted securities and the difficulty in obtaining a valuation from other sources, such competent professional may be related to the Investment Manager or Sub-Investment Manager, giving rise to a potential conflict of interest.

### **Issuer Concentration Risk**

A Fund may concentrate its investments, which means that it may invest in the securities of fewer issuers than more diversified funds. As a result, such Funds may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers and may experience increased risk of loss and increased volatility.

### **Issuer Risk**

The performance of a Fund depends on the performance of the issuers of the individual securities in which Fund invests. Poor performance by any issuer may cause the value of its securities, and the value of the Shares, to decline.

### **Limited Number of Holdings Risk**

Where a Fund holds a more limited number of securities than other funds with similar investment strategies, each investment has a greater effect on the Fund's overall performance and any change in the value of these securities could significantly affect the value of the Fund's investments.

### **Geographic Concentration Risk**

The value of the investments of a fund that focuses its investments in a particular geographic location will be highly sensitive to financial, economic, political and other developments affecting the fiscal stability of that location, and conditions that negatively impact that location will have a greater impact on the Fund as compared with a fund that does not have its holdings similarly concentrated. Events

negatively affecting such location are therefore likely to cause the value of the Fund's Shares to decrease, perhaps significantly.

### **Withholding Tax Risk**

Each Fund may invest in securities that produce income or capital gains that is subject to withholding and other taxes. Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of subscribing, holding, selling, converting or otherwise disposing of Shares in the Funds under the laws of jurisdictions in which they may be subject to tax. In addition, developing or emerging countries typically have less well defined tax laws and procedures and such laws may permit retroactive taxation so that a Fund could in the future become subject to local tax liabilities it could not have reasonably anticipated in conducting its investment activities or valuing its interests. A summary of some of the Irish tax consequences applicable to the Company is set out in the section entitled "Taxation" below. However, Shareholders and potential investors should note that the information contained in that section does not purport to deal with all of the tax consequences applicable to the Company or all categories of investors, some of whom may be subject to special rules.

### **Debt Securities**

Among the principal risks of investing in debt securities are the following:

#### *Changing Interest Rates*

The value of any fixed income security held by a Fund will rise or fall inversely with changes in interest rates. Interest rates typically vary from one country to the next, and may change for a number of reasons. Those reasons include rapid expansions or contractions of a country's money supply, changes in demand by business and consumers to borrow money and actual or anticipated changes in the rate of inflation.

#### *Credit Risk*

The issuer of any debt security acquired by any Fund may default on its financial obligations. Moreover, the price of any debt security acquired by a Fund normally reflects the perceived risk of default of the issuer of that security at the time the Fund acquired the security. If after acquisition the perceived risk of default increases, the value of the security held by the Fund is likely to fall.

There are many factors that could cause an issuer to default on its financial obligations, or an increase in the perceived risk of default of an issuer. Among those factors are the deteriorating financial condition of the issuer caused by changes in demand for the issuer's products or services, catastrophic litigation or the threat of catastrophic litigation and changes in laws, regulations and applicable tax regimes. The more concentrated the Fund is in a particular industry; the more likely it will be affected by factors that affect the financial condition of that industry as a whole. This includes systemic risks for Funds invested in the financial industry.

#### *Below Investment Grade Securities*

Certain Funds may invest in fixed income securities rated below investment grade. This type of securities is considered low credit quality. Below investment grade fixed income securities are securities rated less than BBB- (Standard & Poor's Ratings Services), Baa3 (Moody's Investors Service, Inc.)

Securities rated below investment grade may have greater price volatility and a greater risk of loss of principal and interest than investment grade debt securities.

### *Variation in Inflation Rates*

Certain Funds may invest in inflation-linked debt securities. The value of such securities fluctuates with the inflation rate of the corresponding geographical area.

Additionally, there are special risks considerations associated with investing in certain types of debt securities:

### *Mortgage-related Securities and Asset-backed Securities*

Certain Funds may invest in mortgage derivatives and structured notes, including mortgage-backed and asset-backed securities. Mortgage pass-through securities are securities representing interests in "pools" of mortgages in which payments of both interest and principal on the securities are usually made monthly, in effect "passing through" monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment of principal based on an expected repayment schedule on mortgage pass-through securities held by a Fund (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the relevant Fund reinvests such principal. In addition, as with callable fixed-income securities generally, if the Fund purchased the securities at a premium, sustained earlier than expected repayment would reduce the value of the security relative to the premium paid. When interest rates rise or decline the value of a mortgage-related security generally will decline, or increase but not as much as other fixed-income, fixed-maturity securities which have no prepayment or call features.

Asset-backed transferable securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations.

Interest rate risk is greater for mortgage-related and asset-backed securities than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment – borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to the Fund because the Fund must reinvest assets previously invested in these types of securities in securities with lower interest rates.

### *Convertible Securities Risk*

Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally: (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities; (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics; and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

### *Collateralized Loan Obligations*

A collateralized loan obligation ("CLO") is a security backed by a portfolio of loans. The loans underlying CLOs are typically rated below investment grade. CLOs are split into tranches according to the amount of the credit risk of the share. More senior tranches are serviced first from proceeds. Less senior tranches bear losses first and have lower claim on proceeds and may be subject to deferral of payments; less senior tranches may themselves be rated below investment grade. The value of a

CLO may be negatively influenced by defaults in the loans underlying the CLO, downgrades by ratings agencies, changes in or lack of visibility of market or fair value of loans underlying the CLO, early or accelerated repayment of loans, outflows and early redemption. The loans underlying the CLO typically pay a floating rate of interest which may change should the reference interest rates of the loans change. Market liquidity for CLOs may be limited, which may make it difficult for a Fund to sell a CLO investment.

#### *High-Yield Debt Securities (Junk Bond) Risk*

A Fund may invest in non-convertible debt securities, including, without limit, in high yield fixed-income securities, also known as junk bonds. Junk bonds are securities rated BB+ or lower by Standard & Poor's Corporation or Ba1 or lower by Moody's Investor Services, Inc., or securities that are not rated but are considered by the Investment Manager or Sub-Investment Managers to be of similar quality.

Securities rated BBB+ or BBB- or Ba1 to Baa3 are considered to be medium grade and to have speculative characteristics. Junk bonds are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. Investment in medium or lower-quality debt securities involves greater investment risk, including the possibility of issuer default or bankruptcy. An economic downturn could severely disrupt the market for such securities and adversely affect the value of such securities. In addition, junk bonds are less sensitive to interest rate changes than higher-quality instruments and generally are more sensitive to adverse economic changes or individual corporate developments.

#### *Rule 144A Securities Risk*

Rule 144A securities may involve a high degree of business and financial risk and may result in substantial loss. These securities may be less liquid than publicly traded securities, and a Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized for these sales could be less than those originally paid by a Fund. Further, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. A Fund's investment in illiquid securities is subject to the risk that should the Fund desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the Net Asset Value of the Fund could be adversely affected.

#### *Collateralized Mortgage Obligations*

A collateralized mortgage obligation ("**CMO**") is a security backed by a portfolio of mortgages or mortgage-backed securities held under an indenture. CMOs of different classes are generally retired in sequence as the underlying mortgage loans in the mortgage pool are repaid. In the event of sufficient early prepayments on such mortgages, the class or series of CMOs first to mature generally will be retired prior to its maturity. As with other mortgage-backed securities, if a particular class or series of CMOs held by a Fund is retired early, the Fund would lose any premium it paid when it acquired the investment, and the Fund may have to reinvest the proceeds at a lower interest rate than the retired CMO paid. Because of the early retirement feature, CMOs may be more volatile than many other fixed-income investments.

#### *Trust Preferred Securities*

Trust preferred securities are preferred shares issued in certain structured finance transactions by a special purpose trust established for the purpose of issuing the shares and investing the proceeds in an equivalent amount of debt securities of a primary issuer. In addition to the risks associated with the debt securities of the primary issuer, trust preferred securities are subject to the risk that the trustee of

the trust may be unwilling or unable to enforce the obligations of the primary issuer under the debt securities in the event of a default by the primary issuer.

#### *Yankee Bonds*

Certain Funds may invest in U.S. dollar-denominated bonds issued in U.S. capital markets by foreign banks or corporations ("**Yankee Dollar**" bonds). Yankee Dollar bonds are generally subject to the same risks that apply to domestic bonds, notably credit risk, market risk and liquidity risk. Additionally, Yankee Dollar bonds are subject to certain sovereign risks, such as the possibility that a sovereign country might prevent capital, in the form of U.S. dollars, from flowing across its borders. Other risks include adverse political and economic developments; the extent and quality of government regulation of financial markets and institutions; the imposition of foreign withholding taxes; and the expropriation or nationalization of foreign issuers.

#### *Zero Coupon Securities*

Certain Funds may invest in zero coupon securities issued by governmental and private issuers. Zero coupon securities are transferable debt securities that do not pay regular interest payments, and instead are sold at substantial discounts from their value at maturity. The value of these instruments tends to fluctuate more in response to changes in interest rates than the value of ordinary interest-paying transferable debt securities with similar maturities. The risk is greater when the period to maturity is longer. As the holder of certain zero coupon obligations, the relevant Funds may be required to accrue income with respect to these securities prior to the receipt of cash payment. They may be required to distribute income with respect to these securities and may have to dispose of such securities under disadvantageous circumstances in order to generate cash to satisfy these distribution requirements.

### **Structured Financial Instruments**

SFIs involve special risks including those associated with leverage, illiquidity, changes in interest rate, market risk and the credit risk of their issuers. As an example, the issuer of the SFI may be unable or unwilling to satisfy its obligations and/or the instrument's underlying assets may move in a manner that may turn out to be disadvantageous for the holder of the instrument.

#### *Structured Instrument Risk (including securitizations)*

Securitizations result from complex financial configurations that may contain both legal and specific risks pertaining to the characteristics of the underlying assets.

#### *Exchange Traded Notes (ETNs)*

ETNs are non-interest bearing debt securities that are designed to track the return of an underlying benchmark or asset. Their structures aim at deriving cash flows from the performance of an underlying asset. ETN's may be used to track the return of a commodity and the cash flows derived will be closely dependent on the performance of the underlying commodity. Commodity markets are highly speculative and may fluctuate more rapidly than other markets such as equities or bonds.

When uncollateralized, ETNs are entirely reliant on the creditworthiness of the issuer. A change in that creditworthiness might negatively impact the value of the ETN, irrespective of the performance of the underlying benchmark or asset. In extreme circumstances, default by the issuer would leave the investor to claim as an unsecured creditor against the issuer.

ETNs may also have a potential liquidity risk as they are a relatively new type of investment, so there may not be sufficient buyers or sellers in the market when an investor wants to enter or exit an ETN position.

Finally, in addition to the market risk experienced by most investments, ETNs also may carry a counterparty risk because their value is closely tied to the credit rating of the issuer.

## **Taxation Risk**

### FATCA Considerations

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "IGA"). Under the IGA, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Irish Revenue Commissioners with certain information in respect of its "account" holders (i.e. Shareholders). The IGA provides for the automatic reporting and exchange of information between the Irish Revenue Commissioners and the IRS in relation to accounts held in Irish FFIs by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. Provided the ICAV complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes. Although the ICAV will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the ICAV will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the ICAV will require certain information from Shareholders in respect of their FATCA status. Failure to provide requested information or (if applicable) satisfy its own FATCA obligations may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its Shares.

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

### Common Reporting Standard

Ireland has implemented the Common Reporting Standard ("CRS") through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "CRS Regulations"). The CRS is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations. The ICAV is a Reporting Financial Institution for CRS purposes and will be required to comply with the Irish CRS obligations. In order to satisfy its CRS obligations, the ICAV will require its Shareholders to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the Shareholder. The ICAV will report the information required to the Irish Revenue Commissioners who in turn will share the appropriate information with the relevant tax authorities in participating jurisdictions.

All prospective Shareholders should consult with their own tax advisors regarding the possible CRS implications of an investment in the ICAV.

For further information, potential Applicants' attention is drawn to the section headed "**Taxation**".

## **Global Investing Risks**

International investing involves certain risks such as currency exchange rate fluctuations, political or regulatory developments, economic instability and lack of information transparency. Securities in one or more markets may also be subject to limited liquidity.

## **Political Risks**

The value of a Fund's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Fund may invest.

## **Interest Rate Risk**

A Fund may be subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, market value tends to decrease. This risk will be greater for long-term securities than for short-term securities. Unexpected changes in interest rates may adversely affect the value of a Fund's investments, particularly with respect to derivative instruments. FDIs used by a Fund may be particularly sensitive to changes in prevailing interest rates.

## **Currency Risks**

A Fund's investments may be acquired in a wide range of currencies and changes in exchange rates between currencies may cause the value of an investment in a Fund to fluctuate due to the fact that the currency positions held by a Fund may not correspond with the securities positions held. The Fund may utilise financial instruments such as forward contracts to seek to hedge against fluctuations in the relative values of the Fund's portfolio positions as a result of changes in currency exchange rates. Where a class currency exposes Shareholders in that class to additional currency risk, such exposure may also be hedged. In such events, the exchange rate used for the purposes of hedging is likely to be the rate prevailing at the time the necessary currency hedging contracts are put in place and accordingly Shareholders in such classes will bear the risk of not benefiting from any potential rise in the exchange rate of the class currency against the Base Currency and/or other currencies in which the assets of a Fund are denominated between the time the hedging contracts are put in place and the time when such contracts settle. It may not be possible for the Fund to hedge against any exchange rate fluctuation that is so generally anticipated the Fund is not able to enter into a hedging transaction at a price sufficient to protect the Fund from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

A Fund may issue classes of Shares denominated in a currency other than the Base Currency of that Fund and accordingly the value of a Shareholder's investment in such a class may be affected favourably or unfavourably by fluctuations in the rates of the two different currencies. For example, a Shareholder may not benefit if the class currency falls against the Base Currency and/or the currencies in which the assets of a Fund are denominated. A currency conversion will take place on subscription, redemption, switching and distribution at prevailing exchange rates.

## **Legal and Regulatory Risks**

Legal and regulatory (including taxation) changes could adversely affect the ICAV. Regulation (including taxation) of investment vehicles such as the ICAV is still evolving and therefore subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future legal or regulatory (including taxation) change on the ICAV is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

## **Reliance on the Manager, Investment Manager, Sub-Investment Manager, Administrator and Depositary**

The Shareholders will have no right to participate in the management of a Fund or in the control of its business. Accordingly no person should purchase any Shares unless he is willing to entrust all aspects of management of the Fund to the Directors, the Manager and all aspects of selection and management of the Fund's investments to the Investment Manager or Sub-Investment Manager. The

Fund's success will depend completely on the efforts of the Directors, the Manager, the Investment Manager or Sub-Investment Manager, the Administrator and the Depositary.

### **Difficult to Value**

Assets in which a Fund invests may be valued on a less frequent basis than the Fund. Accordingly there is a risk that (i) the valuations of a Fund may not reflect the true value of assets held by a Fund at a specific time which could result in losses or inaccurate pricing for a Fund and/or (ii) the valuations may not be available at the relevant Valuation Point so that some of the assets of the Fund may be valued at their probable realisation value as set out in this Prospectus.

### **Custodial / Depositary Risks**

All banks, custodians, depositaries, brokers and dealers with which a Fund will be doing business, may encounter financial difficulties that impair the operational capabilities or capital position of the Fund. Although the Investment Manager or Sub-Investment Manager intends to confine each Fund's investments transactions to transferable securities listed on Recognised Markets, or other investments permitted by the investment restrictions set out in the section entitled "INVESTMENT RESTRICTIONS" above, the Investment Manager or Sub-Investment Manager will generally have sole discretion to select the financial institutions through which their investment transactions are executed for the underlying investments.

The Depositary and its delegates, if any, will have custody of a Fund's securities, cash, distributions and rights accruing to the Funds' securities accounts. If the Depositary or a delegate holds cash on behalf of a Fund, the Fund may be an unsecured creditor in the event of the insolvency of the Depositary or delegates. Although this is generally done to reduce or diversify risk, there can be no assurance that holding securities through the Depositary or its delegates will eliminate custodial risk.

The Funds will be subject to credit risk with respect to the Depositary and the delegates, if any.

In addition, certain of a Fund's assets may be held by entities other than the Depositary and its delegates. For example, a Fund may provide certain of its assets as collateral to counterparties or brokers in connection with FDI contracts. If a Fund has over-collateralised FDI contracts, it is likely to be an unsecured creditor of any such counterparty or broker in the event of its insolvency.

The Funds may invest in markets where custodial and/or settlement systems are not fully developed including Emerging Market Countries. The assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of sub-custodians is necessary may be exposed to risk. In particular, investors should be aware that there is a heightened depositary risk for Funds which may invest in certain countries (including Emerging Marketing Countries) outside of the EU (each a "**third country**") where the laws of the third country require that the financial instruments are held in custody by a local entity and no local entities satisfy the delegation requirements in the Regulations. Accordingly such entities may not be subject to effective prudential regulation and supervision in the third country or subject to external audit to ensure that the financial instruments are in its possession. In such circumstances, the Depositary may delegate its custody duties under the Depositary Agreement to such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the delegation requirements in the Regulations, and only where: (i) Shareholders of the relevant Fund are duly informed, prior to their investment, of the fact that such a delegation is required due to legal constraints in the law of the third country, of the circumstances justifying the delegation and of the risks involved in such a delegation; and (ii) the Manager or the ICAV, has instructed the Depositary to delegate the custody of such financial instruments to such a local entity.

## **Cybersecurity Risk**

Cybersecurity breaches may occur allowing an unauthorised party to gain access to assets of the Funds, Shareholder data, or proprietary information, or may cause the ICAV, the Manager, the Investment Manager or Sub-Investment Manager, the Administrator or the Depositary to suffer data corruption or lose operational functionality.

A Fund may be affected by intentional cybersecurity breaches which include unauthorised access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of Shareholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the ICAV, the Manager, the Investment Manager or Sub-Investment Manager, the Administrator, the Depositary, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Shareholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund's investments to lose value, as a result of which investors, including the relevant Fund and its Shareholders, could potentially lose all or a portion of their investment with that issuer.

## **Data Protection**

Under the GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the ICAV. Further, there is a risk that the measures will not be implemented correctly by the ICAV or its service providers. If there are breaches of these measures by the ICAV or any of its service providers, the ICAV or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the ICAV suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

## **Share Currency Designation Risk**

A Class may be designated in a currency other than the Base Currency of that Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. Unless otherwise set out in the relevant Fund Supplement, the Investment Manager or Sub-Investment Manager will try to mitigate this risk by using any of the EPM techniques and instruments, including forward currency contracts, set out in this Prospectus and within the conditions and limits imposed by the Central Bank. A Class may not be leveraged as a result of the use of such techniques and instruments, the value of which may be up to but may not exceed 105% of the Net Asset Value attributable to the relevant Class.

It is not possible to hedge fully or perfectly against market fluctuations and there is no assurance or guarantee that such hedging will be effective. Due to matters outside the control of the ICAV, currency exposure may be over or under hedged. Under-hedged positions will not fall short of 95% of the portion of the Net Asset Value of the Hedged Share Class and over-hedged positions will not exceed 105% of the Net Asset Value of the Hedged Share Class. Hedged positions will be kept under review to ensure that over and under hedged positions do not exceed or fall below these prescribed limits. Such reviews will incorporate a procedure to ensure that any position that is materially in excess of 100% of the Net Asset Value of that Hedged Share Class will not be carried forward month to month. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the ICAV are denominated. In such circumstances, Shareholders of the Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gain/loss on and the costs of the relevant financial instruments.

Although hedging strategies may not necessarily be used in relation to each Class within a Fund, the financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, all gains/losses on and the costs of the relevant financial instruments at a portfolio level will be allocated on a pro rata basis to the classes. All gains/losses on and the costs of the relevant financial instruments relating to class specific hedging will accrue solely to the relevant Class. Transactions will be clearly attributable to a specific Share Class (therefore currency exposure of different currency Classes may not be combined or offset) and currency exposures of the assets of a Fund may not be allocated to separate Share Classes. 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 that 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 no hedging strategy is used to hedge currency risk a currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates.

### **Allocation Risk**

The ability of a Fund to achieve its investment goal depends, in part, on the ability of the Fund's Investment Manager or Sub-Investment Manager to allocate effectively the fund's assets among equities, fixed income securities and currencies. There can be no assurance that the actual allocations will be effective in achieving the Fund's investment goal.

### **Subscription Risk**

Subscription monies transferred by a prospective investor or Shareholder into the transfer agency account of a Fund will not form part of the Net Asset Value of the relevant Fund until the Dealing Day to which the subscription relates. Until the subscription monies form part of the Net Asset Value, the monies will be held at the credit risk of the relevant credit institution.

### **Redemption Risk**

Large redemptions of Shares in a Fund might (i) cause the liquidation of investments at a time that could adversely affect the value of the Fund or the risk profile of the remaining investments of the Fund, (ii) result in a determination to terminate the Fund, or (iii) result in redemptions from the Fund being temporarily suspended. Debt Securities Interest Rates Risk

The values of debt securities usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the value of existing debt instruments, and rising interest rates generally decrease the value of existing debt instruments. Changes in a debt instrument's value usually will not affect the amount of interest income paid to a Fund, but will affect the value of the Fund's shares. These risks are generally greater for investments with longer maturities.

Certain securities pay interest at variable or floating rates. Variable rate securities reset at specified intervals, while floating rate securities reset whenever there is a change in a specified index rate. In most cases, these reset provisions reduce the effect of changes in market interest rates on the value of the security. However, some securities do not track the underlying index directly, but reset based on formulas that can produce an effect similar to leveraging; others may also provide for interest payments that vary inversely with market rates. The market prices of these securities may fluctuate significantly when interest rates change.

Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, a fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore it might not benefit from any increase in value as a result of declining interest rates.

### **Subscriptions/Redemptions Account Risk**

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering purposes, as described in the section entitled "Share Dealings" below under "Anti-Money Laundering Provisions", may result in a delay in the settlement of redemption proceeds or dividend payments. In such circumstances, the Administrator will process any redemption request received by a Shareholder and by doing so, that investor is no longer considered a Shareholder. Accordingly, Shareholders should note that any redemption proceeds and any sums payable by way of dividend being paid out by a Fund and held for any time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund. In the event of the insolvency of the ICAV or the relevant Fund, the Shareholder will rank as an unsecured creditor of the Sub-Fund until such time as the Administrator is satisfied that its anti-money-laundering procedures have been fully complied with, following which redemption proceeds will be released or the dividend paid (as applicable) to the relevant Shareholder. Accordingly, Shareholders are advised to promptly provide the ICAV or Administrator with all documentation requested to reduce the risk in this scenario.

As detailed under the heading "Share Dealings", the Administrator also operates the Subscriptions/Redemptions Account with respect to receipt of subscription monies. In this scenario, the investor is subject to the risk of becoming an unsecured creditor in the event of the insolvency of the ICAV or the relevant Fund during the period between receipt of subscription monies and the Dealing Day on which the Shares are issued.

The ICAV reserves the right to reverse any allotment of Shares in the event of a failure by the Shareholder to settle the subscription monies on a timely basis. In such circumstances, the ICAV shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the ICAV in the event that the redemption proceeds are less than the amount originally subscribed for. For the avoidance of doubt, the relevant Shareholder shall not be entitled to any profit arising from such a redemption of Shares in the event that the redemption proceeds are worth more than the amount originally subscribed for.

Shareholders in solvent Funds should not be impacted by the insolvency of a sister Fund as the ICAV is established with segregated liability.

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

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

### **Small and Medium Sized Company Risk**

Certain Funds may invest in small and medium sized companies. Investments in small and medium sized companies generally involve greater risk and price volatility than larger, more established

companies because they tend to have less developed and more limited product lines, markets and financial resources and may be dependent on a smaller management group than large capitalisation companies. In addition, equity and other securities issued by such companies are typically less liquid than securities issued by larger capitalisation companies. As a result, certain securities may be difficult or impossible to sell at the time and the price that the relevant Fund would like. A Fund may have to lower the price, sell other securities instead or forego an investment opportunity. Any of these could have a negative effect on the management or performance of the relevant Fund.

### **Large Capitalisation Company Risk**

Certain Funds may invest in large sized companies. A Fund's investments in larger, more established companies are subject to the risk that larger companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion. Larger, more established companies may be unable to respond quickly to new competitive challenges, such as changes in consumer tastes or innovative smaller competitors, potentially resulting in lower markets for their common stock.

### **MiFID Regulatory Risk**

The MiFID Regulations transpose into Irish law the MiFID II Directive along with its accompanying regulation, the Markets in Financial Instruments Regulation. MiFID II is a wide ranging piece of legislation that affects financial market structure, trading and clearing obligations, product governance and investor protection. Market participants who are not directly subject to MiFID II may be indirectly impacted by its requirements and related regulatory interpretations. It is not possible to predict how these factors may impact the operations of the ICAV and the Manager and the ability of the Investment Manager or Sub-Investment Manager to implement a Fund's investment objective.

### **Risks associated with FDI**

While the prudent use of FDIs can be beneficial, FDIs also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments.

#### *Market Risk*

This is a general risk that applies to all investments, including FDIs, meaning that the value of a particular FDI may go down as well as up in response to changes in market factors. A Fund may also use FDIs to short exposure to some investments. Should the value of such investments increase rather than fall, the use of FDIs for shorting purposes will have a negative effect on the Fund's value and in extreme market conditions may, theoretically, give rise to unlimited losses for the Fund. Should such extreme market conditions occur, investors could, in certain circumstances, therefore face minimal or no returns, or may even suffer a loss on their investment in that particular Fund.

#### *Liquidity Risk*

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a FDI transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Fund will only enter into OTC FDIs if it is allowed to liquidate such transactions at any time at fair value).

#### *Counterparty Risk*

The Funds may enter into transactions in OTC markets, which will expose the Funds to the credit of their counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and

fees and expenses incurred in enforcing its rights. There is also a possibility that these arrangements may be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

#### *Legal risk*

There is a possibility that the agreements governing the FDI transactions may be terminated due, for instance, to supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. There is also a risk if such arrangements are not legally enforceable or if the derivative transactions are not documented correctly.

#### *Correlation Risks*

Other risks in using FDIs include the inability of FDIs to correlate perfectly with underlying securities, rates and indices. Many FDIs, in particular OTC FDIs, are complex and the valuation can only be provided by a limited number of market professionals who often are acting as counterparties to the transaction to be valued.

#### *Settlement Risk*

Where a Fund enters into swap arrangements and other FDI's, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract and may not settle a transaction. Delays in settlement may also result from disputes over the terms of the contract since the OTC markets may lack the established rules and procedures for swift settlement of disputes among market participants found in exchange-based markets.

#### *Risks associated with Futures and Options*

The Funds may from time to time use both exchange-traded and OTC futures and options as part of its investment policy or for hedging purposes. These instruments are highly volatile, involve certain special risks and expose applicants to a high risk of loss. The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in un-quantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk.

#### *Contractual Risks*

Futures are traded on a Recognised Market, which minimizes counterparty risk for these instruments. However, if the creditworthiness of a counterparty declines, the risk that the counterparty may not perform could increase, potentially resulting in a loss to the portfolio. To limit counterparty risk, the Investment Manager or Sub-Investment Manager will only enter into trades on behalf of clients with counterparties that meet certain standards of creditworthiness which they have evaluated.

#### *Pricing Transparency*

Both futures and swaps are priced daily. Futures are priced by pricing sources such as Reuters while swap prices are sourced from Pricing Direct, S&P and the dealers. It is not always possible to find a reliable price for certain over-the-counter FDI.

### *Management Risk*

FDI products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a FDI requires an understanding not only of the underlying instrument but also of the FDI itself, without the benefit of observing the performance of the FDI under all possible market conditions. In particular, the use and complexity of FDIs require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a FDI adds to the Fund's portfolio and the ability to forecast price, interest rate or currency exchange rate movements correctly.

### *Operational Risk*

Margin requirements exist for all exchange traded futures. Margin collateral will be exchanged weekly with the ability to substitute more often. As with any singular investment, the Fund would be exposed to the consequences of an operational or systems failure at the counterparty, the futures clearing agent or at the futures exchange.

### *Leverage Risk*

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the FDI itself. Certain FDIs have the potential for unlimited loss, regardless of the size of the initial investment.

### *Credit Default Swaps – Special Risk Consideration*

A credit default swap "CDS" is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between par value and market price of the said bond or other designated reference obligations (or some other designated reference or strike price) when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swap and Derivatives Association (ISDA) has produced standardised documentation for these FDI transactions under the umbrella of its ISDA Master Agreement. A Fund may use credit FDIs in order to hedge the specific credit risk of certain issuers in its portfolio by buying protection. In addition, a Fund may, provided it is in its exclusive interest, buy protection using credit derivatives without holding the underlying assets. Provided it is in its exclusive interest, a Fund may also sell protection using credit FDIs in order to acquire a specific credit exposure. A Fund will only enter into OTC credit FDIs transactions with highly-rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement. The maximum exposure of a Fund may not exceed 100% of its net assets.

### **Emerging Markets Risk**

To the extent that a Fund invests in emerging markets, the following risks shall also apply:

#### *Currency Fluctuation/Exchange Rate Variations*

A significant risk arises from the fact that a Fund may invest primarily in securities denominated in foreign currencies while valuing its securities and other assets and preparing its financial statements in U.S. Dollars. As a result, the Net Asset Value of the Fund fluctuates with changes in the exchange rates of local currencies relative to the U.S. Dollar as well as with changes in the prices of the Fund's investments. In addition, the currencies in certain emerging markets may be fixed or managed, and therefore not free-floating against the U.S. Dollar, or may not be internationally traded. An increase in the value of the U.S. Dollar compared to the currencies in which the Fund makes its investments

reduces the effect of increases, and increases the effect of decreases, in the prices of the Fund's securities in relevant local markets. Conversely, a decrease in the value of the U.S. Dollar has the opposite effect of increasing the effect of increases, and reducing the effect of decreases, in the prices of the Fund's securities. Historically, periodic devaluations of local currencies against the U.S. Dollar have been common.

Fluctuations in currency exchange rates may also affect the performance of emerging market issuers in which the Fund invests without regard to the effect such fluctuations have on income received or gains realized by the Fund. Given the level of foreign denominated debt owed by many countries with emerging markets, fluctuating exchange rates significantly affect the debt service obligations of those countries. This could, in turn, affect local interest rates, profit margins and exports which are a major source of foreign exchange earnings. Although it might be theoretically possible to hedge for anticipated income and gains, the ongoing and indeterminate nature of the foregoing risk (and the costs associated with hedging transactions) makes it virtually impossible to hedge effectively against such risk.

To some extent, if forward markets are available, currency exchange risk can be managed through hedging operations. However, governmental regulations and limited currency exchange markets in most emerging markets make it highly unlikely that the Fund will be able to engage in any hedging operations, at least in the foreseeable future. In the event hedging opportunities become available and the Portfolio Managers elect to employ them, the Fund may incur investment risks and substantial transaction costs to which it would not otherwise be subject.

#### *Political and Economic Risks*

In addition to restricting or blocking the flow of earnings from assets, foreign governments of emerging market countries can and have expropriated the assets themselves or applied confiscatory taxation. There also exists the possibility of political changes (including coups and wars) and social instability, including possible instability resulting from the general evolution of the political systems of many emerging market countries towards democracy and more liberal policies. Fund assets invested in emerging markets may also be subject to exchange control regulations.

The economies of individual emerging market countries may differ substantially from economies of more developed countries in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. Further, the economies of certain emerging market countries often are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. Emerging market economies also have been and will continue to be adversely affected by economic conditions in the countries with which emerging market nation's trade. A significant political and economic factor affecting investments in emerging markets is the high level of external debt owed to commercial banks and foreign governments. Further, the Fund may encounter difficulties or be unable to pursue legal remedies and enforce judgements in foreign courts.

Investments in certain countries, particularly underdeveloped or developing countries, (including some emerging European countries) may be subject to heightened political and economic risks. In some countries, there is the risk that the government may take over the assets or operations of a company or that the government may impose taxes or limits on the removal of a Fund's assets from that country.

Emerging market countries involve risks such as immature economic structures, national policies restricting investments by foreigners, and different legal systems. The marketability of quoted shares in emerging market countries may be limited as a result of wide dealing spreads, the restricted opening of stock exchanges, a narrow range of investors and limited quotas for foreign investors. Therefore, a Fund may not be able to realise its investments at prices and times that it would wish to

do so. Some emerging market countries may also have different clearance and settlement procedures, and in certain countries there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct transactions. Costs associated with transactions in developing country or emerging market country securities are generally higher than those associated with transactions in developed country securities.

Investment in securities issued by companies in emerging market countries also may be subject to dividend withholding or confiscatory taxes, currency blockage and/or trade restrictions.

### *Inflation*

Over the last quarter of a century, inflation in many emerging market countries has been significantly higher than the world average. While some emerging market countries have sought to develop a number of corrective mechanisms to reduce inflation or mitigate its effects, inflation may continue to have significant effects both on emerging market economies and their securities markets.

### *Settlement*

The markets in which the Funds may invest are emerging markets, where the settlement mechanisms of the stock markets are generally less developed and reliable than those in more developed countries. The settlement mechanisms in certain emerging markets may be untested.

Some emerging markets use physical share delivery settlement procedures. In such circumstances, there may be share registration and delivery delays and it may not be possible to ensure delivery against payment.

### *Immature Securities Markets*

Many emerging stock markets are undergoing rapid growth and change and their market capitalisations may be relatively small. Consequently, securities of a Fund may be less liquid and more volatile than securities in more mature markets.

### *Insufficient Information*

The financial information available in respect of listed companies in emerging markets, especially those transformed from state-owned enterprises, remains limited by international standards. The corporate form of organisation has only recently been permitted in many of these markets and corporate laws regarding fiduciary duties of directors and officers and the protection of investors are often not well-developed. Companies whose securities are traded in emerging markets are generally not subject to the same degree of regulation as those in many of the world's developed markets with respect to such matters as uniform accounting, auditing and financial reporting standards, insider trading rules, take-over bid regulations, shareholder proxy requirements, the timely disclosure of information and the amount of information disclosed. Disclosure standards tend to vary greatly from country to country, making comparative analysis of data extremely difficult. Further, there is, in general, less information publicly available about companies in emerging markets than is available for companies in many of the world's developed markets. Because of the foregoing, any information furnished with respect to emerging market issuers may not be as complete or reliable as that furnished for issuers in more developed countries.

### *Country Information*

This document does not include detailed information on the political, economic and legal environment of the emerging markets in which the Fund may invest. Investors who elect to subscribe for shares do so on the basis that they are responsible for making an independent assessment of relevant conditions and risks in emerging markets generally.

### *Liability to Taxation*

Emerging markets typically have less well defined tax laws and procedures than those of major markets and such laws may permit retroactive taxation so that the Fund could in the future become subject to a local tax liability that had not reasonably been anticipated in the valuation of the assets of the Fund.

### *Regulatory Risk and Legal Framework*

There may be less government supervision of markets in emerging market countries, and issuers in such markets may not be subject to the uniform accounting, auditing, and financial reporting standards and practices applicable to issuers in the developed countries. There may be less publicly available information about issuers in emerging market countries.

The legislative framework in emerging market countries for the purchase and sale of investments and in relation to the beneficial interests in those investments may be relatively new and untested and there can be no assurance regarding how the courts or agencies of emerging market countries will react to questions arising from a Fund's investments in such countries and arrangements.

Laws, orders, rules, regulations and other legislation currently regulating investment in an emerging market country may be altered, in whole or in part, and a court or other authority of an emerging market country may interpret any relevant or existing legislation in such a way that the investment contemplated is rendered illegal, null or void, retroactively or otherwise or in such a way that the investment of a Fund is adversely affected.

Legislation regarding companies in emerging market countries, specifically those laws in respect of the fiduciary responsibility of administrators and disclosure may be in a state of evolution and may be of a considerably less stringent nature than corresponding laws in more developed countries.

### *Market Risk*

Securities markets of emerging markets countries may be less liquid and more volatile than developed country markets. Such markets may require payment for securities before delivery and delays may be encountered in settling securities transactions. There may be limited legal recourse against an issuer in the event of a default on a debt instrument.

### *Emerging Market Custodial Risk*

There is no guarantee that any arrangements made, or agreement entered into, between the Depositary and any sub-custodian in such markets will be upheld by a court of any emerging market country or that judgement obtained by the Depositary or the ICAV against any such sub-custodians in a court of any competent jurisdiction will be enforced by a court of an emerging market country.

Additional risk factors (if any) in respect of each Fund are set out in the relevant Supplement.

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## MANAGEMENT OF THE ICAV

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### Directors of the ICAV

The secretary of the ICAV is Dechert Secretarial Limited and the Directors of the ICAV are as follows:

1. Vincent Dodd (Irish Resident)
2. Michael Angerthal (US Resident)
3. Patrick Bradley (US Resident)

The biographies of each of the Directors are detailed below:

#### **Vincent Dodd (Irish Resident) (Chairman)**

Mr. Dodd has over 20 years' experience in fund management, fund administration and private banking. Since 2003, he has acted as an adviser and independent director to a number of Irish and IFSC financial entities, UCITS and exchange listed mutual funds. Mr. Dodd established and was appointed Head of Private Banking at KBC Bank Ireland from 1997 to 2003. Before joining KBC bank, Mr. Dodd was Head of Business Development at Bank of Ireland Securities Services, the custody and fund administration arm of the Bank of Ireland from 1993 to 1997. Prior to joining Bank of Ireland Securities Services, he was a senior manager in the Private Clients Group of the Investment Bank of Ireland. Mr. Dodd is a member of the Institute of Directors. Mr. Dodd received his B.A. in Economics and Politics from University College Dublin in 1986, his D.B.A. in Corporate Finance and Business Administration in 1987 from Queens University Belfast, and his Professional Diploma in Corporate Governance in 2010 from the Smurfit Business School at University College Dublin.

#### **Michael Angerthal (US Resident)**

Michael Angerthal is Executive Vice President, Chief Financial Officer and Treasurer for Virtus Investment Partners and has held those positions since January 1, 2009 when Virtus became an independent public company. He also serves as principal accounting officer. Mr. Angerthal joined Phoenix Investment Partners, Inc., the predecessor to Virtus, as Senior Vice President, Chief Financial Officer in 2008. Prior to joining the company, Mr. Angerthal had been the Chief Financial Officer of CBRE Realty Finance, a publicly traded commercial real estate specialty finance company, from 2005 to 2008. Previously, he held several positions with GE Corporation, a diversified technology, media and financial services company, including Manager, Financial Planning & Analysis of GE Real Estate from 2002 to 2005; Staff Analyst, Investor Relations of GE Capital Corp. from 1999 to 2002; and Director, Finance of NBC from 1996 to 1999. Prior to GE, he was a Manager of Business Assurance in the audit practice of Coopers & Lybrand in New York. Mr. Angerthal is a Certified Public Accountant and earned an MBA from Columbia Business School and holds an undergraduate degree in accounting from Pace University in New York.

#### **Patrick Bradley (US Resident)**

Mr. Bradley is executive vice president, fund services, for Virtus. He serves as the treasurer and chief financial officer of the Virtus Funds and manages all operational and financial matters for the fund family. His responsibilities include customer service, transfer agency, accounting, tax, custody, security valuation, registration, treasury, lending, and financial reporting. Mr. Bradley joined Virtus in 2004 as second vice president, Fund Control and Tax. Prior to working for Virtus, Mr. Bradley was with Deloitte for 10 years in both Australia and the U.S., where his last position was assurance manager. During this time, Mr. Bradley served both public and private companies in the financial services industry, advising these clients on public and private securities offerings, complex financial

instruments, mergers and acquisitions, due diligence reviews, and annual and quarterly reporting requirements under the Securities and Exchange Commission's rules and regulations. Mr. Bradley earned a bachelor's degree in accounting from the University of Connecticut. He is a Certified Public Accountant and a member of the Investment Company Institute Accounting & Treasurers' Committee.

The address of each Director is c/o the registered office of the ICAV. Any changes to directorships are subject to the prior approval of the Central Bank.

### **The Manager**

The ICAV has appointed KBA Consulting Management Limited as its management company (the "Manager") pursuant to the agreement between the ICAV and the Manager (the "**Management Agreement**").

The Manager is a limited company incorporated under Irish law on 4 December 2006, having its registered office at 35 Shelbourne Road, Ballsbridge, Dublin, D04 A4EO, Ireland. The Manager is authorised by the Central Bank to act as a UCITS management company.

Under the terms of the Management Agreement, the Manager is appointed to carry out the management, distribution and administration services in respect of the ICAV.

The Manager must perform its duties under the Management Agreement in good faith and in a commercially reasonable manner using a degree of skill, care and attention reasonably expected of a professional manager and in the best interests of the Shareholders. The Manager has the discretion to delegate all the powers, duties and discretions exercisable in respect of its obligations under the Management Agreement as the Manager and any delegate may from time to time agree. Any such appointment will be in accordance with the requirements of the Central Bank.

The Manager has delegated the administration of the ICAV's affairs, including responsibility for the preparation and maintenance of the ICAV's records and accounts and related fund accounting matters, the calculation of the Net Asset Value per Share and the provision of registration services in respect of the Funds to the Administrator.

The Manager has further delegated the investment management and distribution responsibilities in respect of the Funds to the Investment Manager.

The Management Agreement provides that the appointment of the Manager will continue in force unless and until terminated by either party on ninety days' prior written notice or otherwise in accordance with the terms of the Management Agreement. The Management Agreement contains provisions regarding the Manager's legal responsibilities. The Manager is not liable for losses, actions, proceedings, claims, damages, costs, demands and expenses caused to the ICAV unless resulting from its negligence, wilful default or fraud.

The Manager has established, implemented and maintains a remuneration policy which meets the requirements of, and complies with the principles set out in UCITS V and the ESMA Remuneration Guidelines relating to same (the "Remuneration Guidelines") and ensures that the Investment Manager or Sub-Investment Manager has an appropriate remuneration policy in place which is in compliance with the Remuneration Guidelines.

The Manager's remuneration policy applies to staff whose professional activities might have a material impact on the ICAV's risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the ICAV. The Manager's remuneration policy is accordingly consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the ICAV.

Consistent with the principal of proportionality referred to in the Remuneration Guidelines the payout process requirements in the Remuneration Guidelines have been disapplied in the Manager's remuneration policies. This disapplication has been made following assessment by the Manager of each of the payout process requirements and takes account of specific facts applicable to each and is appropriate to each size, internal organisation and the nature, scope and complexity of its activities.

The Remuneration Policy of the Manager can be found at [www.kbassociates.ie](http://www.kbassociates.ie). A copy can be requested free of charge from the Manager.

The Manager's main business is the provision of fund management services to collective investment schemes such as the ICAV. The Manager is legally and operationally independent of the Administrator, the Depositary and the Investment Manager or Sub-Investment Manager.

### Terms of Appointment

Under the Management Agreement, the Manager will provide or procure the provision of management, administration and distribution services to the ICAV. The Management Agreement may be terminated by either party on 90 days' written notice to the other party, or such shorter period as may be agreed by the ICAV not to be less than 30 days, or immediately by written notice to the other party if such other party:

- (a) commits any material breach of the Management Agreement that is either incapable of remedy or has not been remedied within thirty days of the non-defaulting party serving notice requiring the defaulting party to remedy the default;
- (b) is unable to perform its duties under the Management Agreement due to a change in applicable laws or regulatory practice;
- (c) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof;
- (d) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues;
- (e) is the subject of an effective resolution for its winding up (except a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party);
- (f) is the subject of a court order for its winding up.

The Management Agreement provides that in the absence of negligence, wilful default, fraud or bad faith, the Manager shall not be liable for any loss or damage arising out of the performance of its obligations and duties under the Management Agreement. The Management Agreement provides further that the ICAV shall indemnify the Manager for any loss or damage suffered in the proper performance of its obligations and duties under the Management Agreement unless such loss arises out of or in connection with any negligence, wilful default, fraud or bad faith by the Manager or its directors in the performance of its duties under the Management Agreement.

### Directors of the Manager

The Directors of the Manager are:

**Tim Madigan (Irish Director)** Tim Madigan is independent non-executive chairperson for the Manager. He serves as an independent non-executive director for a number of investment funds, both Irish-domiciled (UCITS and AIFs) and Luxembourg-domiciled (AIFs), as well as for an Irish cross-border life insurance company (where he also acts as chair of the Audit Committee). He was

previously an independent nonexecutive director of a UK life insurance company (where he also acted as chair of the Risk & Compliance Committee). From 2010 to 2011, Mr Madigan was finance director of Aviva Investment Management Europe, where he led the set-up of the finance function for Aviva Europe's Dublin based centre of excellence, established to manage treasury assets and investment management mandates. Prior to this, Mr Madigan was managing director of cross-border life insurance company Aviva Life International from 2006 to 2010 (previously he was finance director for that company). In this role, he chaired the Investment Committee as well as leading a strategic review of business in 2009 following the onset of the global financial crisis. He holds a bachelor's degree in Business Studies (Finance) from the University of Limerick, is a Fellow of the Association of Chartered Certified Accountants and is a Certified Investment Fund Director. He served as an elected Council member of the Irish Fund Directors Association from 2016 to 2020.

**Peadar De Barra (Irish Resident)** Mr. De Barra is Waystone Ireland's Chief Client Officer and is an executive director of the Manager with responsibility for operations and compliance. Prior to his appointment to the Manager, he was a senior consultant within KB Associates' consulting business where he was responsible for advising investment funds on a range of risk and compliance matters. In this role, he was responsible for developing risk management programmes for funds operating across a range of investment strategies. Mr. De Barra joined KB Associates in 2008. Prior to this, Mr. De Barra was Vice-President at Citi Fund Services (Ireland) Ltd (formerly BISYS), where he was responsible for the Financial Administration team (2003 to 2007). Previously, Mr. De Barra was an accountant and auditor with PricewaterhouseCoopers Dublin (1998 to 2002) and was an assistant manager at AIB/BNY Fund Management (Ireland) Ltd (2002 to 2003) with responsibilities for statutory reporting. In addition, Mr. De Barra also acts as a director to a number of investment funds, investment managers and management companies.

**Barry Harrington (Irish resident)** Barry Harrington is Waystone Ireland's Chief Operating Officer and is an executive director of the Manager. Prior to joining KB Associates, from 1998 to 2008, Mr Harrington worked for BISYS Hedge Fund Services (now Citi Fund Services (Ireland) Limited) in a variety of management roles supporting a number of leading hedge fund managers. His final role was as Vice President of fund accounting operations. Previously, Mr. Harrington worked at Chase Manhattan Bank (Ireland) Limited in fund accounting operations. Mr Harrington holds an M.A. in Economics and Finance from the National University of Ireland, Maynooth and is a CFA charterholder.

**John Oppermann (Irish resident)** Mr Oppermann has been involved in the Investment Funds, Asset Management and Fund Services industry for over 30 years in London and Dublin. He has extensive experience with investment funds domiciled in various locations and across a variety of asset classes and investment strategies. Mr. Oppermann is an independent, non-executive director the Manager and is the Chair of its Independent Risk Committee. Mr. Oppermann co-founded The Fund Governance Boardroom Panel, a firm which specialises in Collective Investment Governance. He established JPO Corporate Services in 2009 to provide corporate services to entities establishing operations in Ireland and has acted as a consultant within the hedge fund industry since 2008. From 2004 to 2008, Mr. Oppermann held the position of General Manager of Olympia Capital Ireland, and senior positions at RMB International (part of the First Rand Group) and International Fund Services (IFS) from 2001 to 2004. Mr. Oppermann established Capita's Registrar operation in Ireland after they purchased the share registration business of PwC and was Country Manager from 1998 to 2001. From 1995 to 1998, Mr. Oppermann was a member of the senior management team at Mellon Fund Administration (Ireland). Previously, he held a number of senior financial and operational positions in the investment management, pensions and financial services divisions with The Prudential Corporation in London from 1987 to 1995. He is one of the founding members of the Irish Fund Directors Association and has served on Council from 2015 – 2018. He is a Fellow of the Chartered Association of Certified Accountants, holds an MBA from the Michael Smurfit Graduate School of Business and has received the accreditation of Certified Investment Fund Director from the Institute of Banking School of Professional Finance.

**Samantha McConnell (Irish resident)** Ms. McConnell has over 20 years' experience in the financial and pensions industry covering administration, investment services, change and integration management as well as expert in devising solutions to complex issues. Ms. McConnell is an independent, non-executive director (INED) of the Manager and is the Chair of its Independent Investment Committee. The function of the Investment Committee is the formulation, approval and oversight of the implementation of each fund's investment objectives and policies by the relevant investment manager. The Investment Committee also evaluates the market overview, each Fund's performance and any changes of investment objective of a Fund. Ms. McConnell is also an INED and interim Chair for another significant fund management company as well as INED on a number of fund boards. She holds a first class honours degree in commerce from University College Dublin and graduated first in Ireland in the ACCA exams. She is a CFA Charterholder, a holder of the Institute of Directors Diploma in Company Direction and was awarded the Graduate of Merit award from the Institute of Directors.

### **Investment Manager**

The Investment Manager of the ICAV is Virtus Investment Advisers, Inc., a corporation incorporated under the laws of Massachusetts whose principal place of business is at One Financial Plaza, Hartford, CT 06103, USA. The Investment Manager is regulated by the U.S. Securities and Exchange Commission ("SEC") in the U.S.

The Investment Manager has been registered with the SEC as an investment adviser since 1969. The Investment Manager offers investment advisory services to registered investment companies, under the Investment Company Act of 1940 and to UCITS.

The Investment Manager as a delegate of the Manager has remuneration policies and practices in place consistent with the requirements of the Regulations.

Pursuant to the Investment Management Agreement, the Investment Manager has been appointed to provide investment management services to the ICAV.

The Investment Management Agreement states that the appointment of the Investment Manager shall continue unless and until terminated by either part giving not less than 3 months' notice. In certain circumstances set out in the Investment Management Agreement, either party may terminate the Investment Management Agreement upon the occurrence of certain events, such as the insolvency or liquidation of either party. The Investment Management Agreement contains certain indemnities in favour of the Investment Manager, which are restricted to exclude matters to the extent that they are attributable to gross negligence, bad faith, fraud, wilful default or recklessness of the Investment Manager. The Investment Management Agreement provides that the Investment Manager may delegate to Sub-Investment Managers.

Details of all Sub-Investment Managers, if any, not paid out of the assets of the ICAV directly, shall be disclosed in the relevant Fund Supplement. In addition, details of all Sub-Investment Managers will be disclosed in the periodic reports of the ICAV.

### **Depositary**

The ICAV has appointed The Bank of New York Mellon SA/NV, Dublin Branch, to act as the Depositary to the ICAV. The Depositary is a limited liability company established in Belgium on 30 September 2008. The principal activity of the Depositary is asset servicing, which is provided to both third party and to internal clients within The Bank of New York Mellon group. The Depositary is regulated and supervised as a significant credit institution by the European Central Bank (ECB) and the National Bank of Belgium (NBB) for prudential matters and under the supervision of the Belgian Financial Services and Markets Authority (FSMA) for conduct of business rules. It is regulated by the Central Bank of Ireland for conduct of business rules.

The Depositary is a wholly-owned subsidiary of The Bank of New York Mellon ("**BNY Mellon**"). BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team.

The Depositary's principal duties under the Regulations are as follows:

1. ensuring that the Funds' cash flows are properly monitored;
2. safekeeping of the Funds' assets, including, inter alia, verification of ownership;
3. ensuring that the issue, redemption, cancellation and valuation of Shares are carried out in accordance with the Instrument of Incorporation and applicable law, rules and regulations;
4. ensuring that in transactions involving the Funds' assets, any consideration is remitted to the relevant Fund within the usual time limits;
5. ensuring that the Funds' income is applied in accordance with the Instrument of Incorporation, applicable law, rules and regulations; and
6. carrying out instructions of the ICAV unless they conflict with the Instrument of Incorporation or applicable law, rules and regulations.

The Depositary is also obliged to enquire into the conduct of the ICAV in each financial year and report thereon to the Shareholders.

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 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 keeps exercising 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. As at the date of this Prospectus, the Depositary has sub-delegated safekeeping tasks to the delegates whose names are listed in Appendix III.

From time to time, conflicts may arise between the Depositary, and persons to whom it has delegated safekeeping duties, for example where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for another safekeeping service it provides to the ICAV.

The Depositary and/or its affiliates may receive fees for settlement and administrative services provided to collective investment schemes (including money market funds) units or shares of which the Depositary and/or its affiliates may subscribe for on behalf of the ICAV. The Depositary and/or its affiliates shall not be liable to account to the relevant Fund for any profits or benefits made or derived by or in connection with any such subscription.

In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to applicable laws.

Up-to-date information on identity of the Depositary, the Depositary's duties, delegations and sub-delegations and related conflicts of interest may be requested from the Depositary by Shareholders.

The Depositary is liable to the ICAV and the Shareholders for the loss by the Depositary or a third party to whom the safekeeping of financial instruments held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of identical type or the corresponding amount to the ICAV or the Manager acting on behalf of the ICAV without undue delay. The Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary Agreement provides that it will continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances provided that the Depositary's appointment may not be terminated nor may the Depositary retire from its appointment unless a replacement has been approved by the Central Bank or the authorisation of the ICAV has been revoked by the Central Bank.

Shareholders of the ICAV may, directly or indirectly through the ICAV, invoke claims relating to the liability of its Depositary regardless of the legal nature between the Depositary, the ICAV and Shareholders provided that the right of Shareholders to invoke the liability of the Depositary should not lead to a duplication of redress or to unequal treatment of Shareholders.

### **Administrator**

The ICAV has appointed BNY Mellon Fund Services (Ireland) Designated Activity Company to act as administrator, registrar and transfer agent of the ICAV with responsibility for performing the day to day administration of the ICAV, including the calculation of the Net Asset Value and the Net Asset Value per Share of each Fund. The Administrator is a private limited company incorporated in Ireland on 31 May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholders services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act, 1995.

The administration duties and functions of the Administrator will include, inter alia, the calculation of the Net Asset Value, the provision of facilities for the confirmation and registration of Shares, the keeping of all relevant records and accounts of the ICAV and assisting with compliance by the ICAV with the reporting requirements of the Central Bank.

The Administration Agreement provides that it will continue in force unless and until terminated by the ICAV or the Administrator giving to the other of them not less than 90 days' written notice although in certain circumstances the agreement may be terminated immediately by either party. Under this agreement the Administrator shall carry out its duties and obligations and exercise its powers and discretions under the agreement using its reasonable endeavours and applying the level of due skill, care and expertise that is expected of a professional administrator of an Irish common contractual fund regulated by the Central Bank such as the ICAV.

The Administrator shall not be liable for any loss of any nature whatsoever suffered by the ICAV, the ICAV, any Fund or the Shareholders in connection with the performance of its obligations under the Administration Agreement, or its improper performance of them, except where that loss results directly from negligence, bad faith, fraud, wilful default or recklessness on the part of the Administrator in the performance or non-performance of its duties or obligations pursuant to the agreement. Notwithstanding any other provision of the agreement, the Administrator shall not be liable for any indirect, special or consequential loss howsoever arising out of or in connection with the agreement.

The ICAV shall indemnify the Administrator against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the Investments or Shares) and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Administrator in the

performance or non-performance of its obligations and duties hereunder and from and against all taxes on profits or gains of the ICAV or a Fund which may be assessed upon or become payable by the Administrator provided that such indemnity shall not be given where the Administrator, its delegates, servants or agents is or are guilty of negligence, bad faith, fraud, wilful default or recklessness in the performance or non-performance of its or their duties under the agreement.

### **Distributor**

The Manager has also appointed VP Distributors, LLC as Distributor to the ICAV. The Distributor is a Delaware limited liability company, is regulated by the SEC and the Financial Industry Regulatory Authority (FINRA) in the U.S. and is an affiliate of the Investment Manager.

The Distribution Agreement between the ICAV, the Manager and the Distributor provides that the Distributor shall be responsible for marketing, promoting, offering and arranging investment interest in and for the sale of Shares of the ICAV subject to the terms and conditions of the Distribution Agreement and this Prospectus.

Under the terms of the Distribution Agreement, VP Distributors, LLC has been appointed as distributor of Shares of the ICAV to distribute, promote and market the Shares of the ICAV on an exclusive basis in any part of the world (subject to certain exceptions provided in the Distribution Agreement). The Distribution Agreement states that the appointment of the Distributor shall continue unless and until terminated by either part giving not less than 3 months' written notice. In certain circumstances set out in the Distribution Agreement, either party may terminate the Distribution Agreement upon the occurrence of certain events, such as the insolvency or liquidation of either party. The Distribution Agreement contains certain indemnities in favour of the Distributor, which are restricted to exclude matters to the extent that they are attributable to gross negligence, bad faith, fraud, wilful default or recklessness of the Distributor.

### **Local Paying Agents and Distributors**

The Directors, the Manager or their duly authorised delegates may appoint paying agents and distributors. Local regulations in certain EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscription and redemption monies may be paid. Investors who choose, or are obliged under local regulations to pay subscription monies or receive redemption monies via an intermediary entity rather than the directly to the Depositary bear a credit risk against that intermediate entity with respect to (a) subscription monies, prior to the transmission of such monies to the Depositary for the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant investor. Fees payable to any such paying agent or distributor shall be payable out of the assets of the ICAV at normal commercial rates.

### **Portfolio Transactions and Conflicts of Interest**

Certain Funds may invest some or all of their assets in one or other funds which may be managed by the Investment Manager or Sub-Investment Manager or one of their affiliates.

Subject to the provisions of this section, the Manager, the Investment Manager or Sub-Investment Manager, the Administrator, the Depositary, the Distributor, any Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a "**Connected Person**") may contract or enter into any financial, banking or other transaction with one another or with the ICAV for the account of a Fund. This includes, without limitation, investment by the ICAV in securities of any Connected Person or investment by any Connected Persons in any company or bodies any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions. In addition, any Connected Person may invest in and deal in Shares relating to any Fund or any property of the kind included in the property of any Fund for their respective individual accounts or for the account of someone else. Each Connected Person will endeavour to resolve fairly any conflicts of interest which arise between them.

Any cash of the ICAV may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 1998, of Ireland as amended by the Central Bank and Financial Services Authority of Ireland Acts, 2003 to 2004 with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments to or from the ICAV for the account of a Fund. There is no prohibition on dealing in assets of the Funds by entities related to the Depositary, the Manager, the Investment Manager or Sub-Investment Manager provided that such transactions are conducted at arm's length and in the best interests of the Shareholders. A certified valuation of a transaction by a person:

- (i) approved by the Depositary (or in the case of transactions involving the Depositary, by the ICAV) as independent and competent;
- (ii) the execution of transactions on best terms on organised investment exchanges under their rules; or
- (iii) where (i) and (ii) are not practical, transactions executed on terms the Depositary (or in the case of transactions involving the Depositary, the ICAV) is satisfied conform to the principles set out above.

The Depositary or the Directors, in case of transactions involving the Depositary must document how it complied with (i), (ii) and (iii) above. Where transactions are conducted in accordance with paragraph (iii), the Depositary or the ICAV in the case of transactions involving the Depositary, must document the rationale for being satisfied that the transaction conformed to the principles outlined here.

The Manager, the Investment Manager or Sub-Investment Manager may also, in the course of their business, have potential conflicts of interest with the ICAV in circumstances other than those referred to above. The Manager, the Investment Manager or Sub-Investment Manager will, however, have regard in such event to their obligations under the relevant contractual agreement and, in particular, to their obligations to act in the best interests of the ICAV so far as practicable, having regard to their obligations to other clients when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly as between the Manager, the Investment Manager or Sub-Investment Manager, the relevant Fund and other clients. The Manager, the Investment Manager or Sub-Investment Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the ICAV and their other clients.

As the fees of the Investment Manager and the Sub-Investment Managers are based on the Net Asset Value of a Fund, if the Net Asset Value of the Fund increases so too do the fees payable and, accordingly, there is a conflict of interest for the Investment Manager and the Sub-Investment Managers in cases where they are responsible for determining the valuation price of a Fund's investments.

At the date of this Prospectus, the Directors have the following conflicts of interest with the ICAV:

Mr. Angerthal and Mr. Bradley are directors and/or employees of the parent company to the Investment Manager.

### **Soft Commissions**

In selecting brokers to make purchases and sales for a Fund, the Investment Manager or Sub-Investment Manager will choose those brokers who provide best execution to that Fund. Best execution will be the best price available in the market, exclusive of any charges but taking account of any other exceptional circumstances such as counterparty risk, order size or client instructions. In

determining what constitutes best execution, the Investment Manager or Sub-Investment Manager may take into consideration the overall economic result to the Fund (price and commission plus other costs), the efficiency of the transaction, the brokers' ability to effect the transaction if a large block is involved, availability of the broker for difficult transactions in the future, other services provided by the broker such as research and the provision of statistical and other information, and the financial strength and stability of the broker. In managing the assets of the Fund, the Investment Manager or Sub-Investment Manager may receive certain research and statistical and other information and assistance from brokers. The Investment Manager or Sub-Investment Manager may allocate brokerage business to brokers who have provided such research and assistance to a Fund and/or other accounts for which the Investment Manager or Sub-Investment Manager exercises investment discretion. The benefits provided under any soft commission arrangements must assist in the provision of investment services to a Fund. Any soft commission arrangements will be disclosed in the periodic reports of the ICAV. The Investment Manager or Sub-Investment Manager will also have regard to the rules and guidance of the Investment Manager's and Sub-Investment Manager's regulator.

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## SHARE DEALINGS

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### SUBSCRIPTION FOR SHARES

#### Purchases of Shares

Issues of Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. The Dealing Deadline relating to each Fund is set out in the relevant Supplement. The ICAV may, in consultation with the Investment Manager or Sub-Investment Manager, nominate additional Dealing Days upon advance notice to Shareholders.

Signed applications for the initial issue of Shares should be submitted in writing, by facsimile or such other electronic means as agreed to between the ICAV and Administrator from time to time (with the original and supporting documentation in relation to money laundering prevention checks to follow promptly by post) to the Administrator on or prior to the Dealing Deadline. Applications received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline. The Directors may, in consultation with the Manager, on an exceptional basis accept applications received after the Dealing Deadline provided they are received prior to the Valuation Point for the relevant Dealing Day. Applications will be irrevocable unless the Directors in consultation with the Manager otherwise agrees. An original need not follow by post in respect of faxed applications for the additional issue of Shares. Any changes to a Shareholder's payment details or payment instructions will only be made on receipt of an original instruction. No redemption payment may be made to a Shareholder until the Subscription Agreement (in the form of a signed original or as may have been received by the Administrator by such other electronic means as agreed to between the ICAV and Administrator from time to time) has been received (including supporting documentation in relation to money laundering prevention checks) and anti-money laundering procedures have been completed.

The Minimum Initial Investment Amount for Shares of each Fund that may be subscribed for by each Applicant on initial application and the Minimum Shareholding for Shares of each Fund is set out in the Supplement for the relevant Fund.

Fractions of up to three decimal places of a Share may be issued. Subscription moneys representing smaller fractions of Shares will not be returned to the Applicant but will be retained as part of the assets of the relevant Fund.

Under the Instrument, the ICAV has absolute discretion to accept or reject in whole or in part any applications for Shares without assigning any reason therefor. The Subscription Agreement contains

certain conditions regarding the application procedure for Shares in the ICAV and certain indemnities in favour of the ICAV, the Manager, the Investment Manager or Sub-Investment Manager, the Administrator, the Depositary, the Distributor and the other Shareholders for any loss suffered by them as a result of certain Applicants acquiring or holding Shares.

If an application is rejected, the Administrator at the cost and risk of the Applicant will, subject to any applicable laws, return application monies or the balance thereof, without interest, by telegraphic transfer to the account from which it was paid as soon as commercially practical from the date of the rejection.

Subsequent subscription requests may be sent by facsimile or other electronic methods as previously agreed with the Administrator.

### **Subscription Price**

In calculating the Subscription Price, the Directors may, on any Dealing Day, at their discretion, apply an Anti-Dilution Levy and adjust the Net Asset Value by up to 3% per Share as a swing pricing adjustment: (1) if the cash-flows into or out of the Fund attributable to net subscriptions exceed certain pre-determined percentage thresholds relating to the Fund's Net Asset Value (where such percentage thresholds have been pre-determined for the Fund from time to time by the Investment Manager or by a committee established by the Investment Manager); or (2) in any other cases where there are net subscriptions in the Fund and the Investment Manager reasonably believes that imposing a swing pricing adjustment is in the best interests of existing Shareholders. The Investment Manager's intention is only to exercise this discretion to cover dealing costs and to preserve the value of the Fund's assets. In this regard, the Directors, with the approval of the Depositary, may adjust the value of an asset or a basket of assets comprising all or part of an in specie subscription or repurchase where such an adjustment is considered necessary to track the valuation adjustment applied to the Net Asset Value per Share (a "**Swing Pricing Adjustment**"). Further details of the application of the Swing Pricing Adjustment are set in the section entitled "Swing Pricing Adjustment" below. It is expected that the Swing Pricing Adjustment applied to an in specie subscription will match that applied to the Net Asset Value per Share.

The Initial Offer Price for Shares in the relevant Fund shall be the amount set out in the Supplement for the relevant Fund.

After the Initial Offer Period has closed, Shares of any class of any Fund will be issued on a Dealing Day at the Subscription Price.

### **Payment for Shares**

The ICAV operates a single omnibus Subscriptions/Redemptions Account for all of the Funds into which subscription payments net of all bank charges should be paid by telegraphic or electronic transfer, details of which are specified in the Application Form. Monies in the Subscription/Redemptions Account will become the property of the relevant Fund upon receipt and during the period between receipt of subscription monies and the Dealing Day on which Shares are issued, investors will be treated as unsecured creditors of the relevant Fund. Investors' attention is drawn to the risk factor under the heading "Subscriptions/Redemptions Account Risk".

No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day. Subscription monies are payable in the relevant Base Currency or any other currency attributable to a particular Class of Share as specified in the relevant Supplement. Payment in respect of subscriptions must be received on or before the relevant Settlement Day. If payment in full in cleared funds in respect of a subscription has not been received by the relevant time, the ICAV may cancel the allotment and/or the applicant may be charged interest. In addition, the Manager will have the right to sell all or part of the Applicant's holding of Shares in the Fund in order to meet those charges. In addition, in circumstances where subscription monies are

received with insufficient documentation to identify the owner, the ICAV and the Depositary will ensure that in the event that such monies cannot be applied to the individual Funds, they will be returned to the payer within five (5) Business Days.

The ICAV has procedures in place with the Depositary to ensure that the amounts within the Subscriptions/Redemption Account are at all times capable of being attributed to the individual Funds in accordance with the Instrument. Furthermore, the operation of the Subscriptions/Redemptions Account will not compromise the ability of the Depositary to carry out its safe-keeping and oversight duties in accordance with the Regulations.

### **In Specie Issues**

The ICAV may at its absolute discretion allot Shares in any Fund against the vesting in the Depositary on behalf of the ICAV of investments which would form part of the assets of the relevant Fund, provided that (a) the Depositary is satisfied that no material prejudice would result to any existing Shareholder in the Fund, and (b) such investments would qualify as an investment of the relevant Fund in accordance with its investment objective, policies and restrictions. The number of Shares to be issued in this way shall be the number which would on the day the investments are vested in the Depositary on behalf of the ICAV have been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described under the section entitled "Calculation of Net Asset Value/ Valuation of Assets" below.

### **Anti-Money Laundering Provisions**

Measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018 (as amended) which are aimed towards the prevention of money laundering, require detailed verification of each Applicant's identity, address, source of wealth and source of funds and on-going due diligence of the Applicant. In the case of corporate Applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of the directors of the company and details of persons with substantial beneficial ownership of the corporate Applicant.

The Administrator reserves the right to request such information as is necessary to verify the identity of an Applicant. In the event of delay or failure by the Applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and return all subscription monies or compulsorily redeem such Shareholder's Shares or payment of redemption proceeds may be delayed and none of the Fund, the Directors, the ICAV, the Investment Manager or Sub-Investment Manager, the Depositary, the Manager or the Administrator shall be liable to the Applicant or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed in such circumstances. If an application is rejected, the Administrator will return application monies or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the Applicant. The Administrator will refuse to pay redemption proceeds where the requisite information for verification purposes has not been produced by a Shareholder.

### **Limitations on Purchases**

Shares may not be issued or sold by the ICAV during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the section entitled "Suspension of Calculation of Net Asset Value" below. Applicants for Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

Shares may not be directly or indirectly offered or sold in the United States or purchased or held by or for U.S. Persons unless the ICAV determines (i) the transaction is permitted under an exemption available under the Securities Act and (ii) the relevant Fund and ICAV continues to be entitled to an exemption from registration as an investment company under the Investment Company Act if such person holds Shares.

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## REDEMPTION OF SHARES

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### Redemption of Shares

All requests for the redemption of Shares should be made to the Administrator in writing, by facsimile or other electronic methods as previously agreed with the Administrator and must quote the account number of record, the relevant Fund(s) and class of Share, and be signed by or on behalf of the Shareholder by a person with the ability to bind the Shareholder before payment of Redemption Proceeds can be made. Redemption requests made by facsimile or other electronic means, as agreed to between the ICAV and Administrator from time to time, will be treated as definite orders. Requests received on or prior to the relevant Dealing Deadline will, subject as mentioned in this section, normally be dealt with on the relevant Dealing Day. Redemption requests received after the Dealing Deadline shall, unless the Directors in consultation with the Manager shall otherwise agree on an exceptional basis and provided they are received before the relevant Valuation Point, be treated as having been received by the following Dealing Deadline.

If requested, the ICAV may, in consultation with the Manager and subject to the prior approval of the Depositary and advance notification to all of the Shareholders in the relevant Fund, agree to designate additional Dealing Days and Valuation Points for the redemption of Shares relating to any Fund.

The Minimum Redemption Amount for Shares of each Fund, if any, is set out in the relevant Supplement.

The ICAV may decline to effect a redemption request which would have the effect of reducing the value of any holding of Shares relating to any Fund below the Minimum Shareholding for that class of Shares of that Fund. Any redemption request having such an effect may be treated by the ICAV as a request to redeem the Shareholder's entire holding of that class of Shares.

The Administrator will not settle proceeds of redemption requests if an investor has not submitted a Subscription Agreement (in the form of a signed original or as may have been received by the Administrator by such other electronic means as agreed to between the ICAV and Administrator from time to time) or is not considered to be compliant with all the necessary anti-money laundering legislation and regulations. Nor will the Administrator remit any payment to a third party bank account.

Where a tax authority in any jurisdiction(s) applicable to a Shareholder seeks to collect past tax relating to such Shareholder's current interest in the assets of a Fund, or recover amounts which were previously reclaimed on behalf of such Shareholder, such Shareholder shall indemnify and hold harmless the Fund, the ICAV and the Depositary from any claims, demands, proceedings, liabilities, damages, losses, interest, penalties, costs and expenses directly or indirectly suffered or incurred by a Fund, the ICAV or the Depositary. The previous sentence includes, but is not limited to, claims, demands, proceedings, liabilities, damages, losses, interest, penalties, costs and expenses related to such Shareholder's failure to provide correct information, or failure to notify the Fund, the ICAV or the Depositary of a change in circumstances. For the avoidance of doubt, a Shareholder may only become liable for past tax liabilities imposed on it that arose in such Shareholder's specific jurisdiction(s).

## **Redemption Price**

In calculating the Redemption Price, the Directors may, on any Dealing Day, at their discretion, apply an Anti-Dilution Levy and adjust the Net Asset Value by up to 3% per Share as a swing pricing adjustment: (1) if the cash-flows into or out of the Fund attributable to net redemptions exceed certain pre-determined percentage thresholds relating to the Fund's Net Asset Value (where such percentage thresholds have been pre-determined for the Fund from time to time by the Investment Manager or by a committee established by the Investment Manager); or (2) in any other cases where there are net redemptions in the Fund and the Investment Manager reasonably believes that imposing a swing pricing adjustment is in the best interests of existing Shareholders. The Investment Manager's intention is only to exercise this discretion to cover dealing costs and to preserve the value of the Fund's assets. In this regard, the Directors, with the approval of the Depositary, may apply a Swing Pricing Adjustment to the value of an asset or a basket of assets comprising all or part of an in specie repurchase. Further details of the application of the Swing Pricing Adjustment are set in the section entitled "Swing Pricing Adjustment" below. It is expected that the Swing Pricing Adjustment applied to an in specie redemption will match that applied to the Net Asset Value per Share.

## **Payment of Redemption Proceeds**

The amount due on the redemption of Shares will be paid by electronic transfer to the relevant Shareholder's account of record in the currency of denomination of the relevant Class of the relevant Fund (or in such other currency as the Directors shall determine) by the Settlement Date. Payment of Redemption Proceeds will be made to the registered Shareholder or in favour of the joint registered Shareholders as appropriate.

The Redemption Proceeds of the Shares will only be paid on receipt by the Administrator of a repurchase request together with such other documentation that the Administrator may reasonably require. Any failure to supply the ICAV or the Administrator with any documentation requested by them may result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any redemption request received by a Shareholder and by doing so that investor will no longer be considered a Shareholder notwithstanding that they have not received the redemption proceeds.

Any redemption proceeds held for any time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund. In the event of the insolvency of the ICAV or a Fund, the Shareholder will rank as an unsecured creditor of the ICAV until such time as the Administrator is satisfied that its anti-money-laundering procedures have been fully complied with, following which redemption proceeds will be released to the relevant Shareholder. Accordingly, Shareholders are advised to promptly provide the ICAV or the Administrator (as appropriate) with all documentation requested to reduce the risk in this scenario.

## **Limitations on Redemption**

The ICAV may not redeem Shares of any Fund during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under the section entitled "Suspension of Calculation of Net Asset Value" below. Shareholders requesting redemption of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

The ICAV may at its discretion limit the number of Shares of any Fund redeemed on any Dealing Day to Shares representing 10% of the total Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply pro rata so that all Shareholders wishing to have Shares of that Fund redeemed on that Dealing Day realise the same proportion of such Shares. Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on each subsequent Dealing Day and dealt with on a pro rata basis with subscription requests received on each such Dealing Day until all Shares relating to the original redemption request have been redeemed. If

requests for redemptions are so carried forward, the Administrator will inform the Shareholders affected.

The ICAV may at the request of a Shareholder satisfy a redemption request by a distribution of investments of the relevant Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. The asset allocation is subject to approval by the Depositary. In addition, the Instruments contain special provisions where a redemption request received from a Shareholder is in respect of Shares representing more than 5% of the Net Asset Value of the relevant Fund on the relevant Dealing Day. In such a case, the ICAV may satisfy the redemption request by a distribution of investments of the relevant Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. Where the Shareholder requesting such redemption receives notice of the ICAV's intention to elect to satisfy the redemption request by such a distribution of assets, that Shareholder may require the ICAV, instead of transferring those assets, to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale.

### **Mandatory Redemptions**

The ICAV may compulsorily redeem all of the Shares of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Net Asset Value specified in the Supplement for the relevant Fund.

If it shall come to the notice of the ICAV or if the ICAV shall have reason to believe that any Shares are owned directly or indirectly by:-

1. any person or entity who breached or falsified representations or subscription documents;
2. any person or entity who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person or entity is not qualified to hold such Shares;
3. an entity who has not provided the required tax documentation or supporting documentation for money laundering prevention checks;
4. any person or persons in circumstances which (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the ICAV to be relevant), in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any pecuniary liability to taxation or suffering other pecuniary, legal, regulatory or material administrative disadvantage which the Fund might not otherwise have incurred or suffered or might result in the Fund being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply;
5. an entity who, in the opinion of the ICAV is a U.S. Person (unless the ICAV determines (i) the transaction is permitted under an exemption available under the securities laws of the United States and (ii) that the relevant Sub-Fund and the Fund continue to be entitled to an exemption from registration as an investment company under the securities laws of the United States if such person holds Shares);
6. any person if the holding of the Shares by any person is unlawful or is less than the Minimum Holding set for that Class of Shares by the ICAV; or
7. any person who does not supply any information or declarations required under the Instrument within seven days of a request to do so by the ICAV;

the ICAV shall be entitled to compulsorily redeem and/or cancel such number of Shares held by such person as is required to discharge and may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by such person including any interest or penalties payable thereon. For the avoidance of doubt, a Shareholder may only become liable for tax liabilities imposed on it that arise in such Shareholder's specific jurisdiction(s). Shareholders will not be liable for a chargeable event triggered by another Shareholder.

If the ICAV decides to terminate a Fund, all of the Shareholders in the Fund will be so notified by the ICAV and will be deemed to have requested within 30 days of the date of the notice that their Shares be redeemed by the ICAV in accordance with the redemption procedure set out in this Prospectus.

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## SWING PRICING ADJUSTMENT

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The Swing Pricing Adjustment amount for a Fund will be calculated from time to time and applied by reference to the estimated costs of dealing in the underlying investments of the Fund. Where there are net cash-flows into the Fund in excess of the applicable pre-determined threshold (if any), the Swing Pricing Adjustment will increase the Net Asset Value per Share per Share. Where there are net cash-flows out of the Fund in excess of the applicable pre-determined threshold (if any), the Swing Pricing Adjustment will decrease the Net Asset Value per Share. The Net Asset Value per Share, as adjusted by any Swing Pricing Adjustment, will be applicable to all transactions in Shares in the Fund on the relevant Dealing Day. Therefore, for an investor who subscribes to the Fund on a Dealing Day when the Swing Pricing Adjustment increases the Net Asset Value per Share, the cost per Share to the investor will be greater than it would have been absent the Swing Pricing Adjustment. For an investor who repurchases a certain number of Shares from the Fund on a Dealing Day when the Swing Pricing Adjustment decreases the Net Asset Value per Share, the amount received by the investor in repurchase proceeds for the Share redeemed will be less than it would have been absent the Swing Pricing Adjustment. More information about the Swing Pricing Adjustments applied on a particular Dealing Day can be obtained by Shareholders upon request from the Investment Manager.

The Directors do not currently intend to apply a Swing Pricing Adjustment with regard to the Virtus GF SGA Global Growth Fund.

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## EXCHANGE OF SHARES

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### Exchange of Shares

Unless otherwise determined by the ICAV, Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any class in any Fund (the "**Original Class**") for Shares in another class in a Fund which are being offered at that time (the "**New Class**") (such class being in the same Fund or in a separate Fund) provided that all the criteria for applying for Shares in the New Class have been met and by giving notice to the Investment Manager or Sub-Investment Manager and Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The Administrator, in consultation with the Investment Manager or Sub-Investment Manager, may agree to accept requests for exchange received after the relevant Dealing Deadline on an exceptional basis provided they are received prior to the relevant Valuation Point. The ICAV may, in consultation with the Investment Manager or Sub-Investment Manager, nominate an additional Dealing Day to facilitate applications for exchange of Shares which will be notified in advance to Shareholders. The general provisions and procedures relating to the issue and redemption of Shares will apply equally to exchanges save in relation to charges payable details of which are set out below and in the relevant Supplement.

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

The ICAV may charge a fee on an exchange of Shares which the Investment Manager or Sub-Investment Manager considers represents an appropriate figure to cover dealing costs and to preserve the value of the underlying assets of the Fund when there are overall net subscriptions and redemptions in a Fund. Where such fee is charged, it will be disclosed in the Supplement for the relevant Fund. Any such charge will be retained for the benefit of the relevant Fund. The ICAV reserves the right to waive such charge at any time.

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

$$S = \frac{[(RP - DC)]}{SP}$$

SP

where:

S = the number of Shares of the New Class to be issued;

RP = the Redemption Proceeds of the Shares of the Original Class;

DC = the dealing costs;

SP = the Subscription Price per Share of the New Class as at the Valuation Point for the applicable Dealing Day.

### **Limitations on Exchanges**

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

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## **CALCULATION OF NET ASSET VALUE/VALUATION OF ASSETS**

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The Net Asset Value of each Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of the Fund and deducting therefrom the liabilities of the Fund. The Net Asset Value of a Fund divided by the number of Shares of the relevant Fund in issue as at the relevant Valuation Point is equal to the Net Asset Value of a Share of the relevant Fund. Where there is more than one class in issue in a Fund, the Net Asset Value per Share of the relevant class is calculated by determining that proportion of the Net Asset Value of the relevant Fund which is attributable to the relevant class at the Valuation Point, and by dividing this sum by the total number of Shares of the relevant class in issue at the relevant Valuation Point (which is set out in the Supplement for the relevant Fund). The price at which Shares of any class will be issued or redeemed on a Dealing Day, after the initial issue, is based on the Net Asset Value per Share or Net Asset Value per Share of the relevant class (where there is more than one class in issue in a Fund). The Net Asset Value and the Net Asset Value per Share will in each case be rounded to three decimal places or such other number of decimal places as the ICAV may determine.

The Instrument provides for the method of valuation of the assets and liabilities of each Fund and of the Net Asset Value of each Fund. The ICAV has delegated the calculation of the Net Asset Value to the Administrator. The assets and liabilities of a Fund will be valued as follows:-

1. In general, the Instrument of Incorporation provides that the value of any investments quoted, listed or dealt in on a market shall be calculated by reference to the last traded price as at the relevant Valuation Point provided that the value of any investment listed on a market but acquired or traded at a premium or at a discount outside the relevant market may with the approval of the Depositary be valued taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security. Where such investment is quoted, listed or dealt in on more than one market, the Manager shall, in their absolute discretion, select the market which in its opinion constitutes the main market for such investment for the foregoing purposes.
2. The value of any investment which is not quoted, listed or dealt in on a market or of any investment which is normally quoted, listed or dealt in on a market but in respect of which no price is currently available or the current price is unrepresentative, shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Manager and approved, for such purpose, by the Depositary. In determining the probable realisation value of any such investment, the Manager may accept a certified valuation from a competent independent person, or in the absence of any independent person, (notwithstanding that the Investment Manager or Sub-Investment Manager has an interest in the valuation), the Investment Manager or Sub-Investment Manager, who in each case shall be approved by the Depositary to value the relevant securities. Fixed income securities may be valued using matrix pricing by way of 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 complied by the persons listed in 2(a) – (c) of Schedule 5 of the Central Bank Regulations.
3. The Instrument of Incorporation further provides that cash in hand or on deposit, prepaid expenses, cash dividends, interest declared or accrued and not yet received and tax reclaims filed and not yet received as at the relevant Valuation Point shall normally be valued at their face or nominal value, plus accrued interest, if any.
4. The value of any exchange traded futures contracts, share price index futures contracts and options shall be the settlement price as determined by the market in question as at the Valuation Point. The exchange traded futures contracts, share price index futures contracts and options may be valued as per unlisted securities and securities which are listed / traded on a regulated market where such settlement price is not represented or not available for any reason as at a Valuation Point.
5. Shares or shares in open-ended collective investment schemes shall be valued at the latest available net asset value per Share, share or Class thereof as published by the collective investment scheme as at the Valuation Point for the relevant Dealing Day.
6. If in any case a particular value is not ascertainable as provided above or if the Manager shall consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Manager or another competent person appointed by the Manager shall determine, such method of valuation to be approved by the Depositary and the rationale/methodologies used shall be clearly documented.

7. Notwithstanding the generality of the foregoing, the Manager or its delegate may with the approval of the Depositary adjust the value of any such security if, having regard to currency, anticipated rate of dividend, applicable rate of interest, maturity, liquidity, marketability and/or such other considerations as the Manager, the Investment Manager or Sub-Investment Manager may deem relevant, they considers that such adjustment is required to reflect the fair value thereof as at any Valuation Point.

Any value expressed otherwise than in the Base Currency of the Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate which the Administrator shall determine to be appropriate in the circumstances.

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### **SUSPENSION OF CALCULATION OF NET ASSET VALUE**

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The Directors, in consultation with the Manager, may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, redemption and exchange of Shares and the payment of redemption proceeds:

1. during any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the relevant Fund from time to time are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
2. during any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the ICAV, the Net Asset Value of the Fund cannot be fairly calculated; or
3. during any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the relevant Fund or when for any other reason the current prices on any market or stock exchange of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or
4. during any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
5. during any period when the ICAV is unable to repatriate funds required for the purpose of making payments due on the redemption of Shares in the relevant Fund as a result of a force majeure event or other uncommon event; or
6. upon mutual agreement between the ICAV and the Depositary for the purpose of terminating the ICAV or any Fund; or
7. when any other reason makes it impossible or impracticable to determine the value of a substantial portion of the assets of the ICAV or any Fund; or
8. during any period when the ICAV considering it to be in the best interests of the Shareholders of the relevant Fund.

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

Shareholders who have requested issue or redemption of Shares of any class or exchanges of Shares of one class to another will be notified of any such suspension in such manner as may be directed by the ICAV and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified on the same Business Day to the Central Bank and will be communicated without delay to the competent authorities in any country in which the Shares are registered for sale.

### **Form of Shares and Share Certificates**

All Shares will be issued in registered but uncertified form. No share certificate will be issued.

The ICAV may impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held directly or beneficially by (a) any person in breach of the law or requirements of any country or governmental authority by virtue of which such person is not qualified to hold Shares including without limitation any exchange control regulations; (b) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the ICAV to be relevant) which in the opinion of the ICAV may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the relevant Fund or its Shareholders as a whole; (c) any person, whose holding would cause or be likely to cause the ICAV to be required to register as an investment company under the Investment Company Act or to register any Fund or Class under the Securities Act or similar statute; (d) any person who does not supply any information or declarations required within 7 days of a request to do so by the ICAV; or (e) any person who holds less than the Minimum Shareholding.

The ICAV may reject in its discretion any application for Shares by any persons who are so excluded from purchasing or holding Shares and pursuant to the terms of the Instrument may at any time redeem Shares held by Shareholders who are so excluded from purchasing or holding Shares.

If it shall come to the notice of the ICAV or if the ICAV shall have reason to believe that any Shares are owned directly or beneficially by any person or persons in breach of any restrictions imposed by the ICAV, the ICAV shall be entitled to (i) give notice (in such form as the ICAV deems appropriate) to such person requiring it to request in writing the redemption of such Shareholder's particular Shares in accordance with the Instrument and/or (ii) as appropriate, compulsorily redeem and/or cancel such number of Shares held by such person and may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by such person including any interest or penalties payable thereon. For the avoidance of doubt, a Shareholder may only become liable for tax liabilities imposed on it that arise in such Shareholder's specific jurisdiction(s). Shareholders will not be liable for a chargeable event triggered by another Shareholder.

### **Transfers of Shares**

Transfers of Shares must be effected by transfer in writing in any usual or common form or in any other form approved by the Directors from time to time. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Directors may decline to register any transfer of Shares unless the original transfer form is deposited at the registered office of the ICAV, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed an Application Form and provided the necessary anti-money laundering documentation to the satisfaction of the Administrator. The Directors are not obliged to register the transfer of Shares in the ICAV. The ICAV shall give the transferee written notice of any refusal to register a transfer of Shares, provided that the

ICAV is not required to give notice of a refusal to register a transfer where registering the transfer or giving the notice would result in a contravention of any provision of applicable law.

Shares are freely transferable except that the Directors may decline to register a transfer of Shares (a) if the transfer is in breach of US securities laws; (b) if in the opinion of the Directors the transfer would be unlawful or result or be likely to result in any adverse regulatory, tax or fiscal consequences or material administrative disadvantage to the ICAV or the Shareholders; (c) in the absence of satisfactory evidence of the transferee's identity; (d) the proposed transfer would result in a contravention of any provision of the Instrument or would produce a result inconsistent with any provision of the Prospectus; (e) where the ICAV is required to redeem appropriate or cancel such number of Shares as are required to meet the appropriate tax of the Shareholder on such transfer; or (f) if the person to whom shares are to be transferred is prohibited from holding shares in the ICAV for any reason; or (g) where the Directors believe, in their discretion, that it is in the best interests of the ICAV or the Shareholders to do so. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors may require in relation to the above matters. In the event that the ICAV does not receive a declaration in respect of the transferee, the ICAV will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase or other payment in respect of the Shares as described in the section entitled "Taxation" below.

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## **NOTIFICATION OF PRICES**

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The Net Asset Value per Share of each class of Shares in each Fund will be available from the Administrator and will (where listed) be notified following calculation on each Valuation Point and published on [www.bloomberg.com](http://www.bloomberg.com) or such other websites or newspapers as the ICAV may decide from time to time. Such prices will be the prices applicable to the previous Dealing Day's trades and are therefore only indicative after the relevant Dealing Day and shall be kept up to date.

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## **FEES AND EXPENSES**

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The ICAV may pay out of the assets of each Fund the fees and expenses payable to the Investment Manager or Sub-Investment Manager, the Administrator, the Depositary, the Distributor, the fees and expenses of sub-custodians (which will be at normal commercial rates), the fees and expenses of any investment advisers, or any other delegates of the ICAV, any fees in respect of circulating details of the Net Asset Value, stamp duties, all taxes and VAT, any costs incurred in respect of marketing and distribution costs, investment transaction charges, costs incurred in respect of the distribution of income to Shareholders, pricing and bookkeeping costs, the fees and expenses of any paying agent, facilities agent or representative appointed in compliance with the requirements of another jurisdiction (which will be at normal commercial rates), any amount payable under indemnity provisions contained in the Instrument or any agreement with any appointee of the ICAV in the event of the occurrence of an event giving rise to such an indemnity and as summarised in the section of this Prospectus entitled "Management of the ICAV", brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax and legal advisers and fees connected with registering the ICAV for sale in other jurisdictions. The costs of printing and distributing this Prospectus, reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) may also be paid out of the assets of the Funds. Further details of such fee arrangements shall be disclosed in the relevant Supplement.

Such fees, duties and charges will be charged to the Fund in respect of which they were incurred or, where an expense is not considered by the ICAV to be attributable to any one Fund, the expense will be allocated by the ICAV with the approval of the Depositary, in such manner and on such basis as the ICAV in its discretion deems fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the ICAV may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

When a Fund invests in the shares of other UCITS or AIF or both and those other UCITS or AIF are managed directly or by delegation, by the Investment Manager or Sub-Investment Manager or by any other company with which the Investment Manager or Sub-Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or Sub-Investment Manager or other company shall not charge subscription or redemption fees on account of the investment of the Fund in the shares of such other UCITS or AIF or both, as the case may be.

The cost of establishing the ICAV, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it will be borne by the Investment Manager or Sub-Investment Manager. The costs of establishing subsequent Funds may be borne by Investment Manager or Sub-Investment Manager or the relevant Fund and where appropriate details thereof will be set out in the relevant Supplement.

Where provided for in the relevant Supplement, the Investment Manager or Sub-Investment Manager may in its sole discretion, waive the whole or any part of the any fees and expenses that would otherwise be payable to the Investment Manager or Sub-Investment Manager. In addition, where provided for in the relevant Supplement of a Fund, the Investment Manager or Sub-Investment Manager may in its sole discretion elect to discharge any or all of the fees and expenses that would otherwise be payable in respect of such Fund so that such fees and expenses relating to such Fund are capped (the "**Cap**"). Where imposed, the Cap for each Fund will be disclosed in the relevant Supplement and will be reviewed on a periodic basis by the Investment Manager or Sub-Investment Manager in consultation with the ICAV. Any increase or removal of the Cap in respect of any Fund will be notified to Shareholders of such Fund in advance.

### **Directors' Fees**

Under the Instrument, the Directors are entitled to a fee for their services to the ICAV at a rate to be determined from time to time by the Directors, provided that the aggregate amount of Directors' remuneration in any one year in respect of the ICAV shall not exceed €150,000 (or such other higher limit as the Directors may from time to time determine and notify to Shareholders). The Directors and any alternate Directors may also be paid out-of-pocket expenses, including, but not limited to, 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 the ICAV. Directors who are employees or partners of the Investment Manager or Sub-Investment Manager or their respective affiliates have elected to waive their entitlement to receive such remuneration.

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## **TAXATION**

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The following is a brief summary of certain aspects of Irish taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.

The information given is not exhaustive and does not constitute legal or tax advice. It does not purport to deal with all of the tax consequences applicable to the ICAV or its current or future Funds or to all categories of investors, some of whom may be subject to special rules. For instance, it does not

address the tax position of the ICAV or its current or future Funds if one or more were to be considered an Irish Real Estate Fund "IREF" (within the meaning of Section 739K of the TCA).

Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.

Dividends, interest and capital gains (if any) which the ICAV or any of the Funds receive with respect to their investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the ICAV may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the ICAV, the Net Asset Value will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

## **Ireland**

The Directors have been advised that on the basis that the ICAV is resident in Ireland for taxation purposes the taxation position of the ICAV and the Shareholders is as set out in the section entitled "Taxation of the ICAV" below. Please also see the section entitled "Irish Tax Definitions" outlined below.

### **Taxation of the ICAV**

The Directors have been advised that, under current Irish law and practice, the ICAV qualifies as an investment undertaking as defined in Section 739B of the TCA, so long as the ICAV is resident in Ireland. The ICAV will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the ICAV is not regarded as resident elsewhere. It is the intention of the Directors that the business of the ICAV will be conducted in such a manner as to ensure that it is Irish resident for tax purposes. Accordingly, the ICAV is not chargeable to Irish tax on its relevant income and relevant gains.

However, tax can arise on the happening of a "chargeable event" in the ICAV. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal ("**Deemed Disposal**") (a Deemed Disposal will occur at the expiration of a Relevant Period, see section entitled "Deemed Disposals" below) of Shares or the appropriation or cancellation of Shares of a Shareholder by the ICAV for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the ICAV in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

In the absence of either a Relevant Declaration or the ICAV being in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with and the written notice of approval has not been withdrawn (the "Equivalent Measures Regime") there is a presumption that the Shareholder is Irish Resident or Ordinarily Resident in Ireland.

A chargeable event does not include:

- An exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder, of Shares in the ICAV for other Shares in the ICAV;

- Any transactions (which might otherwise be a chargeable event) in relation to Shares held in a Recognised Clearing System as designated by order of the Irish Revenue Commissioners;
- A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the ICAV with another investment undertaking.

If the ICAV becomes liable to account for tax if a chargeable event occurs, the ICAV shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the ICAV from investment in Irish equities may be subject to Irish dividend withholding tax (currently at the rate of 25%). However, the ICAV can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the ICAV to receive such dividends without deduction of Irish dividend withholding tax.

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the ICAV. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the ICAV on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B(1) of the TCA or a "qualifying company" within the meaning of Section 110 of the TCA) which is registered in Ireland.

## **Taxation of Shareholders**

### *Shares which are held in a Recognised Clearing System*

Any payments to a Shareholder or any encashment, redemption, cancellation or transfer of Shares held in a Recognised Clearing System will not give rise to a chargeable event in the ICAV. Thus the ICAV will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account on a self-assessment basis for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

To the extent any Shares are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the discussion in the previous paragraph relating to a chargeable event arising on a Deemed Disposal), the following tax consequences will typically arise on a chargeable event.

### *Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland*

The ICAV will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the

Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the ICAV satisfying and availing of the Equivalent Measures Regime tax will arise on the happening of a chargeable event in the ICAV regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the ICAV on the occasion of a chargeable event provided that either (i) the ICAV satisfied and availed of the Equivalent Measures Regime or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the ICAV has satisfied and availed of the Equivalent Measures Regime or (ii) such Shareholders have made Relevant Declarations in respect of which the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares on a self-assessment basis.

In circumstances where the ICAV deducts and pays over tax to the Irish Revenue Commissioners, but within one year of the making of the return, proves that the Shareholder would not have been chargeable to tax had the ICAV been in possession of a declaration at the time of the chargeable event, such tax may be repaid to the Shareholder.

#### *Shareholders who are Irish Residents or Ordinarily Resident in Ireland*

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the rate of 41% (25% where the Shareholder is a company within the charge to Irish corporation tax and an appropriate declaration is in place) will be required to be deducted by the ICAV from a distribution to a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 41% (25% where the Shareholder is a company within the charge to Irish corporation tax and an appropriate declaration is in place) will have to be deducted by the ICAV on any other payment or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or Deemed Disposal of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland.

A Shareholder who is an Exempt Irish Investor, depending on their specific taxation status, may have a liability to account on a self-assessment basis for Irish tax upon the happening of a chargeable event in respect of their Shares.

#### *Deemed Disposals*

Shareholders who are Irish Resident or Ordinarily Resident in Ireland (both companies and individuals) will be deemed to have disposed of their Shares at the expiration of each Relevant Period and will be charged to tax at the rate of 41% (25% where the Shareholder is a company within the charge to Irish corporation tax and an appropriate declaration is in place) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Shares since their purchase or since the ending of the previous Relevant Period, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding Deemed Disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding Deemed Disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding Deemed Disposal, the ICAV will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding Deemed Disposal, the ICAV will refund the Shareholder for the excess (subject to the paragraph entitled "15% Threshold" below).

### **10% Threshold**

The ICAV will not have to deduct tax in respect of this Deemed Disposal where the value of the chargeable Shares (i.e. those Shares held by Shareholders to whom the declaration procedures do not apply) in the ICAV (or Fund being an umbrella scheme) is less than 10% of the value of the total Shares in the ICAV (or the Fund) and the ICAV has made an election to report certain details in respect of each affected Shareholder to Irish Revenue Commissioners in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a Deemed Disposal will be the responsibility of the Shareholder on a self-assessment basis as opposed to the ICAV or Fund (or their service providers). The ICAV is deemed to have made the election to report once it has advised the affected Shareholders in writing that it will make the required report.

### **15% Threshold**

As previously stated, where the tax arising on the subsequent chargeable event is less than that which arose on the preceding Deemed Disposal (e.g. due to a subsequent loss on an actual disposal), the ICAV will refund the Shareholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable Shares in the ICAV (or Segregated Portfolio being an umbrella scheme) does not exceed 15% of the value of the total Shares in the ICAV (or the Segregated Portfolio), the ICAV may elect to have any excess tax arising repaid directly by Irish Revenue Commissioners to the Shareholder. The ICAV is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by Irish Revenue Commissioners on receipt of a claim by the Shareholder.

### *Currency Gains*

Where a currency gain is made by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland on the disposal of non-Euro denominated Shares, such Shareholder may be liable (on a self-assessment basis) to Irish capital gains tax, currently at the rate of 33%, in respect of such gain in the year of assessment in which the Shares are disposed of.

### *Personal Portfolio Investment Undertaking*

Essentially, an investment undertaking will be considered a personal portfolio investment undertaking ("PPIU") in relation to a specific investor, being an Irish Resident individual or Ordinarily Resident in Ireland individual who hold Shares in the investment undertaking, where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors (i.e. it will only be a PPIU in respect of those individuals' who can "influence" selection). Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual, will be taxed at the rate of 60% (or 80% where the details of the gain are not correctly included in a return made by the individual). Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

## Capital Acquisitions Tax

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the ICAV falls within the definition of investment undertaking (within the meaning of Section 739B(1) of the TCA), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponent will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

- (i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- (ii) that person is either resident or ordinarily resident in Ireland on that date.

### *Reporting*

Pursuant to Section 891C of the TCA and the Return of Values (Investment Undertakings) Regulations 2013, the ICAV is obliged to report on an annual basis certain details in relation to Shares acquired by investors. The details to be reported will also include the name, address and date of birth if on record of, and the value of the Shares held by a Shareholder. The details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are:

- (i) Exempt Irish Investors (provided the Relevant Declaration has been made);
- (ii) Shareholders who are neither Resident nor Ordinarily Resident in Ireland (provided a Relevant Declaration has been made); or
- (iii) Shareholders in respect of whom their Shares are held in a Recognised Clearing System.

## Compliance with US reporting and withholding requirements

The foreign account tax compliance provisions ("FATCA") of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States aimed at ensuring that Specified US Persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends paid to a foreign financial institution ("FFI") unless the FFI enters directly into a contract ("FFI Agreement") with the US Internal Revenue Service ("IRS") or alternatively the FFI is located in an IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the ICAV would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US developed an

intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement ("**Irish IGA**") and provisions for the implementation of the Irish IGA have been enacted in Ireland. Regulations supporting guidance notes have been issued by the Irish Revenue Commissioners.

The Irish IGA is intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners. The Irish Revenue Commissioners will then provide such information to the IRS (by the 30th September of the following year) without the need for the FFI to enter into a FFI agreement with the IRS. Nevertheless, the FFI will generally be required to register with the IRS to obtain a Global Intermediary Identification Number commonly referred to as a GIIN.

Under the Irish IGA, FFIs should generally not be required to apply 30% withholding tax. To the extent that the ICAV suffers US withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the ICAV to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation.

### **Common Reporting Standard**

Ireland has enacted relevant tax legislation for the implementation of the OECD's Common Reporting Standard and EU Council Directive 2014/107/EU as regards mandatory automatic exchange of information in the field of taxation ("**DAC2**").

The main objective of the Common Reporting Standard and DAC2 (collectively referred to herein as "CRS") is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of participating jurisdictions or EU member states.

CRS draws extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between the reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, CRS has a significantly wider ambit due to the multiple jurisdictions participating in the regimes.

Broadly speaking, CRS will require Irish Financial Institutions to identify Account Holders (and, in particular situations, Controlling Persons of such Account Holders) resident in other participating jurisdictions or EU member states and to report specific information in relation to these Account Holders (and, in particular situations, specific information in relation to identified Controlling Persons) to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the ICAV will be considered an Irish Financial Institution for the purposes of CRS.

For further information on CRS requirements of the ICAV, please the section entitled "CRS Data Protection Information Notice" below.

Shareholders and prospective investors should consult their own tax advisor regarding the requirements under CRS with respect to their own situation.

## *CRS Data Protection Information Notice*

The ICAV hereby confirms that it intends to take such steps as may be required to satisfy any obligations imposed by (i) the Standard and, specifically, the Common Reporting Standard therein, as applied in Ireland by means of the relevant international legal framework and Irish tax legislation and (ii) DAC2, as applied in Ireland by means of the relevant Irish tax legislation, so as to ensure compliance or deemed compliance (as the case may be) with CRS.

In this regard, the ICAV is obliged under Section 891F and Section 891G of the TCA and regulations made pursuant to those sections to collect certain information about each Shareholder's tax arrangements (and also collect information in relation to relevant Controlling Persons of specific Shareholders).

In certain circumstances, the ICAV may be legally obliged to share this information and other financial information with respect to a Shareholder's interests in the ICAV with the Irish Revenue Commissioners (and, in particular situations, also share information in relation to relevant Controlling Persons of specific Shareholders). In turn, and to the extent the account has been identified as a Reportable Account, the Irish Revenue Commissioners will exchange this information with the country of residence of the Reportable Person(s) in respect of that Reportable Account.

In particular, information that may be reported in respect of a Shareholder (and relevant Controlling Persons, if applicable) includes name, address, date of birth, place of birth, account number, account balance or value at year end (or, if the account was closed during such year, the balance or value at the date of closure of the account), any payments (including redemption and dividend/interest payments) made with respect to the account during the calendar year, tax residency(ies) and tax identification number(s).

Shareholders (and relevant Controlling Persons) can obtain more information on the ICAV's tax reporting obligations on the website of the Irish Revenue Commissioners (which is available at <http://www.revenue.ie/en/business/aeoi/index.html>) or the following link in the case of CRS only:

<http://www.oecd.org/tax/automatic-exchange/>.

All capitalised terms above, unless otherwise defined above, shall have the same meaning as they have in the Standard or DAC2 (as applicable).

### **Irish Tax Definitions**

For the purposes of this section, the following definitions shall apply:

"Exempt Irish Investor"

means:

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the TCA applies;
- a company carrying on life business within the meaning of Section 706 of the TCA;
- an investment undertaking within the meaning of Section 739B(1) of the TCA;
- a special investment scheme within the meaning of Section 737 of the TCA;

- a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- a unit trust to which Section 731(5)(a) of the TCA applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 739B of the TCA;
- an investment limited partnership within the meaning of Section 739J of the TCA;
- a personal retirement savings account ("**PRSA**") administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018);
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the TCA in respect of payments made to it by the ICAV; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising tax exemptions associated with the ICAV giving rise to a charge to tax in the ICAV;

provided that they have correctly completed the Relevant Declaration.

"Intermediary"

means a person who:-

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

persons.

"Irish Resident"

in the case of:-

- an individual, means an individual who is resident in Ireland for tax purposes.
- a trust, means a trust that is resident in Ireland for tax purposes.
- a company, means a company that is resident in Ireland for tax purposes.

An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day.

A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where the company in question is, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a territory other than Ireland (and thus not resident in Ireland).

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and prospective investors are referred to the specific legislative provisions that are contained in Section 23A of the TCA.

"Ordinarily Resident in Ireland"

in the case of:-

- an individual, means an individual who is ordinarily resident in Ireland for tax purposes
- a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years..

The concept of a trust's ordinary residence is somewhat obscure and linked to its tax residence.

"Recognised Clearing System"

means any clearing system listed in Section 246A of the TCA (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing Shares which is designated for

the purposes of Chapter 1A in Part 27 of the TCA, by the Irish Revenue Commissioners, as a recognised clearing system.

"Relevant Declaration" means the declaration relevant to the Shareholder as set out in Schedule 2B of the TCA.

"Relevant Period" means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

## **United Kingdom**

The following is a summary of various aspects of the United Kingdom taxation regime which may apply to UK resident persons acquiring Shares in a Fund, and where such persons are individuals, only to those domiciled in the UK. It is intended as a general summary only, based on current law and practice in force as of the date of the Prospectus. There can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in a Fund is made will endure indefinitely. Such law and practice may be subject to change, and the below summary is not exhaustive. Furthermore, it will apply only to those UK Investors holding Shares as an investment rather than those which hold Shares as part of a financial trade; and does not cover UK Investors which are tax exempt or subject to special taxation regimes.

**This summary should not be taken to constitute legal or tax advice, and any prospective Investor should consult their own professional advisers as to the UK tax treatment of returns from the holding of Shares in a Fund.**

**Prospective investors should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding, purchasing, switching or disposing of Shares in the place of their citizenship, residence and domicile.**

### Fund(s)

The affairs of the ICAV with respect to a Fund are intended to be conducted in such a manner that it should not become resident in the UK for taxation purposes. Therefore, on the condition that the ICAV with respect to a Fund does not carry on a trade in the UK through a permanent establishment, branch or agency located there, then the ICAV will not be subject to UK corporation tax on income or chargeable gains arising to it, other than on certain UK source income (or income with a comparable connection to the UK) from which income tax may be deducted.

It is not expected that the activities of the ICAV with respect to a Fund will be regarded as trading activities for the purposes of UK Taxation. However, to the extent that trading activities are carried on in the UK they may in principle be liable to UK tax. The profit from such trading activities will not be assessed to UK tax provided that the ICAV on behalf of a Fund and the Investment Manager or Sub-Investment Manager meet certain conditions. The Directors and the Investment Manager or Sub-Investment Manager intend to conduct the respective affairs of the ICAV and the Investment Manager or Sub-Investment Manager so that all the conditions are satisfied, so far as those conditions are within their respective control, but it cannot be guaranteed that the conditions necessary to prevent this will at all times be satisfied.

Income and gains received by the ICAV with respect to a Fund may be subject to withholding or similar taxes imposed by the country in which such returns arise.

## **Investors**

Subject to their personal tax position, Investors resident in the UK for taxation purposes will normally be liable to UK income tax or corporation tax in respect of dividends or other distributions of a Fund (including any dividends funded out of realized capital profits of a Fund), whether or not reinvested. In addition, UK resident investors holding Shares at the end of each "reporting period" (as defined for UK tax purposes) will potentially be liable to UK income or corporation tax on their share of a Class's "reported income", to the extent that this amount exceeds dividends received. Further details on the reporting regime and its implication for investors are discussed in more detail in the section entitled "UK Reporting Fund Regime" below. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation of interest where the offshore fund invests more than 60% of its assets in interest-bearing (or economically similar) assets.

Under Part 9A of the Corporation Tax Act 2009, dividend distributions from an offshore fund made to companies resident in the UK are likely to fall within one of a number of exemptions from UK corporation tax. In addition, distributions to non-UK companies carrying on a trade in the UK through a permanent establishment in the UK should also fall within the exemption from UK corporation tax on dividends to the extent that the shares held by that fund are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for these purposes.

Shareholdings in a Fund are likely to constitute interests in an "offshore fund", as defined for the purposes of Part 8 of the Taxation (International and Other Provisions) Act 2010 ("**TIOPA 2010**"), with each Share Class of a Fund treated as a separate 'offshore fund' for these purposes. Under TIOPA 2010, any gain arising on the sale, disposal or redemption of shares in an offshore fund (or on conversion from one fund to another within an umbrella fund) held by persons who are resident in the United Kingdom for tax purposes will be taxed at the time of such sale, disposal, redemption or conversion as income and not as a capital gain. This does not apply, however, where a fund is approved as a "reporting fund" under the UK Reporting Fund Regime, throughout the period during which the Shares have been held.

### **UK Reporting Fund Regime**

The Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001) (the "Tax Regulations") provide that if an investor resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is a 'non-reporting fund', any gain accruing to that investor upon the sale or other disposal of that interest will be charged to UK tax as income and not as a capital gain.

Alternatively, where an investor resident in the UK holds an interest in an offshore fund that has been a 'reporting fund' for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income (even where such profits are exempt from UK corporation tax).

Where an offshore fund may have been a non-reporting fund for part of the time during which the UK Investor held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the Investor in order to pro-rate any gain made upon disposal; the impact being that the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. Such elections have specified time limits in which they can be made. Investors should refer to their tax advisors for further information.

It should be noted that a "disposal" for UK tax purposes would generally include a switching of interest between any sub-funds within the ICAV and might in some circumstances include switching of interests between Classes in a Fund. An application is to be made to HMRC under Part 3 of the Tax Regulations for each Class to be treated as a 'reporting fund'. In broad terms, a 'reporting fund' under these regulations is an offshore fund that meets certain upfront and annual reporting requirements to

HM Revenue & Customs and its Investors. The Directors intend to manage the affairs of the ICAV with respect to the Fund so that these upfront and annual duties are met and continue to be met on an ongoing basis for all Share Classes within a Fund, which have been accepted into the UK reporting fund regime. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-Share basis to all relevant Investors (as defined for these purposes).

If reporting fund status is obtained from HM Revenue & Customs for any Class, it will remain in place in relation to that Class permanently so long as the relevant annual requirements are undertaken. Investors should refer to their tax advisors in relation to the implications of the funds obtaining such status.

If a Class obtains UK reporting fund status, UK Investors holding Shares in that Class at the end of each reporting period (as defined for UK tax purposes) will potentially be subject to UK income tax or corporation tax on their share of the Class's reported income, to the extent that this amount exceeds dividends received. The reported income will be deemed to arise to UK Investors on the date six months following the end of the reporting period. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below.

### **General**

The attention of individual investors resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of the Income Taxes Act 2007. These provisions are aimed at preventing the avoidance of UK income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the UK, and may render them liable to income tax in respect of undistributed income of a Fund on an annual basis. The legislation is not directed towards the taxation of capital gains.

Corporate Investors resident in the UK should note the provisions of Part 9A of TIOPA 2010 which may have the effect in certain circumstances of subjecting a company resident in the UK to UK corporation tax on the profits of a company resident outside the UK. A charge to tax cannot however arise unless the non-resident company is under the control of persons resident in the UK and, on apportionment of the non-resident's "chargeable profits" more than 25% would be attributed to the UK resident and persons connected with them on a "just and reasonable basis".

The attention of UK resident corporate Investors is drawn to Chapter 3 of Part 6 of the Corporation Tax Act 2009, whereby interests of UK companies in offshore funds may be deemed to constitute a loan relationship; with the consequence that all profits and losses on such relevant interests are chargeable to UK corporation tax in accordance with a fair value basis of accounting. These provisions apply where the market value of relevant underlying interest bearing securities and other qualifying investments of the offshore fund (broadly investments which yield a return directly or indirectly in the form of interest) are at any time more than 60% of the value of all the investments of the offshore fund.

The attention of investors resident in the UK (and who, if individuals, are also domiciled in the UK for those purposes) is drawn to the provisions of Section 13 of Taxation of Chargeable Gains Act 1992. Under these provisions, where a chargeable gain accrues to a company that is not resident in the UK, but which would be a close company if it were resident in the UK, a person may be treated as though a proportional part of that chargeable gain, calculated by reference to their interest in the company, has accrued to them. No liability under Section 13 can be incurred by such a person, however, where such a proportion does not exceed one-quarter of the gain.

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

## Stamp Duty and Stamp Duty Reserve Tax

Liability to UK Stamp Duty will not arise provided that any instrument in writing, transferring Shares in a Fund, or shares acquired by a Fund, is executed and retained at all times outside the UK, however, the ICAV with respect to a Fund may be liable to transfer taxes in the UK on acquisitions and disposals of investments. In the UK, stamp duty or stamp duty reserve tax at a rate of 0.5% will be payable by the ICAV with respect to a Fund on the acquisition of shares in companies that are either incorporated in the UK or that maintain a share register there.

Because the ICAV is not incorporated in the UK and the register or investors will be kept outside the UK, no liability to stamp duty reserve tax will arise by the reason of the transfer, subscription for and or redemption of Shares except as stated above.

Investors should note that other aspects of United Kingdom taxation legislation may also be relevant to their investment in a Fund.

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## GENERAL INFORMATION

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### Reports and Accounts

The ICAV's year end is 30 September in each year. Audited accounts prepared in accordance with International Financial Reporting Standards and a report in relation to each Fund will be sent to Shareholders within 4 months after the conclusion of each Accounting Period and can be obtained by Shareholders from the ICAV during normal business hours at the registered office of the ICAV. The Administrator will also send unaudited semi-annual reports to Shareholders within two months after the end of the six-month period ending on 31 March in each year and copies can be obtained by Shareholders from the ICAV during normal business hours at the registered office of the ICAV. Such accounts and reports will contain a statement of the value of the net assets of each Fund and of the investments comprised therein as at the year-end or the end of such six-month period and such other information as is required by the Regulations.

A copy of the periodic reports may be obtained from the ICAV or may be inspected during normal business hours at the registered office of the ICAV free of charge.

### Allocation of Assets and Liabilities

The Instrument requires the ICAV to establish separate Funds (under which the liabilities of each Fund, including any liabilities to third parties, shall be segregated and liabilities which are attributable to one particular Fund shall not be applied or discharged by another Fund and the ICAV as a whole is not liable to third parties) in the following manner:

1. the records and accounts of each Fund shall be maintained separately in the Base Currency;
2. the proceeds from the issue of each class of Shares shall be applied in the records and accounts of the relevant Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund;
3. where any asset is derived from any other asset (whether cash or otherwise), the derived asset shall be applied in the records and accounts of the same Fund as the asset from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
4. in the case of any asset of the ICAV (or amount treated as notional asset) which the ICAV does not consider as attributable to a particular Fund or Funds, the ICAV shall have

discretion to determine the basis upon which such asset shall be allocated between Funds (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and the ICAV shall have the power at any time, and from time to time, subject to the prior approval of the Depositary, to vary such basis provided that the approval of the Depositary shall not be required in any case where the asset is allocated between all Funds, pro rata to their Net Asset Value, at the time when the allocation is made;

5. each Fund shall be charged with the liabilities, expenses, costs, charges or reserves in respect of, or attributable to, that Fund. In the case of any liability of the ICAV (or amount treated as a notional liability) which the ICAV does not consider as attributable to a particular Fund or Funds the ICAV shall have discretion to determine the basis upon which any liability shall be allocated between Funds (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and shall have the power at any time and from time to time, subject to the prior approval of the Depositary, to vary such basis provided that the approval of the Depositary shall not be required in any case where the liability is allocated between all Funds pro rata to their Net Asset Values, at the time when the allocation is made; and
6. the assets of each Fund shall belong exclusively to that Fund, shall be recorded in the books and records maintained for the Fund as being held for that Fund and separately from the assets of other Funds, the Depositary or any of its agents, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund, undertaking or entity and shall not be available for any such purpose.

## **Winding Up**

The Instrument contains provisions to the following effect:

1. If the ICAV or a Fund shall be wound up the liquidator shall, subject to the provisions of Part 11 of the Companies Act, apply the assets of the ICAV or Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
2. The assets available for distribution among the Shareholders of the ICAV or Fund shall then be applied in the following priority:
  - (a) firstly, in the payment to the holders of the Shares of each Fund or Class of a sum in the currency in which that Fund or Class is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such Fund or Class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available to enable such payment to be made;
  - (b) secondly, in the payment to the holders of the Subscriber Shares or Capitalisation Shares, sums up to the nominal amount paid thereon out of the assets of the ICAV not comprised within any Funds remaining after any recourse thereto under sub paragraph (a) above; and
  - (c) thirdly, in the payment to the holders of each Fund or Class of any balance then remaining, such payment being made in proportion to the number of Shares of that Fund or Class held.
3. If the ICAV shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a Special Resolution and any other sanction required by Part 11 of the Companies Act, divide among the Shareholders in specie the whole or any part of the assets of the ICAV, and whether or not the assets

shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the member or different classes of Shareholders. If a Shareholder so requests, the liquidator shall procure the sale of assets to be distributed and shall distribute the proceeds to the Shareholders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that no member shall be compelled to accept any assets in respect of which there is a liability.

### **Termination of a Fund or Class**

The Instrument contains provisions to the following effect:

1. The ICAV, any Fund or Class may be terminated by the Directors in their sole and absolute discretion, by notice in writing to the Shareholders in any of the following events and as specified by the terms of the Prospectus:
  - (a) if the ICAV shall cease to be authorised by the Central Bank under the Regulations or if the Directors reasonably believe that the ICAV is likely to cease to be authorised by the Central Bank having taken legal advice in that regard;
  - (b) if any law shall be passed which renders it illegal or in the reasonable opinion of the Directors, in consultation with the Manager, impracticable or inadvisable to continue the ICAV or the Fund;
  - (c) all of the Shares of a Fund have been redeemed; or
  - (d) if the Directors in their discretion consider termination of a Fund appropriate.
2. The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to this Section or otherwise.
3. The Directors shall give notice of a termination of a Fund to the Shareholders in the relevant Fund and by such notice affix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine.
4. With effect on and from the date as at which any Fund is to terminate or such other date as the Directors may determine:
  - (a) no Shares of the relevant Fund may be issued or sold by the ICAV; and
  - (b) the Manager shall, on the instructions of the Directors, realise all the investments then compromised in the relevant Fund (which realisation shall be carried out and completed in such manner and within such period after the termination of the relevant Fund as the Directors think advisable); and
5. The Depositary shall, on the instructions of the Directors from time to time, distribute to the Shareholders of the relevant Fund in proportion to their respective interests in the relevant Fund all net cash proceeds derived from the realisation of investments of the relevant Fund and available for the purpose of such distribution, provided that the Depositary shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being in its hands the amount of which is insufficient to

pay EUR1 or its equivalent in the relevant currency in respect of each Share of the relevant Fund and provided also the Depositary shall be entitled to retain out of any monies in its hands full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Depositary or the Directors in connection with or arising out of the termination of the relevant Fund and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

The party terminating the ICAV or a Fund shall give notice to the Shareholders and by such notice fix the date on which such termination is to take effect which date shall not be less than 30 days after the service of such notice. After the giving of notice of such termination the party terminating the ICAV or Fund shall procure the sale of all investments then remaining in the hands of the Depositary or of the Depositary's nominee as part of the ICAV or the relevant Fund and such sale shall be carried out and completed in such manner and within such period before or after the termination of the ICAV or Fund as the Directors and the Depositary think desirable.

The ICAV shall also apply to the Central Bank for revocation of approval of the ICAV or the relevant Fund as the case may be.

### **The Share Capital**

The minimum authorised share capital of the ICAV is €2.00 (two euro) represented by 2 (two) Subscriber Shares of no par value issued at €1.00 (one euro) each. The maximum authorised share capital of the ICAV, as may be amended by the Directors from time to time and notified to Shareholders, is 500,000,300,002 Shares of no par value represented by 2 (two) Subscriber Shares of no par value, 300,000 (three hundred thousand) Capitalisation Shares of no par value and 500,000,000,000 (five hundred billion) Shares of no par value, initially designated as unclassified Shares. The Directors are empowered to issue up to 500,000,000,000 Shares of no par value designated as Shares of any Class on such items as they think fit.

The Subscriber Shares and the Capitalisation Shares entitle the holders to attend and vote at general meetings of the ICAV but do not entitle the holders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the ICAV and to participate in the profits and assets of the ICAV. There are no pre-emption rights attaching to the Shares.

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## **DATA PROTECTION**

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Prospective investors should note that by completing the Application Form they are providing personal information, which may constitute personal data within the meaning of the Data Protection Legislation. This data will be used for the purposes of client identification and the subscription process, administration, transfer agency, statistical analysis, research, compliance with any applicable legal, tax or regulatory requirements and disclosure to, and in relation to, the ICAV, its delegates, and agents. All or part of this data will be retained as per regulatory requirements once the relationship ends.

Investors' data may be disclosed and / or transferred to third parties including financial advisors, regulatory bodies, tax authorities, auditors, technology providers or to the ICAV and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside of the EEA including, without limitation, such as Canada, Japan, Hong Kong, India, Singapore, USA, Australia and Thailand, which may not have the same data protection laws as Ireland) for the purposes specified.

The ICAV is a data controller within the meaning of Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation.

Pursuant to the Data Protection Legislation, investors have a right of access to their personal data kept by or on behalf of the ICAV and the right to amend and rectify any inaccuracies in their personal data held by or on behalf of the ICAV by making a request to the ICAV in writing. Investors also have a right to be forgotten and a right to restrict or object to processing in a number of circumstances. In certain limited circumstances, a right to data portability may apply. Where investors give consent to the processing of personal data, this consent may be withdrawn at any time.

By signing the Application Form, prospective investors consent to the recording of telephone calls made to and received from investors by the ICAV, their delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

A copy of the data privacy statement of the ICAV is available upon request.

### **Meetings**

In accordance with the ICAV Act, the Directors may convene extraordinary general meetings of the ICAV at any time. The Directors may also convene an annual general meeting in each year, or may waive such annual general meeting on notice to Shareholders. The Directors do not, unless otherwise notified in advance to Shareholders, intend to hold an annual general meeting in any financial year.

At least fourteen calendar days' notice (or such shorter time as may be agreed with the Shareholders from time to time) shall be given to Shareholders. The notice shall specify the place, the day and the hour of the meeting, and the general nature of the business of the meeting. A proxy may attend on behalf of any Shareholder. The voting rights attached to the Shares are set out under the heading "General – Voting Rights".

### **Variation of Shareholder Rights**

The rights attached to each Class (and for these purposes, reference to any Class shall include reference to any Class) may, whether or not the ICAV is being wound up be varied with the consent in writing of the holders of three-fourths of the issued Shares of that Class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of that Class. The provisions of the Instrument in relation to general meetings shall apply to every such separate general meeting except that the necessary quorum at any such meeting shall be two persons holding or representing by proxy at least one third of the issued Shares of the Class in question or, at an adjourned meeting, one person holding Shares of the Class in question or his proxy. Any holder of Shares representing one tenth of the Shares in issue of the Class in question present in person or by proxy may demand a poll. The rights attaching to any Class shall not be deemed to be varied by the creation or issue of further Shares of that Class ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares.

### **Voting Rights**

The Instrument provides that on a show of hands at a general meeting of the ICAV every Shareholder, Subscriber Shareholder and Capitalisation Shareholder present in person or by proxy shall have one vote and on a poll at a general meeting every Shareholder, Subscriber Shareholder and Capitalisation Shareholder shall have one vote in respect of each Share, Subscriber Share or Capitalisation Share as the case may be, held by him; provided, however, that, in relation to a resolution which in the opinion of the Directors affects more than one Class or gives or may give rise to a conflict of interest between the shareholders of the respective Classes, such resolution shall be deemed to have been duly passed,

only if, in lieu of being passed at a single meeting of the Shareholders of all of those Classes, such resolution shall have been passed at a separate meeting of the Shareholders of each such Class.

### **Instrument**

The sole object of the ICAV, as set out in the Instrument, is the collective investment of funds in property and giving members of the ICAV the benefit of the results of the management of its funds. The ICAV may take any measure and carry out any operations which it may deem useful or necessary to the accomplishment and development of its purpose to the fullest extent permitted by the Regulations.

All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Instrument of the ICAV, copies of which are available as described under the section entitled "General – Documents for Inspection".

### **Directors' Interests**

- (i) At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the ICAV. No Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the ICAV;
- (ii) At the date of this Prospectus neither the Directors nor any Associated Person have any beneficial interest in the Shares of the ICAV or any options in respect of such capital;
- (iii) The Directors may each serve as employees, officers or directors of other collective investment schemes or fund management companies.

### **Material Contracts**

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

- (i) the Management Agreement;
- (ii) the Investment Management Agreement;
- (iii) the Administration Agreement;
- (iv) the Depositary Agreement; and
- (v) the Distribution Agreement.

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

### **Electronic Communication**

The Directors have arranged for electronic communication by the ICAV or any other person on behalf of the ICAV as the case may be of:

- (i) notices of annual or extraordinary general meetings;
- (ii) the annual reports and audited accounts;
- (iii) unaudited half-yearly accounts;

- (iv) confirmations; and
- (v) the Net Asset Value.

If the Shareholder elects for electronic communication, all communication of notices, accounts, confirmations and Net Asset Value by the ICAV or any other person on behalf of the ICAV will be by way of electronic communication.

Shareholders electing to receive electronic communications will be required to provide the ICAV with their e-mail address. Hard copies of these documents continue to be available.

The ICAV or the Administrator is required to deliver to the investors of the ICAV certain notices and documents from time to time, such as Net Asset Value statements, notices of meetings and annual audited financial statements. The ICAV or the Administrator may in the future elect to deliver such notices and documents by e-mail to the address in the ICAV's records or by posting them on a password protected website. When delivering documents by e-mail, the ICAV will generally distribute them as attachments to e-mails in Adobe's Portable Document Format (PDF) (Adobe Acrobat Reader software is available free of charge from Adobe's web site at [www.adobe.com](http://www.adobe.com) and the Reader software must correctly be installed on the investor's system before the investor will be able to view documents in PDF format). Investors who do not wish to receive such documents electronically, or who wish to change the method of notice, should elect to do so by notifying the Administrator in writing.

### **Documents for Inspection**

Copies of the following documents may be inspected and obtained free of charge on request at the registered office of the ICAV during normal business hours on any Business Day:-

1. the material contracts referred to above;
2. the Instrument;
3. the Regulations; and
4. the half-yearly reports, annual reports and audited accounts (if issued).

The ICAV may provide certain additional reports (including in relation to certain performance measures, risk measures, general portfolio information or further information with respect to the investment process pursued for a Fund) and/or accounting materials to any current or prospective Shareholders upon request, and, if deemed necessary by the ICAV, upon the execution of a confidentiality agreement and/or non-use agreement.

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## APPENDIX I

### RECOGNISED MARKETS

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The markets and exchanges are listed in accordance with the requirements of the Central Bank which does not issue a list of approved markets and exchanges. 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, operate regularly, be recognised and open to the public) and which is listed in the Prospectus. The stock exchange and/or markets will be drawn from the following list: -

1. any stock exchange which is:
  - (a) located in any Member State; or
  - (b) located in a member state of the European Economic Area (Norway and Iceland); or
  - (c) located in any of the following countries:-
    - Australia
    - Canada
    - Hong Kong
    - Japan
    - New Zealand
    - Norway
    - Switzerland
    - United Kingdom
    - United States of America
    - Turkey; or

2. any stock exchange included in the following list:-

Argentina	Bolsa de Comercio de Buenos Aires, Mercado Abierto Electronico S.A.;
Bahrain	Bahrain Bourse;
Bangladesh	Chittangong Stock Exchange and Dhaka Stock Exchange;
Botswana	Botswana Stock Exchange;
Brazil	BM&F BOVESPA S.A.;
Chile	La Bolsa Electronica De Chile, Bolsa de Comercio de Santiago, Bolsa de Valparaiso;

China	Shanghai Stock Exchange, Shenzhen Stock Exchange;
Colombia	Bolsa de Valores de Colombia;
Costa Rica	Bolsa Nacional de Valores;
Croatia	Zagreb Stock Exchange;
Ecuador	Bolsa de Valores de Quito, Bolsa de Valores de Guayaquil;
Egypt	Egyptian Exchange;
Hong Kong	Stock Exchange of Hong Kong Ltd, Hong Kong Futures Exchange;
India	National Stock Exchange, Bombay Stock Exchange, Ltd.;
Indonesia	Indonesia Stock Exchange;
Israel	Tel Aviv Stock Exchange;
Jordan	Amman Stock Exchange;
Kazakhstan	Kazakhstan Stock Exchange;
Kenya	Nairobi Securities Exchange;
Korea, Republic of	Korea Exchange;
Kuwait	Kuwait Stock Exchange;
Lebanon	Beirut Stock Exchange;
Malaysia	Bursa Malaysia Securities Berhad, Bursa Malaysia Derivatives Berhad;
Mauritius	Stock Exchange of Mauritius;
Mexico	Bolsa Mexicana De Valores (Mexican Stock Exchange), Mercado Mexicano de Derivados;
Morocco	Bourse de Casablanca;
Namibia	Namibian Stock Exchange;
Nigeria	Nigeria Stock Exchange;
Oman	Muscat Securities Market;
Pakistan	Lahore Stock Exchange, Karachi Stock Exchange, Islamabad Stock Exchange;
Palestine	Palestine Exchange;
Panama	Bolsa de Valores de Panama S.A. (BVP);
Peru	Bolsa De Valores De Lima;

Philippines	Philippines Stock Exchange;
Qatar	Qatar Exchange;
Russia	Open Joint Stock Company Moscow Exchange MICEX-RTS (MICEX-RTS);
Saudi Arabia	Tadawul Stock Exchange, Saudi Arabian Monetary Agency;
Singapore	Singapore Exchange, CATALIST;
South Africa	JSE Limited, South African Futures Exchange;
Swaziland	Swaziland Stock Exchange;
Sri Lanka	Colombo Stock Exchange;
Taiwan	GreTai Securities Market, Taiwan Futures Exchange, Taiwan Stock Exchange;
Thailand	Stock Exchange of Thailand, Market for Alternative Investments, Bond Electronic Exchange, Thailand Futures Exchange;
Trinidad & Tobago	Trinidad and Tobago Stock Exchange Limited;
Tunisia	Bourse des Valeurs Mobilières de Tunis;
Turkey	Istanbul Stock Exchange, Turkish Derivatives Exchange;
Ukraine	Persha Fondova Torgovelná Systema, Ukrainian Interbank Currency Exchange;
United Arab Emirates	Nasdaq Dubai, Dubai Financial Market, Abu Dhabi Securities Exchange;
Uruguay	Bolsa de Valores de Montevideo, Bolsa Electrónica de Valores del Uruguay SA;
Venezuela	Bolsa de Valores de Caracas;
Zambia	Lusaka Stock Exchange;
Zimbabwe	Zimbabwe Stock Exchange, Zimbabwe Derivatives Exchange;

3. any of the following:

- (a) the market organised by the International Capital Market Association;
- (b) the (i) market conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) market in non-investment products which is subject to the guidance contained in the Non Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England;

- (c) the "listed money market institutions", as described in the Bank of England publication "The Regulation of the Wholesale Markets in Sterling, Foreign Exchange and Bullion" dated April 1988 (as amended from time to time);
- (d) a market comprising dealers which are regulated by the Federal Reserve Bank of New York and the United States Securities and Exchange Commission;
- (e) a market comprising dealers which are regulated by the United States National Association of Securities Dealers and the United States Securities and Exchange Commission;
- (f) NASDAQ; and
- (g) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan.

the over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

the French market for Titres de Créances Négotiables (over-the-counter market in negotiable debt instruments);

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

AIM-the Alternative Investment Market in the UK regulated and operated by the London Stock Exchange.

4. any of the following electronic exchanges:

- (a) NASDAQ.
- (b) In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (i) located in an EEA Member State, (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United Kingdom, United States (iii) the Channel Islands Stock Exchange (iv) or (v) any of the following:
  - American Stock Exchange;
  - The Chicago Board of Trade;
  - The Mercantile Exchange;
  - The Chicago Board Options Exchange;
  - The Chicago Board of Trade, Coffee, Sugar and Cocoa Exchange;
  - EDX London;
  - Iowa Electronic Markets;

- Kansas City Board of Trade;
- Mid-American Commodity Exchange;
- Minneapolis Grain Exchange;
- New York Cotton Exchange;
- Twin Cities Board of Trade;
- New York Mercantile Exchange;
- New York Board of Trade;
- New Zealand Futures and Options Exchange;
- Hong Kong Futures Exchange;
- Singapore Commodity Exchange;
- Tokyo International Financial Futures Exchange;
- Eurostream;
- Clearstream.

For the purposes only of determining the value of the assets of a Fund, the term "Recognised Market" shall be deemed to include, in relation to any derivatives contract used, any market or exchange on which such contract may be acquired or sold which is referred to in (i)(a) or (iii) hereof or which is in the European Economic Area, is regulated, recognised, operates regularly and is open to the public.

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## APPENDIX II

### GUIDELINES OF EFFICIENT PORTFOLIO MANAGEMENT

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#### Use of FDI and Portfolio Management Techniques

The ICAV will employ an investment risk management process, which enables it to accurately monitor, measure and manage the risks attached to FDIs. Each Fund may only employ the FDI techniques where full details are shown and described in the ICAV's risk management process and the relevant Supplement. The ICAV employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDI. EPM means investment decisions involving transactions that 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:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the UCITS with a level of risk which is consistent with the risk profile of the ICAV 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, and
- (d) they cannot result in a change to the UCITS declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

Direct and indirect operational costs/fees arising from EPM techniques may be deducted from the revenue delivered to the Fund, but only direct and indirect operational costs/fees charged by third parties unrelated to the Manager, the Investment Manager or Sub-Investment Manager will be deducted from any such revenues. Any such direct and indirect operational costs/fees charged by third parties do not include hidden revenue for the Manager, the Investment Manager or Sub-Investment Manager as applicable or parties related to such persons, although fees may be payable to counterparties and/or the Manager and/or the Investment Manager or Sub-Investment Manager and/or the Depositary and/or entities related to them in relation to such techniques. The Fund will disclose in the financial statements the identity of the entity(ies) to which the direct and indirect costs and fees are paid and indicate if these are related parties to the Manager, the Investment Manager or Sub-Investment Manager or the Depositary. The Manager shall ensure that all the revenues arising EPM techniques and instruments, net of direct and indirect costs, are returned to the Fund.

The policy that will be applied to collateral arising from OTC FDI transactions or EPM techniques relating to any Fund is to adhere to the Central Bank requirements set out under the heading "Use of Repurchase/Reverse Repurchase and Securities Lending Agreements".

Only where and to the extent specified in the relevant Supplement, each Fund may invest in FDI and/or utilise techniques and instruments for hedging and/or investment purposes and/or EPM and/or to manage foreign exchange risks, subject to the conditions and within the limits laid down by the Central Bank. Any proposed investment in FDI is subject to a Risk Management Process document being submitted to, and approved by the Central Bank in advance.

The FDIs which may be used for hedging and/or investment purposes and/or EPM and/or to manage foreign exchange risks include warrants and participatory notes. Performance may be strongly influenced by movements in currency rates because a Fund may have exposure to a particular currency that is different to the currency in which the securities held by that Fund are denominated.

### **Permitted FDIs**

Where specified in a Supplement:-

1. The Manager shall only invest assets of the Fund in an FDI provided that the relevant reference items or indices, consist of one or more of the following (noting that FDIs on commodities are excluded):
  - (a) instruments referred to in paragraphs 1.1 to 1.5 of the Investment Restrictions section of this Prospectus, deposits, financial indices, interest rates, foreign exchange rates or currencies;
  - (b) the FDI do not expose a Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which a Fund cannot have a direct exposure);
  - (c) the FDI do not cause a Fund to diverge from its investment objectives; and
  - (d) the reference to financial indices above shall be understood as a reference to indices which fulfil the criteria set out in the Central Bank Regulations and the Central Bank's guidance on "UCITS Financial Indices" and "UCITS Financial Derivative Instruments and Efficient Portfolio Management".
2. Where the Manager enters, on behalf of a Fund, into a total return swap or invests in other FDIs with similar characteristics, the assets held by the Fund shall comply with Regulations 70, 71, 72, 73 and 74 of the Regulations.
3. Credit derivatives as permitted in the circumstances outlined in the Central Bank's guidance on "UCITS Financial Derivative Instruments and Efficient Portfolio Management" only.
4. FDI must be dealt in on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State, and included at Appendix I hereto.
5. Notwithstanding paragraph 4, each Fund may invest in FDI dealt in over-the-counter, "OTC derivatives" provided that:
  - (a) the counterparty is credit institution listed in paragraph 2.7 of the Investment Restrictions section of this Prospectus or an investment firm, authorised in accordance with the Markets in Financial Instruments Directive, in an EEA Member State or is an entity subject to regulation as a Consolidated Supervised Entity ("CSE") by the US Securities and Exchange Commission;
  - (b) in the case of a counterparty which is not a credit institution was subject to a credit rating by an agency registered and supervised by ESMA, that rating shall be taken into account by the relevant Fund in the credit assessment process and where such counterparty is downgraded to A-2 or below (or comparable rating) by that credit rating agency, the Manager shall conduct a new credit assessment of the counterparty without delay;
  - (c) in the case of subsequent novation of the OTC derivative contract, the counterparty is one of:

- (i) the entities set out in paragraph (a); or
  - (ii) a central counterparty (CCP) authorised, or recognised by ESMA, under Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP);
- (d) risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c). In this regard the Manager shall calculate the exposure using the positive market-to-market value of the OTC derivative contract with that counterparty. The Manager may net the derivative positions with the same counterparty, provided that the Manager is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC derivative instruments with the same counterparty and not in relation to any other exposures the Fund may have with the same counterparty;
- (e) a Manager is satisfied that the counterparty will value the transaction with reasonable accuracy and on a reliable basis and will close out the transaction at any time at the request of the Manager at fair value; and
- (f) the Manager must subject its OTC derivatives to reliable and verifiable valuation on a daily basis and ensure that it has appropriate systems, controls and processes in place to achieve this. Reliable and verifiable valuation shall be understood as a reference to a valuation, by a Fund, corresponding to fair value which does not rely only on market quotations by the counterparty and which fulfils the following criteria:
- (i) the basis for the valuation is either a reliable up-to-date market value of the instrument, or, if such value is not available, a pricing model using an adequate recognised methodology;
  - (ii) verification of the valuation is carried out by one of the following:
    - (A) an appropriate third party which is independent from the counterparty of the OTC derivative, at an adequate frequency and in such a way that a Fund is able to check it;
    - (B) a Share within a Fund which is independent from the department in charge of managing the assets and which is adequately equipped for the purpose.
6. Risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide a Fund with collateral in accordance with the requirements of the Central Bank as set out in the Central Bank Regulations. The Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits set out in the Regulations are not breached. Collateral received must at all times meet the requirements set out in the Central Bank Regulations. Collateral passed to an OTC derivative counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c). Collateral passed may be taken into account on a net basis only if the UCITS is able to legally enforce netting arrangements with this counterparty.
7. A Fund must calculate issuer concentration limits as referred to in Regulation 70 on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach;

8. The risk exposures to a counterparty arising from OTC derivatives and EPM techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c).
9. A Fund must calculate exposure arising from initial margin posted to and variation margin receivable from a broker relating to exchange-traded or OTC derivatives, which is not protected by client money rules or other similar arrangements to protect such Fund against the insolvency of the broker, within the OTC counterparty limit as referred to in Regulation 70(1)(c).
10. The calculation of issuer concentration limits as referred to in Regulation 70 must take account of any net exposure to a counterparty generated through a securities lending or repurchase agreement. Net exposure refers to the amount receivable by a Fund less any collateral provided by a Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations.
11. When calculating exposures for the purposes of Regulation 70, a Fund must establish whether its exposure is to an OTC counterparty, a broker or a clearing house
12. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or Money Market Instruments or CIS, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Regulations. When calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. It must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by all Funds, regardless of whether they use VaR for global exposure purposes. 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 Regulation 71(1) of the Regulations.
13. A transferable security or Money Market Instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or Money Market Instruments set out in the Central Bank's Regulations and which contain a component which fulfils the following criteria:
  - (i) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or Money Market Instrument which functions as a host contract can be modified according to a specific interest rate, financial instrument price, foreign exchange rate, index of prices or rate, credit rating or credit index, or other variable, and therefore vary in a way similar to a standalone derivative;
  - (ii) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - (iii) it has significant impact on the risk profile and pricing of the transferable security or Money Market Instrument.
  - (iv) A transferable security or a Money Market Instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the Money Market Instrument. Such a component shall be deemed a separate financial instrument.

- (v) The ICAV employs the VaR approach to measure its global exposure. The method used to calculate global exposure for each Fund is set out in the relevant Fund Supplement.

### **Cover requirements**

The Manager must, at any given time, ensure that, at all times: (i) a Fund is capable of meeting all its payment and delivery obligations incurred by transactions involving FDI; (ii) the risk management process of the Fund includes the monitoring of FDI transactions to ensure that every such transaction is covered adequately; and (iii) a transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:

- (a) in the case of FDI which automatically, or at the discretion of a Fund, are cash settled a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.
- (b) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by the relevant Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:
  - (i) the underlying assets consist of highly liquid fixed income securities;
  - (ii) the exposure can be adequately covered without the need to hold the underlying assets;
  - (iii) the specific FDI are addressed in the risk management process; and
  - (iv) details of the exposure are provided in the relevant Supplement.

### **Risk Management**

1.

- (a) Each Fund must employ a RMP to monitor, measure and manage the risks attached to FDI positions.
- (b) Each Fund must provide the Central Bank with details of its proposed RMP with details of its FDI activity. The initial filing is required to include information in relation to:
  - (i) permitted types of FDI, including embedded derivatives in transferable securities and Money Market Instruments;
  - (ii) details of the underlying risks; and
  - (iii) relevant quantitative limits and how these will be monitored and enforced;
  - (iv) methods for estimating risks.
- (c) Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.

2. Each Fund must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information under the different categories identified under the

heading "Permitted FDIs" above, must be submitted with the annual report of the ICAV. A Fund must, at the request of the Central Bank, provide this report at any time.

3. The ICAV will, on request, provide supplementary information to shareholders relating to the risk management methods employed including the qualitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

### **Use of Repurchase/Reverse Repurchase and Stocklending Agreements**

1. Where set out in the relevant Supplement only and provided for in the risk management process, such Fund may enter into repurchase/reverse repurchase agreements, ("**Repo Contracts**") and securities lending subject to and in accordance with normal commercial practice and the conditions and limits set out in the Central Bank UCITS Regulations for the purposes of EPM. Repo contracts are transactions in which a Fund sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price. The repurchase price is usually greater than the original sale price, the difference effectively representing interest, sometimes called the repo rate. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.
2. All assets received in the context of EPM techniques should be considered as collateral and should comply with the following criteria:
  - (a) Liquidity: Collateral received other than cash will be highly liquid and traded on a Recognised Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received will also comply with the provisions of Regulation 74 of the Regulations.
  - (b) Valuation: Collateral received will be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
  - (c) Issuer credit quality: Collateral received will be high quality. Where the issuer is subject to a credit rating by an agency registered and supervised by ESMA, that rating shall be taken into account by the Manager in the credit assessment process. Where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in the preceding sentence, this shall result in a new credit assessment being conducted of the issuer by the Manager without delay.
  - (d) Correlation: Collateral received will be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
  - (e) Diversification (asset concentration): (i) Collateral will be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20 per cent of the Net Asset Value. When exposed to different counterparties, the different baskets of collateral will be aggregated to calculate the 20 per cent limit of exposure to a single issuer and (ii) 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 will receive securities from at least 6 different issues, but securities from any single issue will not account for more than 30 per cent of the Fund's net value. Where a Fund intends to be fully collateralised in securities issued or guaranteed by a Member State,

this will be disclosed in the relevant Supplement. The relevant Supplement should also identify the Member States, local authorities, or public international bodies or guaranteeing securities which a Fund is able to accept as collateral for more than 20 per cent of its net asset value.

- (f) Immediately available: Collateral received will be capable of being fully enforced at any time without reference to or approval from the counterparty.
3. Risks linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated by the risk management process.
  4. Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
  5. Non-cash collateral cannot be sold, pledged or re-invested.
  6. Cash collateral may not be invested other than in the following:
    - (a) deposits with Relevant Institutions;
    - (b) high-quality government bonds;
    - (c) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the ICAV is able to recall at any time the full amount of cash on an accrued basis;
    - (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Where the Manager invests the cash collateral received by a Fund that investment shall comply with the diversification requirements applicable to non-cash collateral and invested cash collateral may not be placed on deposit with the counterparty or with an entity that is related or connected to the counterparty. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for the Fund as described herein under the sub-section entitled "*Risk Factors*" – "*Reinvestment of Cash Collateral Risk*" above.

7. The Manager shall ensure that a Fund receiving collateral for at least 30% of assets there is in place an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:
  - (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
  - (b) empirical approach to impact assessment, including back testing of liquidity risk estimates;
  - (c) reporting frequency and limit/loss tolerance threshold/s; and
  - (d) mitigation actions to reduce loss including haircut policy and gap risk protection.
8. The Manager shall, in accordance with this paragraph, establish and ensure adherence to a haircut policy for a Fund, adapted for each class of assets received as collateral. When devising the haircut policy, the Manager shall take into account the characteristics of the

assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank UCITS Regulations. The Manager shall document the hair cut policy and justify and document each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

9. Where a counterparty to a repurchase or securities lending agreement which has been entered into by the Manager on behalf of a Fund:
  - (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Fund in the credit assessment process;
  - (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (i) of this paragraph 8.9 this shall result in a new credit assessment being conducted of the counterparty by the Fund without delay.
10. The Manager shall ensure that it is at all times able to recall any security that has been lent out or to terminate any securities lending agreement to which it is party. The Manager that enters into a reverse repurchase agreement shall ensure that it is at all times able 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. In circumstances in which cash is, recallable at any time on a mark-to-market basis, the Manager shall use the mark-to-market value of the reverse repurchase agreement the calculation of the Net Asset Value of the Fund.
11. A Manager that enters into a repurchase agreement shall ensure that a Fund is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
12. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 of the Regulations and Regulation 111 of the Regulations respectively.
13. All the revenues arising from EPM techniques, net of direct and indirect operational costs, will be returned to the Fund.

**APPENDIX III**

**LIST OF SUB-CUSTODIAL AGENTS APPOINTED BY THE DEPOSITARY**

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
Argentina	The Branch of Citibank, N.A. in the Republic of, Argentina	Bartolome Mitre 502/30, 3rd Floor, (C1036AAJ) Ciudad de Buenos Aires Argentina
Australia	Citigroup Pty Limited	Level 16, 120 Collins Street Melbourne, VIC 3000 Australia
Australia	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong
Austria	UniCredit Bank Austria AG	Rothschildplatz 1 1020 Vienna, Austria
Bahrain	HSBC Bank Middle East Limited	The address of the registered office of HSBC Bank Middle East Limited is: HSBC Bank Middle East Limited, The Gate Village, Building 8, Level 1, Dubai International Financial Centre (DIFC), P O Box 30444, Dubai, United Arab Emirates  The address of HSBC Bahrain is:  HSBC Bank Middle East Ltd, Securities Services, 4th Floor, Building No 2505, Road No 2832 Al Seef 428, Kingdom of Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited	The address of the registered office and head office of The Hongkong and Shanghai Banking Corporation is:  HSBC Main Building, 1 Queen's Road Central, Hong Kong SAR  Address in Bangladesh:  The Hongkong and Shanghai Banking Corporation Limited, Shanta Western Tower, Level 4, 186 Bir Uttam Mir Shawkat Ali Shorok (Tejgaon Gulshan Link Road), Tejgaon Industrial Area, Dhaka 1208, Bangladesh
Belgium	Citibank Europe Plc	North Wall Quay 1, Dublin Ireland

Country/Market	Subcustodian	Address
Belgium	The Bank of New York Mellon SA/NV	1 Boulevard Anspachlaan, 1000 Brussels, Belgium
Bermuda	HSBC Bank Bermuda Limited	37 Front Street, Hamilton HM11, PO Box HM 1020, Hamilton HM DX, Bermuda
Botswana	Stanbic Bank Botswana Limited	Plot 50672, Fairgrounds Office Park Gaborone, Botswana
Brazil	Citibank N.A., Brazil	Citibank N.A. , Brazilian Branch, Avenida Paulista, 1111, Sao Paulo, S.P., Brazil 01311-920
Brazil	Itau Unibanco S.A.	Praga Alfredo Egydio de Souza Aranha, 100 Sao Paulo, S.P. - Brazil 04344-902
Bulgaria	Citibank Europe plc, Bulgaria Branch	48 Sitnyakovo Blvd Serdika Offices, 10th floor Sofia 1505, Bulgaria
Canada	CIBC Mellon Trust Company (CIBC Mellon)	1 York Street, Suite 900 Toronto, Ontario, M5J 0B6 Canada
Cayman Islands	The Bank of New York Mellon	240 Greenwich Street, New York, NY 10286, United States
Channel Islands	The Bank of New York Mellon	240 Greenwich Street, New York, NY 10286, United States
Chile	Banco Santander Chile	Head Office: Bandera 140, Piso 4, Santiago, Chile Operations: Bombero Ossa 1068, Piso 7, Santiago, Chile
China	HSBC Bank (China) Company Limited	33 Floor, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai, China (200120)
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Carrera 9A No. 99-02 Piso 2, Santa Fe de Bogota, Colombia
Costa Rica	Banco Nacional de Costa Rica	1st and 3rd Avenue, 4th Street San Jose, Costa Rica
Croatia	Privredna banka Zagreb d.d.	Radnicka cesta 50, 10 000 Zagreb, Croatia
Cyprus	BNP Paribas SA	2 Lampsakou street, 115 28 Athens, Greece
Cyprus	Citibank Europe Plc, Greece Branch	8, Othonos, 10557 Athens, Greece
Czech Republic	Citibank Europe plc, organizacni slozka	Bucharova 2641/14 158 02 Prague 5, Czech Republic

Country/Market	Subcustodian	Address
Denmark	Skandinaviska Enskilda Banken AB (Publ)	Kungstradgardsgatan 8 106 40 Stockholm - Sweden
Egypt	HSBC Bank Egypt S.A.E.	306 Corniche El Nil, Maadi, Cairo, Egypt
Estonia	SEB Pank AS	Tornimae Str. 2 15010 Tallinn Estonia
Euromarket	Clearstream Banking S.A.	42 Avenue J.F. Kennedy 1855 Luxembourg Grand Duchy of Luxembourg
Euromarket	Euroclear Bank SA/NV	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
Finland	Skandinaviska Enskilda Banken AB (Publ)	Kungstradgardsgatan 8 106 40 Stockholm - Sweden
France	BNP Paribas Securities Services S.C.A.	Office Address: Les Grands Moulins de Pantin - 9 rue du Debarcadere 93500 Pantin, France Legal address: 3 rue d'Antin, 75002 Paris, France
France	The Bank of New York Mellon SA/NV	1 Boulevard Anspachlaan, 1000 Brussels, Belgium
Germany	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
Ghana	Stanbic Bank Ghana Limited	Stanbic Heights, Plot No. 215 South Liberation RD, Airport City, Cantonments, Accra, Ghana
Greece	BNP Paribas SA	2 Lampsakou street 11 5 28 Athens Greece
Greece	Citibank Europe Plc, Greece Branch	8, Othonos, 10557 Athens, Greece
Hong Kong	Citibank N.A. Hong Kong	50/F, Champion Tower Three Garden Road, Central Hong Kong
Hong Kong	Deutsche Bank AG	57/F International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong SAR
Hungary	Citibank Europe plc. Hungarian Branch Office	Váci ut 80, 1133 Budapest, Hungary
Iceland	Landsbankinn hf.	Head office address: Austurstrmti 11, 155 Reykjavik,

Country/Market	Subcustodian	Address
		Iceland Operations address: Hafnarstrmti 6, 155 Reykjavik, Iceland
India	Deutsche Bank AG	4th Floor, Block 1, Nirlon Knowledge Park, W.E. Highway Mumbai - 400 063, India
India	The Hongkong and Shanghai Banking Corporation Limited	The address of the registered office and head office of The Hongkong and Shanghai Banking Corporation Limited is:  HSBC Main Building, 1 Queen's Road Central, Hong Kong SAR  The registered address of HSBC India is:  The Hongkong and Shanghai Banking Corporation Limited, 52 / 60 M. G. Road Fort, Mumbai – 400001, India  Direct Custody and Clearing is located at: The Hongkong and Shanghai Banking Corporation Limited, 11th Floor, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063, India
Indonesia	Deutsche Bank AG	5th Floor, Deutsche Bank Building Jl. Imam Bonjol No.80, Jakarta - 10310, Indonesia
Ireland	The Bank of New York Mellon	240 Greenwich Street, New York, NY 10286, United States
Israel	Bank Hapoalim B.M.	63 Yehuda Halevi St., Tel Aviv 6522701, Israel
Italy	Intesa Sanpaolo S.p.A.	Piazza San Carlo, 156 10121 Torino, Italy
Italy	The Bank of New York Mellon SA/NV	1 Boulevard Anspachlaan, 1000 Brussels, Belgium
Japan	Mizuho Bank, Ltd.	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo 1 08-6009, Japan
Japan	MUFG Bank, Ltd.	1-3-2, Nihombashi Hongoku- cho, Chuo-ku, Tokyo 103-0021,

Country/Market	Subcustodian	Address
		Japan
Jordan	Standard Chartered Bank, Jordan Branch	Shmeissani, Al-Thaqafa Street, Building # 2, P.O.Box 926190 Amman 11190 Jordan
Kazakhstan	Citibank Kazakhstan Joint-Stock Company	26/41 Zenkov Street, Medeu district, Almaty, A25T0A1, Kazakhstan
Kenya	Stanbic Bank Kenya Limited	First Floor, Stanbic Bank Centre P.O. Box 72833 00200 Westlands Road, Chiromo, Nairobi, Kenya
Kuwait	HSBC Bank Middle East Limited, Kuwait	Sharq Area, Abdulaziz Al Sager Street, Al Hamra Tower, 37F P.O. Box 1683, Safat 13017, Kuwait
Latvia	AS SEB banka	Meistaru iela 1, Valdlauci, Kekavas pagasts, Kekavas novads, LV-1076, Latvia
Lithuania	AB SEB bankas	Konstitucijos Ave. 24, LT-08105, Vilnius, Lithuania
Luxembourg	Euroclear Bank SA/NV	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
Malawi	Standard Bank PLC	Standard Bank Centre Africa Unity Avenue P O Box 30380 Lilongwe 3 Malawi
Malaysia	Deutsche Bank (Malaysia) Berhad	Level 20, Menara IMC No 8 Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia
Malaysia	Standard Chartered Bank Malaysia Berhad	Level 26, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Malaysia	The services provided by us will be governed by the agreement between you and The Hongkong and Shanghai Banking Corporation Limited, whereby we will delegate the duties to HSBC Bank Malaysia Berhad.	Direct Custody and Clearing, Securities Services, HSBC Bank Malaysia Berhad, 19th Floor, Menara IQ, Lingkaran TRX, 55188 Tun Razak Exchange, Malaysia
Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Fbert-Anlage, 49 60327 Frankfurt am Main Germany
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	The address of the registered office and head office of The Hongkong and Shanghai Banking Corporation Limited is: HSBC Main Building, 1

Country/Market	Subcustodian	Address
		Queen's Road Central, Hong Kong SAR Address in Mauritius: The Hongkong and Shanghai Banking Corporation Limited Securities Services, Custody and Clearing Department, 5F Iconebene 1 Building, Lot 441, Rue de L'institut, Ebene, Mauritius
Mexico	Banco Nacional de Mexico S.A., integrante del Grupo Financiero Banamex	Official address: Isabel la Católica No.44, Colonia Centro, Mexico City, C.P. 06000, Mexico Securities Services Head Offices: Actuario Roberto Medellin 800, 5° floor north, Colonia Santa Fe, Ciudad de Mexico, Mexico
Mexico	Banco S3 CACEIS Mexico, S.A., Institución de Banca Multiple	Av. Vasco De Quiroga No. 3900 Torre Diamante A, Piso 20. Lomas de Santa Fe, Contadero Ciudad de Mexico - CDMX, 05300 Mexico
Morocco	Citibank Maghreb S.A.	Zenith Millenium, Immeuble 1 Sidi Maarouf, B.P. 40 20190 Casablanca Morocco
Namibia	Standard Bank Namibia Limited	Standard Bank Campus, No. 1Chasie Street, Hill Top, Kleine Kuppe, Windhoek, Namibia
Netherlands	The Bank of New York Mellon SA/NV	1 Boulevard Anspachlaan, 1000 Brussels, Belgium
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong
Nigeria	Stanbic IBTC Bank Plc.	Walter Carrington Crescent Victoria Island Lagos, Nigeria
Norway	Skandinaviska Enskiida Banken AB (Publ)	Kungstradgardsgatan 8, 106 40 Stockholm - Sweden
Oman	HSBC Bank Oman S.A.O.G.	Head Office Building, P.O. Box 1727, Al Khuwair, Postal Code 111, Sultanate of Oman
Pakistan	Deutsche Bank AG	242-243, Avari Plaza, Fatima Jinnah Road Karachi - 75330, Pakistan
Panama	Citibank N.A., Panama Branch	Calle Punta Darien y Punta

Country/Market	Subcustodian	Address
		Coronado, Torre de las Americas, Torre B, Piso 14, Apartado 0834-00555, Panama City, Panama
Peru	Citibank del Peru S.A.	Avenida Canaval y Moreyra, 480, 3rd floor Lima 27, Peru
Philippines	Deutsche Bank AG	19th Floor, Four/NEO, 31st Street corner 4th Avenue E-Square Zone, Crescent Park West Bonifacio Global City, Taguig City 1634 Philippines
Philippines	Standard Chartered Bank Philippines Branch	6788 Ayala Avenue, Makati City, 1226, Philippines
Poland	Bank Polska Kasa Opieki S.A.	53/57 Grzybowska Street 00-844 Warszawa, Poland
Portugal	Banco Santander Totta S.A.	Legal Address, Rua do Ouro, n° 88, 1100-063 Lisboa, Portugal
Portugal	Citibank Europe Plc	North Wall Quay 1, Dublin, Ireland
Qatar	Qatar National Bank	Al Corniche Street, PO Box 1000, Doha Qatar
Qatar	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong
Romania	Citibank Europe plc Dublin, Romania Branch	145, Calea Victoriei 010072 Bucharest, Romania
Russia	AO Citibank	8-10, building 1 Gasheka Street, Moscow 125047, Russia
Russia	PJSC ROSBANK	Mashi Poryvaevoy street, 34 107078 Moscow Russia
Saudi Arabia	HSBC Saudi Arabia	HSBC Building, 2nd Floor, 7267 Olaya Al-Murooj, Riyadh 12283-2255, Kingdom of Saudi Arabia
Serbia	UniCredit Bank Serbia JSC	Rajiceva Street 27-29, 11000 Belgrade, Serbia
Singapore	Standard Chartered Bank (Singapore) Limited	8 Marina Boulevard, Marina Bay Financial Centre, Tower 1, #27-00, Singapore 018981
Singapore	DBS Bank Ltd	12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982
Slovak Republic	Citibank Europe plc, pobočka zahraničnej banky	Dvorakovo nabrezie 8, 811 02 Bratislava, Slovak Republic
Slovenia	UniCredit Banka Slovenija d.d.	Ameriška ulica 2, SI-1000

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
		Ljubljana, Slovenia
South Africa	Standard Chartered Bank, Johannesburg Branch	115 West Street, 2nd Floor, Sandton, 2000, South Africa
South Africa	The Standard Bank of South Africa Limited	9th Floor 5 Simmonds Street Johannesburg 2001, South Africa
South Korea	Deutsche Bank AG	12F, Centropolis Tower A, 26, Ujeongguk-ro, Jongno-gu, Seoul, Korea, 03161
South Korea	The Hongkong and Shanghai Banking Corporation Limited	1 Queen's Road Central Hong Kong SAR
Spain	Banco Bilbao Vizcaya Argentaria, S.A.	Plaza San Nicolas, 4 48005 Bilbao Spain
Spain	CACEIS Bank Spain, S.A.U.	Parque Empresarial La Finca, Paseo Club Deportivo 1 - Edificio 4, Planta 2, 28223 Pozuelo de Alarcon (Madrid)
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	1 Queen's Road Central Hong Kong SAR
Sweden	Skandinaviska Enskilda Banken AB (Publ)	Kungstradgardsgatan 8 106 40 Stockholm - Sweden
Switzerland	Credit Suisse (Switzerland) Ltd.	Paradeplatz 8 8001 Zurich Switzerland
Switzerland	UBS Switzerland AG	Max-Hogger-Strasse 80 8048 Zurich, Switzerland
Taiwan	HSBC Bank (Taiwan) Limited	11 F, No. 369, Section 7, Zhongxiao East Road Nangang District, Taipei City 115 Taiwan (ROC)
Tanzania	Stanbic Bank Tanzania Limited	Plot Number 99A, Corner of Ali Hassan Mwinyi and Kinondoni Roads, PO Box 72647, Dar es Salaam, Tanzania
Thailand	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong SAR
Tunisia	Union Internationale de Banques	65 Avenue Habib Bourguiba, 1000 Tunis, Tunisia
Turkey	Deutsche Bank A.S.	Esentepe Mahallesi Büyükdere Caddesi Ferko Signature No. 175/149 Sisli Istanbul, Turkey
U.A.E.	HSBC Bank Middle East Limited (HBME)	HSBC Bank Middle East Limited Securities Services UAE- Markets & Securities Services, HSBC Tower, Downtown Dubai, Level 16,

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
		PO Box 66, Dubai, United Arab Emirates.
U.K.	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom
U.K.	The Bank of New York Mellon	240 Greenwich Street, New York, NY 10286, United States
U.S.A.	The Bank of New York Mellon	240 Greenwich Street, New York, NY 10286, United States
U.S.A. Precious Metals	HSBC Bank, USA, N.A.	452 Fifth Avenue, New York, NY 10018
Uganda	Stanbic Bank Uganda Limited	Plot 17 Hannington Road, Short Tower- Crested Towers, P.O. Box 7131, Kampala, Uganda
Ukraine	JSC "Citibank" Full name Joint Stock Company "Citibank"	16G Dilova Street 03150 Kiev Ukraine
Uruguay	Banco Itau Uruguay S.A.	Luis Bonavitta 1266 - WTC Torre 4 - Piso 12 CP 13.000 Montevideo, Uruguay
Vietnam	HSBC Bank (Vietnam) Ltd	Floor 1,2,6 The Metropolitan, 235 Dong Khoi, District 1, Ho Chi Minh City, Vietnam
WAEMU	Societe Generale Cote d'Ivoire	5/7 Avenue Joseph Anoma 01 BP 1355, Abidjan 01 - Ivory Coast
Zambia	Stanbic Bank Zambia Limited	Stanbic House, Plot 2375, Addis Ababa Drive P.O Box 31955 Lusaka, Zambia
Zimbabwe	Stanbic Bank Zimbabwe Limited	59 Samora Machel Avenue, Harare, Zimbabwe

**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD CONSULT YOUR STOCKBROKER OR OTHER FINANCIAL ADVISOR. The Directors of the ICAV, whose names appear in the Prospectus under the section “DIRECTORY”, accept responsibility for the information contained in this document.**

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## **SUPPLEMENT**

### **VIRTUS GF CLEAN ENERGY FUND**

(a Fund of Virtus Global Funds ICAV, an open-ended Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between its Funds.)

Supplement No. 3 dated 28 February 2023

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**This Supplement contains specific information in relation to the Virtus GF Clean Energy Fund (the “Fund”), a sub-fund of Virtus Global Funds ICAV. It forms part of and must be read in the context of and together with the Prospectus of the ICAV dated 28 February 2023.**

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

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## INTRODUCTION

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This Supplement comprises information relating to the Shares of the Fund to be issued in accordance with the Prospectus and this Supplement.

The Fund is currently offering the following Classes of Shares: Class A, C, I, and R Shares which shall be offered in USD, EUR, GBP, NOK, DKK, SEK, CHF, ZAR, SGD, HKD, JPY and AUD. All of the Classes of Shares which are in a currency other than US Dollars are Unhedged Shares Classes.

The general details set out in the Prospectus apply to the Fund save where otherwise stated in this Supplement. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.

The Fund is actively managed.

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## DEFINITIONS

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In this Supplement, the following words and phrases shall have the meanings indicated below:

<b>“Business Day”</b>	any day other than a Saturday or Sunday on which commercial banks are open for business in Dublin and any day the New York Stock Exchange is open for business.
<b>“Comparator Benchmark”</b>	the S&P Global Clean Energy Index which is designed to measure the performance of companies in global clean energy-related businesses from both developed and emerging markets, with a target of 100 constituents.
<b>“Dealing Day”</b>	each Business Day or such Business Day(s) as the Directors may determine and notify in advance to Investors.
<b>“Dealing Deadline”</b>	4pm (Irish time) on the relevant Dealing Day although the Directors, in consultation with the Manager, may agree to accept applications after the Dealing Deadline, only in exceptional circumstances, provided such applications are received before the Valuation Point for the relevant Dealing Day.
<b>“Sub-Investment Manager”</b>	Duff & Phelps Investment Management Co. or such other persons as may be appointed in accordance with the requirements of the Central Bank to provide discretionary sub-investment management services to the Investment Manager.
<b>“Sustainability Risk”</b>	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 the investment. If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an

investment.

**“Valuation Point”**

4pm (New York time) on the relevant Dealing Day.

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**THE FUND**

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**Investment Objective**

The investment objective of the Fund is to achieve long-term capital appreciation.

**Investment Strategy and Policies**

Under normal circumstances, the Fund seeks to achieve its investment objective by primarily investing in equity securities of clean energy companies (“**Clean Energy Securities**”) located throughout the world, including North America, Europe and Asia as set out in more detail below.

The Fund generally invests in companies that operate within the utilities, industrials, technology, and energy sectors that are involved in clean and sustainable energy, including but not limited to, clean energy producers, clean energy technology and equipment providers, and clean transmission and distribution providers.

The Sub-Investment Manager seeks to identify superior clean energy companies by performing an in-depth fundamental business analysis on securities within a targeted investment universe, which includes a company’s investment outlook, qualitative and quantitative assessments, regulatory and political factors, financial strength, and sustainability. This fundamental business analysis allows the Sub-Investment Manager to seek to avoid companies that may be in the right sectors or appear attractive but are not truly clean energy companies, as considered by the Sub-Investment Manager.

For these purposes, the Sub-Investment Manager considers a Clean Energy Security as those that derive at least 50% of their value from one or more of the following clean energy businesses: (a) the production of clean energy (e.g., biofuel, biomass, hydroelectricity, solar energy, wind energy, and battery storage, among others); (b) the provision of clean energy technology and equipment; or (c) the transmission and distribution of clean energy. In determining whether a company derives at least 50% of its value from clean energy businesses, the Sub-Investment Manager evaluates a range of factors including, but not limited to, clean energy eligibility, business model suitability, long-term sustainability, and ESG performance and risks.

The Sub-Investment Manager evaluates a company’s clean energy eligibility based on the category of a company’s business activities and earnings. As defined by the Sub-Investment Manager a company is clean energy eligible if the company is categorized as at least one of the following: (a) clean energy producer (e.g., biofuel, biomass, hydroelectricity, solar energy, wind energy, and battery storage, among others), (b) clean energy technology and equipment provider, or (c) clean transmission and distribution provider. A company must also meet one of the following requirements: (i) more than 30% of business revenue derived from any of the aforementioned three categories, (ii) more than 30% of future capital expenditures allocated to any of the three aforementioned categories, (iii) have better than average emission metrics as identified by standardized Edison Electric Institute (EEI) reporting or the Sub-Investment Manager through proprietary ESG scorecards, or (iv) is developing innovative clean energy technologies that displace current technology and can be deployed at scale.

The Fund will not invest in companies deemed inconsistent with the Sub-Investment Manager’s responsible Investment guidelines (“**Responsible Investment Guidelines**”) as determined by the Sub-Investment Manager’s responsible investment committee (“**Responsible Investment**

**Committee**). Please refer to the Sub-Investment Manager's responsible investment policy ("**Responsible Investment Policy**") at <https://www.dpimc.com/about#our-approach-to-responsible-investing> which outlines the Sub-Investment Manager's Responsible Investment Guidelines. Further, the Fund will not invest in companies that derive revenues from tobacco production, biological or chemical weapons, alcohol production, or adult entertainment.

The Sub-Investment Manager's focused stock-picking methodology is reflected in a high-conviction portfolio. The Sub-Investment Manager will generally seek to hold between 30 to 40 positions. However, this is indicative only and does not constitute an investment restriction by which the Sub-Investment Manager will be bound.

The Fund is actively managed in reference to the Comparator Benchmark for performance comparison purposes. It is considered by the Directors to be an appropriate index for the Fund as its constituents are aligned with the investment universe of the Fund.

In addition to the Fund's principal Clean Energy Securities investment strategy, the Fund may also invest in cash, cash equivalents or money market instruments, such as repurchase agreements, and money market funds. Although the Fund invests primarily in equity securities, the Sub-Investment Manager may seek to implement the Fund's investment strategy through investments in other CIS including exchange traded funds ("**ETFs**").

The Fund may invest up to 10% of its net assets in such other CIS, subject to the investment restrictions set out in the Prospectus and the limitations contained in Regulation 68 of the UCITS Regulations. Such CIS will have investment policies consistent with the investment policies of the Fund and the investment restrictions.

The Fund may use repurchase agreements in accordance with the requirements of the Central Bank UCITS Regulations. The use of repurchase agreements is more particularly described under the headings "**Efficient Portfolio Management**" below and in the Prospectus and will at all times be in accordance with the conditions and limits laid down by the Central Bank from time to time.

If deemed appropriate, the Fund may take a defensive investment strategy and move all or a substantial portion of the portfolio to cash or short-term Money Market Instruments including obligations of the U.S. Government, high-quality commercial paper, certificates of deposit, bankers' acceptances and bank interest-bearing demand accounts. For example, a defensive investment strategy may be warranted in exceptional market conditions, such as a market crash or major crisis which, in the reasonable opinion of the Sub-Investment Manager would be likely to have a significant detrimental effect on the performance of the Fund, under which circumstances, a reasonable investment advisor may invest in such a manner.

With the exception of permitted investment in unlisted securities and in CIS, investment by the Fund in securities is restricted to securities listed or dealt in on the Recognised Markets listed in the Prospectus.

#### *Efficient Portfolio Management*

The Sub-Investment Manager may enter into forward foreign currency contracts, currency futures or spot contracts for hedging purposes to reduce the Fund's risk exposure to adverse fluctuations in currency exchange rates. Any such exposure gained will comply with the Central Bank UCITS Regulations and the relevant Central Bank guidance. FDIs will only be used by the Fund for EPM purposes. The use of such instruments is more particularly described in the section "**Efficient Portfolio Management**" of the Prospectus and will, at all times, be in accordance with the conditions and limits laid down by the Central Bank from time to time.

The Fund may not be leveraged through the use of FDIs, i.e. its total exposure, including but not limited to, its exposure from the use of any derivative instruments, must not exceed the total Net Asset Value of the Fund.

### **ESG and Sustainable Investments Integration**

The Sub-Investment Manager has determined that the Fund is an Article 8 product pursuant to SFDR.

The Fund promotes environmental and social characteristics by investing in companies that operate within the clean energy sector and that are, in the opinion of the Sub-Investment Manager, leaders as clean energy producers, technology and equipment providers, and transmission and distribution companies. The companies invested in include but are not limited to alternative energy producers (biofuel, biomass, hydro, solar, wind), clean water equipment, water scarcity, carbon capture, and renewable energy and clean water distribution. The provision of clean energy products, technology, and services is, in the opinion of the Sub-Investment Manager, a benefit to the environment and society.

For the purposes of identifying superior clean energy companies, the Sub-Investment Manager integrates an analysis of such companies' ESG metrics into its in-depth business analysis of the companies. The Sub-Investment Manager carries out its own assessment, and the ongoing monitoring, of the environmental performance and Sustainability Risks of companies in which it invests, based on the Sub-Investment Manager's Responsible Investment Guidelines, its own research and knowledge of the companies, public information, and information (including specialised ESG information) and ratings from external data providers ("**Data Providers**"). The Sub-Investment Manager may consider any ESG factors that may influence Sustainability Risks and rewards of companies under consideration as an element of its investment research and decision-making processes for the Fund. Further, any consideration of ESG factors will be within the context of the Sub-Investment Manager's overall investment research and evaluation of whether such factors are relevant and financially material to a particular investment opportunity.

The Sub-Investment Manager also assesses the governance practices and governance performance of the companies in which it invests. This assessment is based on the Sub-Investment Manager's own research and knowledge of the company based on its direct interactions with companies, its analysis of the financial statements and related materials of companies, and information including specialised governance information and ratings from at least one Data Provider in order to satisfy itself that the relevant issuers follow good governance practices. Such factors may include but are not limited to, level of ESG integration and oversight, management of Sustainability Risks, compliance with relevant laws and regulations, business integrity/ethical standards, independence, transparency, diversity and inclusion, and alignment with shareholder interests.

The Sub-Investment Manager monitors the ESG characteristics outlined above on a regular basis through both its own ongoing research and monitoring of portfolio companies as well as through the use of research and ratings from Data Providers.

While the Sub-Investment Manager takes into account Sustainability Risks and sustainability factors in its investment management activity, it currently does not consistently evaluate the adverse impacts of investment decisions made on a uniform set of sustainability factors with respect to the Fund given the investment strategy of the Fund. The decision whether to consider adverse impacts of investment decisions on sustainability factors will be reviewed periodically.

The Technical Screening Criteria ("**TSC**") of the Taxonomy Regulation have been published in respect of only the first two Taxonomy Regulation environmental objectives of climate change mitigation and climate change adaptation and have applied from 1 January 2022. The TSC for the other four Taxonomy Regulation environmental objectives have not yet been developed. The Fund has zero exposure to taxonomy-aligned investments.

The “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Investment and Borrowing Restrictions**

The general investment restrictions as set out in the “INVESTMENT RESTRICTIONS” section of the Prospectus shall apply.

The Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

### **Base Currency**

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

### **Profile of a Typical Investor**

An investment in the Fund is suitable for investors seeking capital appreciation and that are prepared to accept a moderate to high level of volatility. Investors should be prepared to maintain a long-term investment in the Fund.

### **Comparator Benchmark**

The Fund uses the Comparator Benchmark to compare the performance of the Fund against, but it is not used to constrain portfolio composition or as a target for the performance of the Fund.

### **Notices Regarding Index Data**

Neither S&P nor any other party involved in or related to compiling, computing or creating the S&P data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall S&P, any of its affiliates or third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the S&P data is permitted without S&P’s express written consent.

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## **SUB-INVESTMENT MANAGER**

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The Investment Manager has appointed Duff & Phelps Investment Management Co as Sub-Investment Manager in respect of the Fund. The Sub-Investment Manager is a corporation organised in the state of Illinois, is registered as an Investment Adviser with the SEC in the U.S. and is an affiliate of the Investment Manager.

The Sub-Investment Manager’s principal address is 200 S. Wacker Drive, Suite 500, Chicago, IL 60606, USA.

The Sub-Investment Manager provides investment services and manages investment advisory accounts for charitable organizations and endowments, professional and religious organizations, corporations and other commercial entities, pension and profit-sharing plans, insurers, banks and

thrifts and family offices. It also provides portfolio investment management services as a sub-adviser to registered investment companies and private and institutional clients.

An agreement is in place between the Investment Manager and the Sub-Investment Manager in respect of the management of the Fund.

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## RISK FACTORS

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Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “RISK FACTORS” section of the Prospectus and below.

These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisors before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

### **Clean Energy Industry Risk.**

The risks of investing in the clean energy industry include the risks of focusing investments in the utilities, industrials, technology and energy sectors, and adverse developments in these sectors may significantly affect the value of the Shares. Securities of companies in the clean energy industry are subject to swift price and supply fluctuations caused by events relating to international politics, the success of project development and tax and other governmental regulatory policies. Weak demand for a clean energy company’s products or services, or for clean energy products, services or technology in general, may adversely affect the Fund’s performance. Obsolescence of existing technology, short product cycles, falling prices and profits, the supply of, and demand for, oil and gas, the price of oil and gas, competition from new market entrants and general economic conditions can significantly affect the clean energy industry. The clean energy industry is an emerging growth industry, and therefore securities of such companies may be more volatile and, historically, have been more volatile than securities of companies operating in other, more established, industries. In addition, certain methods used to value clean energy companies, particularly those that have not yet traded profitably, have not been in widespread use for a significant period of time. As a result, the use of these valuation methods may serve to further increase the volatility of the prices of clean energy company securities.

**Foreign Investments Risk.** Investing in foreign securities subjects the fund to additional risks such as increased volatility; currency fluctuations; less liquidity; less publicly available information about the foreign investment; and political, regulatory, economic, and market risk.

### **Concentration Risk.**

A fund concentrated in an industry or group of industries is likely to present more risks than a fund that is broadly diversified over several industries or groups of industries. Compared to the broad market, an individual industry may be more strongly affected by changes in the economic climate, broad market shifts, moves in a particular dominant stock or regulatory changes.

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## SUBSCRIPTIONS

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### **How to Purchase Shares**

Details of the Classes available and the relevant class currency, minimum initial subscription amount minimum subsequent investment amount and any relevant Initial Offer Period and Initial Offer Price are set out below under “Share Class Information”.

### *Initial Offer Period*

The Initial Offer Period for all Classes is open and shall close on the earlier of (i) the first investment by a Shareholder in that Class or (ii) 4.00 PM (New York time) on 25 August 2023.

### *Subscriptions Following the Initial Offer Period*

Following the close of the Initial Offer Period, an Applicant may apply to subscribe for Shares in respect of each Dealing Day at the subscription price per Share calculated as at the Valuation Point in respect of the relevant Dealing Day.

Application Forms, duly completed in accordance with the instructions set out in the Application Form and the section “SHARE DEALINGS: Subscription for Shares – *Purchases of Shares*” in the Prospectus must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day or, in exceptional circumstances, such later time or date as the Directors shall determine, provided the Application Form is received before the Valuation Point.

Any Application Form sent by facsimile or other electronic means (as the Directors and the Administrator may approve in accordance with the requirements of the Central Bank) must be confirmed promptly by receipt of a signed original Application Form and supporting anti-money laundering documentation.

Further details in relation to the procedure for subscriptions are set out in the section “SHARE DEALINGS Subscription for Shares – *Purchases of Shares*” in the Prospectus.

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## **REDEMPTIONS**

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### **How to Redeem Shares**

Shares may be redeemed at the Redemption Price Per Share on a Dealing Day by contacting the Administrator or the Distributor for onward transmission to Administrator so that a signed redemption request (in writing, by fax, or such other electronic means agreed by the Administrator and in accordance with the requirements of the Central Bank) is received by the Administrator no later than the Dealing Deadline.

In the case of faxed or other electronic redemption requests, payment will only be made to the account of record.

Redemption requests received by the Administrator subsequent to the Dealing Deadline shall be effective on the next succeeding Dealing Day.

All payments of redemption monies shall normally be made within 3 Business Days of the relevant Dealing Day but in any event within 10 Business Days of the Dealing Deadline on which the redemption request is made. The redemption proceeds shall be made by telegraphic transfer at the Shareholder’s expense to the Shareholder’s bank account, details of which shall be set out by the Shareholder to the Administrator in the Application Form. Redemption proceeds cannot be released until the Application Form (in the form of a signed original or as may have been received by the Administrator by such other electronic means (including applications made via a Clearing System) and as the Directors and the Administrator shall have approved) and all documents required in connection with the obligation to prevent money laundering have been received by the Administrator and all anti-money laundering procedures have been completed.

Further details in relation to the procedure for subscriptions are set out in the section “SHARE DEALINGS: Redemption of Shares” in the Prospectus.

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**SHARE CLASS INFORMATION**

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<b>Class</b>	<b>Currency</b>	<b>Investment Management Fee</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Subsequent Subscription</b>	<b>Initial Offer Price</b>
A	USD	1.80%	USD 5,000	USD 1,000	USD 10
A	EUR	1.80%	EUR 5,000	EUR 1,000	EUR 10
A	GBP	1.80%	GBP 5,000	GBP 1,000	GBP 10
A	NOK	1.80%	NOK 5,000	NOK 1,000	NOK 10
A	DKK	1.80%	DKK 5,000	DKK 1,000	DKK 10
A	SEK	1.80%	SEK 5,000	SEK 1,000	SEK 10
A	CHF	1.80%	CHF 5,000	CHF 1,000	CHF 10
A	ZAR	1.80%	ZAR 5,000	ZAR 1,000	ZAR 10
A	SGD	1.80%	SGD 5,000	SGD 1,000	SGD 10
A	HKD	1.80%	HKD 5,000	HKD 1,000	HKD 10
A	JPY	1.80%	JPY 5,000	JPY 1,000	JPY 10
A	AUD	1.80%	AUD 5,000	AUD 1,000	AUD 10
C	USD	1.90%	USD 5,000	USD 1,000	USD 10
C	EUR	1.90%	EUR 5,000	EUR 1,000	EUR 10
C	GBP	1.90%	GBP 5,000	GBP 1,000	GBP 10
C	NOK	1.90%	NOK 5,000	NOK 1,000	NOK 10
C	DKK	1.90%	DKK 5,000	DKK 1,000	DKK 10
C	SEK	1.90%	SEK 5,000	SEK 1,000	SEK 10
C	CHF	1.90%	CHF 5,000	CHF 1,000	CHF 10
C	ZAR	1.90%	ZAR 5,000	ZAR 1,000	ZAR 10
C	SGD	1.90%	SGD 5,000	SGD 1,000	SGD 10
C	HKD	1.90%	HKD 5,000	HKD 1,000	HKD 10
C	JPY	1.90%	JPY 5,000	JPY 1,000	JPY 10

C	AUD	1.90%	AUD 5,000	AUD 1,000	AUD 10
R	USD	0.90%	USD 5,000	USD 1,000	USD 10
R	EUR	0.90%	EUR 5,000	EUR 1,000	EUR 10
R	GBP	0.90%	GBP 5,000	GBP 1,000	GBP 10
R	NOK	0.90%	NOK 5,000	NOK 1,000	NOK10
R	DKK	0.90%	DKK 5,000	DKK 1,000	DKK 10
R	SEK	0.90%	SEK 5,000	SEK 1,000	SEK 10
R	CHF	0.90%	CHF 5,000	CHF 1,000	CHF 10
R	ZAR	0.90%	ZAR 5,000	ZAR 1,000	ZAR 10
R	SGD	0.90%	SGD 5,000	SGD 1,000	SGD 10
R	HKD	0.90%	HKD 5,000	HKD 1,000	HKD 10
R	JPY	0.90%	JPY 5,000	JPY1,000	JPY 10
R	AUD	0.90%	AUD 5,000	AUD 1,000	AUD 10
I	USD	0.80%	USD 1,000,000	USD 250,000	USD 10
I	EUR	0.80%	EUR 1,000,000	EUR 250,000	EUR 10
I	GBP	0.80%	GBP 1,000,000	GBP 250,000	GBP 10
I	NOK	0.80%	NOK 1,000,000	NOK 250,000	NOK 10
I	DKK	0.80%	DKK 1,000,000	DKK 250,000	DKK 10
I	SEK	0.80%	SEK 1,000,000	SEK 250,000	SEK 10
I	CHF	0.80%	CHF 1,000,000	CHF 250,000	CHF 10
I	ZAR	0.80%	ZAR 1,000,000	ZAR 250,000	ZAR 10
I	SGD	0.80%	SGD 1,000,000	SGD 250,000	SGD 10
I	HKD	0.80%	HKD 1,000,000	HKD 250,000	HKD 10
I	JPY	0.80%	JPY 1,000,000	JPY 250,000	JPY 10
I	AUD	0.80%	AUD 1,000,000	AUD 250,000	AUD 10

Each Class listed within the above table (“**Class Table**”) has both an Income Class and an Accumulating Class.

Please refer to the sub-section entitled “**Charges and Service Fees**” of the Supplement for additional fees and expenses associated with the Classes.

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## INCOME PAYMENT POLICY

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The Directors intend to make payments of Income to investors of the Fund from the profits attributable in respect of the USD Income Class A Shares, EUR Income Class A Shares, GBP Income Class A Shares, NOK Income Class A Shares, DKK Income Class A Shares, SEK Income Class A Shares, CHF Income Class A Shares, ZAR Income Class A Shares, SGD Income Class A Shares, HKD Income Class A Shares, JPY Income Class A Shares, AUD Income Class A Shares, USD Income Class C Shares, EUR Income Class C Shares, GBP Income Class C Shares, NOK Income Class C Shares, DKK Income Class C Shares, SEK Income Class C Shares, CHF Income Class C Shares, ZAR Income Class C Shares, SGD Income Class C Shares, HKD Income Class C Shares, JPY Income Class C Shares, AUD Income Class C Shares, USD Income Class R Shares, EUR Income Class R Shares, GBP Income Class R Shares, NOK Income Class R Shares, DKK Income Class R Shares, SEK Income Class R Shares, CHF Income Class R Shares, ZAR Income Class R Shares, SGD Income Class R Shares, HKD Income Class R Shares, JPY Income Class R Shares, AUD Income Class R Shares, USD Income Class I Shares, EUR Income Class I Shares, GBP Income Class I Shares, NOK Income Class I Shares, DKK Income Class I Shares, SEK Income Class I Shares, CHF Income Class I Shares, ZAR Income Class I Shares, SGD Income Class I Shares, HKD Income Class I Shares, JPY Income Class I Shares and AUD Income Class I Shares. Income may be payable out of the net income of such Classes (consisting of all revenue accrued including interest and dividends) less expenses attributable to the relevant Class of the Fund. Income will generally be payable in respect of those Classes within 4 months of the financial year end in accordance with the terms of the Prospectus.

Income Payments so distributed will automatically be reinvested in additional Shares in the relevant Class, free of charge unless investors elect to receive Income Payments in cash, such election to be made at each Shareholder’s sole discretion and notified to the ICAV in which case Income Payments will be paid to the account of record for the relevant Shareholder. The Income Payments will be made to the Shareholders in the Base Currency of the Fund.

The amount of Income paid on each class of Shares will be in accordance with the different entitlements of each class to tax benefits under applicable tax treaties.

The Directors do not currently intend to declare or pay Income earned by the Fund on the USD Accumulating Class A Shares, EUR Accumulating Class A Shares, GBP Accumulating Class A Shares, NOK Accumulating Class A Shares, DKK Accumulating Class A Shares, SEK Accumulating Class A Shares, CHF Accumulating Class A Shares, ZAR Accumulating Class A Shares, SGD Accumulating Class A Shares, HKD Accumulating Class A Shares, JPY Accumulating Class A Shares, AUD Accumulating Class A Shares, USD Accumulating Class C Shares, EUR Accumulating Class C Shares, GBP Accumulating Class C Shares, NOK Accumulating Class C Shares, DKK Accumulating Class C Shares, SEK Accumulating Class C Shares, CHF Accumulating Class C Shares, ZAR Accumulating Class C Shares, SGD Accumulating Class C Shares, HKD Accumulating Class C Shares, JPY Accumulating Class C Shares, AUD Accumulating Class C Shares, USD Accumulating Class R Shares, EUR Accumulating Class R Shares, GBP Accumulating Class R Shares, NOK Accumulating Class R Shares, DKK Accumulating Class R Shares, SEK Accumulating Class R Shares, CHF Accumulating Class R Shares, ZAR Accumulating Class R Shares, SGD Accumulating Class R Shares, HKD Accumulating Class R Shares, JPY Accumulating Class R Shares, AUD Accumulating Class R Shares, USD Accumulating Class I Shares, EUR Accumulating Class I Shares, GBP Accumulating Class I Shares, NOK Accumulating Class I Shares, DKK Accumulating Class I Shares, SEK Accumulating Class I

Shares, CHF Accumulating Class I Shares, ZAR Accumulating Class I Shares, SGD Accumulating Class I Shares, HKD Accumulating Class I Shares, JPY Accumulating Class I Shares, AUD Accumulating Class I Shares and any Income will be reinvested and reflected in the value of those Classes. In the event of a change of the Income policy with respect to these Classes, full details will be disclosed in an updated Supplement and Shareholders will be notified in advance.

See the section entitled “Income Policy” in the Prospectus for further details.

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## FEES AND EXPENSES

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**The Fund shall bear its attributable portion of the fees and operating expenses of the ICAV. The fees and operating expenses of the ICAV are set out in the section “FEES AND EXPENSES” in the Prospectus.**

### **Establishment Costs**

The expenses incurred in the establishment of the Fund were \$75,000. These fees will be amortised over the first 3 financial years of the Fund in accordance with the provisions of the Prospectus.

### **Management Fee**

The Manager will be entitled to the following management fee payable out of the assets of the Fund in relation the Shares as follows:

A management fee calculated by the Administrator accruing at each Valuation Point and payable quarterly in arrears at a rate of 0.025% per annum of the Net Asset Value of the ICAV subject to a minimum fee of €50,000 per annum (exclusive of VAT) plus reasonable vouched out of pocket expenses (the “**Management Fee**”).

### **Expense Limitation**

The Investment Manager has currently voluntarily undertaken to limit the aggregate annual ordinary expenses of the Fund’s Classes, including but not limited to Depositary, Administrator, Investment Management and other expenses as set out in the section “FEES AND EXPENSES” in the Prospectus, as follows:

<b>Share Class</b>	<b>Expense Limitation</b>
A	2.00% of the Net Asset Value of the Class
C	2.10% of the Net Asset Value of the Class
I	1.00% of the Net Asset Value of the Class
R	1.10% of the Net Asset Value of the Class

The Investment Manager may terminate or modify any such voluntary undertaking at any time at its sole discretion upon advance notice to the Shareholders.

## **Charges and Service Fees**

### *Sales Charges*

Class A Shares will be subject to a Sales Charge of up to 5% of the amount subscribed.

### *CDSC*

Where Class C Shares are redeemed within 12 months of subscription, they are subject to a CDSC of 1% of the amount subscribed. The CDSC will be multiplied by the amount redeemed or the initial cost of the shares being redeemed, whichever is less. No CDSC will be imposed on increases in the Net Asset Value per Class C Shares or on Class C Shares purchased through the reinvestment of dividends. To calculate the number of Class C Shares owned and time period held, all relevant Class C Shares are considered purchased on the trade date.

## **Investment Management Fee**

The Investment Manager will be entitled to the investment management fee (the “**Investment Management Fee**”) payable out of the assets of the Fund in relation the Shares as set out in the Share Class Information table above. The Investment Management Fee is calculated by the Administrator accruing at each Valuation Point and payable monthly in arrears at the rates set out in the Class Table. The Investment Manager may, at its discretion, waive the whole or part of the Investment Management Fee.

The Investment Manager will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Investment Manager. For avoidance of doubt, this will include any fees and expenses incurred by the Investment Manager in respect of their attendance at board meetings of the Fund.

The Investment Manager will pay part of its Investment Management Fee to the Sub-Investment Manager. The Sub-Investment Manager is not paid directly out of the assets of the Fund.

## **Administration Fees**

The Administrator will be entitled to receive, out of the assets of the Fund the greater of an annual fee which will not exceed 0.04% of the Net Asset Value of the Fund or a minimum administration fee of up to US\$35,000 per annum on an aggregate basis (plus VAT, if any), together with transaction charges at normal commercial rates and reasonable out-of-pocket expenses incurred by the Administrator in the performance of its duties. These fees shall accrue and be calculated daily and shall be payable monthly in arrears.

## **Depositary Fees**

The Depositary will be entitled to receive, out of the assets of the Fund, the greater of an annual fee in respect of custodial services which will not exceed 0.02% per annum of the Net Asset Value of the relevant Fund or a minimum fee of up to US\$28,750 per annum on an aggregate basis (plus VAT, if any), together with reasonable expenses incurred by the Depositary in the performance of its duties as depositary of the Company. This fee shall accrue and be calculated daily and shall be payable monthly in arrears.

The Depositary shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses incurred by the Depositary in the performance of its duties under the Depositary Agreement.

### **Other fees and expenses**

The ICAV will also reimburse the Investment Manager and the Manager for its reasonable out-of-pocket expenses incurred by the Investment Manager and the Manager. Such out-of-pocket expenses may include the preparation of portfolio reports provided that they are charged at normal commercial rates and incurred by the Investment Manager in the performance of its duties under the Investment Management Agreement.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to pay rebates/retrocessions to some or all Shareholders or to the ICAV out of the Investment Management Fee that it receives.

All fees payable to the Investment Manager will be paid in the Base Currency of the Fund. The Fund shall bear the cost of any Irish value added tax applicable to any amount payable to the Investment Manager.

The other fees and expenses of the ICAV and the Fund are set out in the Prospectus under the heading “Fees and Expenses”.

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### **INCOME POLICY**

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Accumulating Classes of the Fund will not declare a distribution and any net income and realised and unrealised gains net of realised and unrealised losses attributable to such Classes will be accumulated in the Net Asset Value per Share of that Class.

Income Classes of the Fund will make distributions monthly. The amount available for distribution shall be the net income (whether in the form of dividends, interest or otherwise). The Fund will also make distribution out of net realised gains (i.e. realised gains net of realised losses) at least annually. Shareholders in Income Classes may, as set out in the Application Form, choose to automatically re-invest distributions into the Fund. If automatic re-investment is not elected, income proceeds will be paid in accordance with the section “INCOME POLICY” in the Prospectus.

Further details in relation to distributions are set out in the section “INCOME POLICY” in the Prospectus.



Brussels, 6.4.2022  
C(2022) 1931 final

ANNEX 2

## ANNEX

*to the*

**Commission Delegated Regulation (EU) .../....**

**supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports**

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Product name: Virtus GF Clean Energy Fund

Legal entity identifier: [complete]

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**    **No**

<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b>: ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: ___%</p>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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**What environmental and/or social characteristics are promoted by this financial product?**

The Strategy promotes environmental characteristics by investing in companies that operate within the clean energy sector and in the opinion of the Sub-Investment Manager to be the leaders in clean energy producers, technology and equipment providers, and transmission and distribution companies. This includes but is not limited to: alternative energy producers (biofuel, biomass, hydro, solar, wind), clean water equipment, water scarcity, carbon capture, and renewable energy and clean water distribution. The provision of clean energy products, technology, and services is, in the opinion of the Sub-Investment Manager, a benefit to the environment and society.

The Fund has not designated a reference benchmark for the purpose of attaining the environmental and social characteristics that it promotes.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Sub-Investment Manager identifies clean energy companies that operate in the energy, industrials, technology, and utilities sectors and integrates an analysis of such companies' Environmental, Social and Governance ("ESG") performance into its investment analysis and investment decisions. The Sub-Investment Manager carries out its own assessment of the environmental performance and risks of companies in which it invests, based on the Firm's Responsible Investment Guidelines, its own research and knowledge of the companies, public information, and information (including specialised ESG information) and ratings from external data providers ("Data Providers").

The Sub-Investment Manager may consider any ESG indicators that may influence risks and rewards of companies under consideration as an element of its investment research and decision-making processes for the Fund. Further, any consideration of ESG indicators will be within the context of the Sub-Investment Manager's overall investment research and evaluation of whether such indicators are relevant and financially material to a particular investment opportunity. For example, the Sub-Investment Manager use the following types of ESG indicators:-

Environmental

- Carbon emissions - CO2 metric ton/MWhr
- Environmental incidents

Social

- Social Impact Objectives
- Health & Safety – Policies and procedures

Governance

- Board of Directors - % independent
- Shareholder rights

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Firm's Responsible Investment Guidelines prohibit investments in all companies that derive revenues from tobacco production, biological or chemical weapons, alcohol production, or adult entertainment, as determined by the Sub-Investment Manager's Responsible Investment Committee.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

N/A

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective**

N/A

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A



*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### Does this financial product consider principal adverse impacts on sustainability factors?

Yes, \_\_\_\_\_

**No**

### What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund invests in companies that operate in clean energy sector and, in the opinion of the Sub-Investment Manager, are leaders in clean energy producers, technology and equipment providers, and transmission and distribution companies. In seeking Clean Energy Securities, the Sub-Investment Managers makes its investment decisions based on a range of factors including but not limited to clean energy eligibility, business model suitability, and long-term sustainability (including environmental, social, and governance factors). The Sub-Investment Manager focuses on companies involved in one or more of the three clean energy business segments discussed above (*i.e.*, production of clean energy, provision of clean energy technology and equipment, and/or transmission and distribution of clean energy).

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

#### ● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The strategy cannot investment in companies deemed inconsistent with with the Firm’s Responsible Investment Guidelines, including companies that derive revenues from tobacco production, biological or chemical weapons, alcohol production, or adult entertainment.

The Fund generally invests in companies that operate within the utilities, industrials, technology, and energy sectors that are involved in clean and sustainable energy, including but not limited to, clean energy producers, clean energy technology and equipment providers, and clean transmission and distribution providers. For these purposes, the Sub-Investment Manager considers a Clean Energy Security as those that derive at least 50% of their value from one or more of the following clean energy businesses: (a) the production of clean energy (*e.g.*, biofuel, biomass, hydroelectricity, solar energy, wind energy, and battery storage, among others); (b) the provision of clean energy technology and equipment; or (c) the transmission and distribution of clean energy. In determining whether a company derives at least 50% of its value from clean energy businesses, the Sub-Investment Manager evaluates a range of factors including, but not limited to, clean energy eligibility, business model suitability, long-term sustainability, and ESG performance and risks.

The Sub-Investment Manager carries out its own assessment of the environmental, social, and governance performance and risks of companies in which it invests, using its own research

and knowledge of the companies, public information, and information (including specialised ESG information) and ratings from Data Providers. Any consideration of ESG factors will be within the context of the Sub-Investment Manager's overall investment research and evaluation of whether such factors are relevant and financially material to a particular investment opportunity.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate.

● **What is the policy to assess good governance practices of the investee companies?**

The Sub-Investment Manager looks for sound governance practices and the quality of company management and board of directors. Good governance practices are assessed by analyzing a number of factors. Such factors may include but are not limited to, level of ESG integration and oversight, management of risk, compliance with relevant laws and regulations, business integrity/ethical standards, independence, transparency, diversity and inclusion, and alignment with shareholder interests.

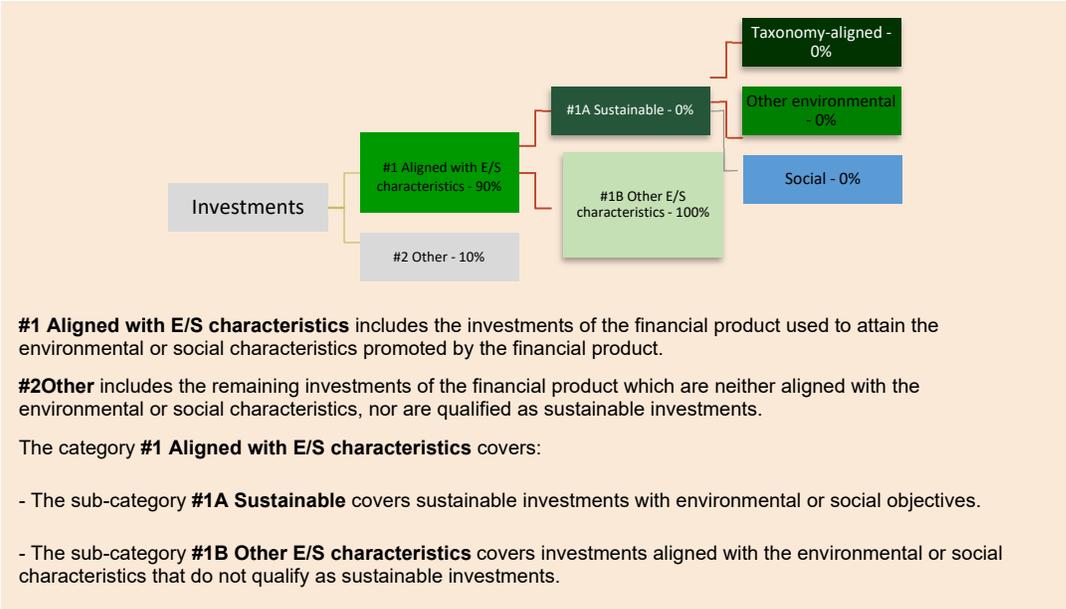
The Sub-Investment Manager carries out its own assessment of good governance practices of the companies in which it invests, using its own research and knowledge of the companies, public information, and information (including specialised ESG information) and ratings from Data Providers. The Sub-Investment Manager's policy to assess good governance practices is stated in the Responsible Investment Policy and the Sub-Investment Manager's policy for engagement on ESG issues ("**Engagement Policy**"). Please refer to the Responsible Investment Policy and the Engagement Policy at <https://www.dpimc.com/about#our-approach-to-responsible-investing> for further information. Additionally, good governance factors are integrated into the Sub-Investment Manager's proprietary ESG Scorecards which are regularly reviewed and updated.



**Asset allocation** describes the share of investments in specific assets.

**What is the asset allocation planned for this financial product?**

The Fund promotes environmental and social characteristics. The Fund is not aligned with EU taxonomy, does not make sustainable investments or have a sustainable investment objective. A minimum of 90% of the Fund's investments are aligned with promoting environmental and social characteristics, with a maximum 10% held in other collective investment schemes which may be UCITS or AIFs which are eligible for investment by UCITS in accordance with the UCITS Regulations (as defined in the Prospectus) and the requirements of the Central Bank of Ireland for acceptable investment by UCITS in other investment funds, for the purpose of obtaining exposure to money market rates of return through investments in money market funds; as well as cash, cash equivalents including money market funds, commercial paper, certificates of deposit, and other money market instruments including treasury bills and commercial bills for short-term cash management purposes.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

As outlined in the Prospectus in the section entitled "*Financial Derivative Instruments*", The Fund's use of financial derivative instruments (FDI) is to assist in managing the Fund's exposure to currency risk, and assist in mitigating net asset value fluctuations caused by fluctuations in currency markets to which the Fund is exposed. The Fund does not use FDI to attain the environmental and social characteristics it promotes.

 **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

N/A

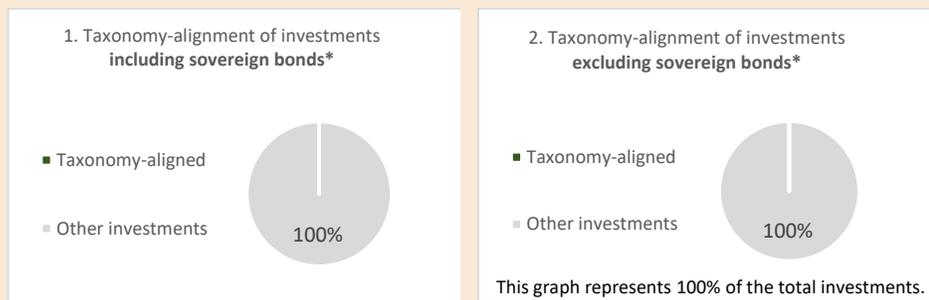
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

Yes, \_\_\_\_\_

In fossil gas  In nuclear energy

**No**

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

There is no minimum share of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A

**What is the minimum share of socially sustainable investments?**



N/A



## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The investments under "#2 Other" may include: investments in cash, cash equivalents including money market funds, commercial paper, certificates of deposit, and other money market instruments including treasury bills and commercial bills for temporary cash management purposes or pending investment or re-investment; and investments in other collective investment schemes which are regulated as UCITS or alternative investment funds (AIFs) which are eligible for investment by the Fund in accordance with the Central Bank's guidance on "UCITS acceptable investment in other investment Funds".

These investments are used as part of the overall risk management and liquidity management of the Fund. There are no minimum environmental or social safeguards for these investments.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A

- *How does the designated index differ from a relevant broad market index?*

N/A

- *Where can the methodology used for the calculation of the designated index be found?*

N/A

## Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://globalfunds.virtus.com/ucits>



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT, YOU SHOULD CONSULT YOUR STOCKBROKER OR OTHER FINANCIAL ADVISOR. The Directors of the ICAV, whose names appear in the Prospectus under the section “DIRECTORY”, accept responsibility for the information contained in this document.**

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## **SUPPLEMENT**

### **VIRTUS GF EMERGING MARKETS HIGH DIVIDEND FUND**

(a Fund of Virtus Global Funds ICAV, an open-ended Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between its Funds)

Supplement No. 4 dated 16 May 2023

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**This Supplement contains specific information in relation to the Virtus GF Emerging Markets High Dividend Fund (the “Fund”), a sub-fund of Virtus Global Funds ICAV. It forms part of and must be read in the context of and together with the Prospectus of the ICAV dated 28 February 2023.**

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

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

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## INTRODUCTION

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This Supplement comprises information relating to the Shares of the Fund to be issued in accordance with the Prospectus and this Supplement.

The Fund is currently offering the following Classes of Shares: Class A, C, I, and R Shares which shall be offered in USD, EUR, GBP, NOK, DKK, SEK, CHF, ZAR, SGD, HKD, JPY and AUD.

The general details set out in the Prospectus apply to the Fund save where otherwise stated in this Supplement. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.

The Fund is actively managed.

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## DEFINITIONS

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In this Supplement, the following words and phrases shall have the meanings indicated below:

<b>“Benchmark”</b>	the MSCI Emerging Markets Index.
<b>“Dealing Day”</b>	each Business Day or such Business Days(s) as the Directors may determine and notify in advance to Investors.
<b>“Dealing Deadline”</b>	4pm (Irish time) on the relevant Dealing Day although the Directors, in consultation with the Manager, may agree to accept applications after the Dealing Deadline, only in exceptional circumstances, provided such applications are received before the Valuation Point for the relevant Dealing Day.
<b>“Virtus Systematic”</b>	Virtus Systematic, a division of the Investment Manager.
<b>“Sustainability Risk”</b>	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 the investment. If a Sustainability Risk associated with an investment materializes, it could lead to the loss in value of an investment.
<b>“Valuation Point”</b>	4pm (New York time) on the relevant Dealing Day.

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## THE FUND

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### **Investment Objective**

The investment objective of the Fund is to achieve long-term capital appreciation.

### **Investment Policies**

Under normal circumstances, the Fund seeks to achieve its investment objective by primarily investing in securities of companies which are economically tied to Emerging Market Countries.

Virtus Systematic considers an Emerging Market Country as one which is less sophisticated than more developed markets in terms of participation of investors, analyst coverage, liquidity and/or regulation.

The Fund will primarily invest in Emerging Market Countries represented in the Benchmark and will seek to have exposure to at least 5 Emerging Market Countries. The Fund may invest a substantial portion of its assets in equity securities of companies located in PRC. Virtus Systematic will seek to construct a portfolio of securities of companies with a higher dividend yield than a typical security within an Emerging Market Country.

The Fund will seek to invest primarily in common stocks, either directly or indirectly through depositary receipts. In addition to common stocks, the equity securities in which the Fund may invest include, without limitation, preferred stocks, convertible securities and warrants. The Fund will only passively receive warrants as part of corporate actions. The Fund may invest in issuers of any market capitalisation, including smaller capitalisation companies. The Fund may invest up to 20% of its net assets in securities of non-Emerging Market Countries.

The Fund may invest up to 10% of its net assets in other CIS, subject to the investment restrictions set out in the Prospectus and the limitations contained in Regulation 68 of the Regulations. Such CIS will have investment policies consistent with the investment policies of the Fund and the investment restrictions.

If deemed appropriate, the Fund may take a defensive investment strategy and move all or a substantial portion of the portfolio to cash or short-term Money Market Instruments. For example, a defensive investment strategy may be warranted in exceptional market conditions, such as a market crash or major crisis which, in the reasonable opinion of Virtus Systematic would be likely to have a significant detrimental effect on the performance of the Fund, under which circumstances, a reasonable investment advisor would be expected to invest in such a manner.

With the exception of permitted investments in unlisted securities and in units or shares of other collective investment schemes, investment by the Fund in securities is restricted to securities listed or dealt in on the Recognised Markets listed in the Prospectus.

### *Investment Process*

Virtus Systematic seeks to invest in emerging market equities which they consider are benefiting from change that is not yet fully reflected in the market. Members of the portfolio management team within Virtus Systematic believe that behavioural biases of investors contribute to market inefficiencies. Virtus Systematics' quantitative investment process begins with a proprietary investment-return forecasting model (also referred to herein as the "**alpha model**") which combines behavioural factors (which seek to capitalize on human behavioural biases (i.e., systematic tendencies) from financial analysts, company management and investors), with intrinsic and valuation factors (which are expected to provide tangible measures of a company's true worth). Virtus Systematic integrates this multi-factor approach with a proprietary risk model to form the basis of portfolio construction, with constraints at the individual security, country and industry levels to manage exposures relative to the Benchmark.

Additionally, all investment recommendations are thoroughly vetted on an individual company level to confirm the investment rationale and suitability before a purchase or sale. Virtus Systematic may consider whether to sell a particular security based on its attractiveness in Virtus Systematics' alpha model, an increase in stock-specific risk, or because the stock is highly correlated with other stocks in the portfolio. The investment approach is quantitative in nature, therefore the majority of research is conducted to seek to improve the alpha model, risk model and portfolio construction process.

The Fund is actively managed in reference to the Benchmark for performance comparison, risk management and portfolio construction purposes. Virtus Systematic can build the portfolio at their discretion and, concerning the selection of equities and their weightings, is not bound to the Benchmark. Accordingly, the portfolio is expected to deviate from the Benchmark with regards to allocations. The Benchmark captures large and mid-cap representation across 24 Emerging Market Countries with 1,386 constituents, the Benchmark covers approximately 85% of the free float-adjusted market capitalization in each Emerging Market Country. The Benchmark rebalances on a semi-annual basis. The rebalancing frequency will have minimal impact on the transaction costs associated with the Fund as any rebalancing is not anticipated to require any higher frequency of position turnover in the Fund than would otherwise be the case were the Benchmark to be static. Any change to the Benchmark will be disclosed in the periodic reports of the Fund. Details relating to the Benchmark (including its constituents) are available on the index provider's website at <https://www.msci.com/our-solutions/indexes/emerging-markets> .

### *Investing in China*

The Fund may invest in certain eligible China A Shares through the Shanghai-Hong Kong Stock Connect Scheme and Shenzhen-Hong Kong Stock Connect Schemes (the “**Connect Schemes**”). The Connect Schemes are securities trading and clearing links programmes developed by, amongst others, The Stock Exchange of Hong Kong Limited (and the Shenzhen Stock Exchange in the case of the Shenzhen-Hong Kong Stock Connect Scheme) (“**SEHK**”), Shanghai Stock Exchange (“**SSE**”), Hong Kong Securities Clearing Company Limited (“**HKSCC**”) and China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”), with an aim of achieving mutual stock market access between mainland China and Hong Kong and Shenzhen. In the initial phase, the SSE-listed China A Shares eligible for trading by Hong Kong and overseas investors under the Connect Schemes include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on the SEHK, except the following:

- SSE-listed shares which are not traded in Chinese Renminbi (“**RMB**”); and
- SSE-listed shares which are included in the “risk alert board”.

The term “China A Shares” means domestic shares in the PRC incorporated companies listed on either the SSE or the Shenzhen Stock Exchange, the prices of which are quoted in RMB and which are available to such investors as approved by the China Securities Regulatory Commission (“**CSRC**”). In addition to those risk factors set out in relation to the PRC investment, a number of the key risks of investing in selective China A Shares listed on the SSE via the Connect Scheme are set out in the section entitled “Risk Factors”.

### *Efficient Portfolio Management*

The Fund may invest in futures, foreign currency exchange contracts, options and P-Notes for EPM purposes as are more particularly described in the Prospectus.

The Fund may also invest in equity-linked notes (“**ELNs**”) which may be used to gain market exposure or exposure to a particular asset class, typically in markets where direct investment is not possible or practical. ELNs' values are based on the price movements of a reference security or index. The value of these ELNs will rise and fall in response to changes in the reference security or index. On the maturity date of each ELN, the Fund will receive a payment from a counterparty based on the value of the referenced security (notional amount multiplied by price of the referenced security) and

record a realized gain or loss. ELNs may present a greater degree of market risk than many types of securities and may be more volatile and less liquid than less complex securities. These ELNs are also subject to default risk.

The aforementioned FDIs will at all times be in accordance with the conditions and limits laid down by the Central Bank from time to time. Virtus Systematics' use of FDIs seeks to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions, or to hedge against the value of securities held or markets to which the Fund is exposed.

The use of FDI entails certain risks to the Fund including those set out under "**Risk associated with FDI**" in the Prospectus.

The Fund will not be leveraged through the use of FDIs i.e., its total exposure, including but not limited to, its exposure from the use of any derivative instruments, must not exceed the total Net Asset Value of the Fund.

### **ESG and Sustainable Investments Integration**

Virtus Systematic has determined that the Fund is an Article 8 product pursuant to SFDR.

Through its investments, the Fund will seek to promote a broad range of environmental and/or social characteristics which include: carbon footprint, pollution / waste management, natural resource or raw material usage, usage or renewable energy, human and labor rights, privacy/data security and commitment to health and safety. The Fund portfolio is intended to provide broad exposure to Emerging Markets Countries that meet the Virtus Systematics' investment criteria while also providing a portfolio that promotes superior sustainable characteristics.

In its selection of securities, Virtus Systematic will use MSCI's ESG ratings ("**MSCI ESG Ratings**") as its primary sustainability indicator in measuring a company's management of financially relevant Sustainability Risks and/ or ESG opportunities. The MSCI ESG Ratings applies a rules-based methodology in order to identify industry leaders and laggards according to their exposure to ESG risks and their ability to manage those ESG risks relative to their peers. The MSCI ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). MSCI are a globally accepted leader within the ESG research space, with over 40 years of experience measuring and modelling ESG performance of companies which provides Virtus Systematic with wide coverage in its asset selection process. Virtus Systematic will typically not consider stocks which are deemed to have a Sustainability Risk by reference to the MSCI ESG Ratings at the time of purchase.

Virtus Systematic following its consideration of the MSCI ESG Ratings will seek to construct the Fund's portfolio so that it maintains a higher weighted ESG score in comparison to the weighted score of the Benchmark, ensuring the Fund has superior ESG characteristics than the broader market of securities from the Emerging Market Countries represented by the Benchmark. By virtue of its higher weighted ESG score relative to the Benchmark, the resulting portfolio of the Fund will support a number of ESG characteristics which may include, but are not limited to, the characteristics listed above: carbon footprint, pollution / waste management, natural resource or raw material usage, usage or renewable energy, human and labor rights, privacy/data security and commitment to health and safety.

While Virtus Systematic takes into account Sustainability Risks and sustainability factors in its investment management activity, it currently does not consistently evaluate the adverse impacts of investment decisions made on a uniform set of sustainability factors with respect to the Fund given the investment strategy of the Fund. The decision whether to consider adverse impacts of investment decisions on sustainability factors will be reviewed periodically.

The Technical Screening Criteria ("**TSC**") of the Taxonomy Regulation have been published in respect of only the first two Taxonomy Regulation environmental objectives of climate change mitigation and climate change adaption and have applied from 1 January 2022. The TSC for the other

four Taxonomy Regulation environmental objectives have not yet been developed. The Fund has zero exposure to taxonomy-aligned investments.

The “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Investment and Borrowing Restrictions**

The general investment restrictions as set out in the “INVESTMENT RESTRICTIONS” section of the Prospectus shall apply.

The Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

### **Base Currency**

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

### **Profile of a Typical Investor**

An investment in the Fund is suitable for investors seeking capital appreciation and that are prepared to accept a moderate to high level of volatility. Investors should be prepared to maintain a long-term investment in the Fund.

### **Benchmark**

The Fund uses the Benchmark to compare the performance of the Fund against, but it is not used to constrain portfolio composition or as a target for the performance of the Fund.

### **Notices Regarding Index Data**

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI’s express written consent.

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## **INVESTMENT MANAGER**

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Virtus Systematic is a division of the Investment Manager and specializes in differentiated investment solutions, strategies, and outcomes across asset classes, regions and securities. Virtus Systematic will be responsible for the portfolio management of the Fund on behalf of the Investment Manager.

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## **RISK FACTORS**

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Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “RISK FACTORS” section of the Prospectus.

The below investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisors before making an application for Shares.

There is no assurance that the Fund will achieve its investment objective and investors could lose part or all of their investment in the Fund. The Fund is designed primarily for investors seeking long-term capital appreciation from a fund that typically invests in US and foreign equity securities. Those investors should be willing to assume the currency, equity, foreign investing, market, and other material risks associated with the Fund’s investment strategy. The Fund is not designed for investors who need an assured level of income and is intended to be a long-term investment. The Fund is not a complete investment program and may not be appropriate for all investors. Investors should carefully consider their own investment goals and risk tolerance before investing in the Fund. The general risk factors set out in the “Risk Factors” section of the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund. These risk factors may not be a complete list of all risk factors associated with an investment in the Fund:

### **Focused Investment Risk**

To the extent that the Fund focuses its investments on a limited number of issuers, sectors, industries or geographic regions, it may be subject to increased risk and volatility.

### **China and Hong Kong Risk**

The PRC government exercises significant control over China’s economy through the allocation of resources, by controlling payment of foreign currency-denominated obligations, by setting monetary policy and by providing preferential treatment to particular industries or companies. For over three decades, the PRC government has been reforming economic and market practices and providing a larger sphere for private ownership of property. While currently contributing to growth and prosperity, these reforms could be altered or discontinued at any time. Military conflicts, either in response to internal social unrest or conflicts with other countries, could disrupt economic development. Territorial border disputes persist between China and several of its neighbouring countries. While economic relations with Japan have deepened, the political relationship between the two countries has become more strained in recent years, which could weaken economic ties. Development of the PRC economy is also vulnerable to developments on the Korean peninsula. Should political tension increase, or military actions be precipitated, it could adversely affect the economy and destabilise the region as a whole. There is also a greater risk involved in currency fluctuations, currency convertibility, interest rate fluctuations and higher rates of inflation. The PRC government also sometimes takes actions intended to increase or decrease the values of PRC stocks. The domestic consumer class in China is still emergent, while the economy’s dependence on exports may not be sustainable. China’s trade surplus with the United States has increased the risk of trade disputes, which could potentially have adverse effects on China’s management of its currency, as well as on some export-dependent sectors. Trade and other disputes between China and the United States have increasingly strained the political and diplomatic relationship with the two countries and could lead to a de-coupling of economic ties. Retaliatory political policies by and against China could have an adverse effect on the value of the Fund’s investments. Social cohesion in China is being tested by growing income inequality and larger scale environmental degradation. Social instability could threaten China’s political system and economic growth, which could decrease the value of the Fund’s investments.

### *PRC Political and Economic Risk*

China has implemented a series of economic reform programs emphasising the utilisation of market forces in the development of the PRC economy and a high level of management autonomy since 1978. Although China's economy has experienced significant growth in the past 20 years, growth has been uneven both geographically and among various sectors of the economy. However, there can be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. The PRC government may from time to time adopt corrective measures to control inflation and restrain the rate of economic growth, which may also have an adverse impact on the capital growth and performance of the Fund. Further, political changes, social instability and adverse diplomatic developments in China could result in the imposition of additional government restrictions including the expropriation of assets, confiscatory taxes or nationalisation of some or all of the investments held by the underlying securities in which the Fund may invest. Changes in the PRC government's policies could negatively affect the value of investments held by the Fund and consequently the Net Asset Value of such Fund or a Class.

### *PRC Accounting and Reporting Risk*

PRC companies are required to follow PRC accounting standards and practices, which only follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies may be less rigorous, and there may be significant differences between financial statements prepared in accordance with PRC accounting standards and practice and those prepared in accordance with international accounting standards. As the disclosure and regulatory standards in China are less stringent than in more developed markets, there might be substantially less publicly available information about issuers in China on which the Investment Manager can base investment decisions. Consequently, investors may not be provided the same degree of protection or information as would generally apply in developed countries and the Fund may be exposed to significant losses.

### *PRC Legal and Regulatory System Risk*

The PRC legal system is a complex legal system comprising written statutes, regulations, circulars, administrative directives, internal guidelines and their interpretation by the Supreme People's Court. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce taxation and trade. However, experience in the implementation, interpretation and enforcement of the laws and regulations and of commercial contracts, undertakings and commitments entered into is limited.

### *Nationalisation and Expropriation Risk*

The PRC government renounced various debt obligations and nationalised private assets without providing any form of compensation after the formation of the Chinese socialist state in 1949. The PRC government has recently adopted a more welcoming attitude towards foreign investment in China. However, there is no guarantee that the PRC government will not take similar actions in the future.

### *Hong Kong*

Since Hong Kong reverted to Chinese sovereignty in 1997, it has been governed by the Basic Law, a "quasi-constitution." The Basic Law guarantees a high degree of autonomy in certain matters until 2047, while defense and foreign affairs are the responsibility of the central government in Beijing. If China were to exert its authority so as to alter the economic, political or legal structures or the existing social policy of Hong Kong, investor and business confidence in Hong Kong could be negatively affected, which in turn could negatively affect markets and business performance and have an adverse effect on a Fund's investments. There is uncertainty as to whether China will continue to respect the relative independence of Hong Kong and refrain from exerting a tighter grip on Hong Kong's political, economic and social concerns. As of July 2020, the Chinese Standing Committee of the National

People's Congress enacted the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region. As of the same month, Hong Kong is no longer afforded preferential economic treatment by the United States under US law, and there is uncertainty as to how the economy of Hong Kong will be affected. As of the same date, Hong Kong is no longer afforded preferential economic treatment by the United States under US law, and there is uncertainty as to how the economy of Hong Kong will be affected. The economy of Hong Kong may be significantly affected by increasing competition from the emerging economies of Asia, including that of China itself. In addition, the Hong Kong dollar trades within a fixed trading band rate to (or is "pegged" to) the USD. This fixed exchange rate has contributed to the growth and stability of the Hong Kong economy. However, some market participants have questioned the continued viability of the currency peg. It is uncertain what effect any discontinuance of the currency peg and the establishment of an alternative exchange rate system would have on capital markets generally and the Hong Kong economy.

### **Stock Connect Risk**

Investors' attention is drawn to Schedule I. In addition to the risks relating to China above, other risks applicable to investments by a Fund using Stock Connect apply.

All Funds which can invest in China may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect program or the Shenzhen-Hong Kong Stock Connect program subject to any applicable regulatory limits. The Stock Connect programs are a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("**HKEx**"), HKSCC, the SSE and the Shenzhen Stock Exchange ("**SZSE**") (as relevant) and ChinaClear with an aim to achieve mutual stock market access between mainland China and Hong Kong. This program will allow foreign investors to trade certain SSE and SZSE listed China A-Shares through their Hong Kong based brokers. The Shanghai-Hong Kong Stock Connect program and the Shenzhen-Hong Kong Stock Connect program operate independently from each other with substantially similar regulatory framework and operating mechanism.

#### *General Risk*

The relevant regulations of the Stock Connect are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Fund. The programs require use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in both Hong Kong, and Shanghai and/or Shenzhen markets through the respective programs could be disrupted.

#### *Quota Limitations*

The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the daily quota drops to zero or is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Fund's ability to invest in China A-Shares through the Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment strategy.

#### *Taxation Risk*

Please refer to the section "**TAXATION: PRC Taxation**" below.

#### *Legal/Beneficial Ownership*

Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local central securities depositories, HKSCC and ChinaClear. HKSCC is the "nominee holder" of the securities acquired by foreign investors through the Stock Connect. While the CSRC Stock Connect rules expressly provide that investors enjoy the rights and benefits of the securities acquired through the Stock Connect in accordance with applicable laws, it is unclear how a beneficial owner investing through the Stock Connect would be

able to exercise and enforce its rights over such securities in the courts in China. HKSCC, as nominee holder, is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. Consequently, the courts may consider that any nominee or depositary as registered holder of the relevant Stock Connect securities would have full ownership thereof, and that those Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entity and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Fund and the Depositary cannot ensure that the Fund's ownership of these securities or title thereto is assured. To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Fund has no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Fund suffers losses resulting from the performance or insolvency of HKSCC. In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, the Fund may not fully recover its losses or its Stock Connect securities and the process of recovery could also be delayed.

#### *Voting Right and Corporate Actions*

Voting rights with respect to Stock Connect securities may only be exercised by giving voting instructions to HKSCC, who will then consolidate such instructions and submit them in the form of a combined single voting instruction to the relevant SSE/SZSE-listed company. Therefore, the Fund may not be able to exercise voting rights in respect of the underlying company in the same manner as in other markets.

#### *Clearing and Settlement Risk*

HKSCC and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the PRC securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission. In the event of a ChinaClear default, HKSCC's liabilities in SSE shares and SZSE shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear, but it is not obliged to do so. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation process, if available. In that event, the Fund may suffer delay in the recovery process and/or may not fully recover its losses from ChinaClear.

#### *Suspension Risk*

Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the Fund's ability to access the PRC market via the Stock Connect will be adversely affected.

#### *Differences in Trading Day*

The Stock Connect will only operate on days when both the Chinese and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Chinese market but the Fund cannot carry out any China A-Shares trading via the Stock Connect. The Fund may be subject to a risk

of price fluctuations in China A-Shares during the time when the Stock Connect is not trading as a result.

#### *Restrictions on Selling Imposed by Front-end Monitoring*

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Share sell orders of its participants (*i.e.*, the stock brokers) to ensure there is no over-selling. If a Fund intends to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its broker(s) before the market opens on the day of selling (“**trading day**”). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Fund may not be able to dispose of its holdings of China A-Shares in a timely manner.

#### *Operational Risk*

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SSE, SZSE or SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The Fund’s ability to access the China A-Share market (and hence to pursue its investment strategy) may be adversely affected.

#### *Regulatory Risk*

The Stock Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. Using the Stock Connect as a means of investment will result in trades being subject to additional restrictions to those usually traded directly on exchange, which may result in investments being subject to greater or more frequent rises and falls in value and the investments may be harder to liquidate. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators/stock exchanges in China and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. The Fund may be adversely affected as a result of such changes.

#### *Recalling of Eligible Stocks*

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Fund, for example, if the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

#### *No Protection by Investor Compensation Fund*

Investment in SSE or SZSE shares via the Stock Connect is conducted through brokers and is subject to the risks of default by such brokers’ in their obligations. For defaults occurring on or after 1 January 2020, the Hong Kong Investor Compensation Fund will cover the losses incurred by investors with respect to securities traded in a stock market operated by the SSE or SZSE and for which a buy or sell order may be directed through the Northbound Link of a Stock Connect agreement. The Hong Kong’s Investor Compensation Fund has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. However, as the Fund execute Northbound trades through securities brokers in Hong Kong rather than through securities brokers in

mainland China, such Northbound trades are not covered by the China Securities Investor Protection Fund.

## **FII Regulatory Risks**

The FII Regime, which allows QFIIs and/or RQFIIs to invest directly in certain securities in Mainland China, is governed by the FII Regulations, which include rules and regulations promulgated by the relevant authorities in Mainland China, including the China Securities Regulatory Commission (“CSRC”), the State Administration of Foreign Exchange (“SAFE”) and the People’s Bank of China (“PBOC”) and/or other relevant authorities. Investments through the FII regime are required to be made through holders of QFII and/or RQFII licence.

The Investment Manager has been granted a QFII licence by the CSRC. As the FII Regulations have a relatively short history and their application and interpretation remain relatively untested, there is uncertainty as to how they will be applied and interpreted by the PRC authorities or how regulators may exercise the wide discretionary powers given to them thereunder in the future. Any changes to the FII Regulations may have a material adverse impact on investors’ investment in a Fund.

Investors should be aware that under the FII Regulations the QFII status could be revoked or suspended or otherwise invalidated at any time by reason of a change in applicable law, regulations, policy, practice or other circumstances, an act or omission of the QFII licence holder or for any other reasons. If the QFII status is suspended or revoked or otherwise invalidated, the Fund may be required to dispose of their securities held through the QFII and may not be able to access the Chinese securities market via the QFII, which may have an adverse effect on the Fund’s performance.

Where a Fund invests in China A shares or other securities in the PRC through the FII Regime, such securities will be held by local custodian(s) (“**FII Custodian**”) appointed by the FII in accordance with FII Regulations. According to the current FII Regulations, an FII is allowed to appoint multiple local custodians. The FII Custodian may open one or more securities account(s) in the name of the QFII licence holder for the account of the Fund in accordance with PRC laws and a Fund may be subject to custodial risk. Should the FII Custodian default, the Fund may suffer losses. In the event of liquidation of the FII Custodian, investors should note that cash deposited in the cash account of the Fund with FII Custodian will not be segregated but will instead be a debt owed by the FII Custodian to the Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the FII Custodian. In such case, the Fund will not have any proprietary rights to the cash deposited in such cash account, and the Fund will become an unsecured creditor, ranking equally with all other unsecured creditors for such amount.

Repatriation of funds out of the PRC by the Investment Manager in respect of a Fund, currently monitored by SAFE, may be impacted by restrictions under the FII Regulations and may have a material adverse impact on a Fund’s performance and/or liquidity and impact on a Fund’s ability to meet redemption requests from the Shareholders. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager’s control. Shareholders should also note that there are rules and restrictions under FII Regulations, including rules on remittance of principal, investment restrictions and repatriation of funds which will apply to the QFII licence holder as a whole and not simply apply to the investment made for the account of a Fund. As parties other than a Fund may also invest through the QFII licence holder, investors should be aware that violations of the FII Regulations on investments arising out of activities of such other parties could result in the revocation of or other regulatory action in respect of the QFII licence holder as a whole. Hence, the ability of a Fund to make investments may be adversely affected by other funds or clients investing through the same QFII licence holder. Generally, these repatriation restrictions could result in the Fund being obliged to suspend dealings in a Fund temporarily, in accordance with the “Temporary Suspension of Valuation of the Shares and of Sales and Redemptions” section of the Prospectus so that a redeeming Shareholder may not be able to redeem on its chosen Dealing Day or may experience a delay in receiving the redemption proceeds.

## **Geographic Concentration Risk**

The value of the investments of a Fund that focuses its investments in a particular geographic location (e.g., the PRC) will be highly sensitive to financial, economic, political and other developments affecting the fiscal stability of that location, and conditions that negatively impact that location will have a greater impact on the Fund as compared with a fund that does not have its holdings similarly concentrated. Events negatively affecting such location are therefore likely to cause the value of the Fund's Shares to decrease, perhaps significantly.

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## **SUBSCRIPTIONS**

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### **How to Purchase Shares**

Details of the Classes available and the relevant class currency, minimum initial subscription amount minimum subsequent investment amount and any relevant Initial Offer Period and Initial Offer Price are set out below under "Share Class Information".

#### *Initial Offer Period*

The Initial Offer Period for all Classes shall close on the earlier of (i) the first investment by a Shareholder in that Class or (ii) 4.00 PM (New York time) on 15 November 2023.

#### *Subscriptions Following the Initial Offer Period*

Following the close of the Initial Offer Period, an Applicant may apply to subscribe for Shares in respect of each Dealing Day at the subscription price per Share calculated as at the Valuation Point in respect of the relevant Dealing Day.

Application Forms, duly completed in accordance with the instructions set out in the Application Form and the section "SHARE DEALINGS: Subscription for Shares – *Purchases of Shares*" in the Prospectus must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day or, in exceptional circumstances, such later time or date as the Directors shall determine, provided the Application Form is received before the Valuation Point.

Any Application Form sent by facsimile or other electronic means (as the Directors and the Administrator may approve in accordance with the requirements of the Central Bank) must be confirmed promptly by receipt of a signed original Application Form and supporting anti-money laundering documentation.

Further details in relation to the procedure for subscriptions are set out in the section "SHARE DEALINGS Subscription for Shares – *Purchases of Shares*" in the Prospectus.

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## **REDEMPTIONS**

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### **How to Redeem Shares**

Shares may be redeemed at the Redemption Price Per Share on a Dealing Day by contacting the Administrator or the Distributor for onward transmission to Administrator so that a signed redemption request (in writing, by fax, or such other electronic means agreed by the Administrator and in accordance with the requirements of the Central Bank) is received by the Administrator no later than the Dealing Deadline.

In the case of faxed or other electronic redemption requests, payment will only be made to the account of record.

Redemption requests received by the Administrator subsequent to the Dealing Deadline shall be effective on the next succeeding Dealing Day.

All payments of redemption monies shall normally be made within 3 Business Days of the relevant Dealing Day but in any event within 10 Business Days of the Dealing Deadline on which the redemption request is made. The redemption proceeds shall be made by telegraphic transfer at the Shareholder's expense to the Shareholder's bank account, details of which shall be set out by the Shareholder to the Administrator in the Application Form. Redemption proceeds cannot be released until the Application Form (in the form of a signed original or as may have been received by the Administrator by such other electronic means (including applications made via a Clearing System) and as the Directors and the Administrator shall have approved) and all documents required in connection with the obligation to prevent money laundering have been received by the Administrator and all anti-money laundering procedures have been completed.

Further details in relation to the procedure for subscriptions are set out in the section "SHARE DEALINGS: Redemption of Shares" in the Prospectus.

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### SHARE CLASS INFORMATION

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<b>Class</b>	<b>Currency</b>	<b>Investment Management Fee</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Subsequent Subscription</b>	<b>Initial Offer Price</b>
A	USD	1.85%	USD 5,000	USD 1,000	USD 10
A	EUR	1.85%	EUR 5,000	EUR 1,000	EUR 10
A	GBP	1.85%	GBP 5,000	GBP 1,000	GBP 10
A	NOK	1.85%	NOK 5,000	NOK 1,000	NOK 10
A	DKK	1.85%	DKK 5,000	DKK 1,000	DKK 10
A	SEK	1.85%	SEK 5,000	SEK 1,000	SEK 10
A	CHF	1.85%	CHF 5,000	CHF 1,000	CHF 10
A	ZAR	1.85%	ZAR 5,000	ZAR 1,000	ZAR 10
A	SGD	1.85%	SGD 5,000	SGD 1,000	SGD 10
A	HKD	1.85%	HKD 5,000	HKD 1,000	HKD 10
A	JPY	1.85%	JPY 5,000	JPY 1,000	JPY 10
A	AUD	1.85%	AUD 5,000	AUD 1,000	AUD 10
C	USD	1.95%	USD 5,000	USD 1,000	USD 10
C	EUR	1.95%	EUR 5,000	EUR 1,000	EUR 10
C	GBP	1.95%	GBP 5,000	GBP 1,000	GBP 10

C	NOK	1.95%	NOK 5,000	NOK 1,000	NOK 10
C	DKK	1.95%	DKK 5,000	DKK 1,000	DKK 10
C	SEK	1.95%	SEK 5,000	SEK 1,000	SEK 10
C	CHF	1.95%	CHF 5,000	CHF 1,000	CHF 10
C	ZAR	1.95%	ZAR 5,000	ZAR 1,000	ZAR 10
C	SGD	1.95%	SGD 5,000	SGD 1,000	SGD 10
C	HKD	1.95%	HKD 5,000	HKD 1,000	HKD 10
C	JPY	1.95%	JPY 5,000	JPY 1,000	JPY 10
C	AUD	1.95%	AUD 5,000	AUD 1,000	AUD 10
R	USD	0.95%	USD 5,000	USD 1,000	USD 10
R	EUR	0.95%	EUR 5,000	EUR 1,000	EUR 10
R	GBP	0.95%	GBP 5,000	GBP 1,000	GBP 10
R	NOK	0.95%	NOK 5,000	NOK 1,000	NOK10
R	DKK	0.95%	DKK 5,000	DKK 1,000	DKK 10
R	SEK	0.95%	SEK 5,000	SEK 1,000	SEK 10
R	CHF	0.95%	CHF 5,000	CHF 1,000	CHF 10
R	ZAR	0.95%	ZAR 5,000	ZAR 1,000	ZAR 10
R	SGD	0.95%	SGD 5,000	SGD 1,000	SGD 10
R	HKD	0.95%	HKD 5,000	HKD 1,000	HKD 10
R	JPY	0.95%	JPY 5,000	JPY1,000	JPY 10
R	AUD	0.95%	AUD 5,000	AUD 1,000	AUD 10
I	USD	0.85%	USD 1,000,000	USD 250,000	USD 10
I	EUR	0.85%	EUR 1,000,000	EUR 250,000	EUR 10
I	GBP	0.85%	GBP 1,000,000	GBP 250,000	GBP 10
I	NOK	0.85%	NOK 1,000,000	NOK 250,000	NOK 10
I	DKK	0.85%	DKK 1,000,000	DKK 250,000	DKK 10
I	SEK	0.85%	SEK 1,000,000	SEK 250,000	SEK 10
I	CHF	0.85%	CHF 1,000,000	CHF 250,000	CHF 10

I	ZAR	0.85%	ZAR 1,000,000	ZAR 250,000	ZAR 10
I	SGD	0.85%	SGD 1,000,000	SGD 250,000	SGD 10
I	HKD	0.85%	HKD 1,000,000	HKD 250,000	HKD 10
I	JPY	0.85%	JPY 1,000,000	JPY 250,000	JPY 10
I	AUD	0.85%	AUD 1,000,000	AUD 250,000	AUD 10

Each Class listed within the above table (“**Class Table**”) has both an Income Class and an Accumulating Class. Share classes may be Hedged or Unhedged. Please refer to the sub-section entitled “**Class Currency Hedging**” in the Prospectus for additional information on hedging.

Please refer to the sub-section entitled “**Charges and Service Fees**” of the Supplement for additional fees and expenses associated with the Classes.

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### INCOME PAYMENT POLICY

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The Directors intend to make payments of Income to investors of the Fund from the profits attributable in respect of the Income Classes. Income may be payable out of the net income of such Classes (consisting of all revenue accrued including interest and dividends) less expenses attributable to the relevant Class of the Fund. Income will generally be payable in respect of those Classes within 4 months of the financial year end in accordance with the terms of the Prospectus.

Income Payments so distributed will automatically be reinvested in additional Shares in the relevant Class, free of charge unless investors elect to receive Income Payments in cash, such election to be made at each Shareholder’s sole discretion and notified to the ICAV in which case Income Payments will be paid to the account of record for the relevant Shareholder. The Income Payments will be made to the Shareholders in the Base Currency of the Fund.

The amount of Income paid on each class of Shares will be in accordance with the different entitlements of each class to tax benefits under applicable tax treaties.

The Directors do not currently intend to declare or pay Income earned by the Fund on the Accumulating Classes and any Income will be reinvested and reflected in the value of those Classes. In the event of a change of the Income policy with respect to these Classes, full details will be disclosed in an updated Supplement and Shareholders will be notified in advance.

See the section entitled “**Income Policy**” in the Prospectus for further details.

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### FEES AND EXPENSES

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**The Fund shall bear its attributable portion of the fees and operating expenses of the ICAV. The fees and operating expenses of the ICAV are set out in the section “FEES AND EXPENSES” in the Prospectus.**

#### **Establishment Costs**

The expenses incurred in the establishment of the Fund were \$75,000. These fees will be amortised over the first 3 financial years of the Fund in accordance with the provisions of the Prospectus.

## Management Fee

The Manager will be entitled to the following management fee payable out of the assets of the Fund in relation the Shares as follows:

A management fee calculated by the Administrator accruing at each Valuation Point and payable quarterly in arrears at a rate of 0.025% per annum of the Net Asset Value of the ICAV subject to a minimum fee of €50,000 per annum (exclusive of VAT) plus reasonable vouched out of pocket expenses (the “**Management Fee**”).

## Expense Limitation

The Investment Manager has currently voluntarily undertaken to limit the aggregate annual ordinary expenses of the Fund’s Classes, including but not limited to Depositary, Administrator, Investment Management and other expenses as set out in the section “FEES AND EXPENSES” in the Prospectus, as follows:

Share Class	Expense Limitation
A	2.00% of the Net Asset Value of the Class
C	2.10% of the Net Asset Value of the Class
I	1.00% of the Net Asset Value of the Class
R	1.10% of the Net Asset Value of the Class

The Investment Manager may terminate or modify any such voluntary undertaking at any time at its sole discretion upon advance notice to the Shareholders.

## Charges and Service Fees

### *Sales Charges*

Class A Shares will be subject to a Sales Charge of up to 5% of the amount subscribed.

### *CDSC*

Where Class C Shares are redeemed within 12 months of subscription, they are subject to a CDSC of 1% of the amount subscribed. The CDSC will be multiplied by the amount redeemed or the initial cost of the shares being redeemed, whichever is less. No CDSC will be imposed on increases in the Net Asset Value per Class C Shares or on Class C Shares purchased through the reinvestment of dividends. To calculate the number of Class C Shares owned and time period held, all relevant Class C Shares are considered purchased on the trade date.

## Investment Management Fee

The Investment Manager will be entitled to the investment management fee (the “**Investment Management Fee**”) payable out of the assets of the Fund in relation the Shares as set out in the Share Class Information table above. The Investment Management Fee is calculated by the Administrator accruing at each Valuation Point and payable monthly in arrears at the rates set out in the Class Table. The Investment Manager may, at its discretion, waive the whole or part of the Investment Management Fee.

The Investment Manager will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Investment Manager. For avoidance of doubt, this will include any

fees and expenses incurred by the Investment Manager in respect of their attendance at board meetings of the Fund.

### **Administration Fees**

The Administrator will be entitled to receive, out of the assets of the Fund the greater of an annual fee which will not exceed 0.04% of the Net Asset Value of the Fund or a minimum administration fee of up to US\$35,000 per annum on an aggregate basis (plus VAT, if any), together with transaction charges at normal commercial rates and reasonable out-of-pocket expenses incurred by the Administrator in the performance of its duties. These fees shall accrue and be calculated daily and shall be payable monthly in arrears.

### **Depositary Fees**

The Depositary will be entitled to receive, out of the assets of the Fund, the greater of an annual fee in respect of custodial services which will not exceed 0.02% per annum of the Net Asset Value of the relevant Fund or a minimum fee of up to US\$28,750 per annum on an aggregate basis (plus VAT, if any), together with reasonable expenses incurred by the Depositary in the performance of its duties as depositary of the Company. This fee shall accrue and be calculated daily and shall be payable monthly in arrears.

The Depositary shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses incurred by the Depositary in the performance of its duties under the Depositary Agreement.

### **Other fees and expenses**

The ICAV will also reimburse the Investment Manager and the Manager for its reasonable out-of-pocket expenses incurred by the Investment Manager and the Manager. Such out-of-pocket expenses may include the preparation of portfolio reports provided that they are charged at normal commercial rates and incurred by the Investment Manager in the performance of its duties under the Investment Management Agreement.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to pay rebates/retrocessions to some or all Shareholders or to the ICAV out of the Investment Management Fee that it receives.

All fees payable to the Investment Manager will be paid in the Base Currency of the Fund. The Fund shall bear the cost of any Irish value added tax applicable to any amount payable to the Investment Manager.

The other fees and expenses of the ICAV and the Fund are set out in the Prospectus under the heading "Fees and Expenses".

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## **PRC TAXATION**

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### *Corporate Income Tax*

If the Fund is considered a tax resident enterprise of the PRC, it will be subject to PRC corporate income tax ("CIT") at 25% on its global taxable income. If the Fund is considered a non-tax resident enterprise with a permanent establishment or place or establishment of business ("PE") in the PRC, the profits attributable to that PE would be subject to CIT at 25%. Under the PRC CIT Law effective from 1 January 2008 and its implementation rules, a non-PRC tax resident enterprise without a PE in the PRC will generally be subject to withholding income tax ("WIT") of 10% on its PRC sourced

income, including but not limited to passive income (e.g. dividends, interest, gains arising from transfer of assets, etc.).

The Investment Manager, in respect of the Fund, intends to manage and operate the Fund in such a manner that the Fund should not be treated as a tax resident enterprise of the PRC or a non-PRC tax resident enterprise with a PE in the PRC for CIT purposes, although due to uncertainty in tax laws and practices in the PRC, this result cannot be guaranteed.

#### *(i) Capital Gain*

Based on the CIT Law and its implementation rules, “income from the transfer of property” sourced from the PRC by non-PRC tax resident enterprises should be subject to 10% PRC WIT unless reduced under a double tax treaty with the PRC upon application to and obtaining approval from the competent tax authority. The MoF, SAT and the CSRC issued joint circulars to clarify the taxation of the Stock Connect, in which capital gain realised from the transfer of China A-Shares is temporarily exempt from PRC WIT. The MoF, SAT and CSRC issued Circular Caishui 2014 No. 79 (“Circular 79”) dated 31 October 2014 to clarify the taxation of capital gains on transfer of PRC equity investment assets derived by QFIIs and RQFIIs. Pursuant to Circular 79, QFIIs and RQFIIs without a PE in the PRC or with a PE in the PRC but the income so derived in the PRC is not effectively connected with such establishment, capital gain derived from the transfer of PRC equity investment assets such as China A-Shares on or after 17 November 2014 is temporarily exempt from PRC WIT. However, capital gain realised by QFIIs and RQFIIs prior to 17 November 2014 is subject to PRC WIT in accordance with the provisions of the laws. The MoF, the SAT and the CSRC issued joint circulars Caishui 2014 No. 81 and Caishui 2016 No. 127 to clarify the taxation of the Stock Connect, in which capital gain realized from the transfer of China A-Shares via Stock Connect is temporarily exempt from PRC WIT.

#### *(ii) Dividends*

Under the current PRC CIT Law and its implementation rules, non-PRC tax resident enterprises are subject to PRC WIT on cash dividends and bonus distributions from PRC tax resident enterprises. The general WIT rate applicable is 10%, unless reduced under a double tax treaty with the PRC upon application to and obtaining approval from the competent tax authority.

#### *Stamp Duty*

Stamp duty under the PRC laws generally applies to the execution and receipt of taxable documents listed in the PRC’s Provisional Rules on Stamp Duty, which include contracts for the sale of China A-Shares traded on PRC stock exchanges. In the case of such contracts, PRC stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1% of the sales consideration. The sale or other transfer by the Fund of China A-Shares will accordingly be subject to PRC stamp duty, but the Fund will not be subject to PRC stamp duty when it acquires China A-Shares.

#### *Value-added Tax (“VAT”) and Other Surcharges (applicable on and after 1 May 2016)*

According to the Circular Caishui 2016 36 (“Circular 36”), VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities beginning 1 May 2016. The gains derived from trading of marketable securities (including China A-Shares and other PRC listed securities) are exempted from VAT in the PRC under Circular 36 and Caishui 2016 No.70.

In addition, urban maintenance and construction tax (currently at the rate ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities.

#### *General*

The Investment Manager does not currently make any tax provision in respect of any potential PRC WIT, CIT and value-added tax. Upon any further changes to the tax law or policies, the Investment Manager reserves the right to make tax provision in respect of any potential PRC WIT, CIT and value-

added tax or make relevant adjustments to the amount of tax provision (if any) as it considers necessary. The amount of any such tax provision will be disclosed in the accounts of the Fund.

Any such WIT, CIT and value-added tax on gains on the disposal of fixed income securities may reduce the income from, and/or adversely affect the performance of, the Fund.

There is no guarantee that the temporary tax exemption or non-taxable treatments set out above will continue to apply, will not be repealed and re-imposed retrospectively, or that no new tax regulations and practice will not be promulgated in the future. It should also be noted that the actual applicable tax imposed by the PRC tax authorities may be different and may change from time to time and may be applied retrospectively. There is a possibility of the rules being changed and taxes being applied retrospectively. As such, any provision for taxation made by the Investment Manager may be excessive or inadequate to meet final PRC tax liabilities. Consequently, Shareholders of the Fund may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares in/from the Fund.

If the actual applicable tax levied by the PRC tax authorities is higher than that provided for by the relevant Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of the Fund may suffer more than the tax provision amount as that Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Shareholders will be disadvantaged. On the other hand, if the actual applicable tax rate levied by the PRC tax authorities is lower than that provided for by the relevant Investment Manager so that there is an excess in the tax provision amount, Shareholders who have redeemed Shares in the Fund before the PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Investment Manager's over-provision. In this case, the then existing and new Shareholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax amount can be returned to the account of the Fund as assets thereof.

**It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than is currently contemplated.**

## SCHEDULE 1

### Stock Connect

The Stock Connect is a securities trading and clearing linked program developed by HKEX, HKSCC, SZSE, SSE and ChinaClear with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect comprises, among others, a Northbound Trading Link. Under the Northbound Trading Link, Hong Kong and investors outside of China (including the Fund), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SSE or SZSE by routing orders to SSE or SZSE respectively. Under the Stock Connect, the Funds, through their Hong Kong brokers may trade certain eligible shares listed on the SSE or SZSE.

For the SSE, these include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A shares that are not included as constituent stocks of the relevant indices but which have corresponding China H-Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the “risk alert board”.

Investors eligible to trade shares that are listed on the STAR Market of SSE under Northbound trading will be limited to institutional professional investors. The SSE eligible securities do not include exchange-traded funds (“ETFs”), bonds and other securities.

For the SZSE, these include all constituent stocks of the SZSE Component Index, the SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than Chinese Renminbi (“RMB”) 6 million and all SZSE-listed shares of companies that have issued both A shares and H shares, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the “risk alert board”.

However, the SZSE restricts investors who are eligible to trade shares listed on the ChiNext Board of SZSE to “institutional professional investors”.

The SZSE eligible securities do not include ETFs, bonds and other securities.

The list of eligible securities is subject to periodic review and may change from time to time.

Trading under the Stock Connect is subject to rules and regulations issued from time to time. Trading under each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect is subject to a daily quota (“**Daily Quota**”). Northbound trading will be subject to a specific set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the respective Stock Connect each day. The Northbound Daily Quota is set at RMB52 billion for each of SZSE and SSE respectively. The Daily Quota does not belong to the Fund and are utilised on a first come first serve basis. The SEHK monitors the Daily Quota and publishes the remaining balance of the Daily Quota at scheduled times on the SEHK’s website. The Daily Quotas may change in the future. HKSCC, a wholly-owned subsidiary of HKEx, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A-Shares traded through Stock Connect are issued in scripless form, and investors will not hold any physical China A-Shares.

Although HKSCC does not claim proprietary interests in the either SZSE or SSE securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SZSE and SSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SZSE and SSE securities. A failure or delay by the HKSCC in the performance of its

obligations may result in a failure of settlement, or the loss, of SSE shares, SZSE shares and/or monies in connection with them and the Fund may suffer losses as a result.

In addition to paying trading fees, levies and stamp duties in connection with trading in China A-Shares, the Funds may be subject to new fees arising from trading of China A-Shares via the Stock Connect which are yet to be determined and announced by the relevant authorities.

The Depositary shall provide for the safekeeping of a Fund's assets in China through its global custody network. Such safekeeping is in accordance with the conditions set down by the Central Bank which provides that there must be legal separation of non-cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.



Brussels, 6.4.2022  
C(2022) 1931 final

ANNEX 2

## ANNEX

*to the*

**Commission Delegated Regulation (EU) .../....**

**supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports**

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Virtus GF Emerging Markets High Dividend Fund  
**Legal entity identifier:** 635400DFITR2GOXICL18

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

**Yes**

   **No** ✘

<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%</p>	<p><input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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**What environmental and/or social characteristics are promoted by this financial product?**

The Fund primarily invests in securities of companies which are economically tied to Emerging Market Countries, as defined by Virtus Systematic, and which typically meets Virtus Systematic's ESG minimum rating criteria. Through its investments, the Fund promotes a broad range of environmental and/or social characteristics which include: carbon footprint, pollution / waste management, natural resource or raw material usage, usage or renewable energy, human and labor rights, privacy/data security and commitment to health and safety.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

MSCI'S ESG Ratings are the primary sustainability indicator that will be used to measure the environmental or social characteristics. The MSCI ESG Ratings aim to measure a company's management of financially relevant ESG risks and opportunities. The MSCI ESG Ratings apply a rules-based methodology in order to identify industry leaders and laggards according to their exposure to ESG risks and their ability to manage those ESG risks relative to their peers.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A

- ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

N/A

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

N/A

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes, \_\_\_\_\_

No

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

The primary objective of the Fund is to offer an equity portfolio that seeks long-term capital appreciation by investing in securities of companies that are tied economically to the countries with emerging securities markets. The companies in the Fund in aggregate also have a higher dividend yield than a typical emerging market security. The Fund's portfolio is built using Virtus Systematic's proprietary quantitative model based on behavioural finance which coupled with a forecast risk model is used to seek to deliver a superior risk adjusted equity portfolio.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding element during the Fund's portfolio construction will be the weighted ESG score of the Fund, which will be higher than that of the weighted score of the Benchmark. This will in principle ensure that the Fund has superior ESG characteristics than the broader market of securities from the Emerging Market Countries represented by the Benchmark.

## ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate.

## ***What is the policy to assess good governance practices of the investee companies?***

The governance practices will be assessed in a similar fashion to the environmental and social characteristics. The Fund's portfolio construction process will also ensure that the weighted governance score of the Fund's portfolio (as measured by MSCI ESG Rating) is higher than that of a typical emerging market security as measured by the Benchmark.

## **What is the asset allocation planned for this financial product?**

The individual assets in the Fund's portfolio are not demarcated by their individual ESG investment characteristics, rather the Fund's portfolio is constructed on the basis of the collective return forecast of all stock within the Fund which is subsequently weighted against the weighted ESG score of the Benchmark.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

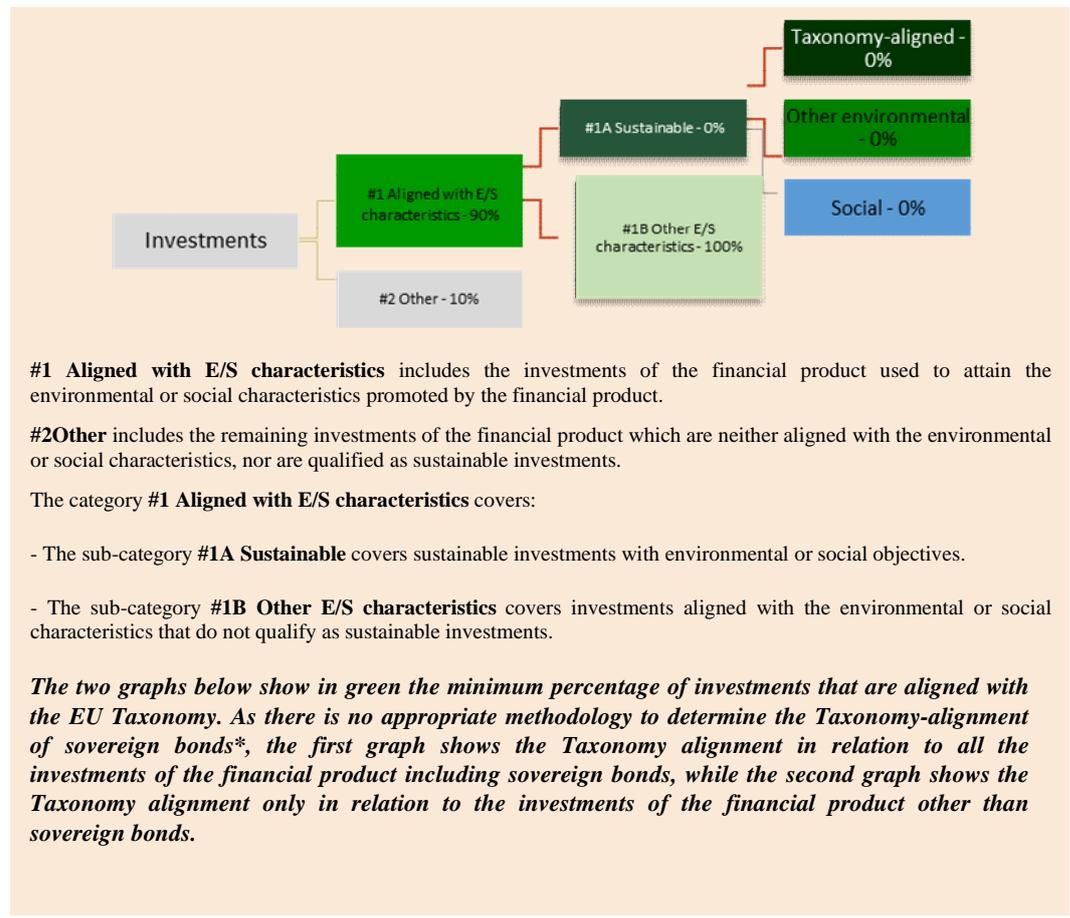
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

FDI will be used by the Fund for EPM purposes. The types of FDI include futures, foreign currency exchange contracts, options and P-Notes. The ESG characteristics of the underlying equity will be an accurate representation of the ESG characteristics of the FDI.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

N/A

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

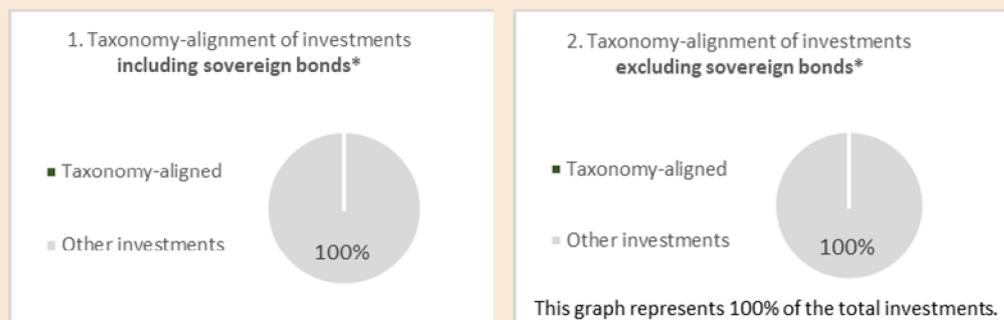
Yes, \_\_\_\_\_

In fossil gas  In nuclear energy

X

**No**

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**



There is no minimum share of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A



**What is the minimum share of socially sustainable investments?**

N/A



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The investments under "#2 Other" may include:

- investments in cash, cash equivalents including money market funds, commercial paper, certificates of deposit, and other money market instruments including treasury bills and commercial bills for temporary cash management purposes or pending investment or re-investment; and
- investments in futures, foreign currency exchange contracts, options and P-Notes.

These investments are used as part of the overall risk management and liquidity management of the Fund. There are no minimum environmental or social safeguards for these investments.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No

- How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- How does the designated index differ from a relevant broad market index?***

N/A

- Where can the methodology used for the calculation of the designated index be found?***

N/A

**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://globalfunds.virtus.com/ucits>



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Directors of the ICAV, whose names appear under the section of the Prospectus headed "Management and Administration", accept responsibility for the information contained in this Supplement and the 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 Supplement and the Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

**If you are in any doubt about the contents of this Supplement or the Prospectus you should consult your stockbroker or other financial adviser.**

## **Virtus GF SGA Global Growth Fund**

**a sub-fund of Virtus Global Funds ICAV**

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### **SUPPLEMENT DATED 17 MAY 2023**

This Supplement contains specific information in relation to the Virtus GF SGA Global Growth Fund (the "**Fund**"), a fund of Virtus Global Funds ICAV (the "**ICAV**") an umbrella type Irish collective asset-management vehicle governed by the laws of Ireland and authorised by the Central Bank.

The Fund is actively managed.

**This Supplement forms part of the Prospectus and should be read in the context of and together with the Prospectus dated 28 February 2023.** Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

## TABLE OF CONTENTS

CLAUSE	PAGE
INVESTMENT OBJECTIVE, POLICIES AND STRATEGIES.....	1
PROFILE OF A TYPICAL INVESTOR.....	4
PERFORMANCE BENCHMARK .....	4
SUB-INVESTMENT MANAGER.....	4
INVESTMENT RESTRICTIONS.....	4
BORROWING .....	5
EFFICIENT PORTFOLIO MANAGEMENT.....	5
RISK FACTORS.....	5
EQUITY INVESTMENTS RISK.....	6
INCOME PAYMENT POLICY .....	9
HOW TO SUBSCRIBE FOR SHARES .....	14
HOW TO REDEEM SHARES .....	14

## INVESTMENT OBJECTIVE, POLICIES AND STRATEGIES

### Investment Objective

The investment objective of the Fund is to achieve long-term capital appreciation.

### Investment Strategy and Policies

The Fund seeks to achieve its investment policy by investing in securities of issuers located throughout the world, including the United States ("US").

Under normal circumstances, the Fund will invest primarily in equity securities as set out in more detail below, with at least 35% of the Fund's net assets in issuers organised, headquartered or doing a substantial amount of business outside the US (at least 30% if conditions are not deemed favourable by the Sub-Investment Manager). For these purposes, the Sub-Investment Manager considers an issuer that has at least 50% of its assets or derives at least 50% of its revenue from business outside the US as doing a substantial amount of business outside the US.

The Fund may invest up to 25% of its net assets in the equity securities of companies located in countries included in the MSCI Emerging Markets and Frontier Markets Indices, which may include China.

The equity securities in which the Fund may invest are common equity stocks, preferred stocks and depositary receipts.

The Fund may invest in companies of all market capitalizations, but will generally invest in large and medium capitalization companies, convertible bonds and convertible preferred stock of any duration. For these purposes, the Sub-Investment Manager considers large and medium sized companies to be those with market capitalisations above \$10 billion and from \$2 billion to \$10 billion, respectively, at the time of purchase. The Fund will allocate its assets among various regions, sectors and countries (but in no less than three non-US countries).

The Fund may also invest up to 10% of its net assets in other collective investment schemes, subject to the investment restrictions set out in the Prospectus and the limitations contained in Regulation 68 of the Regulations. Such collective investment schemes will have investment policies consistent with the investment policies of the Fund and the investment restrictions.

The Sub-Investment Manager uses an investment process to identify companies that it believes have a high degree of predictability as represented by high levels of recurring revenues and strong profitability resulting from pricing power which leads to above average profit margins. These high quality companies tend to benefit from above average earnings and cash flow growth. The Sub-Investment Manager selects investments for the Fund that it believes have above average long-term earnings and cash flow growth prospects and attractive valuation. The Sub-Investment Manager uses a cash flow based valuation methodology to identify the intrinsic value of businesses in order to identify attractive opportunities. The Sub-Investment Manager will sell a holding of the Fund when it believes the security's fundamentals deteriorate, its valuation is no longer attractive, or a better investment opportunity arises.

The Sub-Investment Manager may enter into forward foreign currency contracts, currency futures or spot contracts for hedging purposes to reduce the Fund's risk exposure to adverse fluctuations in currency exchange rates. Any such exposure gained will comply with the Central Bank UCITS Regulations and the relevant Central Bank guidance.

As set out above, financial derivative instruments will only be used by the Fund for efficient portfolio management, as set out in more detail in the table below. The use of such instruments is more particularly described under the headings **Efficient Portfolio Management** below and in the Prospectus and will at all times be in accordance with the conditions and limits laid down by the Central Bank from time to time.

Details of the FDI are set out in the table below.

Derivative	Specific Use	Where used for hedging purposes: risk being hedged	EPM?	How FDI will help achieve investment objectives?
Forward Currency Contracts	Hedge foreign currency exposure and prevent NAV fluctuations (caused by currency movements).	Currency	Yes	Hedge foreign currency exposure and prevent NAV fluctuations (caused by currency movements) which helps the Fund achieve its objective of long-term capital appreciation.  In the event of a profit, the excess cash will be invested in order to help the Fund achieve its objective of long-term capital appreciation.
Currency Futures	Hedge foreign currency exposure and prevent NAV fluctuations (caused by currency movements).	Currency	Yes	Hedge foreign currency exposure and prevent NAV fluctuations (caused by currency movements) which helps the Fund achieve its objective of long-term capital appreciation.  Utilising currency futures instead of the underlying or related security frequently results in lower transaction costs and less disruption to the underlying assets of the portfolio which helps the Fund achieve its objective of long-term capital appreciation.
Spot Contracts	Hedge foreign currency exposure and prevent NAV fluctuations (caused by currency movements).	Currency	Yes	Hedge foreign currency exposure and prevent NAV fluctuations (caused by currency movements) which helps the Fund achieve its objective of long-term capital appreciation.  In the event of a profit, the excess cash will be invested in order to help the Fund achieve its objective of long-term capital appreciation.

The Fund may not be leveraged through the use of derivative instruments, i.e. its total exposure, including but not limited to, its exposure from the use of any derivative instruments, must not exceed the total Net Asset Value of the Fund.

The equity securities in which the Fund may invest as set out in this supplement generally must be quoted, or dealt in, on a Regulated Market, as set out in the Prospectus.

## **ESG and Sustainable Investments Integration**

The Sub-Investment Manager has determined that the Fund is an Article 8 product pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial sector (“SFDR”).

Environmental and social characteristics are achieved by systematically integrating what the Sub-Investment Manager deems to be financially material environmental, social and governance (“ESG”) factors in its fundamental company research. The assessment of potential ESG risks and opportunities is guided by a proprietary industry materiality framework that was developed internally by the Sub-Investment Manager.

Building on this materiality framework, the Sub-Investment Manager has developed an ESG ratings system based on a combination of qualitative and quantitative factors. The qualitative rating is fully aligned with the Sub-Investment Manager’s views on the ESG factors that affect company performance. This analysis is performed in parallel with the quantitative rating system whereby companies are scored on a scale of 1 to 5 based on a number of ESG factors.

Environmental areas of focus include climate change, natural resources stewardship, pollution and waste management. Social considerations include human capital management, customer well-being, supply chain management and community relations. From a governance perspective, the key focus is on board composition, minority shareholder treatment, management incentives and corporate culture.

Environmental and social characteristics are promoted by the Fund’s emphasis on leading companies with strong ESG practices identified by the Sub-Investment Manager and reflected in its ESG ratings.

The Sub-Investment Manager also promotes environmental and social characteristics by seeking to avoid companies that do not respect global norms and conventions, and companies that derive a significant portion of their revenues from activities that the Sub-Investment Manager deems not to be compliant with sustainable investment principles, including, but not limited to revenues drawn from tobacco, weapons, gambling and fossil fuel enterprises. Companies that are subject to sanctions or that manufacture cluster munitions are also excluded. In determining whether or not to invest based upon these principles, the Sub-Investment Manager will incorporate data and analysis from vendors that it deems to be reliable.

Third party ESG data are utilized to complement the Sub-Investment Manager’s internal ESG ratings as an additional reference measure for the Fund’s sustainability profile.

The Fund will generally exclude holdings deemed inconsistent with applicable ESG factors. As a result, the universe of investments available to the Fund will be more limited than other funds that do not apply such factors. In considering ESG factors in the investment process, the Fund may forego certain investments. The application of the ESG factors could result in performance that is better or worse than the performance of a similar fund, depending on the performance of the excluded investments and the investments included in place of such excluded investments. The Fund’s ESG factors may effectively accommodate the requirements of certain Fund investors but not others and may be more or less restrictive than a particular Fund investor might otherwise prefer.

In addition to the Fund’s investment policies and restrictions, the Sub-Investment Manager may adopt certain additional internal investment criteria which may further restrict Fund investments, such as internal Sub-Investment Manager policies limiting or prohibiting certain investments. Moreover, the Sub-Investment Manager’s investment process typically results in certain types of business not being considered for investment purposes, such as businesses that engage in certain types of weapons manufacturing and natural resource activities.

While the Sub-Investment Manager takes into account sustainability risks and sustainability factors in its investment management activity, it currently does not consistently evaluate the adverse impacts of investment decisions made on a uniform set of sustainability factors with respect to the Fund given the investment strategy of the Fund. The decision whether to consider adverse impacts of investment decisions on sustainability factors will be reviewed periodically.

The Technical Screening Criteria (“TSC”) of the 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 (“Taxonomy Regulation”) have been published in respect of only the first two Taxonomy Regulation environmental objectives of climate change mitigation and climate change adaptation and have applied from 1 January 2022. The TSC for the other four Taxonomy Regulation environmental objectives have not yet been developed. The Fund has zero exposure to taxonomy-aligned investments.

The “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **PROFILE OF A TYPICAL INVESTOR**

The Fund is suitable for investors who are willing to tolerate medium to high risks and who are seeking a portfolio which has a long term horizon.

### **PERFORMANCE BENCHMARK**

The Fund's performance will be compared to the MSCI All Country World Index.

The MSCI All Country World Index is a free float-adjusted, market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The index is unmanaged, and it is not possible to invest directly in an index. The benchmark is not used by the Fund as a reference benchmark to assist in the promotion of environmental characteristics and is solely used to measure the performance of the Fund.

### **Notices Regarding Index Data:**

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

### **SUB-INVESTMENT MANAGER**

The Investment Manager has appointed Sustainable Growth Advisors, LP (the “**Sub-Investment Manager**”) as sub-investment manager in respect of the Fund. The Sub-Investment Manager was formed in 2003 and is a registered investment advisor under the Investment Advisers Act of 1940. The Sub-Investment Manager is an investment management firm and an affiliate of Virtus Partners, Inc.

The Sub-Investment Manager's principal address is 301 Tresser BLVD, Suite 1310, Stamford, CT 06901, USA.

An agreement is in place between the Investment Manager and the Sub-Investment Manager in respect of the management of the Fund.

### **INVESTMENT RESTRICTIONS**

The general investment restrictions are set out under the heading Investment Restrictions in the Prospectus.

## **BORROWING**

In accordance with the general provisions set out in the Prospectus under the heading Borrowing and Lending Powers, the Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

## **EFFICIENT PORTFOLIO MANAGEMENT**

The Sub-Investment Manager currently employs a risk management process relating to the use of financial derivative instruments on behalf of the Fund which details how it accurately measures, monitors and manages the various risks associated with financial derivative instruments. The Manager will on request provide supplementary information to investors 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 in respect of the Fund.

The following is a description of the types of financial derivative instruments which may be used for investment and/or efficient portfolio management purposes by the Fund:

### **Futures:**

Futures contracts are standardized, exchange-traded contracts between two parties to buy or sell a specified asset at an agreed upon price at a specified future date. The underlying reference asset can be equities and contracts are marked-to-market daily, reducing counterparty risk.

The Fund may use futures contracts to allow it to hedge foreign currency exposure and prevent NAV fluctuations caused by currency movements.

### **Forwards:**

A forward contract is a non-standardized, negotiated, over-the-counter contract between two parties to buy or sell an asset at a specified future time at a price agreed upon today. Most typically, the underlying assets are currencies, although forwards can be structured on equities. Forward contracts may be cash or physically settled between the parties and these contracts cannot be transferred.

The Fund's use of forward foreign exchange contracts may include altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency. Other forward contracts, including equities, could potentially be used to alter the currency or hedging against financial risks.

### **Spot Contracts:**

A spot contract is the purchase or sale of a foreign currency for immediate delivery. The Fund may enter into spot contracts for the purposes of hedging currency exposure.

## **RISK FACTORS**

There is no assurance that the Fund will achieve its investment objective and investors could lose part or all of their investment in the Fund. The Fund is designed primarily for investors seeking long-term capital appreciation from a fund that typically invests in US and foreign equity securities. Those investors should be willing to assume the currency, equity, foreign investing, market, and other material risks associated with the Fund's investment strategy. The Fund is not designed for investors who need an assured level of income and is intended to be a long-term investment. The Fund is not a complete investment program and may not be appropriate for all investors. Investors should carefully consider their own investment goals and risk tolerance before investing in the Fund. The general risk factors set out in the "Risk Factors" section of the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund. These risk factors may not be a complete list of all risk factors associated with an investment in the Fund:

## Credit Risk

The Fund is subject to the risk that the counterparty to a derivatives contract will fail to make timely payment of interest or principal or otherwise honour its obligations. A decline in the credit rating of an individual security held by the Fund may have an adverse impact on its price. Rating agencies might not always change their credit rating on an issuer or security in a timely manner to reflect events that could affect the issuer's ability to make timely payments on its obligations. Credit risk is typically greater where the counterparty's ratings are lower.

## EQUITY INVESTMENTS RISK

Equity securities are subject to market risk. The Fund's investments in equity securities may include equity securities such as common stocks, preferred stocks, securities convertible into or exchangeable for common stocks, American deposit receipts and depositary receipts. Such investments may expose the Funds to additional risks.

- **Common Stocks.** The value of a company's common stock may fall as a result of factors directly relating to that company, such as decisions made by its management or decreased demand for the company's products or services. A stock's value may also decline because of factors affecting not just the company, but also companies in the same industry or sector. The price of a company's stock may also be affected by changes in financial markets that are relatively unrelated to the company, such as changes in interest rates, exchange rates or industry regulation. Companies that pay dividends on their common stock generally only do so after they invest in their own business and make required payments to bondholders and on other debt and preferred stock. Therefore, the value of a company's common stock will usually be more volatile than its bonds, other debt and preferred stock.
- **Depositary Receipts.** Investments in American deposit receipts, European depositary receipts, global depositary receipts, and non-voting depositary receipts are subject to certain of the risks associated with investing directly in foreign securities. See "Foreign Investing Risk".
- **Preferred Stocks.** If interest rates rise, the dividend on preferred stocks may be less attractive, causing the price of preferred stocks to decline. Preferred stocks may have mandatory sinking fund provisions, as well as provisions for their call or redemption prior to maturity which can have a negative effect on their prices when interest rates decline. Issuers may threaten preferred stockholders with the cancellation of all dividends and liquidation preference rights in an attempt to force their conversion to less secure common stock. Certain preferred stocks are equity securities because they do not constitute a liability of the issuer and therefore do not offer the same degree of protection of capital or continuation of income as debt securities. The rights of preferred stock on distribution of a corporation's assets in the event of its liquidation are generally subordinated to the rights associated with a corporation's debt securities. Therefore, in the event of an issuer's bankruptcy, there is substantial risk that there will be nothing left to pay preferred stockholders after payments, if any, to bondholders have been made. Preferred stocks may also be subject to credit risk.

## ESG Risks

An 'ESG risk' 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 the investment. If an ESG risk associated with an investment materialises, it could lead to the loss in value of an investment.

### Foreign Investing Risk

Non-US investments carry potential risks not associated with US investments. Such risks include, but are not limited to:

- currency exchange rate fluctuations;
- political and financial instability;
- less liquidity and greater volatility;

- lack of uniform accounting, auditing and financial reporting standards;
- increased price volatility;
- less government regulation and supervision of foreign stock exchanges, brokers and listed companies; and
- delays in transaction settlement in some foreign markets.

### **Investment Risk**

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. When an investor sells its units of the Fund, they could be worth less than what they paid for them. Therefore, an investor may lose money by investing in the Fund.

### **Issuer Risk**

The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets.

### **Liquidity Risk**

From time to time, certain investments held by the Fund may have limited marketability or have restrictions on sale, and may be difficult to sell at favourable times or prices. The Fund could lose money if it is unable to dispose of an investment at a time that is most beneficial to the Fund.

### **Market Events Risk**

Turbulence in financial markets and reduced liquidity in equity, credit and fixed-income markets may negatively affect many issuers worldwide which could adversely affect the Fund.

### **Market Timing Risk**

Because the Fund invests in foreign securities, it is particularly subject to the risk of market timing activities. The Fund generally prices foreign securities using their closing prices from the foreign markets in which they trade, typically prior to the Fund's determination of its net asset value ("**NAV**"). These prices may be affected by events that occur after the close of a foreign market but before the Fund prices its Shares. In such instances, the Fund may fair value foreign securities. However, some investors may engage in frequent short-term trading in the Fund to take advantage of any price differentials that may be reflected in the NAV of the Fund's Shares. There is no assurance that fair valuation of securities can reduce or eliminate market timing. While the Manager monitors trading in Shares, there is no guarantee that it can detect all market timing activities.

### **Non-Diversification Risk**

To the extent permitted by the Regulations and set out in the Investment Strategy and Policies section of this supplement, the Fund may be non-diversified, which means the Fund may focus its investments in the securities of a comparatively small number of issuers. Investment in securities of a limited number of issuers exposes the Fund to greater market risk and potential losses than if assets were diversified among the securities of a greater number of investments. Since the Fund is non-diversified, its NAV and total return may fluctuate more or fall greater in times of weaker markets than a diversified mutual fund. From time to time, the Fund may have a significant portion of its assets invested in the securities of companies in only a few countries and one or a few regions.

### **Securities Selection Risk**

Securities selected by the Sub-Investment Manager for the Fund may not perform to expectations. This could result in the Fund's underperformance compared to other funds with similar investment objectives.

## **Risk associated with the Stock Connect China Connect Securities**

To the extent that the Fund invests in the domestic securities markets of China via the Stock Connect and other similarly regulated programmes, the following risks shall also apply.

For these purposes, "**Stock Connect**" means a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), the Hong Kong Securities Clearing Company Limited ("HKSCC"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"), with an aim to achieve mutual stock market access between mainland China and Hong Kong. The Stock Connect enables Hong Kong and overseas investors to invest in certain eligible China A shares listed on the SSE ("China Connect Securities") by routing orders to SSE through their Hong Kong brokers and a securities trading service company established by The Stock Exchange of Hong Kong Limited ("SEHK"), under a trading link established which permits Hong Kong investors and overseas investors (including the Fund) to place orders to trade eligible shares quoted on the SSE subject to an aggregate quota (the "Northbound Trading Link"), subject to the rules of the Stock Connect. The Stock Connect commenced operation on 17 November 2014.

### *General Risk*

The programme requires use of information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in both Hong Kong and Shanghai or Hong Kong and Shenzhen, respectively and any other relevant markets through the programmes could be disrupted.

### *Operational Risk*

The HKSCC provides clearing, settlement, nominee functions and other related services of the trades executed by Hong Kong market participants. Regulations in China which include certain restrictions on selling and buying will apply to all market participants. In the case of sale, pre-delivery of shares is required to the broker, increasing counterparty risk. Because of such requirements, the Fund may not be able to purchase and/or dispose of holdings of Chinese listed securities in a timely manner.

### *Investor Compensation*

The Fund will not benefit from local investor compensation schemes.

### *Restriction on trading days*

Stock Connect programmes will only operate on days when both the Chinese and Hong Kong markets are open for trading and when banks in each respective market are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the Chinese market but the Fund cannot carry out any trading in Chinese listed securities. The Fund may be subject to risks of price fluctuations in Chinese listed securities during the time when a China-Hong Kong Stock Connect Programme is not trading as a result.

### *Trading Quota*

Trading under the Stock Connect programme will be subject to a maximum cross-boundary investment quota ("Aggregate Quota"), together with a daily quota ("Daily Quota"). Northbound trading will be subject to a separate set of Aggregate and Daily Quota. The Aggregate Quota and the Daily Quota may change and consequently affect the number of permitted buy trades on the Northbound Trading Link.

The Aggregate Quota caps the absolute amount of fund inflow into China under Northbound trading. The Northbound Aggregate Quota is set at RMB300 billion.

The Daily Quota limits the maximum net buy value of cross-boundary trades under Stock Connect each day. The Northbound Daily Quota is set at RMB13 billion. These Aggregate and Daily Quota may be increased or reduced subject to the review and approval by the relevant Chinese regulators from time to time. SEHK will monitor the quota and publish the remaining balance of the Northbound Aggregate Quota and Daily Quota at scheduled times on the HKEx's website.

The Fund does not have exclusive use of the Aggregate Quota and the Daily Quota and such quotas are utilised on a "first come - first served" basis. Quota limitations may restrict the Fund's ability to invest in China Connect Securities through the Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment strategies depending on the Fund's size of investment in China Connect Securities through the Stock Connect.

#### *Nominee arrangements*

HKSCC is the nominee holder of the SSE Securities and Shenzhen Stock Exchange Securities acquired by Hong Kong and overseas investors through Stock Connect.

The China Securities Regulatory Commission Stock Connect rules expressly provide that investors enjoy the rights and benefits of the securities acquired through Stock Connect in accordance with applicable laws. Such rules are departmental regulations having legal effect in China. However, the application of such rules is untested, and there is no assurance that Chinese courts will recognise such rules (for example, in liquidation proceedings of Chinese companies). It should be noted that HKSCC as nominee holder shall have no obligation to take any legal action or court proceedings to enforce any rights on behalf of the investors in respect of the SSE Securities and SZSE Securities in China or elsewhere. Therefore, although the Fund's ownership may be ultimately recognised, the Fund may suffer difficulties or delays in enforcing its rights in SSE Securities or SZSE Securities.

#### **INCOME PAYMENT POLICY**

The Directors intend to make payments of Income to investors of the Fund from the profits attributable in respect of the USD Income Class A Shares, USD Income Class D Shares, GBP Income Class B Shares, GBP Income Class E Shares, Euro Income Class C Shares, Euro Income Class F Shares, USD Income Class J Shares, GBP Income Class K Shares, GBP Income Class M Shares, USD Income Class M Shares, EUR Income Class M Shares, NOK Income Hedged Class M Shares, NOK Income Class M Shares, CAD Income Hedged Class M Shares and CAD Income Class M Shares. Income may be payable out of the net income of such Classes (consisting of all revenue accrued including interest and dividends) less expenses attributable to the relevant Class of the Fund. Income will generally be payable in respect of those Classes within 4 months of the financial year end in accordance with the terms of the Prospectus.

Income Payments so distributed will automatically be reinvested in additional Shares in the relevant Class, free of charge unless investors elect to receive Income Payments in cash, such election to be made at each Shareholder's sole discretion and notified to the ICAV in which case Income Payments will be paid to the account of record for the relevant Shareholder. The Income Payments will be made to the Shareholders in the Base Currency of the Fund.

The amount of Income paid on each class of Shares will be in accordance with the different entitlements of each class to tax benefits under applicable tax treaties.

The Directors do not currently intend to declare or pay Income earned by the Fund on the USD Accumulating Class A Shares, USD Accumulating Class D Shares, GBP Accumulating Class B Shares, GBP Accumulating Class E Shares, Euro Accumulating Hedged Class C Shares, Euro Accumulating Class F Shares, Euro Accumulating Hedged Class G Shares, NOK Accumulating Hedged Class H Shares, USD Accumulating Class I Shares, USD Accumulating Class J Shares, EUR Accumulating Class L Shares, USD Accumulating Class R Shares, GBP Accumulating Class M Shares, EUR Accumulating Class M Shares, USD Accumulating Class M Shares, NOK Accumulating Class M Shares, NOK Accumulating Hedged Class M Shares, CAD Accumulating Class M Shares or CAD Accumulating Hedged Class M Shares and any Income will be reinvested and reflected in the value of those Classes. In the event of a change of the Income policy with respect to these Classes, full details will be disclosed in an updated Supplement and Shareholders will be notified in advance.

See the section entitled "Income Policy" in the Prospectus for further details.

## KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

### Share Classes

Class	Currency	Distributing ("D") Non-Distributing ("ND")	Hedged / Non-Hedged	Investment Management Fee	Minimum Subscription	Additional Investment
A (Acc.)	\$	ND	Non-Hedged	1.75%	\$5,000 (or equivalent)	\$1,000 (or equivalent)
A (Inc.)*	\$	D	Non-Hedged	1.75%	\$5,000 (or equivalent)	\$1,000 (or equivalent)
B (Acc.)*	£	ND	Non-Hedged	1%	£5,000 (or equivalent)	£1,000 (or equivalent)
B (Inc.)	£	D	Non-Hedged	1%	£5,000 (or equivalent)	£1,000 (or equivalent)
C (Acc.)	€	ND	Hedged	1.75%	€5,000 (or equivalent)	€1,000 (or equivalent)
C (Inc.)	€	D	Non-Hedged	1%	€5,000 (or equivalent)	€1,000 (or equivalent)
D (Acc.)	\$	ND	Non-Hedged	0.75%	\$1 million (or equivalent)	\$1,000 (or equivalent)
D (Inc.)	\$	D	Non-Hedged	0.75%	\$1 million (or equivalent)	\$1,000 (or equivalent)
E (Acc.)	£	ND	Non-Hedged	0.75%	£1 million (or equivalent)	£1,000 (or equivalent)
E (Inc.)	£	D	Non-Hedged	0.75%	£1million (or equivalent)	£1,000 (or equivalent)
F (Acc.)	€	ND	Non-Hedged	0.75%	€1 million (or equivalent)	€1,000 (or equivalent)
F (Inc.)	€	D	Non-Hedged	0.75%	€1 million (or equivalent)	€1,000 (or equivalent)
G (Acc.)	€	ND	Hedged	0.75%	€1 million (or equivalent)	€1,000 (or equivalent)
H (Acc.)	NOK	ND	Hedged	0.65%	NOK50 million (or equivalent)	NOK1,000 (or equivalent)
I (Acc.)	\$	ND	Non-Hedged	0.75%	\$1 million (or equivalent)	\$250,000 (or equivalent)
J (Acc.)	\$	ND	Non-Hedged	0.65%	\$50 million (or equivalent)	\$1,000 (or equivalent)
J (Inc.)	\$	D	Non-Hedged	0.65%	\$50 million (or equivalent)	\$1,000 (or equivalent)

K (Inc.)	£	D	Non-Hedged	0.65%	£50 million (or equivalent)	£1,000 (or equivalent)
L (Acc.)	€	ND	Non-Hedged	0.65%	€50 million (or equivalent)	€1,000 (or equivalent)
M (Inc.)	£	D	Non-Hedged	0.55%	£300 million (or equivalent)	£1,000 (or equivalent)
M (Acc.)	£	ND	Non-Hedged	0.55%	£300 million (or equivalent)	£1,000 (or equivalent)
M (Inc.)	€	D	Non-Hedged	0.55%	€300 million (or equivalent)	€1,000 (or equivalent)
M (Acc.)	€	ND	Non-Hedged	0.55%	€300 million (or equivalent)	€1,000 (or equivalent)
M (Inc.)	\$	D	Non-Hedged	0.55%	\$300 million (or equivalent)	\$1,000 (or equivalent)
M (Acc.)	\$	ND	Non-Hedged	0.55%	\$300 million (or equivalent)	\$1,000 (or equivalent)
M (Inc.)	CAD	D	Non-Hedged	0.55%	CAD300 million (or equivalent)	CAD1,000 (or equivalent)
M (Acc.)	CAD	ND	Non-Hedged	0.55%	CAD300 million (or equivalent)	CAD1,000 (or equivalent)
M (Inc.)	CAD	D	Hedged	0.55%	CAD300 million (or equivalent)	CAD1,000 (or equivalent)
M (Acc.)	CAD	ND	Hedged	0.55%	CAD300 million (or equivalent)	CAD1,000 (or equivalent)
M (Inc.)	NOK	D	Non-Hedged	0.55%	NOK3 billion (or equivalent)	NOK1,000 (or equivalent)
M (Acc.)	NOK	ND	Non-Hedged	0.55%	NOK3 billion (or equivalent)	NOK1,000 (or equivalent)
M (Inc.)	NOK	ND	Hedged	0.55%	NOK3 billion (or equivalent)	NOK1,000 (or equivalent)
M (Acc.)	NOK	ND	Hedged	0.55%	NOK3 billion (or equivalent)	NOK1,000 (or equivalent)
R (Acc.)	\$	ND	Non-Hedged	0.85%	\$5,000 (or equivalent)	\$1,000 (or equivalent)

\* Class A (Inc.) and Class B (Acc.) are no longer open for investment.

Please refer to the sub-section entitled “**Charges and Service Fees**” of the Supplement for additional fees and expenses associated with the Classes.

## Details of minimum viable size of the Fund

The minimum viable size of the Fund is \$20,000,000.00. Should the Fund fall below this size, the Directors may exercise their discretion to terminate and liquidate the Fund and return the net proceeds to investors as described in the "Termination of the ICAV, a Fund or Class" section of the Prospectus.

## Share Class Hedging

As the Base Currency of the Fund is the US Dollar, the Net Asset Value of the Shares in the Fund denominated in other currencies will be affected by movements in the exchange rate of these currencies against the US Dollar. The Fund will generally use the FDI listed in the FDI table above to undertake certain currency hedging related transactions with respect to the Euro Accumulating Hedged Class G Shares, Euro Accumulating Hedged Class C Shares, NOK Accumulating Hedged Class M Shares, NOK Income Hedged Class M Shares, NOK Accumulating Hedged Class H Shares, CAD Income Hedged Class M Shares and CAD Accumulating Hedged Class M Shares which are denoted as "Hedged" in the share class table above to seek to mitigate these movements in respect of the Euro, NOK and CAD denominations of these Classes respectively. There can be no assurance that such currency hedging transactions will be successful. Any FDI used to implement such a strategy with respect to one or more Classes shall be assets or liabilities of the Fund as a whole but will be treated as being attributable to the relevant Classes when determining the NAV per Share in those Classes. The benefits, losses and expenses relating to such hedging transactions shall be for the account of the relevant currency class of Shares the gains or losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class(es).

Any currency exposure of a Class, as a result of hedging, may not be combined with, or offset against, that of any other Class. There can be no assurance that such hedging transactions will be undertaken and, if undertaken, will be effective or beneficial. It is not the intention to over-hedge or under-hedge Classes, but this may occur due to factors outside the control of the Fund. Such hedging will be kept under review by the Sub-Investment Manager to ensure that over-hedging is not more than 105% of the Net Asset Value of the Class and under-hedging is not less than 95% of the Net Asset Value of the Class. Hedged positions will be kept under review and a procedure will be put in place by the Sub-Investment Manager to ensure that over-hedged positions do not exceed the permitted level and to ensure that positions in excess of 100% will not be carried forward from month to month.

To the extent that such hedging is successful, the total return (income and capital) performance of the Euro Accumulating Hedged Class G Shares, Euro Accumulating Hedged Class C Shares, NOK Accumulating Hedged Class M Shares, NOK Income Hedged Class M Shares, NOK Accumulating Hedged Class H Shares, CAD Income Hedged Class M Shares and CAD Accumulating Hedged Class M Shares is likely to be similar, after adjusting for the cost of hedging, to the US Dollar denominated Classes with the same fee and expense structure, however, Shareholders 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. **However, such Share Class hedging does not protect Classes from any non-US Dollar exposure that might exist in the Fund as part of the Sub-Investment Manager's investment choices. Any such exposure will affect all Classes.**

## Non-Hedged Share Classes

As no hedging strategy will be used to hedge currency risk in respect of the Classes denoted as "Non-Hedged" in the table above, a currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates. Investors should be aware that there is an exchange rate risk if such other currencies depreciate against the Base Currency and consequently they may not realise the full amount of their investment in the Fund.

## Base Currency

US Dollar

**Initial Issue Price**

The Initial Issue Price per Share for Shares issued by the Fund will be \$100 for USD Share Classes, £100 for GBP Share Classes, €100 for EUR Share Classes, CAD100 for CAD Share Classes and NOK100 for NOK Share Classes.

**Initial Offer Period**

The Initial Offer Period for CAD Income Hedged Class M Shares, CAD Income Unhedged Class M Shares, CAD Accumulating Hedged Class M Shares and CAD Accumulating Unhedged Class M Shares will open on 9.00 a.m. (GMT Time) on 18 May 2023 and will close upon the earlier of: (i) the first investment by a Shareholder in such Class of Shares; or (ii) 5.00 p.m. (GMT Time) on 16 November 2023; or (iii) such earlier or later date as the Directors may determine and notify to the Central Bank. After the Initial Offer Period, CAD Class M Shares will be available for subscriptions at the relevant Net Asset Value per Share at each Dealing Day.

The Initial Offer Period for NOK Income Hedged Class M Shares, NOK Accumulating Hedged Class M Shares, USD Income Class M Shares and USD Accumulating Class M Shares will open on 9.00 a.m. (GMT Time) on 23 February 2023 and will close upon the earlier of: (i) the first investment by a Shareholder in such Class of Shares; or (ii) 5.00 p.m. (GMT Time) on 22 August 2023; or (iii) such earlier or later date as the Directors may determine and notify to the Central Bank. After the Initial Offer Period, Class M Shares will be available for subscriptions at the relevant Net Asset Value per Share at each Dealing Day.

The Initial Offer Period for all other share classes is now closed. The Shares of all other share classes will be available for subscriptions at the relevant Net Asset Value per Share at each Dealing Day.

**Business Day**

Any day other than a Saturday or Sunday on which commercial banks are open for business in Dublin and any day the New York Stock Exchange is open for business.

**Dealing Day**

Each Business Day or such Business Day(s) as the Directors may determine and notify in advance to Investors.

**Dealing Deadline**

In relation to applications for subscription for Shares, 4pm (GMT) on the relevant Dealing Day and in relation to redemption of Shares, 4pm (GMT) on the relevant Dealing Day although in either case the Directors, in consultation with the Manager, may agree to accept applications after the Dealing Deadline, only in exceptional circumstances, provided such applications are received before the Valuation Point for the relevant Dealing Day.

**Valuation Point**

The point in time by reference to which the Net Asset Value of the Fund is calculated which, unless otherwise specified by the Directors, in consultation with the Manager, (and notified in advance to Investors) with the approval of the Depository, shall be determined as of the close of the New York Stock Exchange, generally 4pm Eastern Standard Time on the relevant Dealing Day.

**Minimum Initial Investment Amount**

For all Classes, the minimum initial investment is disclosed in the table above, or may be such lesser amounts as the Directors may, in consultation with the Investment Manager, in its absolute discretion, decide.

### **Minimum Additional Investment Amount**

For all Classes, the minimum subsequent investment is disclosed in the table above, or may be such lesser amounts as the Directors may, in consultation with the Investment Manager, in its absolute discretion, decide.

### **Minimum Redemption Amount**

For all Classes, the minimum redemption amount is USD\$1,000.00 (or foreign currency equivalent) or such lesser amounts as the Directors may, in consultation with the Investment Manager, in its absolute discretion, decide.

### **Settlement Date**

In respect of receipt of monies for subscription for Shares, the Settlement Date shall be the third Business Day following the relevant Dealing Day and in respect of dispatch of monies for the redemption of Shares, the Settlement Date shall normally be the third Business Day following the relevant Dealing Day and in any event payment will not exceed 10 Business Days from the Dealing Deadline.

### **Anti-Dilution Levy**

Where on any Dealing Day there are net subscriptions or net redemptions representing 2% or more of the total net assets of the Fund, the Directors, in consultation with the Manager, may at its discretion impose an anti-dilution levy of up to 0.15% of the net subscription or redemption proceeds. Such anti-dilution levy shall result in a reduction of the actual value of the Shares purchased or redeemed equal to the amount of the anti-dilution levy, and will be retained by the Fund and included in the next calculation of the Fund's Net Asset Value. The anti-dilution levy threshold and the levy amount are subject to change, in the Directors', in consultation with the Manager, sole discretion, to reflect the actual transaction costs to the Fund and to preserve the value of the Fund.

### **How to Subscribe for Shares**

Requests for the subscription for Shares should be made in accordance with the provisions set out in the section entitled Subscription for Shares in the Prospectus.

### **How to Redeem Shares**

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled Redemption of Shares in the Prospectus.

## **FEES AND EXPENSES**

### **Voluntary Cap on Fees and Expenses**

The Investment Manager has imposed a voluntary cap on the fees and expenses payable in respect of each Class (the "**Cap**"). The Cap is currently set at 0.3% so the Investment Manager will discharge all fees and expenses payable in respect of each Class (excluding the Investment Management Fee, as defined below). The Cap for each Class will be reviewed on a periodic basis by the Investment Manager, in consultation with the ICAV. Any increase or removal of the Cap in respect of any Class will be notified to Shareholders of that Class in advance.

### **Management Fee**

The Manager will be entitled to the following management fee payable out of the assets of the Fund in relation the Shares as follows:

A management fee calculated by the Administrator accruing at each Valuation Point and payable quarterly in arrears at a rate of 0.025% per annum of the Net Asset Value of the ICAV subject to a

minimum fee of €50,000 per annum (exclusive of VAT) plus reasonable vouched out of pocket expenses (the "**Management Fee**").

### **Charges and Service Fees**

#### *Sales Charges*

Class A Shares will be subject to a Sales Charge of up to 5% of the amount subscribed.

#### *CDSC*

Where Class C Shares are redeemed within 12 months of subscription, they are subject to a CDSC of 1% of the amount subscribed. The CDSC will be multiplied by the amount redeemed or the initial cost of the shares being redeemed, whichever is less. No CDSC will be imposed on increases in the Net Asset Value per Class C Shares or on Class C Shares purchased through the reinvestment of dividends. To calculate the number of Class C Shares owned and time period held, all relevant Class C Shares are considered purchased on the trade date.

### **Investment Management Fee**

The Investment Manager will be entitled to the following investment management fee (the "**Investment Management Fee**") payable out of the assets of the Fund in relation the Shares as follows:

An investment management fee calculated by the Administrator accruing at each Valuation Point and payable monthly in arrears at the following rates:

<b>Class</b>	<b>Currency</b>	<b>Distributing ("D")/Non-Distributing ("ND")</b>	<b>Hedged/ Non-Hedged</b>	<b>Investment Management Fee</b>
A (Acc.)	\$	ND	Non-Hedged	1.75%
A (Inc.)	\$	D	Non-Hedged	1.75%
B (Acc.)	£	ND	Non-Hedged	1.00%
B (Inc.)	£	D	Non-Hedged	1.00%
C (Acc.)	€	ND	Hedged	1.75%
C (Inc.)	€	D	Non-Hedged	1.00%
D (Acc.)	\$	ND	Non-Hedged	0.75%
D (Inc.)	\$	D	Non-Hedged	0.75%
E (Acc.)	£	ND	Non-Hedged	0.75%
E (Inc.)	£	D	Non-Hedged	0.75%

F (Acc.)	€	ND	Non-Hedged	0.75%
F (Inc.)	€	D	Non-Hedged	0.75%
G (Acc.)	€	ND	Hedged	0.75%
H (Acc.)	NOK	ND	Hedged	0.65%
I (Acc.)	\$	ND	Non-Hedged	0.75%
J (Acc.)	\$	ND	Non-Hedged	0.65%
J (Inc.)	\$	D	Non-Hedged	0.65%
K (Inc.)	£	D	Non-Hedged	0.65%
L (Acc.)	€	ND	Non-Hedged	0.65%
M (Inc.)	CAD	D	Non-Hedged	0.55%
M (Acc.)	CAD	ND	Non-Hedged	0.55%
M (Inc.)	CAD	D	Hedged	0.55%
M (Acc.)	CAD	ND	Hedged	0.55%
M (Inc.)	£	D	Non-Hedged	0.55%
M (Acc.)	£	ND	Non-Hedged	0.55%
M (Inc.)	€	D	Non-Hedged	0.55%
M (Acc.)	€	ND	Non-Hedged	0.55%
M (Inc.)	\$	D	Non-Hedged	0.55%
M (Acc.)	\$	ND	Non-Hedged	0.55%
M (Inc.)	NOK	D	Non-Hedged	0.55%

M (Acc.)	NOK	ND	Non-Hedged	0.55%
M (Inc.)	NOK	ND	Hedged	0.55%
M (Acc.)	NOK	ND	Hedged	0.55%
R (Acc.)	\$	ND	Non-Hedged	0.85%

The Investment Manager may, at its discretion, waive the whole or part of the Investment Management Fee.

The Investment Manager will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Investment Manager. For avoidance of doubt, this will include any fees and expenses incurred by the Investment Manager in respect of their attendance at board meetings of the Fund.

The Investment Manager will pay part of its Investment Management Fee to the Sub-Investment Manager. The Sub-Investment Manager is not paid directly out of the assets of the Fund.

#### **Administration Fees**

The Administrator will be paid a monthly fee not to exceed 0.20% per annum, exclusive of VAT, of the entire Net Asset Value of the Fund subject to a minimum monthly fee of up to \$10,000, exclusive of out-of-pocket expenses. The Administrator will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Administrator.

The fees and expenses of the Administrator will accrue at each Valuation Point and are payable monthly in arrears.

#### **Depositary Fees**

The Depositary will be paid a fee not to exceed 0.50% per annum of the Net Asset Value of the Fund (together with VAT, if any, thereon), exclusive of any transaction charges (plus VAT, if any). The Depositary will also be paid out of the assets of the Fund for reasonable out-of-pocket expenses incurred by them and for the reasonable fees and customary agent's charges paid by the Depositary to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon.

The fees and expenses of the Depositary shall accrue daily and be calculated monthly based on the Net Asset Value of the Fund on the last Dealing Day of each calendar month and shall be payable monthly in arrears.

#### **Other fees and expenses**

The ICAV will also reimburse the Investment Manager and the Manager for its reasonable out-of-pocket expenses incurred by the Investment Manager and the Manager. Such out-of-pocket expenses may include the preparation of portfolio reports provided that they are charged at normal commercial rates and incurred by the Investment Manager in the performance of its duties under the Investment Management Agreement.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to pay rebates/retrocessions to some or all Shareholders or to the ICAV out of the Investment Management Fee that it receives.

All fees payable to the Investment Manager will be paid in the Base Currency of the Fund. The Fund shall bear the cost of any Irish value added tax applicable to any amount payable to the Investment Manager.

The other fees and expenses of the ICAV and the Fund are set out in the Prospectus under the heading "Fees and Expenses".



EUROPEAN  
COMMISSION

Brussels, 6. 1. 2022  
C(2022) 1931 final

ANNEX 2

## ANNEX

*to the*

**Commission Delegated Regulation (EU) .../...**

**supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports**

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Virtus GF SGA Global Growth Fund (the “Fund”)

Legal entity identifier: 635400IPDCS57QEV804

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

Yes    No

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?** *[indicate the environmental and/or social characteristics promoted by the financial product and whether a reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

The Fund through its incorporation of the Norges Bank Exclusion List as a negative screen promotes the following environmental and social characteristics through its investments:

Environmental characteristics

- reducing the impact of climate change;
- natural resources stewardship; and
- pollution and waste management.

Social characteristics



- human capital management,
- customer well-being,
- supply chain management; and
- community relations.

From a governance perspective, the Fund also focuses on board composition, minority shareholder treatment, management incentives and corporate culture.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

*[include, for financial products that make sustainable investments, a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes]*

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The Fund uses the Norges Bank Exclusion List as a negative screen for selecting its investments. The Norges Bank Exclusion List is a recognised list of excluded investments designed to promote responsible investing. Norway's Council on Ethics (appointed by the Norwegian Ministry of Finance) (the **Council on Ethics**) applies the following criteria in making recommendations to the Norges Bank on the exclusion of certain companies for investment:

- (1) Prohibiting investments in companies which by themselves (or through entities they control) (i) produce weapons that violate fundamental humanitarian principles through their normal use; (ii) produce tobacco; or (iii) sell weapons or military material to states that are subject to certain governmental restrictions;
- (2) Prohibiting investments in certain mining companies and power producers which by themselves (or through entities they control) derive 30% or more of their income from thermal coal or base 30% or more of their operations on thermal coal (the Council on Ethics will also consider forward-looking assessments of a particular company including the share of its business based on renewable sources when making a recommendation); and
- (3) Companies may be put under observation or excluded if there is an unacceptable risk that the company contributes to or is responsible for (i) serious or systematic human rights violations, such as murder, torture, deprivation of liberty, forced labour and the worst forms of child labour; (ii) serious violations of the rights of individuals in situations of war or conflict; (iii) severe environmental damage; (iv) acts or omissions that on the aggregate company level lead to unacceptable greenhouse emissions; (v) gross corruption; or (vi) other particularly serious violations of fundamental ethical norms.

The Sub-Investment Manager recognises that ESG factors inherently impact a company's brand equity, employee satisfaction, competitive position, financial performance and ultimately long-term shareholder value. These factors provide both risks and opportunities and the Sub-Investment Manager's process has been designed to capture both. ESG factors can have a tangible impact on the investment process in areas such as company cash flow projections, the discount rate applied to the DCF valuation analysis, a company's ranking in the Sub-Investment Manager's

proprietary portfolio opportunity score exercise, and ultimately buy and sell decisions in the portfolio.

The Sub-Investment Manager utilizes a proprietary portfolio opportunity scoring system that follows a four step framework to process the key risks and opportunities as follows:

- i. **Identify:** identify which ESG issues are likely to impact the company's main value drivers;
- ii. **Assess:** assess what is a company's ability to manage the risks and opportunities appropriately;
- iii. **Model:** consider how can these risks and opportunities impact the financial model; and
- iv. **Engage:** consider how the Sub-Investment Manager will engage with management teams to raise concerns and encourage them to better manage the risks and opportunities identified.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?** *[include, for financial products that make sustainable investments, a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes]*

N/A

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?** *[include a description for the financial product that partially intends to make sustainable investments]*

N/A

- — **How have the indicators for adverse impacts on sustainability factors been taken into account?** *[include an explanation of how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account]*

N/A

- — **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:** *[include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]*

N/A

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



*[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

### Does this financial product consider principal adverse impacts on sustainability factors?



Yes, \_\_\_\_\_ *[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*

No

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### What investment strategy does this financial product follow? *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

The Sub-Investment Manager seeks to select investments for the Fund that it believes have above average long-term earnings and cash flow growth prospects, an attractive current valuation and which promote environmental and social characteristics. The Sub-Investment Manager is responsible for identifying companies that meet the fundamental characteristics which demonstrate the growth and quality profiles which, in the opinion of the Sub-Investment Manager, could make them attractive investments for the Fund.

The Sub-Investment Manager seeks to select companies that have unique characteristics that lead to a high degree of predictability, strong profitability and above average earnings and cash flow growth. Such companies typically have three primary attributes (i) a high degree of pricing power as a result of a powerful brand, a significant structural competitive advantage or a proprietary product; (ii) a large component of repeat revenues that result from contracts, or the regular use and need for replacement of the products; and (iii) global opportunity or the long runways of growth into unsaturated markets that leads to confidence that growth rates will be sustainable. In addition, the Sub-Investment Manager looks for businesses that convert a very high proportion of their earnings into cash, have strong balance sheets and proven management teams that are good stewards of shareholder capital.

The Sub-Investment Manager's analysis of the three primary attributes referred to above is led by a primary analyst of the Sub-Investment Manager and is supported by a backup analyst of the Sub-Investment Manager, both of whom form part of and are supported by the Sub-Investment Manager's investment committee. The Sub-Investment Manager's sources for its primary research of the criteria includes, amongst others, company documents, interviews with management, competitors, suppliers and other industry participants, public data (including those related to environmental, social and governance (ESG) factors) and consultation with third party analysts. The primary third party data analyst sources that the Sub-Investment Manager incorporates into its analysis of ESG factors include MSCI ESG Research LLC (MSCI) and Institutional Shareholder Services Inc., (ISS). In the case of MSCI, the Sub-Investment Manager subscribes to its ESG research, portfolio benchmarking and greenhouse gas analysis services.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy used to select investments to attain each of the environmental and social characteristics promoted by the Fund is the use of the Norges Bank Exclusion List as a negative screen.

The Norges Bank Exclusion List is a recognised list of excluded investments designed to promote responsible investing. Norway's Council on Ethics (appointed by the Norwegian Ministry of Finance) (the **Council on Ethics**) applies certain criteria in making recommendations to the Norges Bank on the exclusion of certain companies for investment. The list is utilised and referred to by many global institutional investors as an industry guide to responsible investing.

The criteria employed by the Council on Ethics for determining the exclusion of companies for investment includes the following:

- (1) Prohibiting investments in companies which by themselves (or through entities they control) (i) produce weapons that violate fundamental humanitarian principles through their normal use; (ii) produce tobacco; or (iii) sell weapons or military material to states that are subject to certain governmental restrictions;
- (2) Prohibiting investments in certain mining companies and power producers which by themselves (or through entities they control) derive 30% or more of their income from thermal coal or base 30% or more of their operations on thermal coal (the Council on Ethics will also consider forward-looking assessments of a particular company including the share of its business based on renewable sources when making a recommendation); and
- (3) Companies may be put under observation or excluded if there is an unacceptable risk that the company contributes to or is responsible for (i) serious or systematic human rights violations, such as murder, torture, deprivation of liberty, forced labour and the worst forms of child labour; (ii) serious violations of the rights of individuals in situations of war or conflict; (iii) severe environmental damage; (iv) acts or omissions that on the aggregate company level lead to unacceptable greenhouse emissions; (v) gross corruption; or (vi) other particularly serious violations of fundamental ethical norms.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?** *[include an indication of the rate, where there is a commitment to reduce the scope of investments by a minimum rate]*

There is no committed minimum rate.

- **What is the policy to assess good governance practices of the investee companies?** *[include a short description of the policy to assess good governance practices of the investee companies]*

Management strength is one of the key characteristics that the Sub-Investment Manager seeks in all investee companies. This is assessed over the course of many calls and meetings with C-level management of the investee companies as a part of the Sub-Investment Manager's fundamental, bottom-up research process. Some key factors considered when assessing a company's management strength are the independence of the board and lead director, the presence of a combined CEO/Chair and/or controlling shareholder, board diversity, female representation, and say-on-pay frequency. When a company is perceived to have a weakness in their governance structure, the Sub-Investment Manager seeks to engage with management to improve their practices and the outlook for long-term shareholder returns.

The Sub-Investment Manager has an integrated approach to ESG research (that includes the governance practices of investee companies) utilizing a proprietary portfolio opportunity scoring system that follows a four-step framework to process the key risks and opportunities as follows:

- Identify:** identify which ESG issues are likely to impact the company's main value drivers;
- Assess:** assess what is a company's ability to manage the risks and opportunities appropriately;
- Model:** consider how can these risks and opportunities impact the financial model; and
- Engage:** consider how the Sub-Investment Manager will engage with management teams to raise concerns and encourage them to better manage the risks and opportunities identified.

This framework factors in not only the raw (i.e. unmitigated) ESG risks and opportunities to a business, but also a management team's ability to mitigate the identified risks and/or capture the opportunities.

The Sub-Investment Manager's ESG scores serve several important purposes in its investment process, including (i) representing a reference point to focus its due diligence and engagement with management; (ii) contributing to the determination of risk category designations and the discount rates applied in its discounted cash flow valuation system and (iii) providing input for its proprietary portfolio opportunity scoring system which serves as a uniform tool to check the Sub-Investment Manager's portfolio decisions.

ESG considerations are factored into the Sub-Investment Manager's opportunity scoring system in two ways. Firstly, the Sub-Investment Manager's quality assessment of management incorporates an assessment of the company's governance practices as

rated by MSCI as well as the Sub-Investment Manager's assessment of the talents and track record of management regarding business execution and strategic vision. Secondly, the Sub-Investment Manager's proprietary ESG scores are a separate factor used to calculate business quality.

In addition to our own proprietary research, the Sub-Investment Manager incorporates ESG analyses and rankings from third party ESG data and research provider MSCI for all investee companies.

The Sub-Investment Manager also subscribes to sustainability proxy services provided by ISS that provides research and recommendations to the Sub-Investment Manager on ESG related matters (including governance practices/matters of investee companies) that are being voted on at shareholder meetings of companies. This service assists the Sub-Investment Manager's analysis of proxy voting matters that are being voted on at such shareholder meetings.



**Asset allocation** describes the share of investments in specific assets.

*[include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852]*

Taxonomy-aligned activities are expressed as a share of:

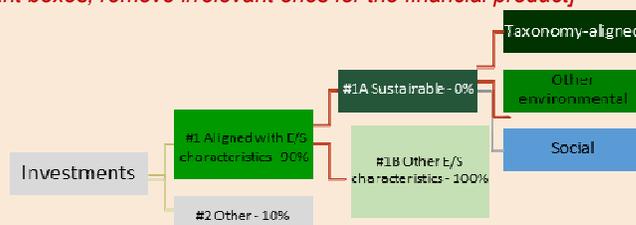
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**What is the asset allocation planned for this financial product?** *[include a narrative explanation of the investments of the financial product, including the minimum proportion of the investments of the financial product used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the financial product where that financial products commits to making sustainable investments, and the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards]*

The Fund promotes environmental and social characteristics. The Fund is not aligned with EU taxonomy, does not make sustainable investments or have a sustainable investment objective. A minimum of 90% of the Fund's investments are aligned with promoting environmental and social characteristics, with a maximum 10% held in other collective investment schemes which may be UCITS or AIFs which are eligible for investment by UCITS in accordance with the UCITS Regulations (as defined in the Prospectus) and the requirements of the Central Bank of Ireland for acceptable investment by UCITS in other investment funds, for the purpose of obtaining exposure to money market rates of return through investments in money market funds; as well as cash, cash equivalents including money market funds, commercial paper, certificates of deposit, and other money market instruments including treasury bills and commercial bills for short-term cash management purposes.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?** *[for financial products that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics]*

*[Include only relevant boxes, remove irrelevant ones for the financial product]*



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

*[include the note below where the financial product commits to making sustainable investments]*

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

*[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852*

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]*

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

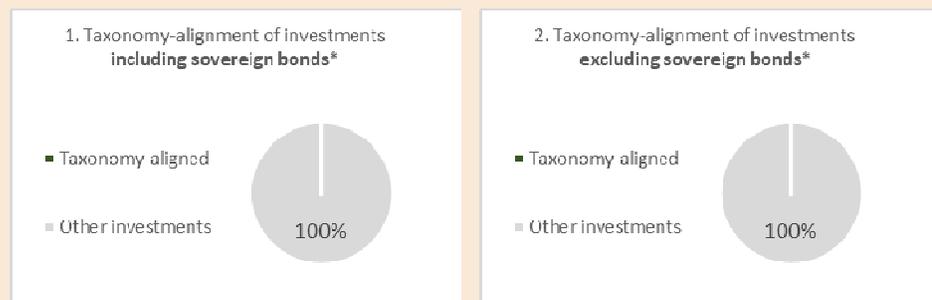
As outlined in the Prospectus in the section entitled "*Financial Derivative Instruments*", The Fund's use of financial derivative instruments (FDI) is to assist in managing the Fund's exposure to currency risk, and assist in mitigating NAV fluctuations caused by fluctuations in currency markets to which the Fund is exposed. The Fund does not use FDI to attain the environmental and social characteristics it promotes.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?** *[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the information referred to in Article 15(3) of this Regulation]*

N/A

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**What is the minimum share of investments in transitional and enabling activities?** *[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

There is no minimum share of investments in transitional and enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy** *[include section only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]*

N/A



**What is the minimum share of socially sustainable investments?** *[include section only where the financial product includes sustainable investments with a social objective]*

N/A



## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The investments under “#2 Other” may include:

- investments in cash, cash equivalents including money market funds, commercial paper, certificates of deposit, and other money market instruments including treasury bills and commercial bills for temporary cash management purposes or pending investment or re-investment; and
- investments in other collective investment schemes which are regulated as UCITS or alternative investment funds (AIFs) which are eligible for investment by the Fund in accordance with the Central Bank's guidance on “UCITS acceptable investment in other investment Funds”.

*[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



These investments are used as part of the overall risk management and liquidity management of the Fund. There are no minimum environmental or social safeguards for these investments.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?** *[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]*

No

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A

**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

*[include a hyperlink to the website referred to in Article 23 of this Regulation]*

<https://globalfunds.virtus.com/ucits>



**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT, YOU SHOULD CONSULT YOUR STOCKBROKER OR OTHER FINANCIAL ADVISOR. The Directors of the ICAV, whose names appear in the Prospectus under the section “DIRECTORY”, accept responsibility for the information contained in this document.**

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## **SUPPLEMENT**

### **VIRTUS GF ALPHASIMPLEX MANAGED FUTURES FUND**

(a Fund of Virtus Global Funds ICAV, an open-ended Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between its Funds)

Supplement No. 3 dated 10 July 2023.

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**This Supplement contains specific information in relation to the Virtus GF AlphaSimplex Managed Futures Fund (the “Fund”), a sub-fund of Virtus Global Funds ICAV. It forms part of and must be read in the context of and together with the Prospectus of the ICAV dated 28 February 2023.**

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

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

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## INTRODUCTION

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This Supplement comprises information relating to the Shares of the Fund to be issued in accordance with the Prospectus and this Supplement.

The general details set out in the Prospectus apply to the Fund save where otherwise stated in this Supplement. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.

The Fund is actively managed.

The Fund will invest principally in FDI.

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## DEFINITIONS

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In this Supplement, the following words and phrases shall have the meanings indicated below:

<b>“Business Day”</b>	any day other than a Saturday or Sunday on which commercial banks are open for business in Dublin and any day the New York Stock Exchange is open for business.
<b>“Comparator Benchmark”</b>	the Credit Suisse Managed Futures Liquid Index and/or the SG Trend Index which are used to capture the risk and return characteristics of diversified trend following portfolios.
<b>“Dealing Day”</b>	each Business Day or such Business Day(s) as the Directors may determine and notify in advance to Investors.
<b>“Dealing Deadline”</b>	4pm (Irish time) on the relevant Dealing Day although the Directors, in consultation with the Manager, may agree to accept applications after the Dealing Deadline, only in exceptional circumstances, provided such applications are received before the Valuation Point for the relevant Dealing Day.
<b>“Sub-Investment Manager”</b>	AlphaSimplex Group, LLC, or such other persons as may be appointed in accordance with the requirements of the Central Bank to provide sub-investment management services to the Investment Manager.
<b>“Valuation Point”</b>	4pm (New York time) on the relevant Dealing Day.

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## THE FUND

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### **Investment Objective**

The investment objective of the Fund is to seek positive absolute returns over time. The Fund will seek to achieve this investment objective primarily by taking long and short exposures to permitted assets whilst also seeking to manage volatility on an annualised basis.

### **Investment Policies**

Under normal circumstances, the Fund seeks to achieve its investment objective by gaining long and/or short exposure to equity and fixed income securities, interest rates, currencies and commodities which are listed or traded globally, including Emerging Market Countries.

The Fund will make significant use of FDIs in order to gain exposure to permitted assets and may also invest in other eligible instruments, including eligible exchange traded notes (“ETNs”) that qualify as transferable securities under the Regulations (and which may or may not embed an FDI) and structured financial instruments (“SFIs”) in order to gain indirect exposure to commodities, interest rates and sovereign bonds. Exposure to ETNs will not exceed 20% of the Net Asset Value of the Fund, aggregate exposure to SFIs will not exceed 10% of the Net Asset Value of the Fund and aggregate exposure to ETNs and SFIs will not exceed 25% of the Net Asset Value of the Fund.

The Fund’s exposure to equities will not have a specific industry, sector or geographical focus.

The Fund’s exposure to fixed income securities will be investment grade at the time that the exposure is taken. Investment grade fixed income securities are securities rated at least BBB- (Standard & Poor’s Ratings Services), Baa3 (Moody’s Investors Services, Inc.), an equivalent rating by Fitch ratings or if unrated, determined by the Sub-Investment Manager to be of equivalent quality.

The Fund’s exposure to currencies will include but will not be limited to Australian Dollar, Pound Sterling, Euro, Swiss Franc, Canadian Dollar and Japanese Yen.

The Fund’s exposure to commodities will include but will not be limited to base and precious metals, energy and agriculture.

To gain exposure to permitted assets, the Fund will enter into futures contracts on financial indices, fixed-income instruments, interest rates and currencies, swaps, forwards and options contracts.

The Fund may invest up to 10% of its net assets in other CIS, subject to the investment restrictions set out in the Prospectus and the limitations contained in Regulation 68 of the UCITS Regulations. Such CIS will have investment policies consistent with the investment policies of the Fund and the investment restrictions.

If deemed appropriate, the Fund may take a defensive investment strategy and move all or a substantial portion of the portfolio to cash or short-term Money Market Instruments. For example, a defensive investment strategy may be warranted in exceptional market conditions, such as a market crash or major crisis which, in the reasonable opinion of the Sub-Investment Manager would be likely to have a significant detrimental effect on the performance of the Fund, under which circumstances, a reasonable investment advisor would be expected to invest in such a manner.

With the exception of permitted investment in unlisted securities and in units or shares of other collective investment schemes, investment by the Fund in securities is restricted to securities listed or dealt in on the Recognised Markets listed in the Prospectus.

### *Investment Approach*

The Sub-Investment Manager's investment approach is to use proprietary quantitative trend models to systematically identify price trends in equity, fixed-income, currency and commodity instruments across time periods of various lengths.

After the price trends have been identified by the trend models, the relative weights of the positions in the permitted asset classes are determined by a proprietary risk management framework.

The Fund may take both long (buy and hold a security so as to benefit from a rise in value) and short (take exposure to a security so as to benefit from a fall in value) positions and the ratio of long to short positions will vary through time. Short positions may only be taken through FDI. It is intended that the Fund will be managed to operate in normal circumstances within a range of 1,000% long exposure and 1,000% short exposure.

The amount of the Fund's assets which are allocated to FDIs, ETNs and SFI may be increased or decreased with the objective of managing annualised volatility at a relatively stable level over the long term.

The Sub-Investment Manager actively manages portfolio risk in an effort to deliver more stable returns and limit losses. Daily risk analysis of positions and their weight in the portfolio is used to estimate overall portfolio volatility. If the estimated volatility differs significantly from the desired volatility, the Sub-Investment Manager will proportionally rescale the Fund's positions with the goal of reducing or increasing market exposure as needed.

The Fund's actual or realised volatility during certain periods or over time may vary substantially for various reasons, including changes in market levels of volatility and because the Fund may include instruments that are inherently volatile.

Volatility is monitored and actively managed daily in an effort to maintain a moderate level of long-term annualized volatility. In higher volatility markets (as calculated based on recent performance), the exposure level of the Fund will be gradually reduced with the goal of containing losses.

In addition, the Sub-Investment Manager may reduce positions based on its calculation and assessment of market risk.

### **Structured Financial Instruments**

The SFI that the Fund will invest in will provide indirect exposure to sovereign bonds and traded commodities, including but not limited to metals, energy and agriculture.

SFIs are debt securities that fall within the categorisation of "transferable securities" as contemplated by the Regulations. The issuers of SFIs will typically be special purpose vehicles (each, a "**Debt Issuer**").

The SFIs are delta one certificates which provide exposure on a 1:1 unleveraged basis to the equity interests in a trading vehicle (which are typically domiciled in the Cayman Islands or similar jurisdiction) managed by the Sub-Investment Manager which employs an investment strategy providing exposure to the markets and asset classes discussed in "Investment Policies" above, more specifically to commodities and sovereign bonds and which shall be consistent with the investment strategy of the Fund. The Fund will ensure a 1:1 exposure is achieved through investing in SFI issued by a Debt Issuer and the commitment by the relevant Debt Issuer to pay the Fund the return on the underlying portfolio (less fees) on a 1:1 basis.

The SFI shall not embed leverage or FDI. The SFIs will be listed in one or more Regulated Markets and the market price of the SFIs will be publicly available. There shall be either a market price available or

an independent valuation of the fair market value of the SFI which shall be performed in accordance with the requirements of the valuation policies of the Company as set out in the section “Valuation, Subscriptions and Redemptions – Calculation of Net Asset Value” in the Prospectus. Each SFI will have a dealer (the “**Dealer**”) which shall commit to purchase the SFI from the Fund at their most recently calculated price in the absence of Market Disruption Events as described below within a timeframe which allows the Fund to ensure it can meet redemption requests in accordance with the requirements of the Central Bank. By way of further information in respect of the Dealer’s repurchase commitment, the Dealer is subject to a legally enforceable obligation to repurchase the SFI (pursuant to the issuance documentation related to the SFI) in the absence of Market Disruption Events. The Dealer has also provided confirmation to the Company in respect of its obligations.

#### *Structured Financial Instruments with Société Générale as Issuer*

The Fund may invest in SFI with Société Générale or an affiliated entity as Debt Issuer (with Société Générale as guarantor) (“**SG Issuer**”).

Where there is an SG Issuer:

- (i) the SFI shall be listed on the EURO MTF Luxembourg Stock Exchange and will be issued by issuers located in Luxembourg, Ireland or France;
- (ii) the SFI will be delta one certificates which shall provide exposure on a 1:1 basis to equity interests in a Cayman fund entity (the “**Cayman Fund**”) which intends to employ an investment management strategy managed by the Sub-Investment Manager providing exposure to global markets via futures and options and more specifically to the commodity sectors. The SFI will not have embedded leverage or embed a derivatives component. However, via the SFI, the Fund may be exposed to entities which use FDI which may or may not create leverage, please refer to the Risk Factors section below; and
- (iii) Société Générale and SG Option Europe or any affiliated entity, acting in its capacity as dealer and market maker for the SFI shall commit to purchase the SFI from the Fund in the absence of Market Disruption Events at its execution price. This price will be the amount (net of all costs or fees) that would be received in cash by Société Générale or any affiliated entity for a redemption order on its 1:1 exposure to the Cayman Fund.

#### *Market Disruption Events*

A Market Disruption Event means a commercially reasonable determination by the Dealer, acting in its capacity of calculation agent, that i) under exceptional circumstances such as a regulatory event, a tax event or a force majeure event preventing the Debt Issuer to perform its obligations under the SFI or ii) owing to liquidity conditions affecting the underlying trading vehicle there is a substantial risk that the Dealer would be unable to redeem, deliver, liquidate, sell, realise or otherwise transfer the shares of the underlying trading vehicle and, accordingly, the Debt Issuer would be unable to redeem SFI held by the Fund at their most recently calculated price. A Market Disruption Event may include, but is not limited to:

- an outage, suspension or any limitation on an exchange on which the investments of the underlying trading vehicle are listed and/or there exists an event or circumstance that prevents or materially limits either transactions in the investments of the underlying trading vehicle or dealing (subscriptions, redemptions and settlement) in the underlying trading venue;
- a determination by the board of directors of the underlying trading vehicle that it is impossible to sell or value the underlying trading vehicle’s investments (this may for example lead to a suspension of trading of the underlying trading vehicle);

- the calculation of the price or value of the SFI or the investments of the underlying trading vehicle are impractical or impossible to make;
- the occurrence of any event that generally makes it impossible or impractical to convert or transfer any currencies (for example, the imposition of any exchange control regulations by governments);
- a general moratorium is declared in respect of banking activities, including any banking activities in London, Dublin and New York; and
- a change in law or regulations (including, without limitation, any tax law), or the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority) which affects the holding, acquisition, trading or transfer SFI or the investments of the underlying trading vehicle.

Upon the occurrence of a Market Disruption Event the Directors will temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares; and/or the Directors may, in certain circumstances, terminate the Fund. For the avoidance of doubt, a Market Disruption Event which relates to Fund assets other than the SFIs and their underlyings will not impact on the Dealer's commitment to purchase the SFIs from the Fund.

### **ESG Integration**

Sustainability Risks are not systematically integrated due to the nature of the investment objective of the Fund and they are also not a core part of the Fund's investment policies.

The Sub-Investment Manager has determined that the Fund is an Article 6 financial product pursuant to SFDR.

#### *Principal Adverse Impact*

Given the investment objective and policies of the Fund and the nature and scale of the Sub-Investment Manager's business, the Sub-Investment Manager does not consider the adverse impact of investment decisions on sustainability factors as it believes focusing on the selection of investment opportunities for the Fund to be a greater use of its resources.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **Investment and Borrowing Restrictions**

The general investment restrictions as set out in the "INVESTMENT RESTRICTIONS" section of the Prospectus shall apply.

The Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

### **Base Currency**

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

### **Profile of a Typical Investor**

An investment in the Fund is suitable for institutional and retail investors who:

- seek low correlations with traditional asset classes as part of a diversified portfolio;

- can afford to set aside capital for long term horizon; and
- can tolerate volatility.

### **Benchmark Index**

The Fund uses the Comparator Benchmark to compare the performance of the Fund against, but it is not used to constrain portfolio composition or as a target for the performance of the Fund.

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## **INVESTMENT IN FDI AND RISK MANAGEMENT**

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This section should be read in conjunction with the sections “USE OF FINANCIAL DERIVATIVE INSTRUMENTS” and “Risks associated with Financial Derivative Instruments” of the Prospectus which sets out a full description of each of the FDI utilised by the Fund, including typical commercial purpose.

### **Investment in FDI**

The Fund will make extensive use of the FDIs listed in the section “Investment Policy” of this Supplement principally for investment, efficient portfolio management or hedging purposes, including protecting the Fund’s unrealized gains by hedging against possible adverse fluctuations in the securities markets or changes in interest rates or currency exchange rates that may reduce the market value of the Fund’s investment portfolio. Certain of these FDI may qualify as Total Return Swaps. The Fund may engage in such transactions on an exchange or in the OTC market.

FDIs are financial instruments that derive their value from the value of an underlying asset or reference rate. The underlying reference security for FDIs, which will at all times reflect the investment policies of the Fund and may be a single security or a basket of securities.

FDIs may be used to mitigate short-term market volatility and enhance principal protection when appropriate specifically protecting against market, credit and interest rate risks. The types of FDIs used for investment/speculative purposes are as set out in the section “Investment Policies” of this Supplement. Currency swaps, currency forwards (including non-deliverable forward contracts), currency futures, currency options and OTC currency options will also be used to hedge against currency fluctuation risks associated with Classes of Shares denominated in a currency other than the Base Currency of the Fund.

For efficient portfolio management purposes only, the Fund may also utilise repurchase/reverse repurchase agreements, purchase when issued, delayed delivery and forward commitment securities and engage in stock lending.

The risks attached to the use of FDI by the Fund are set out in the section “USE OF FINANCIAL DERIVATIVE INSTRUMENTS” of the Prospectus.

### **Risk Management**

The Manager operates a Risk Management Process on behalf of the Fund in relation to its use of FDIs, details of which are set out in the section “USE OF FINANCIAL DERIVATIVE INSTRUMENTS: Risk Management” of the Prospectus.

The Fund’s gross leverage, calculated on the basis of the sum of the notional values of the FDI, will typically not exceed 1,000% of the Fund’s Net Asset Value. The sum of notional leverage of FDI may increase significantly should the Fund invest, to a significant extent, in instruments that have very limited price movements such as short-term interest rate futures and options contracts, in which case

the maximum leverage may exceed 2,000% on both a gross and net (i.e., allowing for netting and hedging) basis. This is not, however, an indicator of economic leverage within the Fund and may appear high, as it does not take into account the effect of any netting or hedging arrangements that the Fund may adopt. The prescribed methodology for calculating gross leverage requires the inclusion of the full notional of any FDI purchased even though, in some cases, the Fund's maximum downside exposure is limited to the premia that the Fund has committed to pay for that FDI. In particular, while the notional contract size for short-term interest rate futures contracts may be high, their daily price movements and portfolio impact are often much smaller than other types of securities. The Risk Management Process provides that leverage and exposure in the Fund will be primarily controlled through the daily analysis and limitation of the Fund's VaR. Using data from price movements over the past year of trading days, VaR is an estimate of the maximum daily loss the Fund is likely to suffer on any given day based on its current holdings. The Fund will use the absolute VaR model whereby VaR shall not exceed 20% of the Net Asset Value of the Fund. The VaR will be calculated to a one-tailed 99% confidence interval and a one month (20 business day) holding period and using an effective observation period of at least one year (250 business days). The measurement and monitoring of all exposures relating to the use of FDI will be performed on at least a daily basis.

The Risk Management Process is described in a statement, a copy of which has been filed with the Central Bank, and which will be updated from time to time to include any additional FDI which the Manager proposes to employ on behalf of the Fund. Until such time as the Risk Management Process has been updated, however, the Manager will not use any FDI which is not for the time being included in the Risk Management Process.

Information on FDIs used for the Fund will be included in the ICAV's semi-annual and annual reports and accounts. The ICAV will also provide information to Shareholders on request on the Risk Management Process employed on the Fund's behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investments held on behalf of the Fund.

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### **SUB-INVESTMENT MANAGER**

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The Investment Manager has appointed AlphaSimplex Group, LLC as Sub-Investment Manager in respect of the Fund. The Sub-Investment Manager is a Delaware, USA limited liability company, is registered as an Investment Adviser with the SEC in the U.S. and is an affiliate of the Investment Manager.

The Sub-Investment Manager's principal address is 200 State Street, Boston MA 02109, USA.

The Sub-Investment Manager provides investment services and manages investment advisory accounts for charitable organizations and endowments, professional and religious organizations, corporations and other commercial entities, pension and profit-sharing plans, insurers, banks and thrifts, family offices. It also provides portfolio investment management services as a sub-adviser to registered investment companies and private and institutional clients.

An agreement is in place between the Investment Manager and the Sub-Investment Manager in respect of the management of the Fund.

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### **RISK FACTORS**

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Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "RISK FACTORS" section of the Prospectus.

These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisors before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

The specific risks of investing in the Fund are linked to:

Equity Securities; Debt Securities; FDIs; SFI; Changing Interest Rates; Currencies; Leverage Risk; Counterparties; Global Investing; Commodities; Liquidity; Credit; Emerging Markets and Operational Risk.

*The Fund may be exposed to Entities Which Use Margin Funding and Leverage*

The Fund may obtain exposure to Cayman entities (the “**Entities**”) by investing (in accordance with the investment policy) in SFI. Such instruments may provide the Fund with direct or indirect exposure to Entities which use FDI which may or may not create leverage at the underlying Entities level to obtain an optimum return on their equity capital. The use of such techniques may therefore increase the volatility/returns of the Fund as the Fund has an indirect exposure to such underlying instruments.

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## SUBSCRIPTIONS

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### **How to Purchase Shares**

Details of the Classes available and the relevant class currency, minimum initial subscription amount, minimum subsequent investment amount and any relevant Initial Offer Period and Initial Offer Price are set out below under “Share Class Information”.

#### *Initial Offer Period*

The Initial Offer Period for all Classes of Shares is open and shall close on the earlier of (i) the first investment by a Shareholder in that Class or (ii) 4.00 PM (New York time) on 9 January 2024.

#### *Subscriptions Following the Initial Offer Period*

Following the close of the Initial Offer Period, an Applicant may apply to subscribe for Shares in respect of each Dealing Day at the subscription price per Share calculated as at the Valuation Point in respect of the relevant Dealing Day.

Application Forms, duly completed in accordance with the instructions set out in the Application Form and the section “SHARE DEALINGS: Subscription for Shares – *Purchases of Shares*” in the Prospectus must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day or, in exceptional circumstances, such later time or date as the Directors shall determine, provided the Application Form is received before the Valuation Point.

Any Application Form sent by facsimile or other electronic means (as the Directors and the Administrator may approve in accordance with the requirements of the Central Bank) must be confirmed promptly by receipt of a signed original Application Form and supporting anti-money laundering documentation.

Further details in relation to the procedure for subscriptions are set out in the section “SHARE DEALINGS Subscription for Shares – *Purchases of Shares*” in the Prospectus.

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## REDEMPTIONS

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### How to Redeem Shares

Shares may be redeemed at the Redemption Price Per Share on a Dealing Day by contacting the Administrator or the Distributor for onward transmission to the Administrator so that a signed redemption request (in writing, by fax, or such other electronic means agreed by the Administrator and in accordance with the requirements of the Central Bank) is received by the Administrator no later than the Dealing Deadline.

In the case of faxed or other electronic redemption requests, payment will only be made to the account of record.

Redemption requests received by the Administrator subsequent to the Dealing Deadline shall be effective on the next succeeding Dealing Day.

All payments of redemption monies shall normally be made within 3 Business Days of the relevant Dealing Day but in any event within 10 Business Days of the Dealing Deadline on which the redemption request is made. The redemption proceeds shall be made by telegraphic transfer at the Shareholder's expense to the Shareholder's bank account, details of which shall be set out by the Shareholder to the Administrator in the Application Form. Redemption proceeds cannot be released until the Application Form (in the form of a signed original or as may have been received by the Administrator by such other electronic means (including applications made via a Clearing System) and as the Directors and the Administrator shall have approved) and all documents required in connection with the obligation to prevent money laundering have been received by the Administrator and all anti-money laundering procedures have been completed.

Further details in relation to the procedure for subscriptions are set out in the section "SHARE DEALINGS: Redemption of Shares" in the Prospectus.

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## SHARE CLASS INFORMATION

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<b>Class</b>	<b>Currency</b>	<b>Investment Management Fee</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Subsequent Subscription</b>
A	USD	1.65%	USD 5,000	USD 1,000
A	EUR	1.65%	EUR 5,000	EUR 1,000
A	GBP	1.65%	GBP 5,000	GBP 1,000
A	NOK	1.65%	NOK 5,000	NOK 1,000
A	DKK	1.65%	DKK 5,000	DKK 1,000
A	SEK	1.65%	SEK 5,000	SEK 1,000
A	CHF	1.65%	CHF 5,000	CHF 1,000
A	ZAR	1.65%	ZAR 5,000	ZAR 1,000

A	SGD	1.65%	SGD 5,000	SGD 1,000
A	HKD	1.65%	HKD 5,000	HKD 1,000
A	JPY	1.65%	JPY 5,000	JPY 1,000
A	AUD	1.65%	AUD 5,000	AUD 1,000
C	USD	2.05%	USD 5,000	USD 1,000
C	EUR	2.05%	EUR 5,000	EUR 1,000
C	GBP	2.05%	GBP 5,000	GBP 1,000
C	NOK	2.05%	NOK 5,000	NOK 1,000
C	DKK	2.05%	DKK 5,000	DKK 1,000
C	SEK	2.05%	SEK 5,000	SEK 1,000
C	CHF	2.05%	CHF 5,000	CHF 1,000
C	ZAR	2.05%	ZAR 5,000	ZAR 1,000
C	SGD	2.05%	SGD 5,000	SGD 1,000
C	HKD	2.05%	HKD 5,000	HKD 1,000
C	JPY	2.05%	JPY 5,000	JPY 1,000
C	AUD	2.05%	AUD 5,000	AUD 1,000
R	USD	1.05%	USD 5,000	USD 1,000
R	EUR	1.05%	EUR 5,000	EUR 1,000
R	GBP	1.05%	GBP 5,000	GBP 1,000
R	NOK	1.05%	NOK 5,000	NOK 1,000
R	DKK	1.05%	DKK 5,000	DKK 1,000
R	SEK	1.05%	SEK 5,000	SEK 1,000
R	CHF	1.05%	CHF 5,000	CHF 1,000
R	ZAR	1.05%	ZAR 5,000	ZAR 1,000
R	SGD	1.05%	SGD 5,000	SGD 1,000
R	HKD	1.05%	HKD 5,000	HKD 1,000
R	JPY	1.05%	JPY 5,000	JPY 1,000

R	AUD	1.05%	AUD 5,000	AUD 1,000
I	USD	0.95%	USD 1,000,000	USD 250,000
I	EUR	0.95%	EUR 1,000,000	EUR 250,000
I	GBP	0.95%	GBP 1,000,000	GBP 250,000
I	NOK	0.95%	NOK 1,000,000	NOK 250,000
I	DKK	0.95%	DKK 1,000,000	DKK 250,000
I	SEK	0.95%	SEK 1,000,000	SEK 250,000
I	CHF	0.95%	CHF 1,000,000	CHF 250,000
I	ZAR	0.95%	ZAR 1,000,000	ZAR 250,000
I	SGD	0.95%	SGD 1,000,000	SGD 250,000
I	HKD	0.95%	HKD 1,000,000	HKD 250,000
I	JPY	0.95%	JPY 1,000,000	JPY 250,000
I	AUD	0.95%	AUD 1,000,000	AUD 250,000
J	USD	0.85%	USD 50,000,000	USD 50,000,000
M	USD	0.75%	USD 300,000,000	USD 300,000,000
M	EUR	0.75%	EUR 300,000,000	EUR 300,000,000
M	GBP	0.75%	GBP 300,000,000	GBP 300,000,000
M	NOK	0.75%	NOK 300,000,000	NOK 300,000,000

Each Class listed within the above table (“**Class Table**”) has both an Income Class and an Accumulating Class.

Share classes may be Hedged or Unhedged. Please refer to the sub-section entitled “**Class Currency Hedging**” in the Prospectus for additional information on hedging.

The Initial Offer Price with respect to the above Classes will be the latest available net asset value of the ASG Managed Futures Fund, a sub-fund of Natixis International Funds (Lux) I which is a Luxembourg *Société d'investissement à Capital Variable* composed of several separate sub-funds. This information will be available from the Administrator.

Please refer to the sub-section entitled “**Charges and Service Fees**” of the Supplement for additional fees and expenses associated with the Classes.

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## FEES AND EXPENSES

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**The Fund shall bear its attributable portion of the fees and operating expenses of the ICAV. The fees and operating expenses of the ICAV are set out in the section “FEES AND EXPENSES” in the Prospectus.**

### **Establishment Costs**

The expenses incurred in the establishment of the Fund were \$75,000. These fees will be amortised over the first 3 financial years of the Fund in accordance with the provisions of the Prospectus.

### **Management Fee**

The Manager will be entitled to the following management fee payable out of the assets of the Fund in relation to the Shares as follows:

A management fee calculated by the Administrator accruing at each Valuation Point and payable quarterly in arrears at a rate of 0.025% per annum of the Net Asset Value of the ICAV subject to a minimum fee of €50,000 per annum (exclusive of VAT) plus reasonable vouched out of pocket expenses (the “**Management Fee**”).

### **Expense Limitation**

The Investment Manager has currently voluntarily undertaken to limit the aggregate annual ordinary expenses of the Fund’s Classes, including but not limited to Depositary, Administrator, Investment Management and other expenses as set out in the section “FEES AND EXPENSES” in the Prospectus, as follows:

<b>Share Class</b>	<b>Expense Limitation</b>
A	1.95% of the Net Asset Value of the Class
C	2.35% of the Net Asset Value of the Class
R	1.35% of the Net Asset Value of the Class
I	1.25% of the Net Asset Value of the Class
J	1.10% of the Net Asset Value of the Class
M	0.90% of the Net Asset Value of the Class

The Investment Manager may terminate or modify any such voluntary undertaking at any time at its sole discretion upon advance notice to the Shareholders.

### **Charges and Service Fees**

#### *Sales Charges*

Class A Shares will be subject to a Sales Charge of up to 5% of the amount subscribed.

## *CDSC*

Where Class C Shares are redeemed within 12 months of subscription, they are subject to a CDSC of 1% of the amount subscribed. The CDSC will be multiplied by the amount redeemed or the initial cost of the shares being redeemed, whichever is less. No CDSC will be imposed on increases in the Net Asset Value per Class C Shares or on Class C Shares purchased through the reinvestment of dividends. To calculate the number of Class C Shares owned and time period held, all relevant Class C Shares are considered purchased on the trade date.

## **Investment Management Fee**

The Investment Manager will be entitled to the investment management fee (the “**Investment Management Fee**”) payable out of the assets of the Fund in relation to the Shares as set out in the Share Class Information table above. The Investment Management Fee is calculated by the Administrator accruing at each Valuation Point and payable monthly in arrears at the rates set out in the Class Table. The Investment Manager may, at its discretion, waive the whole or part of the Investment Management Fee.

The Investment Manager will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Investment Manager. For avoidance of doubt, this will include any fees and expenses incurred by the Investment Manager in respect of their attendance at board meetings of the Fund.

The Investment Manager will pay part of its Investment Management Fee to the Sub-Investment Manager. The Sub-Investment Manager is not paid directly out of the assets of the Fund.

## **Administration Fees**

The Administrator will be entitled to receive, out of the assets of the Fund the greater of an annual fee which will not exceed 0.04% of the Net Asset Value of the Fund or a minimum administration fee of up to US\$35,000 per annum on an aggregate basis (plus VAT, if any), together with transaction charges at normal commercial rates and reasonable out-of-pocket expenses incurred by the Administrator in the performance of its duties. These fees shall accrue and be calculated daily and shall be payable monthly in arrears.

## **Depositary Fees**

The Depositary will be entitled to receive, out of the assets of the Fund, the greater of an annual fee in respect of custodial services which will not exceed 0.02% per annum of the Net Asset Value of the relevant Fund or a minimum fee of up to US\$28,750 per annum on an aggregate basis (plus VAT, if any), together with reasonable expenses incurred by the Depositary in the performance of its duties as depositary of the Company. This fee shall accrue and be calculated daily and shall be payable monthly in arrears.

The Depositary shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses incurred by the Depositary in the performance of its duties under the Depositary Agreement.

## **Other Fees and Expenses**

The ICAV will also reimburse the Investment Manager and the Manager for its reasonable out-of-pocket expenses incurred by the Investment Manager and the Manager. Such out-of-pocket expenses may include the preparation of portfolio reports provided that they are charged at normal commercial rates and incurred by the Investment Manager in the performance of its duties under the Investment Management Agreement.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to pay rebates/retrocessions to some or all Shareholders or to the ICAV out of the Investment Management Fee that it receives.

All fees payable to the Investment Manager will be paid in the Base Currency of the Fund. The Fund shall bear the cost of any Irish value added tax applicable to any amount payable to the Investment Manager.

The other fees and expenses of the ICAV and the Fund are set out in the Prospectus under the heading “Fees and Expenses”.

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## INCOME POLICY

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The Directors intend to make payments of Income to investors of the Fund from the profits attributable in respect of the Income Classes.

Income may be payable out of the net income of such Classes (consisting of all revenue accrued including interest and dividends) less expenses attributable to the relevant Class of the Fund. Income will generally be payable in respect of those Classes within 4 months of the financial year end in accordance with the terms of the Prospectus.

Income Payments so distributed will automatically be reinvested in additional Shares in the relevant Class, free of charge unless investors elect to receive Income Payments in cash, such election to be made at each Shareholder’s sole discretion and notified to the ICAV in which case Income Payments will be paid to the account of record for the relevant Shareholder. The Income Payments will be made to the Shareholders in the Base Currency of the Fund.

The amount of Income paid on each class of Shares will be in accordance with the different entitlements of each class to tax benefits under applicable tax treaties.

The Directors do not currently intend to declare or pay Income earned by the Fund on any of the Accumulating Classes. Any net income and realised and unrealised gains net of realised and unrealised losses attributable to such Accumulating Classes will be accumulated in the Net Asset Value per Share of the relevant Class.

See the section entitled “**Income Policy**” in the Prospectus for further details.

**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD CONSULT YOUR STOCKBROKER OR OTHER FINANCIAL ADVISOR. The Directors of the ICAV, whose names appear in the Prospectus under the section “DIRECTORY”, accept responsibility for the information contained in this document.**

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## **SUPPLEMENT**

### **VIRTUS GF U.S. SMALL-MID CAP FUND**

(a Fund of Virtus Global Funds ICAV, an open-ended Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between its Funds.)

Supplement No. 2 dated 14 September 2023

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**This Supplement contains specific information in relation to the Virtus GF U.S. Small Mid Cap Fund (the “Fund”), a sub-fund of Virtus Global Funds ICAV. It forms part of and must be read in the context of and together with the Prospectus of the ICAV dated 28 February 2023.**

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

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## INTRODUCTION

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This Supplement comprises information relating to the Shares of the Fund to be issued in accordance with the Prospectus and this Supplement.

The Fund is currently offering the following Classes of Shares: Class A, C, I, M and R Shares which shall be offered in USD, EUR, GBP, NOK, DKK, SEK, CHF, ZAR, SGD, HKD, JPY and AUD.

The general details set out in the Prospectus apply to the Fund save where otherwise stated in this Supplement. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.

The Fund is actively managed.

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## DEFINITIONS

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In this Supplement, the following words and phrases shall have the meanings indicated below:

<b>“Comparator Benchmark”</b>	the Russell 2500™ Index, an index that measures the performance of the small and mid-capitalisation segment of the U.S. equity universe which has a weighted average market capitalization of US\$4.3 billion and which has the Bloomberg ticker R2500.
<b>“Dealing Day”</b>	each Business Day or such Business Day(s) as the Directors may determine and notify in advance to Investors.
<b>“Dealing Deadline”</b>	4pm (Irish time) on the relevant Dealing Day although the Directors, in consultation with the Manager, may agree to accept applications after the Dealing Deadline, only in exceptional circumstances, provided such applications are received before the Valuation Point for the relevant Dealing Day.
<b>“Small and Medium Market Capitalisation Companies”</b>	companies that, at the time of initial purchase, have market capitalisations within the range of companies included in the Comparator Benchmark on a rolling three-year basis. As of 30 September 2022, the total market capitalisation range of companies included in the Comparator Benchmark over the past three years was \$5.85 million to \$49.5 billion;
<b>“Sub-Investment Manager”</b>	Kayne Anderson Rudnick Investment Management, LLC, or such other persons as may be appointed in accordance with the requirements of the Central Bank to provide discretionary sub-investment management services to the Investment Manager.
<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 the

investment. If a Sustainability Risk associated with an investment materialises, it could lead to the loss in value of an investment.

**“Valuation Point”**

4pm (New York time) on the relevant Dealing Day.

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**THE FUND**

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**Investment Objective**

The investment objective of the Fund is to pursue long-term capital appreciation.

**Investment Policy**

In order to achieve its investment objective, the Fund will invest primarily in the equity securities of Small and Medium Market Capitalisation Companies located in the United States and across all industry sectors while seeking to incur less risk than the small and mid-cap markets. The Fund seeks to do this by investing in companies that the Sub-Investment Manager believes have enduring and stable business models. At any time, the Fund will hold shares in approximately 25 to 35 different Small and Medium Market Capitalisation Companies.

The Sub-Investment Manager believes that owning a focused, yet economically diversified portfolio of high quality Small and Medium Market Capitalisation Companies will achieve attractive long-term risk-adjusted investment returns. The Sub-Investment Manager defines “high quality” as a qualitative business characteristic that it believes based on its analysis enables a company to resist competitive forces and thereby produce high and enduring profitability. The Sub-Investment Manager applies thorough fundamental analysis to evaluate a company’s competitive attributes in order to identify high quality companies for the Fund’s portfolio. The primary objective of the Sub-Investment Manager’s fundamental analysis is to determine if a business possess a competitive advantage and, if so, to evaluate its durability. In furtherance of this effort, the Sub-Investment Manager reviews regulatory filings, press releases, transcripts and other relevant industry data, conducts interviews with management, and assesses how a company’s competitive differentiation translates into its capital efficiency, growth profile, margin history, capital structure, and business resiliency.

The Sub-Investment Manager will utilise a sell discipline that seeks to dispose of holdings that, among other things, have an extended valuation (the price range the Sub-Investment Manager considers appropriate to pay for a security becomes too high given a company’s near or long-term outlook), or are the subject of negative developments individually or as an industry (such as poor financial performance or macro issues concerning the markets in which these companies trade), or as necessary to provide funding to upgrade and improve portfolio holdings or meet diversification requirements.

The Fund invests in a select group of Small and Medium Market Capitalisation Companies believed by the Sub-Investment Manager to be undervalued relative to their future growth potential. The Sub-Investment Manager will evaluate the market price of the company and estimate the long-term investment return by approximating the long-term discretionary earnings of the business and comparing that to the current price. The investment strategy emphasises companies that the Sub-Investment Manager believes to have a sustainable competitive advantage, strong management and low financial risk and to be able to grow over market cycles. The primary objective of the Sub-Investment Manager’s research process is to determine if a business possesses a competitive advantage and, if so, to evaluate its durability. The Sub-Investment Manager studies how a company’s competitive differentiation translates into its capital efficiency, growth profile, margin history, capital structure, and business resiliency.

Under normal circumstances, the Fund invests at least 80% of its assets in common stocks of Small and Medium Market Capitalisation Companies. However, in seeking to achieve its investment objective, the Fund may also invest up to 20% of its assets in depositary receipts (“**Depositary Receipts**”) (further described below), non-U.S. securities located in countries considered to be developed markets included in the MSCI World Index (“**Non-U.S. Securities**”) and short-term investments (“**Short-Term Investments**”).

The Depositary Receipts in which the Fund will invest include American Depositary Receipts (“**ADRs**”) sponsored by U.S. banks, European Depositary Receipts (“**EDRs**”), Global Depositary Receipts (“**GDRs**”), and ADRs not sponsored by U.S. banks. Although certain Depositary Receipts may reduce or eliminate some of the risks associated with non-U.S. investing, these types of securities generally are subject to many of the same risks as direct investment in securities of non-U.S. issuers.

Investment in Non-U.S. Securities involves risks and considerations not typically associated with investing in U.S. companies and the value of Non-U.S. Securities may be more volatile than those of U.S. securities. The values of Non-U.S. Securities are subject to economic and political developments in countries and regions where issuers operate or are domiciled, or where the securities are traded, such as changes in economic or monetary policies, and to changes in currency exchange rates. Values may also be affected by restrictions on receiving the investment proceeds from a non-U.S. country.

Short-Term Investments include Money Market Instruments. These securities generally present less risk than other investments, but they are generally subject to credit risk and may be subject to other risks as well.

The Fund may invest up to 10% of its net assets in other collective investment schemes (“**CIS**”), subject to the investment restrictions set out in the Prospectus and the limitations contained in Regulation 68 of the UCITS Regulations. Such CIS will have investment policies consistent with the investment policies of the Fund and the investment restrictions.

If deemed appropriate, the Fund may take a defensive investment strategy and move all or a substantial portion of the portfolio to cash or Money Market Instruments. For example, a defensive investment strategy may be warranted in exceptional market conditions, such as a market crash or major crisis which, in the reasonable opinion of the Sub-Investment Manager would be likely to have a significant detrimental effect on the performance of the Fund, under which circumstances, a reasonable investment advisor would be expected to invest in such a manner.

With the exception of permitted investment in unlisted securities and in CIS, investment by the Fund in securities is restricted to securities listed or dealt in on the Recognised Markets listed in the Prospectus.

As of the date of this Supplement, the Sub-Investment Manager does not intend to employ FDI in relation to the Fund. Should the Sub-Investment Manager intend to employ FDI in relation to the Fund in the future, it will ensure that the ICAV’s risk management process includes all necessary policies and procedures to enable the Sub-Investment Manager to accurately measure, monitor and manage the various risks associated with such investment techniques and instruments. Any risk management process employed in respect of the Fund will be submitted to the Central Bank in accordance with the Central Bank UCITS Regulations prior to the use of FDI.

### **ESG and Sustainable Investments Integration**

The Sub-Investment Manager has determined that the Fund is an Article 6 product pursuant to SFDR.

The Sub-Investment Manager considers as an element of its investment research and decision-making processes for the Fund any ESG factors that the Sub-Investment Manager believes may influence risks and rewards of companies under consideration. However, any consideration of ESG factors will be within the context of the Sub-Investment Manager’s overall investment research and evaluation of whether such factors are relevant and financially material to a particular investment opportunity and,

where deemed financially material to a particular investment opportunity, whether the Sub-Investment Manager believes such factors are likely to materially impact anticipated long-term capital appreciation of the investment opportunity. Although the specific ESG factors that will be relevant to each investment opportunity will differ, some examples of ESG factors the Sub-Investment Manager believes to be relevant to many investment opportunities are water stress, toxic emissions and waste, corporate governance, product safety and quality, labor management, and diversity & inclusion. In evaluating an existing or prospective investment, ESG is just one of several factors considered by the Sub-Investment Manager when making investments on behalf of the Fund. In addition, ESG is not weighted more heavily than other considerations, and the Fund could invest in a company even if such company scores poorly when any applicable ESG factors are considered.

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Principal Adverse Impact**

Given the investment objective and policies of the Fund and the nature and scale of the Sub-Investment Manager's business, the Sub-Investment Manager does not consider the adverse impact of investment decisions on sustainability factors as it believes focusing on the selection of investment opportunities for the Fund to be a greater use of its resources.

### **Investment and Borrowing Restrictions**

The general investment restrictions as set out in the "INVESTMENT RESTRICTIONS" section of the Prospectus shall apply.

The Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

### **Base Currency**

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

### **Profile of a Typical Investor**

An investment in the Fund is suitable for investors seeking capital appreciation and that are prepared to accept a moderate to high level of volatility. Investors should be prepared to maintain a long-term investment in the Fund.

### **Comparator Benchmark**

The Fund uses the Comparator Benchmark to compare the performance of the Fund against, but it is not used to constrain portfolio composition or as a target for the performance of the Fund.

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## **SUB-INVESTMENT MANAGER**

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The Investment Manager has appointed Kayne Anderson Rudnick Investment Management, LLC as Sub-Investment Manager in respect of the Fund. The Sub-Investment Manager is a California limited liability company, is registered as an Investment Adviser with the SEC in the U.S. and is an affiliate of the Investment Manager.

The Sub-Investment Manager's principal address is 2000 Avenue of the Stars, Suite 1110, Los Angeles, California 90067, USA.

The Sub-Investment Manager provides investment services and manages investment advisory accounts for charitable organizations and endowments, professional and religious organizations, corporations and other commercial entities, pension and profit-sharing plans, insurers, banks and thrifts, family offices. It also provides portfolio investment management services as a sub-adviser to registered investment companies and private and institutional clients.

An agreement is in place between the Investment Manager and the Sub-Investment Manager in respect of the management of the Fund.

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## RISK FACTORS

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Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “RISK FACTORS” section of the Prospectus.

These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisors before making an application for Shares.

There can be no assurance that the Fund will achieve its investment objective.

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## SUBSCRIPTIONS

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### **How to Purchase Shares**

Details of the Classes available and the relevant class currency, minimum initial subscription amount, minimum subsequent investment amount and any relevant Initial Offer Period and Initial Offer Price are set out below under “Share Class Information”.

#### *Initial Offer Period*

The Initial Offer Period for all Classes other than Classes A, I and R Accumulating Shares offered in USD shall close on the earlier of (i) the first investment by a Shareholder in that Class or (ii) 4:00 pm (New York time) on 14 March 2024. The Initial Offer Period for Classes A, I and R Accumulating Shares offered in USD is closed.

#### *Subscriptions Following the Initial Offer Period*

Following the close of the Initial Offer Period, an Applicant may apply to subscribe for Shares in respect of each Dealing Day at the Subscription Price per Share calculated as at the Valuation Point in respect of the relevant Dealing Day.

Application Forms, duly completed in accordance with the instructions set out in the Application Form and the section “SHARE DEALINGS: SUBSCRIPTION FOR SHARES – Purchase of Shares” in the Prospectus must be received by the Administrator prior to the Dealing Deadline for the relevant Dealing Day or, in exceptional circumstances, such later time or date as the Directors shall determine, provided the Application Form is received before the Valuation Point.

Any Application Form sent by facsimile or other electronic means (as the Directors and the Administrator may approve in accordance with the requirements of the Central Bank) must be confirmed promptly by receipt of a signed original Application Form and supporting anti-money laundering documentation.

Further details in relation to the procedure for subscriptions are set out in the section “SHARE DEALINGS: Subscription for Shares – *Purchase of Shares*” in the Prospectus.

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## REDEMPTIONS

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### **How to Redeem Shares**

Shares may be redeemed at the Redemption Price on a Dealing Day by contacting the Administrator or the Distributor for onward transmission to Administrator so that a signed redemption request (in writing, by fax, or such other electronic means agreed by the Administrator and in accordance with the requirements of the Central Bank) is received by the Administrator no later than the Dealing Deadline.

In the case of faxed or other electronic redemption requests, payment will only be made to the account of record.

Redemption requests received by the Administrator subsequent to the Dealing Deadline shall be effective on the next succeeding Dealing Day.

All payments of redemption monies shall normally be made within 3 Business Days of the relevant Dealing Day but in any event within 10 Business Days of the Dealing Deadline on which the redemption request is made. The redemption proceeds shall be made by telegraphic transfer at the Shareholder’s expense to the Shareholder’s bank account, details of which shall be set out by the Shareholder to the Administrator in the Application Form. Redemption proceeds cannot be released until the Application Form (in the form of a signed original or as may have been received by the Administrator by such other electronic means (including applications made via a Clearing System) and as the Directors and the Administrator shall have approved) and all documents required in connection with the obligation to prevent money laundering have been received by the Administrator and all anti-money laundering procedures have been completed.

Further details in relation to the procedure for subscriptions are set out in the section “REDEMPTION OF SHARES” in the Prospectus.

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**SHARE CLASS INFORMATION**

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<b>Class</b>	<b>Class Currency</b>	<b>Investment Management Fee</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Subsequent Subscription</b>	<b>Initial Offer Price</b>
Class A USD	USD	1.83%	USD 5,000	USD 1,000	USD 10
Class A EUR	EUR	1.83%	EUR 5,000	EUR 1,000	EUR 10
Class A GBP	GBP	1.83%	GBP 5,000	GBP 1,000	GBP 10
Class A NOK	NOK	1.83%	NOK 5,000	NOK 1,000	NOK 10
Class A DKK	DKK	1.83%	DKK 5,000	DKK 1,000	DKK 10
Class A SEK	SEK	1.83%	SEK 5,000	SEK 1,000	SEK 10
Class A CHF	CHF	1.83%	CHF 5,000	CHF 1,000	CHF 10
Class A ZAR	ZAR	1.83%	ZAR 5,000	ZAR 1,000	ZAR 10
Class A SGD	SGD	1.83%	SGD 5,000	SGD 1,000	SGD 10
Class A HKD	HKD	1.83%	HKD 5,000	HKD 1,000	HKD 10
Class A JPY	JPY	1.83%	JPY 5,000	JPY 1,000	JPY 10
Class A AUD	AUD	1.83%	AUD 5,000	AUD 1,000	AUD 10
Class C USD	USD	1.93%	USD 5,000	USD 1,000	USD 10
Class C EUR	EUR	1.93%	EUR 5,000	EUR 1,000	EUR 10
Class C GBP	GBP	1.93%	GBP 5,000	GBP 1,000	GBP 10
Class C NOK	NOK	1.93%	NOK 5,000	NOK 1,000	NOK 10
Class C DKK	DKK	1.93%	DKK 5,000	DKK 1,000	DKK 10
Class C SEK	SEK	1.93%	SEK 5,000	SEK 1,000	SEK 10
Class C CHF	CHF	1.93%	CHF 5,000	CHF 1,000	CHF 10
Class C ZAR	ZAR	1.93%	ZAR 5,000	ZAR 1,000	ZAR 10
Class C SGD	SGD	1.93%	SGD 5,000	SGD 1,000	SGD 10
Class C HKD	HKD	1.93%	HKD 5,000	HKD 1,000	HKD 10
Class C JPY	JPY	1.93%	JPY 5,000	JPY 1,000	JPY 10

Class C AUD	AUD	1.93%	AUD 5,000	AUD 1,000	AUD 10
Class I USD	USD	0.83%	USD 1,000,000	USD 250,000	USD 10
Class I EUR	EUR	0.83%	EUR 1,000,000	EUR 250,000	EUR 10
Class I GBP	GBP	0.83%	GBP 1,000,000	GBP 250,000	GBP 10
Class I NOK	NOK	0.83%	NOK 1,000,000	NOK 250,000	NOK 10
Class I DKK	DKK	0.83%	DKK 1,000,000	DKK 250,000	DKK 10
Class I SEK	SEK	0.83%	SEK 1,000,000	SEK 250,000	SEK 10
Class I CHF	CHF	0.83%	CHF 1,000,000	CHF 250,000	CHF 10
Class I ZAR	ZAR	0.83%	ZAR 1,000,000	ZAR 250,000	ZAR 10
Class I SGD	SGD	0.83%	SGD 1,000,000	SGD 250,000	SGD 10
Class I HKD	HKD	0.83%	HKD 1,000,000	HKD 250,000	HKD 10
Class I JPY	JPY	0.83%	JPY 1,000,000	JPY 250,000	JPY 10
Class I AUD	AUD	0.83%	AUD 1,000,000	AUD 250,000	AUD 10
Class R USD	USD	0.93%	USD 5,000	USD 1,000	USD 10
Class R EUR	EUR	0.93%	EUR 5,000	EUR 1,000	EUR 10
Class R GBP	GBP	0.93%	GBP 5,000	GBP 1,000	GBP 10
Class R NOK	NOK	0.93%	NOK 5,000	NOK 1,000	NOK 10
Class R DKK	DKK	0.93%	DKK 5,000	DKK 1,000	DKK 10
Class R SEK	SEK	0.93%	SEK 5,000	SEK 1,000	SEK 10
Class R CHF	CHF	0.93%	CHF 5,000	CHF 1,000	CHF 10
Class R ZAR	ZAR	0.93%	ZAR 5,000	ZAR 1,000	ZAR 10
Class R SGD	SGD	0.93%	SGD 5,000	SGD 1,000	SGD 10
Class R HKD	HKD	0.93%	HKD 5,000	HKD 1,000	HKD 10
Class R JPY	JPY	0.93%	JPY 5,000	JPY 1,000	JPY 10
Class R AUD	AUD	0.93%	AUD 5,000	AUD 1,000	AUD 10
Class M USD	USD	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	USD 10
Class M EUR	EUR	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	EUR 10

Class M GBP	GBP	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	GBP 10
Class M NOK	NOK	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	NOK 10
Class M DKK	DKK	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	DKK 10
Class M SEK	SEK	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	SEK 10
Class M CHF	CHF	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	CHF10
Class M ZAR	ZAR	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	ZAR 10
Class M SGD	SGD	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	SGD 10
Class M HKD	HKD	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	HKD 10
Class M JPY	JPY	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	JPY 10
Class M AUD	AUD	0.63%	USD 200 million (or equivalent)	USD 1 million (or equivalent)	AUD 10

Each Class listed within the above table (“**Class Table**”) has both an Income Class and an Accumulating Class.

Share classes may be Hedged or Unhedged. Please refer to the sub-section entitled “Class Currency Hedging” in the Prospectus for additional information on hedging.

Please refer to the sub-section entitled “Charges and Service Fees” of the Supplement for additional fees and expenses associated with the Classes.

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#### INCOME PAYMENT POLICY

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The Directors intend to make payments of Income to investors of the Fund from the profits attributable in respect of the Income Classes.

Income may be payable out of the net income of such Classes (consisting of all revenue accrued including interest and dividends) less expenses attributable to the relevant Class of the Fund. Income will generally be payable in respect of those Classes within 4 months of the financial year end in accordance with the terms of the Prospectus.

Income Payments so distributed will automatically be reinvested in additional Shares in the relevant Class, free of charge unless investors elect to receive Income Payments in cash, such election to be made at each Shareholder’s sole discretion and notified to the ICAV in which case Income Payments will be paid to the account of record for the relevant Shareholder. The Income Payments will be made to the Shareholders in the Base Currency of the Fund.

The amount of Income paid on each class of Shares will be in accordance with the different entitlements of each class to tax benefits under applicable tax treaties.

The Directors do not currently intend to declare or pay Income earned by the Fund on any of the Accumulating Classes. Any net income and realised and unrealised gains net of realised and unrealised losses attributable to such Accumulating Classes will be accumulated in the Net Asset Value per Share

of the relevant Class.

See the section entitled “Income Policy” in the Prospectus for further details.

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## FEES AND EXPENSES

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**The Fund shall bear its attributable portion of the fees and operating expenses of the ICAV. The fees and operating expenses of the ICAV are set out in the section “FEES AND EXPENSES” in the Prospectus.**

### **Establishment Costs**

The expenses incurred in the establishment of the Fund are \$75,000. These fees will be amortised over the first 3 financial years of the Fund in accordance with the provisions of the Prospectus.

### **Management Fee**

The Manager will be entitled to the following management fee payable out of the assets of the Fund in relation the Shares as follows:

A management fee calculated by the Administrator accruing at each Valuation Point and payable quarterly in arrears at a rate of 0.025% per annum of the Net Asset Value of the ICAV subject to a minimum fee of €50,000 per annum (exclusive of VAT) plus reasonable vouched out of pocket expenses (the "Management Fee").

### **Expense Limitation**

The Investment Manager has currently voluntarily undertaken to limit the aggregate annual ordinary expenses of the Fund’s Classes, including but not limited to Depositary, Administrator, Investment Management and other expenses as set out in the section “FEES AND EXPENSES” in the Prospectus, as follows:

<b>Share Class</b>	<b>Expense Limitation</b>
A	2.00% of the Net Asset Value of the Class
C	2.10% of the Net Asset Value of the Class
I	1.00% of the Net Asset Value of the Class
R	1.10% of the Net Asset Value of the Class
M	0.80% of the Net Asset Value of the Class

The Investment Manager may terminate or modify any such voluntary undertaking at any time at its sole discretion upon advance notice to the Shareholders.

### **Charges and Service Fees**

#### *Sales Charges*

Class A Shares will be subject to a Sales Charge of up to 5% of the amount subscribed.

## *CDSC*

Where Class C Shares are redeemed within 12 months of subscription, they are subject to a CDSC of 1% of the amount subscribed. The CDSC will be multiplied by the amount redeemed or the initial cost of the shares being redeemed, whichever is less. No CDSC will be imposed on increases in the Net Asset Value per Class C Shares or on Class C Shares purchased through the reinvestment of dividends. To calculate the number of Class C Shares owned and time period held, all relevant Class C Shares are considered purchased on the trade date.

## **Investment Management Fee**

The Investment Manager will be entitled to the investment management fee (the “**Investment Management Fee**”) payable out of the assets of the Fund in relation the Shares as set out in the Share Class Information table above. The Investment Management Fee is calculated by the Administrator accruing at each Valuation Point and payable monthly in arrears at the rates set out in the Class Table. The Investment Manager may, at its discretion, waive the whole or part of the Investment Management Fee.

The Investment Manager will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Investment Manager. For avoidance of doubt, this will include any fees and expenses incurred by the Investment Manager in respect of their attendance at board meetings of the Fund.

The Investment Manager will pay part of its Investment Management Fee to the Sub-Investment Manager. The Sub-Investment Manager is not paid directly out of the assets of the Fund.

## **Administration Fees**

The Administrator will be entitled to receive, out of the assets of the Fund the greater of an annual fee which will not exceed 0.04% of the Net Asset Value of the Fund or a minimum administration fee of up to US\$35,000 per annum on an aggregate basis (plus VAT, if any), together with transaction charges at normal commercial rates and reasonable out-of-pocket expenses incurred by the Administrator in the performance of its duties. These fees shall accrue and be calculated daily and shall be payable monthly in arrears.

## **Depositary Fees**

The Depositary will be entitled to receive, out of the assets of the Fund, the greater of an annual fee in respect of custodial services which will not exceed 0.02% per annum of the Net Asset Value of the relevant Fund or a minimum fee of up to US\$28,750 per annum on an aggregate basis (plus VAT, if any), together with reasonable expenses incurred by the Depositary in the performance of its duties as depositary of the Company. This fee shall accrue and be calculated daily and shall be payable monthly in arrears.

The Depositary shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses incurred by the Depositary in the performance of its duties under the Depositary Agreement.

## **Other fees and expenses**

The ICAV will also reimburse the Investment Manager and the Manager for its reasonable out-of-pocket expenses incurred by the Investment Manager and the Manager. Such out-of-pocket expenses

may include the preparation of portfolio reports provided that they are charged at normal commercial rates and incurred by the Investment Manager in the performance of its duties under the Investment Management Agreement.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to pay rebates/retrocessions to some or all Shareholders or to the ICAV out of the Investment Management Fee that it receives.

All fees payable to the Investment Manager will be paid in the Base Currency of the Fund. The Fund shall bear the cost of any Irish value added tax applicable to any amount payable to the Investment Manager.

The other fees and expenses of the ICAV and the Fund are set out in the Prospectus under the heading “Fees and Expenses”.