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# **DMS UCITS PLATFORM ICAV**

**(An Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registration number C141639 and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))**

## **PROSPECTUS**

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### **MANAGER**

**DMS INVESTMENT MANAGEMENT SERVICES (EUROPE) LIMITED**

**DATED 23 JANUARY 2020**

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## INTRODUCTION

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

### Authorisation by the Central Bank of Ireland

The ICAV has been authorised by the Central Bank of Ireland (the “Central Bank”) as an “Undertaking for Collective Investment in Transferable Securities” (“UCITS”) under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (“UCITS Regulations”) and has been established as an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between Funds and will comply with the UCITS Guidance. Authorisation by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the ICAV and the Central Bank will not be liable for the performance or default of the ICAV.

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

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

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

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

The ICAV is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more separate Funds offered by the ICAV. It is intended that each Fund will have segregated liability from the other Funds and that the ICAV will not be liable as a whole to third parties for the liability of each Fund. However, investors should note the risk factor “ICAV’s Liabilities” under “Risk Considerations” below. A separate pool of assets will not be maintained for each Class. As of the date of this Prospectus, the ICAV is offering Shares in the Fund described in the most recent Supplements in force at the date of this

**Prospectus.** The Manager may from time to time decide to offer, with the prior approval of the Central Bank, additional separate Funds and, with prior notice to and clearance from the Central Bank, additional classes of Shares in existing Funds. In such an event, this Prospectus will be updated and amended so as to include detailed information on the new Funds and / or classes, and / or a separate Supplement or addendum with respect to such Funds and / or classes will be prepared. Such updated and amended Prospectus or new separate Supplement or addendum will not be circulated to existing Shareholders except in connection with their subscription for Shares of such Funds.

Investors may, subject to applicable law, invest in any Fund offered by the ICAV. Investors should choose the Fund that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek independent advice in that regard. A separate pool of assets will be maintained for each Fund and will be invested in accordance with the investment policy applicable to the relevant Fund in seeking to achieve its investment objective. The Net Asset Value and the performance of the Shares of the different Funds and classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of a Fund will be achieved. The maximum redemption charge which may be imposed is 3% of the Net Asset Value of the Shares being redeemed.

### **DISTRIBUTION AND SELLING RESTRICTIONS**

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

Further information on the ICAV's distribution and selling restrictions with respect to prospective investors in various jurisdictions are contained in Appendix D and Appendix E to this Prospectus (including without limitation the United States).

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## DIRECTORY

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### DMS UCITS Platform ICAV

#### Registered Office

3rd Floor  
76 Lower Baggot Street  
Dublin 2  
Ireland

#### Directors:

Claire Cawley  
Tom Coghlan  
Michael Buckley

#### Administrator, Registrar and Transfer Agent:

SEI Investments – Global Fund Services  
Limited  
Styne House  
Upper Hatch Street  
Dublin 2  
Ireland

#### Manager:

DMS Investment Management Services (Europe) Limited  
3rd Floor  
76 Lower Baggot Street  
Dublin 2  
Ireland

#### Depository:

SEI Investments – Depository and Custodial Services  
(Ireland) Limited  
Styne House  
Upper Hatch Street  
Dublin 2  
Ireland

#### Auditors:

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

#### Legal Advisors:

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### Secretary:

DMS Governance Risk and Compliance Services Limited  
3rd Floor  
76 Lower Baggot Street  
Dublin 2  
Ireland

#### Listing Sponsor:

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

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## DEFINITIONS

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

<b>“1933 Act”</b>	means the U.S. Securities Act of 1933, as amended;
<b>“1940 Act”</b>	means the U.S. Investment Company Act of 1940, as amended;
<b>“Additional Subscription Agreement”</b>	means the additional subscription agreement to be completed and signed by an existing Shareholder seeking to subscribe for additional Shares in such form as is approved by the ICAV or Manager from time to time;
<b>“Administrator”</b>	means SEI Investments – Global Fund Services Limited or such other company in Ireland for the time being appointed as administrator by the ICAV as successor thereto, in accordance with the requirements of the Central Bank;
<b>“Administration Agreement”</b>	means the agreement dated 21 December 2015 between the ICAV, the Manager and the Administrator (as amended from time to time), pursuant to which the Administrator was appointed administrator of the ICAV;
<b>“Advisers Act”</b>	means the U.S. Investment Advisers Act of 1940, as amended;
<b>“Base Currency”</b>	means the base currency of a Fund, as specified in the Supplement relating to that Fund;
<b>“Best Execution”</b>	means the best price available in the market and most favourable execution, taking account of circumstances such as timing or price limits; the quality of the back office; commission rates; use of automation; and/or the ability to provide information relating to the particular transaction or security;
<b>“Benefit Plan Investor”</b>	means a “benefit plan investor” as defined in Section 3(42) of ERISA and any regulations promulgated by the US Department of Labor thereunder, being “employee benefit plans” as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, “plans” that are subject to the prohibited transaction provisions of Section 4975 of the Code, and entities the assets of which are treated as “plan assets” under Section 3(42) of ERISA and any regulations promulgated thereunder;
<b>“Business Day”</b>	means, in relation to each Fund, such day as is defined in each Supplement;
<b>“Central Bank”</b>	means the Central Bank of Ireland;
<b>“Central Bank UCITS Regulations”</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended or replaced from time to time, together with any guidance, guidelines, rulebooks governing the management of UCITS issued by the Central Bank from time to time;
<b>“CFTC”</b>	means the U.S. Commodity Futures Trading Commission;
<b>“Class” or “Classes”</b>	means any class or classes of Shares established by the ICAV in respect of any Fund;
<b>“Class Currency”</b>	means the currency in which a Share class is designated;

<b>“Class Expenses”</b>	means any expenses attributable to a specific class including legal fees, marketing expenses (including tax reporting expenses) and the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlement system and such other expenses arising from such registration;
<b>“Code”</b>	means the U.S. Internal Revenue Code of 1986, as amended;
<b>“Commodity Exchange Act”</b>	means the U.S. Commodity Exchange Act, as amended;
<b>“Dealing Day”</b>	means, in relation to each Fund, such day as is defined in each Supplement;
<b>“Declaration”</b>	means a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D of the Taxes Act;
<b>“Depository”</b>	means SEI Investments – Depository and Custodial Services (Ireland) Limited or such other company in Ireland as may for the time being be appointed as depository of the assets of the ICAV as successor thereto in accordance with the requirements of the Central Bank;
<b>“Depository Agreement”</b>	means the agreement dated 3 August 2016 between the ICAV, the Manager and the Depository (as amended from time to time), pursuant to which the Depository was appointed depository of the ICAV;
<b>“Directors”</b>	means the directors of the ICAV for the time being and any duly constituted committee thereof;
<b>“Distributor”</b>	means such entity as may for the time being be appointed as distributor to a Fund, in accordance with the requirements of the Central Bank;
<b>“Duties and Charges”</b>	means in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, custodian or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, conversion or redemption of Shares or the sale or purchase of investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the NAV and the price at which such assets were bought as a result of a subscription and sold as a result of a redemption), but will not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the NAV of Shares in the relevant Fund;
<b>“EEA”</b>	means the European Economic Area;
<b>“ERISA”</b>	means the Employee Retirement Income Security Act of 1974, as amended;
<b>“EU”</b>	means the European Union;
<b>“EU Member State”</b>	means a member state of the EU;

<b>“euro” or “€”</b>	means the unit of the European single currency;
<b>“Euronext Dublin”</b>	means The Irish Stock Exchange plc (trading as Euronext Dublin);
<b>“Exempt Investor”</b>	means certain Irish Residents as described under <i>“Taxation of exempt Irish shareholders”</i> in the “Taxation” section below;
<b>“FATCA”</b>	means the provisions commonly known as the Foreign Accounts Tax Compliance Act in the enactment of the United States of America known as Hiring Incentives to Restore Employment Act 2010.
<b>“Fund” or “Funds”</b>	means a distinct portfolio of assets established by the Directors (with the prior approval of the Central Bank) constituting in each case a separate fund represented by one or more Classes of Shares with segregated liability from the other Funds and invested in accordance with the investment objective and policies applicable to such fund as specified in the relevant Supplement;
<b>“Hedged Class” or “Hedged Classes”</b>	means any Class or Classes of a Fund in respect of which currency hedging will be implemented as set out in a Supplement;
<b>“ICAV”</b>	means DMS UCITS Platform ICAV;
<b>“Intermediary”</b>	means a person who: <ul style="list-style-type: none"> <li>(a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons, or</li> <li>(b) holds shares in an investment undertaking on behalf of other persons;</li> </ul>
<b>“Investment Manager”</b>	means such person for the time being appointed as investment manager by the ICAV and the Manager in respect of a Fund in accordance with the requirements of the Central Bank and for these purposes all references to the “Investment Manager” in this document shall be references to the relevant investment manager of the relevant Fund;
<b>“Instrument of Incorporation”</b>	means the instrument of incorporation of the ICAV for the time being in force and as may be modified from time to time, subject to approval by the Central Bank;
<b>“Irish Resident”</b>	means, unless otherwise determined by the Directors, any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the “Taxation” section below;
<b>“IRS”</b>	means the Internal Revenue Service, the U.S. government agency responsible for tax collection and tax law enforcement;
<b>“Irish Revenue Commissioners”</b>	means the Irish authority responsible for taxation and customs duties;
<b>“KIID”</b>	means key investor information document;
<b>“Manager”</b>	means DMS Investment Management Services (Europe) Limited or such other person for the time being appointed as manager by the ICAV as successor thereto, in accordance with the requirements of the Central Bank;



<b>“Management Agreement”</b>	means the agreement dated 21 December 2015 between the ICAV and the Manager (as amended from time to time), pursuant to which the latter acts as manager of the ICAV;
<b>“Net Asset Value” or “NAV”</b>	means the Net Asset Value of the ICAV, or of a Fund, as appropriate, calculated as described herein;
<b>“Net Asset Value per Share” or “NAV per Share”</b>	means the Net Asset Value per Share of each Class of Shares of a Fund calculated as described herein;
<b>“OECD”</b>	means the Organisation for Economic Co-Operation and Development, whose members as at the date of this Prospectus are Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the U.S.;
<b>“Ordinary Resolution”</b>	means a resolution passed by a simple majority of the votes cast by Shareholders entitled to attend and vote at general meetings of the ICAV or on matters affecting the relevant class of Shares, as the case may be;
<b>“Privacy Statement”</b>	means the privacy statement adopted by the ICAV, as amended from time to time;
<b>“Prospectus”</b>	means this document, any Supplement or addendum designed to be read and construed together with and to form part of this document and the ICAV’s most recent annual and semi-annual report and accounts (if issued);
<b>“Recognised Market”</b>	means such markets as are set out in Appendix B hereto;
<b>“Redemption Application”</b>	means an application by a Shareholder to the ICAV and / or the Administrator requesting that Shares of a Fund be redeemed in such form as is approved by the ICAV from time to time;
<b>“Redemption Cut-Off Time”</b>	means, in relation to a Fund, such time as will be specified in a Supplement;
<b>“Section 739B”</b>	means Section 739B of TCA;
<b>“SEC”</b>	means the U.S. Securities and Exchange Commission;
<b>“Share” or “Shares”</b>	means a share or shares of any class in the ICAV or a Fund, as the context so requires;
<b>“Shareholder”</b>	means a holder of Shares;
<b>“Subscription Agreement”</b>	means the subscription agreement to be completed and signed by an existing Shareholder seeking to subscribe for Shares in such form as is approved by the ICAV or Manager from time to time;
<b>“Subscription Cut-Off Time”</b>	means, in relation to a Fund, such time as will be specified in a Supplement;
<b>“Supplement”</b>	means a document which contains specific information in relation to a particular Fund and any addenda thereto;

<b>“tranche”</b>	means the Shares issued in one or more Classes which represent a separate Fund;
<b>“TCA” or “Taxes Act”</b>	means the Irish Taxes Consolidation Act 1997, as amended from time to time;
<b>“UCITS”</b>	means an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>“UCITS Directive”</b>	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations;
<b>“UCITS Guidance”</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 and any statutory instruments, rulebook, notices, question and answer documentation and other guidance notes issued by the Central Bank from time to time pursuant to the UCITS Regulations;
<b>“UCITS Regulations”</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and all applicable Central Bank regulations made or conditions imposed or derogations granted thereunder as may be amended from time to time;
<b>“U.S.” or “United States”</b>	means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
<b>“USD” or “US\$”</b>	means U.S. Dollars, the lawful currency of the U.S.;
<b>“U.S. Person”</b>	has such meaning as is set out in Appendix A hereto;
<b>“Valuation Day”</b>	means, in relation to a Fund, such day as will be specified in the relevant Supplement; and
<b>“Valuation Point”</b>	means, in relation to a Fund, such time as will be specified in the relevant Supplement.

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## THE ICAV

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The ICAV was registered in Ireland pursuant to the Irish Collective Asset-Management Vehicles Act 2015 on 15 June 2015 under registration number C141639 and is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

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

### **Funds of the ICAV**

P/E FX Strategy Fund  
Efficient Capital CTA Index Fund  
Latitude Horizon Fund  
Allard Asia UCITS Fund  
Alkeon UCITS Fund  
CIFC Global Floating Rate Credit Fund

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

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

- (a) For each tranche of Shares the ICAV will keep separate books in which all transactions relating to the relevant Fund will be recorded and, in particular, the proceeds from the allotment and issue of Shares of each such tranche, the investments and liabilities and income and expenditure attributable thereto will be applied or charged to such Fund subject to the below;
- (b) Any assets derived from any other asset (whether cash or otherwise) comprised in any Fund will be applied in the books of the ICAV to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset will be applied to the relevant Fund;
- (c) In the event that there are any assets of the ICAV which the Directors do not consider are readily attributable to a particular Fund or Funds, the Directors will allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors will have the power to and may at any time and from time to time vary such basis in respect of assets not previously allocated;
- (d) Each Fund will be charged with the liabilities, expenses, costs, charges or reserves of the ICAV in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges or reserves of the ICAV not readily attributable to any particular Fund or Funds will be allocated and charged by the Directors in such manner and on such basis as the Directors in their discretion deem fair and equitable, and the Directors will have the power to and may at any time and from time to time vary such basis;

- (e) If, as a result of a creditor proceeding against certain of the assets of the ICAV or otherwise, a liability, expense, cost, charge or reserve would be borne in a different manner from that in which it has been borne under paragraph (d) above, or in any similar circumstances, the Directors may, with the consent of the Depositary, transfer in the books and records of the ICAV any assets to and from any of the Funds;
- (f) Subject as otherwise in the Instrument of Incorporation provided, the assets held in each Fund will be applied solely in respect of the Shares of the tranche to which such Fund appertains and will belong exclusively to the relevant Fund and will not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and will not be available for any such purpose.

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

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## INVESTMENT OBJECTIVES AND POLICES

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

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

Each Fund may invest in other collective investment schemes. The Investment Manager will only invest in closed ended collective investment schemes where it believes that such investment will not prohibit the Fund from providing the level of liquidity to Shareholders referred to in this Prospectus and each relevant Supplement. Where it is appropriate to its investment objective and policies a Fund may also invest in other Funds of the ICAV. A Fund may only invest in another Fund of the ICAV if the Fund in which it is investing does not itself hold Shares in any other Fund of the ICAV. Any Fund that is invested in another Fund of the ICAV will be invested in a class of Shares for which no management or investment management fee is charged. No subscription, conversion or redemption fees will be charged on any such cross investments by a Fund.

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

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

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## RISK CONSIDERATIONS

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There can be no assurance that the investment objective of a Fund will be achieved.

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

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

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

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

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

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

### **GENERAL RISKS**

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

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

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

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

prices and the liquidity of a Fund's investments. Volatility or illiquidity could impair a Fund's profitability or result in losses.

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

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

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

In reaction to these events since 2008, regulators and lawmakers in the United States and several other countries have taken unprecedented regulatory actions and enacted programs to stabilise the financial markets. Some of the programs enacted during this period have terminated; however, the U.S. government and regulators in many other jurisdictions continue to consider and implement measures to stabilise U.S. and global financial markets. Despite these efforts and the efforts of regulators of other jurisdictions, global financial markets remain extremely volatile. It is uncertain whether regulatory actions will be able to prevent losses and volatility in securities markets, or to stimulate the credit markets.

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

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

## ***Cyber Security Risk***

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

## ***Competition***

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

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

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

## ***Public Securities***

In the event that a Fund acquires fixed income securities and / or equity securities that are publicly traded, the Fund will be subject to the risks inherent in investing in public securities. In addition, in such circumstances the Fund may



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

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

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

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

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

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

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganisation for purpose of voting on a plan of reorganisation. Because the standard for classification is vague, there exists a significant risk that a Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs

and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Furthermore, there are instances where creditors and equity holders lose their ranking and priority such as when they take over management and functional operating control of a debtor. In those cases where a Fund, by virtue of such action, is found to exercise "domination and control" over a debtor, a Fund may lose its priority if the debtor can demonstrate that its business was adversely impacted or other creditors and equity holders were harmed by a Fund.

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

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

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

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

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

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

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

## **Country Risks**

Investments in securities of issuers of different nations and denominated in currencies other than the Base Currency present particular risks. Such risks include changes in relative currency exchange rates; political, economic, legal and regulatory developments; taxation; the imposition of exchange controls; confiscation and other governmental restrictions (including those related to foreign investment currency repatriation) or changes in policy. Investment in securities of issuers from different countries offers potential benefits not available from investments solely in securities of issuers from a single country, but also involves certain significant risks that are not typically associated with investing in the securities of issuers located in a single country.

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

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

With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, limitations on the removal of funds or other assets of a Fund, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency such securities are denominated. Furthermore, the ability to collect or enforce obligations may vary depending on the laws and regulations of the issuer / borrower's jurisdiction.

Investments may be adversely affected by the possibility of expropriation or confiscatory taxation, imposition of withholding taxes on dividend or interest payments or other income, limitations on the removal of funds or other assets of a Fund, political or social instability or diplomatic developments. An issuer of securities or obligations may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

As a Fund may invest in markets where custodial and / or settlement systems are not fully developed, 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 circumstances where the Depository will have no liability. Please see also "Depositories and Sub-Custodians" below.

## **Investing in Emerging Market Securities**

All securities investing and trading activities risk the loss of capital. While the Investment Manager attempts to moderate these risks, there can be no assurance that a Fund's investment and trading activities will be successful or that investors will not suffer significant losses. Investing in emerging markets involves heightened risks (some of which could be significant) and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, but are not limited to: (a) greater social, economic and political uncertainty including war; (b) higher dependence on exports and the corresponding importance of international trade; (c) greater risk of inflation; (d) increased likelihood of governmental involvement in and control over the economies; (e) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (f) certain considerations regarding the maintenance of a Fund's securities and cash with non-U.S. brokers and securities depositories; (g) greater volatility, less liquidity and smaller capitalisation of markets; (h) greater volatility

in currency exchange rates; (i) greater controls on foreign investment and limitations on realisation of investments, repatriation of invested capital and on the ability to exchange local currencies for US Dollars; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (k) less extensive regulation of the markets; (l) longer settlement periods for transactions and less reliable clearance and custody arrangements; (m) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (o) risk of nationalisation or expropriation of assets or confiscatory taxation; (p) higher transaction costs generally; and (q) difficulty in enforcing contractual obligations and judgments. The following discussion sets forth additional risks associated with investing in the securities of emerging markets:

#### *General Economic and Market Conditions*

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

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

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

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

#### *Volatility*

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

#### *Securities Markets*

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

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

The assets of a Fund that are invested in emerging markets may be invested in non-U.S. Dollar denominated securities, and any income or capital received by such Fund from these investments may be denominated in the local currency

of investment. Accordingly, changes in currency exchange rates (to the extent only partially or fully unhedged) between the currency of the relevant emerging market and the currency in which a Class is denominated may affect the value of the Shares. As the currency exchange rates of emerging market countries tend to be more volatile than those of more developed economies, the effect of changes in exchange rates on the value of Shares in a Fund that are invested in emerging markets may be more pronounced than it would be for a fund that invests in more developed markets.

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

Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a Fund at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell that currency to the dealer. Due to the relatively small size of the markets for currencies of emerging market countries, the spread between a dealer's sell and offer prices for such currencies may be greater than that for the currencies of more developed economies, which may result in relatively higher currency exchange costs for a Fund. A Fund will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-U.S. currencies.

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

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

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

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

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

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

A Fund may borrow to avoid settlement failure and may be leveraged through the use of derivatives, including entering into swap agreements, derivative contracts (e.g. forward contracts, options and warrants) and futures contracts positions, and may also enter into repurchase agreements or securities lending agreements and purchase delayed-settlement debt instruments or securities. These transactions may expose a Fund to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had a Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the relevant Fund's cost of borrowing such funds (including interest, transaction costs and other costs of borrowing). Futures, forward contracts, swaps, options, repurchase agreements, securities lending agreements and other derivative instruments contain inherent leverage in that they provide more market exposure than the money paid or deposited when the transaction is entered into; consequently, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a Fund to the possibility of a loss exceeding the original amount invested or deposited. In addition, many of these products are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions. A Fund may attempt to mitigate this risk by maintaining cash and cash equivalents at least equal to the value of the obligations created by its net mark-to-market futures and swap positions, and the obligations created by its repurchase agreements, securities lending agreements and delayed-settlement debt instruments and securities.

### ***Quantitative Investment Risk***

The success of a Fund's quantitative investment models is heavily dependent on the mathematical models used by the Investment Manager in attempting to exploit short-term and long-term relationships among prices and volatility. The Investment Manager may select models that are not well-suited to prevailing market conditions. Models that have been formulated on the basis of past market data may not be predictive of future price movements. Models may not be reliable if unusual events specific to particular issuers, or major events external to the operations of markets, cause extreme market moves that are inconsistent with the historic correlation and volatility structure of the market. Models also may have hidden biases or exposure to broad structural or sentiment shifts. Furthermore, the effectiveness of such models tends to deteriorate over time as more traders seek to exploit the same market inefficiencies through the use of similar models.

### ***Concentration Risk***

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

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

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

be no assurance that the strategy employed by the Investment Manager will be uncorrelated with other investment strategies in the future.

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

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

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

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

### ***Depositaries and Sub-Custodians***

The assets of a Fund will be held by custodians and broker-dealers (in the case of broker-dealers, assets of a Fund will only be held during the settlement of a transaction). There are risks involved in dealing with the custodians or brokers who settle a Fund's trades. It is expected that all securities and other assets deposited with custodians or brokers will be identified as being assets of a Fund, and hence a Fund should not be exposed to credit risk with regard to such parties. However, with respect to both U.S. and non-U.S. custodians, it may not always be possible to achieve such segregation, and there may be practical or time problems associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

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

### ***Depositary Liability***

If a Fund invests in assets that are Custody Assets, the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by

such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

If a Fund invests in assets that are Non-Custody Assets, the Depositary is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

### ***No Investment Guarantee Equivalent to Deposit Protection***

Investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Furthermore, unlike a deposit in a bank account, the principal invested in a Fund is capable of fluctuation.

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

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

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

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

### ***Substantial Charges***

Each Fund is subject to substantial charges (as disclosed in the "Fees and Expenses" section below and also in the relevant Supplement as applicable), and must generate profits and income which exceed their fixed costs in order to avoid depletion of its assets. The Fund is required to pay the service provider fees, expenses and commissions regardless of its performance.

### ***Substantial Subscriptions***

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

### ***Substantial Redemptions***

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

Moreover, regardless of the time period over which substantial redemption requests are made, the resulting reduction in the NAV of a Fund could make it more difficult for the Fund to generate profits or recover losses. Shareholders will



not receive notification of substantial redemption requests in respect of any particular Dealing Day from a Fund and, therefore, may not have the opportunity to redeem their Shares or portions thereof prior to or at the same time as the redeeming Shareholders.

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

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

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

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

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

### ***Adjustments***

If at any time the ICAV determines, in its sole discretion, that an incorrect number of Shares was issued to a Shareholder because the NAV in effect on the Dealing Day was incorrect, the ICAV will implement such arrangements as it determines, in its sole discretion, are required for an equitable treatment of such Shareholder, which arrangements may include redeeming a portion of such Shareholder's shareholding for no additional consideration or issuing new Shares to such Shareholder for no consideration, as appropriate, so that the number of Shares held by such Shareholder following such redemption or issuance, as the case may be, is the number of Shares as would have been issued at the correct NAV. In addition, if at any time after a redemption of Shares (including in connection with any complete redemption of Shares by a Shareholder) the ICAV determines, in its sole discretion, that the amount paid to such Shareholder or former Shareholder pursuant to such redemption was materially incorrect (including because the NAV at which the Shareholder or former Shareholder purchased such Shares was incorrect), the ICAV will pay to such Shareholder or former Shareholder any additional amount that the ICAV determines such Shareholder or former Shareholder was entitled to receive, or, in the ICAV's sole discretion, seek payment from such Shareholder or former Shareholder of (and such Shareholder or former Shareholder will be required to pay) the amount of any excess payment that the ICAV determines such Shareholder or former Shareholder received, in each case without interest. In the event that the ICAV elects not to seek the payment of such amounts from a Shareholder or former Shareholder or is unable to collect such amounts from a Shareholder or former Shareholder, the NAV will be less than it would have been had such amounts been collected.

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

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

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

It is not anticipated that the ICAV, the Manager, the Administrator, the Depositary or the Investment Manager will provide any information to any purchasers of Shares relating to any securities held by a Fund. Other than as included in the periodic reports of the ICAV, the Administrator, the Depositary, the Manager and the Investment Manager will

not be required to provide the Shareholders with financial or other information (which may include material non-public information) they receive pursuant to the securities held by a Fund and related documents.

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

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

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

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

### ***Management Risk***

For any given Fund, there is a risk that investment techniques or strategies are unsuccessful and may incur losses for the Fund. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Fund, nor an opportunity to evaluate the specific investments made by the Fund or the terms of any of such investments.

The nature of and risks associated with the Fund's future performance may differ materially from those investments and strategies historically undertaken by the Investment Manager. There can be no assurance that the Investment Manager will realise returns comparable to those achieved in the past or generally available on the market.

### ***Diverse Shareholders***

The Shareholders may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests of individual Shareholders may relate to or arise from, among other things, the nature of investments made by the Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Manager that may be more beneficial for one Shareholder than for another Shareholder, especially with respect to any Shareholder's individual tax situation.

In selecting and structuring investments appropriate for the Fund, the Investment Manager will consider the investment objective of such Fund.

### ***No Separate Counsel***

Matheson acts as the Irish counsel to the ICAV and the Funds. This Prospectus was prepared based on information furnished by the Directors and the Manager, and Matheson has not independently verified such information. Matheson does not represent investors in a Fund, and no independent counsel has been retained to act on behalf of Shareholders.

## **Foreign Taxes**

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

## **Conflicts of Interest**

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

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

There is no prohibition on dealing in the assets of a Fund by entities related to the Depositary, the Manager, the Investment Manager or the Administrator. However, any such transactions must be conducted at arm's length and in the best interest of Shareholders. Transactions will be deemed to have been conducted at arm's length if: (a) a certified valuation of the transaction by a person approved by the Depositary (or, in the case of a transaction involving the Depositary, the Manager) as independent and competent is obtained; (b) execution of the transaction is on best terms on organised investment exchanges in accordance with the rules of the exchange; or (c) where (a) and (b) are not practical, the transaction is executed on terms which the Depositary is satisfied (or, in the case of a transaction involving the Depositary, on terms which the Manager are satisfied) conform to the principle of being conducted at arm's length and in the best interest of Shareholders. The Depositary shall document (or, in the case of a transaction involving the Depositary, the Manager shall document) the terms of any such transaction and how it complies with the requirements set out above, including, in the case of (c) above, the rationale for their satisfaction for the compliance of the terms of the relevant transaction.

In placing orders with brokers and dealers to make purchases and sales for the Fund, the Investment Manager will seek to obtain Best Execution for the Fund. In determining what constitutes Best Execution, the Investment Manager may consider factors it deems relevant, including, but not limited to, the ability to match up natural order flow; the ability to control anonymity, timing or price limits; the quality of the back office; commission rates; use of automation; and / or the ability to provide information relating to the particular transaction or security. The Investment Manager may consider the brokerage and research services, (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934 of the United States, as amended) provided to the Investment Manager or its affiliates. Information and research services furnished by brokers or dealers through which or with which a Fund effects securities transactions may be used by the Investment Manager in advising other funds or accounts and, conversely, information and research services furnished to the Investment manager by brokers or dealers in connection with other funds or accounts that it advises may be used in advising a Fund. The Investment Manager may cause the Fund to pay a brokerage commission that is higher than may be charged by another member of an exchange, broker, or dealer, if it determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research

services provided by such member, broker, or dealer, viewed in terms of either that particular transaction or its overall responsibilities with respect to the Fund and / or other accounts over which the Investment Manager or its affiliates exercise investment discretion. The benefits provided under any soft commission arrangements must assist in the provision of investment services to the ICAV or a Fund. Any soft commission arrangements will be disclosed in the periodic reports of the relevant Fund.

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

### ***EU Benchmark Regulation***

On 30 June 2016, the European Parliament and the Council of the EU adopted a regulation that came into force on 1 January 2018 requiring further transparency on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**EU Benchmark Regulation**”). In accordance with the EU Benchmark Regulation, the Manager will maintain an index contingency plan (the “**Index Contingency Plan**”) setting out the actions to be taken in the event that a benchmark changes materially or ceases to be provided. Actions taken by the Manager or the ICAV on the foot of the Index Contingency Plan may result in changes to the investment objectives or investment policies of a Fund, which may have an adverse impact on the value of an investment in the Fund. Any such changes will be implemented in accordance with the requirements of the Central Bank and the terms of this Prospectus.

The EU Benchmark Regulation also introduces a requirement for all benchmark administrators providing indices in the EU to be authorised or registered on a public register maintained by ESMA. The identity of the relevant benchmark administrator and its authorisation / registration status will be indicated in the relevant Supplement However, there is a risk that some benchmark administrators of indices utilised by the Funds may not be included on the register and, as a result, those indices may no longer be used. As noted above, the Manager maintains an Index Contingency Plan setting out the actions to be taken by the Manager or the ICAV in the event that a benchmark changes materially or ceases to be provided.

### ***FIXED INCOME RISKS***

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

Debt securities are subject to the risk of an issuer’s or a guarantor’s inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

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

#### ***Corporate Debt***

Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition, a Fund may be paid interest in kind in connection with its investments in corporate debt and related financial instruments (e.g., the principal owed to the Fund in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Fund may experience substantial losses.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### ***Euro and Euro Zone Risk***

The ongoing deterioration of the sovereign debt of several countries, in particular Greece, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Euro zone.

As a result of the credit crisis in Europe, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility (the "EFSF") and the European Financial Stability Mechanism (the "EFSM") to provide funding to Euro zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro zone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "ESM"), which will be activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries after June 2013. Despite these measures, concerns persist regarding the growing risk that other Euro zone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Greece, Italy, Spain and Portugal, together with the risk that some countries could leave the Euro zone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the market.

Furthermore, concerns that the Euro zone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Euro zone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Euro zone countries and / or the abandonment of the Euro as a currency could have major negative effects on the ICAV and the Funds. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated Shares would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues,

could adversely affect the value of the Shares. It is difficult to predict the final outcome of the Euro zone crisis. Investors should carefully consider how changes to the Euro zone may affect their investment in the Funds.

### ***Systemic Risk***

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

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

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

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

### ***Structured Notes***

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

## ***DERIVATIVE RISKS***

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

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

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

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

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

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

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

#### ***Futures***

A Fund may use futures as part of its investment program. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. It is also possible that an exchange may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The circumstances described above could prevent the Investment Manager from liquidating unfavourable positions promptly and subject a Fund to substantial losses. These circumstances could also impair the Fund's ability to withdraw its investments in order to satisfy redemption requests by Shareholders in a timely manner. An investment in a Fund is therefore suitable only for certain sophisticated investors that will not be materially impacted by postponements of the Fund's normal redemption dates.

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



### ***Forward Contracts***

A Fund may enter into forward contracts and options thereon which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Banks and other dealers with whom a Fund may maintain accounts may require the Fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. A Fund's counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a Fund. In addition, disruptions can occur in any market traded by a Fund due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to a Fund. In addition, a Fund may be exposed to credit risks with regard to counterparties with whom it trades as well as risks relating to settlement default. Such risks could result in substantial losses to such Fund.

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

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

### ***Call Options***

A Fund may directly or indirectly sell or purchase call options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option.

The buyer of a call option assumes the risk of losing his entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security.

### ***Put Options***

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

The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put option holds the underlying security, the loss on the put option will be offset in whole or in part by any gain on the underlying security.

### **Swap Agreements**

A Fund may enter into swap agreements. Swap agreements are derivative products in which two parties agree to exchange payment streams that may be calculated in relation to a rate, index, instrument, or certain securities and a particular "notional amount." Swaps may be subject to various types of risks, including market risk, liquidity risk, structuring risk, tax risk, and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty. Swaps may be structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease a Fund's exposure to equity or debt securities, long-term or short-term interest rates (in the United States or abroad), foreign currency values, mortgage-backed securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates and may increase or decrease the overall volatility of the Fund's portfolio. Swap agreements can take many different forms and are known by a variety of names. A Fund is not limited to any particular form of swap agreement if the Investment Manager determines that other forms are consistent with the Fund's investment objective and policies.

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

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

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

### **Credit Default Swaps**

A Fund may enter into credit default swap transactions. The "protection buyer" or "buyer" in a credit default contract is obligated to pay the "protection seller" or "seller" a periodic stream of payments over the term of the contract provided that no credit event (as defined in the applicable contract) on an underlying reference obligation has occurred. If a credit event occurs, the seller may be required to transfer substantial value in cash or securities. A Fund may be either the buyer or seller in a credit default swap transaction. If a Fund is a buyer and no credit event occurs, the Fund will lose its investment and recover nothing. However, if a credit event occurs, the Fund (as buyer) may receive the full notional value of the reference obligation even if the reference obligation has little or no value. As a seller, a Fund generally receives a fixed rate of income throughout the term of the contract, which generally is between six months and ten years (depending on the maturity of the underlying reference obligation), provided that there is no credit event. If a credit event occurs, a Fund (as seller) will be required to pay the full notional value of the reference obligation.

Credit default swap transactions may involve greater risks than if a Fund had invested in the reference obligation directly.

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

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

### ***Hedging Transactions***

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

### ***Position Limits***

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

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

Participants in the over-the-counter markets typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While it is anticipated that a Fund will be able to establish the necessary counterparty business relationships to permit the Fund to effect transactions in the over-the-counter commodities markets and other counterparty markets, including the swaps market, there can be no assurance that it will be able to do so or, if it does,

that it will be able to maintain such relationships. An inability to continue existing or establish new relationships could limit the Fund's activities and would require the Fund to conduct a more substantial portion of such activities in the futures markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to the Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

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

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

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

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

A Fund may engage in direct or indirect trading of securities, currencies, derivatives (including swaps, forward contracts, futures, options and repurchase and reverse repurchase agreements) and other instruments (as permitted by its investment policy) on a principal basis. As such, a Fund as transferee or counterparty could experience both delays in liquidating the underlying security, future or other investment and losses, including those arising from: (i) the risk of the inability or refusal to perform with respect to such transactions on the part of the principals with which the Fund trades, including without limitation, the inability or refusal to timely return collateral posted by the Fund; (ii) possible decline in the value of any collateral during the period in which the Fund seeks to enforce its rights with respect to such collateral; (iii) the need to re-margin or repost collateral in respect of transferred, assigned or replaced positions; (iv) reduced levels of income and lack of access to income during such period; (v) expenses of enforcing its rights; and (vi) legal uncertainty concerning the enforceability of certain rights under swap agreements and possible lack of priority against collateral posted under the swap agreements. Any such failure or refusal, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. A Fund will not be excused from performance on any such transactions due to the default of third parties in respect of other trades in which its trading strategies were to have substantially offset such contracts.

## **EQUITIES RISKS**

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

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

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

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

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

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

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

## ***Voting Rights***

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

## ***Depository Receipts***

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

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

## ***OTHER SECURITIES RISKS***

### ***Real Estate Investment Trusts***

A Fund may purchase interests in Real Estate Investment Trusts (“**REITs**”). REITs are trusts that invest primarily in commercial real estate or real estate-related loans. The value of interests in REITs may be affected by the value of the property owned or the quality of the mortgages held by the trust. The ability to trade REITs in the secondary market can be more limited than other shares or securities. The liquidity of REITs on the major U.S. stock exchanges is on average less than the typical stock quoted on the S&P 500 Index.

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

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

### ***Exchange Traded Funds (“ETFs”)***

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

of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities.

### ***Restricted Securities***

A Fund may invest in securities that are not registered under the 1933 Act or under the laws of any non-U.S. jurisdiction pursuant to an exemption thereunder ("**Restricted Securities**"). Restricted Securities may be sold in private placement transactions between issuers and their purchasers and may be neither listed on an exchange nor traded in other established markets. In many cases, privately placed securities may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale. As a result of the absence of a public trading market, privately placed securities may be less liquid and more difficult to value than publicly traded securities. To the extent that privately placed securities may be resold in privately negotiated transactions, the prices realised from the sales, due to illiquidity, could be less than those originally paid by the Fund or less than their fair market value. In addition, issuers whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that may be applicable if their securities were publicly traded. If any privately placed securities held by a Fund are required to be registered under the securities laws of one or more jurisdictions before being resold, a Fund may be required to bear the expenses of registration. A Fund's investments in private placements may consist of direct investments and may include investments in smaller, less seasoned issuers, which may involve greater risks. These issuers may have limited product lines, markets or financial resources or they may be dependent on a limited management group. In making investments in such securities, a Fund may obtain access to material non-public information, which may restrict a Fund's ability to conduct portfolio transactions in such securities.

### ***Stripped Securities***

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

## **CURRENCY RISKS**

### ***Currency Transactions***

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

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

## ***Currency Risks***

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

Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Fund's Net Asset Value to fluctuate as well. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates also can be affected unpredictably by intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world. To the extent that a substantial portion of a Fund's total assets, adjusted to reflect a Fund's net position after giving effect to currency transactions, is denominated in the currencies of particular countries, the Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

## ***Currency Counterparty Risk***

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

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

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

While the Investment Manager will seek to limit any foreign exchange hedging if the liabilities arising from any foreign exchange hedging utilised by a Fund exceed the assets of the applicable class of interests on behalf of which such



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

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

There can be no assurance that the Investment Manager will be able to hedge, or be successful in hedging, the currency exposure, in whole or in part, of Shares of any Hedged Class. In addition, a Fund is not expected to utilise foreign exchange hedging during the period when the Fund's assets are being liquidated or the Fund is being wound up, although it may do so in the Investment Manager's sole discretion. The Investment Manager may, in its sole discretion and subject to applicable law, UCITS Regulations and UCITS Guidance, delegate the management of all or a portion of the foreign exchange hedging to one or more of its investment manager affiliates.

## **REGULATORY RISKS**

### ***Potential implications of Brexit***

The recent decision made in the British referendum to leave the EU has led to volatility in the financial markets of the United Kingdom and more broadly across Europe and may also lead to weakening in consumer, corporate and financial confidence in such markets. The extent and process by which the United Kingdom will exit the EU, and the longer term economic, legal, political and social framework to be put in place between the United Kingdom and the EU are unclear at this stage and are likely to lead to ongoing political and economic uncertainty and periods of exacerbated volatility in both the United Kingdom and in wider European markets for some time. In particular, the decision made in the British referendum may lead to a call for similar referendums in other European jurisdictions which may cause increased economic volatility in the European and global markets. This mid to long term uncertainty may have an adverse effect on the economy generally and on the ability of the ICAV and its investments to execute their respective strategies and to receive attractive returns.

In particular, currency volatility may mean that the returns of the ICAV and its investments are adversely affected by market movements and may make it more difficult, or more expensive, for the ICAV to execute prudent currency hedging policies. Potential decline in the value of the British Pound and/or the Euro against other currencies, along with the potential downgrading of the United Kingdom's sovereign credit rating, may also have an impact on the performance of portfolio companies or investments located in the United Kingdom or Europe.

The ICAV is structured as an UCITS established in Ireland and managed by an Irish based UCITS manager. In light of the recent UK referendum decision to leave the EU, it may be necessary to consider amendments to the distribution of the ICAV within the United Kingdom. Depending on the negotiations that take place between the UK and the EU, it

is possible that the Manager will be unable to utilise its UCITS passport to distribute the ICAV in the United Kingdom and it may be necessary to use alternative distribution arrangements such as the private placement regime.

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

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

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

### ***Changes to US Securities Law***

#### *Derivatives Regulation*

#### **U.S. Regulations:**

Some derivative contracts are currently not regulated by the SEC or the CFTC, or, in some jurisdictions, any comparable regulatory body, and such contracts are not guaranteed by an exchange or its clearinghouse. However, the regulation of derivatives has been, and will be, changing as a result of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**").

In order to mitigate counterparty risk and systemic risk in general, various regulatory and legislative initiatives are underway to require certain over-the-counter derivatives to be cleared through a clearinghouse. In the United States, clearing requirements were part of the Dodd-Frank Act. The CFTC imposed its first clearing mandate on December 13, 2012 affecting certain interest rate and credit default swaps. It is expected that the CFTC and the SEC will introduce additional clearing requirements for other derivatives in the future. While such clearing requirements may be beneficial for a Fund in many respects (for instance, they may reduce the counterparty risk to the dealers to which a Fund would be exposed under non-cleared derivatives), a Fund could be exposed to new risks such as the risk that the majority of such derivatives may be required to be standardised and / or cleared through a clearinghouse, as a result of which a Fund may not be able to hedge its risks or express an investment view as well as it would using customisable derivatives available in the over-the-counter markets. Also, each clearinghouse only covers a limited range of products and a Fund may have to spread its derivative portfolio across multiple clearinghouses, which in turn reduces the benefits of netting that derivatives users rely on to mitigate counterparty risk.

Another risk is that a Fund will likely be subject to more onerous and more frequent (daily or even intraday) margin calls from both the clearinghouse and the dealer through which a Fund will access the clearinghouse, which may force a Fund to use temporary credit facilities of the dealer to meet margin calls related to cleared trades and increase the costs of cleared trades to a Fund. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require a Fund to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to a Fund. In addition, clearinghouses may not allow a Fund to portfolio-margin its positions, which may cause an increase in the costs to a Fund. Further, clearinghouses are encouraged to model risks and implement margin requirements in typical market environments. Many of the risk models, however, are subject to change at any time and, therefore, a Fund may be subject to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment, which could have a detrimental effect on a Fund.

Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse or any counterparty a Fund utilises as a clearing agent or broker, subjecting a Fund to the risk that the assets of the clearing entity are insufficient to satisfy all of the clearing entity's payment obligations, leading to a payment default. The failure

of a clearinghouse could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on member firms during a financial crisis, which could lead member firms to default and thus worsen the crisis. Because these potential clearinghouses are still in the approval stage and are still being analysed for bankruptcy risk, it is difficult to speculate what the actual risks would be to a Fund related to the default of a clearinghouse. There is no one international standard for clearinghouses; existing clearinghouses both domestically and internationally have different waterfalls that apply upon the insolvency of a clearinghouse or a clearinghouse member and it is possible that a Fund could be in a worse position if a clearinghouse were to fail than a traditional derivative counterparty. Also, a clearinghouse will likely require that a Fund relinquish control of its transactions if the clearinghouse were to become insolvent, and, therefore, a Fund would not be able to terminate and close out of a defaulting clearinghouse's positions, but would become subject to regulators' control over those positions. In such a circumstance, a Fund may not be able to take actions that it deems appropriate to lessen the impact of such clearinghouse default.

Applicable regulations may also require a Fund to make public information regarding its swaps volume, position size and / or trades, which could detrimentally impact a Fund's ability to achieve its investment objectives.

The overall impact of the Dodd-Frank Act on the ICAV and a Fund is highly uncertain and it is unclear how the over-the-counter derivatives markets will adapt to this new regulatory regime or any additional regulations in the future.

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

The EU Regulation on OTC derivatives, central counterparties and trade repositories ("**EMIR**") introduced uniform requirements covering financial counterparties, such as investment firms, credit institutions, insurance companies and managers of alternative investment funds and certain non-financial counterparties in respect of central clearing of so-called "eligible" OTC derivative contracts through a duly authorised central counterparty, reporting the details of derivative contracts to a trade repository and certain risk mitigation requirements. EMIR requires the adoption of further delegated acts and regulatory technical standards before becoming fully effective. Certain of the EMIR risk mitigation requirements, such as the requirement for parties to formalise portfolio reconciliation and related dispute resolution procedures, have become effective. Prospective investors should be aware that the regulatory changes arising from EMIR may in due course adversely affect a Fund's ability to adhere to its investment approach and to achieve its investment objective.

The MiFID II Directive and the Markets in Financial Instruments Regulation ("**MiFIR**") (together "**MiFID II**"), which replace and recast the Markets in Financial Instruments Directive ("**MiFID**"), have been adopted by the EU institutions. MiFID II came into force on 3 January 2018 and apply to investment firms, market operators and service providers providing post-trade transparency in the EU. MiFID II requires that all purchases and sales of financial instruments in the EU must be conducted on (i) Regulated Markets ("**RM**s") (such as EU stock exchanges), (ii) Multilateral Trading Facilities ("**MTF**s"), or (iii) Organised Trading Facilities ("**OTF**s"). All non-equities trades in the EU, such as interests in bonds, structured finance products, emission allowances or derivatives must be conducted on OTFs and all trading in shares in the EU must be conducted on organised trading venues such as RMs or MTFs. In addition, EU regulators are empowered to limit the size of a net position which a person may hold in commodity derivatives, given their potential impact on food and energy prices. Under the new rules, positions in commodity derivatives (traded on trading venues and over the counter), would be limited, to support orderly pricing and prevent market distorting positions and market abuse. MiFID II also introduces rules on algorithmic trading in financial instruments. Any EU investment firm engaging in algorithmic trading is required to have effective systems and controls in place, such as "circuit breakers" that stop the trading process if price volatility gets too high. In order to minimise systemic risk, the algorithms used would have to be tested on trading venues and authorised by EU regulators. Records of all orders placed and cancelled by an EU investment firm's algorithm must be stored and made available to the applicable EU regulator upon request.

Regulatory changes arising from the implementation of MiFID II may adversely affect the Funds' ability to adhere to its investment approach and achieve its investment objectives.

### *Dodd-Frank Act*

On July 21, 2010, President Obama signed into law the Dodd-Frank Act. The Dodd-Frank Act provides a broad framework for regulatory changes that will extend to almost every area of U.S. financial regulation, some of which

could lead to material impacts on the ICAV, including, among other things, the imposition of additional costs on the ICAV or restrictions on the activities of the ICAV. Among the reforms that could affect the ICAV are the "Volcker Rule" (which is described in more detail below), a new framework for the regulation of derivatives, and new regulations on advisers to private investment and private equity funds. Implementation of the Dodd-Frank Act has resulted in extensive studies and rulemaking over several years by multiple regulators, and uncertainty remains about the final details, impact and timing of a number of significant rulemakings under the Dodd-Frank Act.

### *The Volcker Rule*

A key Dodd-Frank Act provision, commonly known as the "Volcker Rule", generally prohibits, with limited exceptions, a "banking entity" (including affiliates of depository institutions) from acquiring or retaining any equity, partnership, or other ownership interest in, or sponsoring, a hedge fund, private equity fund or other private investment fund. The Federal banking agencies, the SEC and the CFTC have adopted regulations implementing the Volcker Rule which are effective April 1, 2014. The Federal Reserve Board has issued guidance governing activities after the effective date, the general effect of which is to delay enforcement of the Volcker Rule until July 1, 2015.

### **European Union's Taxation of Savings Directive 2003**

Under the European Union's Taxation of Savings Directive 2003, professional obligations have been outlined to ensure that interest payments made in one EU member state to individuals resident in another EU member state are subject to effective taxation in accordance with the laws of their EU member state. As a result of such provisions, it is necessary to ascertain the tax identification number or date and place of birth of subscribers. Accordingly subscribers will be required to provide their tax identification number to the ICAV. Such information will be collected for compliance reasons only and will not be disclosed to unauthorised persons.

### **Financial transaction tax**

Ten EU Member States are currently considering the implementation of a financial transaction tax ("**FTT**") through the European enhanced cooperation procedure. These Member States are Austria, Belgium, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (the "**Participating Member States**") In its proposed form, the FTT applies to certain transactions in financial instruments involving financial institutions where at least one party to which is located in a Participating Member State, or where the financial instrument is issued in a Participating Member State. The FTT is currently set to be levied at a minimum rate of 0.10% on all transactions other than derivatives which are to be taxed at a minimum rate of 0.01%. The FTT can be charged on both counterparties, depending on the nature of their activities, their location, and the subject matter of the transaction. The current proposals therefore do impact on certain financial institutions located outside the Participating Member States, as well as certain financial institutions located outside the EU. Although a final decision on the adoption of the FTT was expected in June 2016, the Participating Member States were unable to reach unanimous agreement by that time on a number of matters, including the territorial scope of the FTT. The ten Participating Member States have agreed to continue to work to reach agreement and the European Commission expects to issue a draft legislative text in 2019.

Any changes to the current framework of the taxation of financial transactions within the EU, including changes contemplated by the proposed FTT, could adversely affect the cost of investment or hedging strategies pursued by the Fund as well as the value and liquidity of certain assets within the Fund, such as securities, derivatives and structured finance securities. Additionally, the proposed FTT contains certain anti-avoidance rules which would restrict the ability of the Fund to mitigate the impact of these charges. It should be noted that a similar tax has already been introduced in France and Italy, and other EU Member States may introduce a similar tax. Participating Member States which implement the FTT, such as France and Italy, are expected to repeal any similar taxes with effect from the implementation of the FTT.

### **Changes in UCITS Regulations**

As a UCITS the ICAV will be subject to any changes in the UCITS Regulations and UCITS Guidance which may occur from time to time. Any changes in the UCITS Regulations or UCITS Guidance could have negative consequences for the ICAV, whether intended or unintended, such as increasing the operating costs of the ICAV,

limiting its ability to engage in certain investment strategies or to access certain markets or hold certain instruments or positions or to appoint certain service providers on terms favourable to the ICAV.

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

The ICAV has established individual collection accounts at a sub-fund level (the "Cash Collection Accounts"). All subscriptions into and redemptions and distributions due from the Funds will be paid into the relevant Cash Collection Accounts.

Pending the issue of Shares, and pending payment of redemption proceeds or distributions, such monies in the Cash Collection Account are assets of the relevant Fund, and the relevant investor will be an unsecured creditor of the Fund in respect of amounts paid by or due to it.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from a Fund will be channelled and managed through that Fund's Cash Collection Account. Redemptions and distributions, including blocked redemptions or distributions, will be held in the relevant Cash Collection Account until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming Shareholder.

The Cash Collection Accounts have been opened in the name of each Fund with the relevant Bank set out in the Application Form. The Depositary will be responsible for safe-keeping and oversight of the monies in the Cash Collection Accounts.

Failure to provide the necessary complete and accurate documentation, and or to make payment into the correct Cash Collection Account, is at the investor's risk.

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## BORROWING POLICY

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

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

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

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## FEES AND EXPENSES

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

### **Management Fees**

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

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

Details of any fees payable to any Investment Manager will be set out in the relevant Supplement.

### **Administration and Depositary Fees**

The Administrator and Depositary will be entitled to receive fees calculated as a percentage of the Net Asset Value of each Fund for the provision, respectively, of administration, accounting, trustee and custodial services to the ICAV as set out in the relevant Supplement.

The Administrator will also be entitled to receive certain other fees, including for financial reporting services in respect of the ICAV and for each Fund in respect of transfer agency services in respect of the relevant class of Shares.

The fees of the Administrator and the Depositary shall be discharged out of the management fee received by the Manager or out of the assets of the relevant Fund as may be specified in the relevant Supplement.

The Administrator and Depositary will also be reimbursed by the ICAV out of the assets of the relevant Fund for reasonable out-of-pocket expenses incurred by them. The Depositary will also be paid by the ICAV out of the assets of the relevant Fund for transaction fees (which will not exceed normal commercial rates) and fees and reasonable out-of-pocket expenses of any sub-custodian appointed by the Depositary. The Administrator and Depositary may also charge each Fund or the Manager out of the management fee for certain other additional fees for services that may be required from time to time, as agreed with the ICAV and or / the Manager.

The fees and expenses of the Administrator and Depositary will accrue at each relevant Valuation Point and are payable monthly in arrears.

### **Establishment Expenses**

Save where otherwise disclosed in the relevant Supplement, all fees and expenses relating to the establishment and organisation of the ICAV and each Fund including, but not limited to, the fees of professional advisers engaged by the Manager in relation to the establishment of the ICAV and each Fund shall be borne by the Manager.

### **Additional Fees**

Any additional fees in respect of a Fund will be set out in the relevant Supplement.

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

### **Directors' Remuneration**

The Manager shall be responsible for discharging any fees and expenses of the Directors' of the ICAV out of the fee which it receives from the ICAV.

**Sales Charge**

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

**Redemption Charge**

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

**Anti-Dilution Levy**

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

On any Dealing Day where there are net subscriptions or net redemptions, the Manager may determine (based on such reasonable factors as they see fit, including without limitation, the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of a Fund) to add an anti-dilution levy to the subscription price on that Dealing Day or deduct an anti-dilution levy from the redemption payments, in each case not to exceed 5% of Net Asset Value of the Shares being issued or redeemed, in order to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund.

**Paying Agents, Information Agents and / or Correspondent Banks**

In connection with the registration of the ICAV or the Shares for sale in certain jurisdictions, the ICAV will pay the fees and expenses of paying agents, information agents and / or correspondent banks, such payments to be made at normal commercial rates.



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## ADMINISTRATION OF THE ICAV

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

### *Determination of Net Asset Value*

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

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

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

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

The NAV per Share of a Class will be calculated by dividing the NAV of the Class by the number of shares in issue in that Class. Class Expenses or management fees or charges not attributable to a particular Class may be allocated amongst the Classes based on their respective NAV or any other reasonable basis approved by the Directors following consultation with the Depositary and having taken into account the nature of the fees and charges. Where Classes of Shares are issued which are priced in a currency other than the Base Currency, currency conversion costs will be borne by that Class.

In determining the value of the assets, securities, including debt and equity securities, which are quoted, listed or traded on or under the rules of any Recognised Market will be valued at the last traded price of the asset's principal exchange. If the security is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market will be that which the Manager determines provides the fairest criterion of value for the security. If prices for a security quoted, listed or traded on the relevant Recognised Market are not available at the relevant time or are unrepresentative in the opinion of the Directors, or their delegate, such security will be valued at such value as will be estimated with care and good faith as the probable realisation value of such security by the Manager, or its delegate or a competent person (appointed by the Manager and each approved for the purpose by the Depositary) or valued at the probable realisation value estimated with care and in good faith by any

other means provided that the value is approved by the Depositary. Neither the Directors nor the Administrator, the Manager, the Investment Manager, or the Depositary will be under any liability if a price reasonably believed by them to be the latest available price may be found not to be such.

The value of any security, including debt and equity securities, which is not normally quoted, listed or traded on or under the rules of a Recognised Market will be valued at its probable realisation value as determined with care and in good faith by the Investment Manager or its delegates appointed for such purpose by the Manager with the approval of the Depositary or by a competent person appointed by the Manager and each approved for such purpose by the Depositary.

The value of leveraged loans and sub-participations in leveraged loans will be determined in accordance with the above provisions and will be obtained from an independent vendor pricing source.

Shares in collective investment schemes will be valued on the basis of the latest published net asset value of such shares. If such prices are unavailable, the shares will be valued at their probable realisation value estimated with care and good faith by the Manager, or by a competent person appointed for such purpose by the Manager and approved for such purpose by the Depositary.

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

Derivative instruments including swaps, interest rate futures contracts and other financial futures contracts which are traded on a Recognised Market will be valued at the settlement price as determined by the relevant Recognised Market at the close of business on that market on the Valuation Day, provided that where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments will be valued at their probable realisation value estimated with care and good faith by the Investment Manager or its delegate (being a competent person appointed by the Manager and approved for such purpose by the Depositary) in consultation with the Administrator.

Derivative instruments which are not dealt on a Recognised Market will be valued on each Valuation Day at the bid price by reference to freely available market quotations supplied by an independent pricing agent or at the price obtained from the counterparty or a competent person appointed by the Directors and approved by the Depositary for such purpose, or by any other means provided the value is approved by the Depositary. If a derivative instrument is valued at a price obtained from the counterparty, such price will be verified at least weekly by a party independent of the counterparty, being a competent person appointed by the Directors and approved for such purpose by the Depositary. If a derivative instrument is valued in any other way, such valuation will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as International Organisation of Securities Commissions (IOSCO) and Alternative Investment Management Association (AIMA) and will be reconciled on at least a monthly basis to a valuation provided by the counterparty and any significant difference will be promptly investigated and explained. Notwithstanding the above provisions, forward foreign exchange contracts and interest rate swap contracts may be valued by reference to freely available market quotations.

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

Securities listed or traded on a regulated market, but acquired at a premium or at a discount outside or off the relevant market may be valued taking into account the level of premium or discount at the date of valuation 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.

Notwithstanding the above provisions the Manager or their delegate may, (a) adjust the valuation of any listed investment or (b) permit some other method of valuation to be used (with the prior approval of the Depositary in respect of such adjustment / other method) and the rationale/methodologies for such adjustment / method shall be clearly documented.

The value of an asset may be adjusted by the Directors where such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

In determining the ICAV's NAV, all assets and liabilities initially expressed in foreign currencies will be converted into the Base Currency of the relevant Fund using the latest available exchange rates at 4.00 pm GMT on each Valuation Day. If quotations are not available, the rate of exchange will be determined in accordance with policies established in good faith by the Manager or their delegate.

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

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

Except where the determination of the NAV per Share of a Fund has been suspended, in the circumstances described below, the NAV per Share of each Class of Shares will be available at the registered office of the ICAV and on the website [www.bloomberg.com](http://www.bloomberg.com). Such information will relate to the NAV per Share for the previous Dealing Day and is made available for information purposes only. It is not an invitation to subscribe for or redeem Shares at that NAV per Share. In the event that Shares in any Funds are listed on Euronext Dublin, the Net Asset Value per Share will also be notified to Euronext Dublin immediately upon calculation and the up-to-date Net Asset Value and will be available on the website [www.ise.ie](http://www.ise.ie).

### **Temporary Suspension Of Dealings**

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

- (a) any period when any organised exchange on which a substantial portion of the investments for the time being comprised in the relevant Fund are quoted, listed, traded or dealt in is closed otherwise than for ordinary holidays, or during which dealings in any such organised exchange are restricted or suspended;
- (b) any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interest of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the relevant Fund or during any period when for any other reason the value of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- (d) any period when the relevant Fund is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the relevant Fund, or the transfer or payment of the funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices;
- (e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the relevant Fund or the remaining Shareholders in the relevant Fund;
- (f) any period (other than ordinary holiday or customary weekend closings) when any market or exchange which is the main market or exchange for a significant part of the instruments or positions is closed, or in which trading thereon is restricted or suspended;

- (g) any period when proceeds of any sale or redemption of the Shares cannot be transmitted to or from the account of the relevant Fund (i.e. upon failure of electronic payment systems);
- (h) any period in which the redemption of the Shares would, in the opinion of the Directors, result in a violation of applicable laws;
- (i) any period in which notice has been given to Shareholders of a resolution to wind up the ICAV;
- (j) any period during which dealings in a collective investment scheme in which a Fund has invested a significant portion of its assets are suspended; or
- (k) any period when the Directors determine that it is in the best interests of the Shareholders to do so.

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

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

The Manager shall notify the Central Bank immediately upon the lifting of any such temporary suspension and in circumstances where the temporary suspension has not been lifted within 21 working days of application, the Manager shall provide the Central Bank with an update on the temporary suspension at the expiration of the 21 working day period and each subsequent period of 21 working days where the temporary suspension continues to apply.

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## SUBSCRIPTION FOR SHARES

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

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

Subscription orders are effected at the Net Asset Value per Share applicable on the relevant Dealing Day. Details of the deadline by which subscription monies must be received by the ICAV will be set out in the relevant Supplement. No Subscription order will be accepted after the relevant Valuation Point for a Fund.

If a subscription order is received prior to the Subscription Cut-Off Time, Shares will be issued at the NAV per Share applicable on the relevant Dealing Day. Subscription orders received after the relevant Subscription Cut-Off Time will be held over without interest on any related subscription monies and, in the absolute discretion of the Manager, either (i) such subscription monies will be returned (without interest) to the person from whom the subscription order and subscription funds were received, subject to required anti-money laundering documentation being received by the Administrator on behalf of the relevant Fund, or (ii) the relevant Shares will be issued on the next applicable Dealing Day at the relevant NAV per Share, unless the Manager determines in its sole discretion to accept such subscriptions in exceptional circumstances (with the Manager ensuring that such exceptional circumstances are fully documented) and provided that such subscriptions for Shares are received before the Valuation Point on the preceding Dealing Day. Subscription orders will not be processed at times when the calculation of the NAV per Share is suspended in accordance with the terms of this Prospectus and the Instrument of Incorporation.

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

An applicant wishing to make an initial subscription for Shares in a Fund must complete and send the Subscription Agreement to the Administrator. Subscription Agreements may be sent by facsimile, e-mail or electronic means (e.g. via clearing platform / SWIFT trading) as previously agreed with the Administrator. Subsequent purchases of Shares, following an initial subscription pursuant to a properly completed Subscription Agreement, may be made by completing and submitting an Additional Subscription Agreement to the Administrator. Additional Subscription Agreements may be sent by facsimile, e-mail or electronic means (e.g. via clearing platform / SWIFT trading) as previously agreed with the Administrator.

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

Subscription Agreements and Additional Subscription Agreements can be obtained by contacting the Administrator or the Distributor.

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

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

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

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

Measures provided for in the Criminal Justice (Money Laundering & Terrorist Financing) Acts 2010 to 2018 (as amended) which are aimed at the prevention of money laundering and terrorist financing will, subject as set out below, require an applicant for Shares to verify its identity to the Administrator or the ICAV. The Administrator will notify applicants if additional proof of identity is required. By way of example an individual will be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with two items of evidence of his address such as a utility bill or bank statement (but not a mobile telephone bill). In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name) and of the memorandum and Instrument of Incorporation of association (or equivalent), and of the names and residential and business addresses of all directors and beneficial owners.

The details given above are by way of example only and, regardless of the material produced by an applicant or its representatives, the Administrator or the ICAV will request such additional information and documentation as it, in its absolute discretion, considers is necessary to fully verify the identity or source of funds of an applicant and to establish the circumstances of the application. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the ICAV may reject the application and the subscription monies relating thereto, in which case the subscription monies may be returned without interest to the account from which the monies were originally debited, subject to any advice or request from the relevant authorities that the subscription monies should be retained pending any further directions from them or the Administrator or the ICAV may refuse to withhold payment of a redemption request until full information has been provided, in each case without any liability whatsoever on the part of the ICAV, the Administrator or any service provider to the ICAV. No interest will be paid either on subscription proceeds pending settlement to the account of the ICAV or on redemption proceeds pending settlement to the account of the Shareholder. Amendments to an investor's registration details and payment instructions will only be effected on receipt of original documentation. Redemption orders will be processed on receipt of facsimile or

electronic instructions (e.g. via clearing platform / SWIFT trading) only where payment is made to the account of record. The ICAV may issue fractional Shares up to four decimal places.

#### *Written Confirmations of Ownership*

The Administrator will be responsible for maintaining the ICAV's register of Shareholders in which all issues, redemptions and transfers of Shares will be recorded. All Shares issued will be in registered form and no Share certificates will be issued. Ownership will be evidenced by written entry in the Share register. Following each transfer, purchase, redemption and conversion of Shares trade confirmations will be sent by facsimile, e-mail or delivered to a secure purpose built site to each Shareholder. A Share may be registered in a single name or in up to four joint names. The register of Shareholders will be available for inspection at the registered office of the ICAV during normal business hours.

#### **Cash Collection Accounts**

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

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

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## REDEMPTION OF SHARES

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

The applicable Supplement may provide that if Redemption Applications on any Dealing Day exceed a specified percentage of the NAV of the applicable Fund (which must be at least 10%), the Manager may defer the excess Redemption Applications to subsequent Dealing Days. Any request for redemption on such Dealing Day shall be reduced pro rata and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

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

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

### *Redemption Price*

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

All payments of redemption monies will be made, except in the exceptional circumstances specified above, on the day specified in the relevant Supplement, following the Dealing Day on which the Redemption Application is effective and will be made by telegraphic transfer to the Shareholder's account, details of which will be notified by the Shareholder to the Administrator in the Subscription Agreement or subsequently in writing. For the avoidance of doubt, no redemption payment will be made until the Subscription Agreement has been received from the investor and all documentation required by the ICAV (including any documents in connection with anti-money laundering procedures) and the necessary anti-money laundering procedures have been completed.

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

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



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

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

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

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

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

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## TRANSFER OF SHARES

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

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

The Directors may in their discretion decline to register a transfer of Shares if the transferee is a U.S. Person or acting for or on behalf of a U.S. Person.

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

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## CONVERSION OF SHARES

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

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

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

A Shareholder should obtain and read this Prospectus and the Supplement relating to any Fund or any class of Shares of a Fund and consider its investment objective, policies and applicable fees before requesting any exchange into that Fund or any class of Shares of a Fund.

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

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

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

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

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

- (a) the redemption of the Shares in a Class or tranche (representing a Fund) is approved by a resolution in writing signed by all of the holders of the Shares in that Class or tranche (representing a Fund), as appropriate;
- (b) the NAV of the Fund, or of a Class of Shares in a Fund, does not exceed or falls below \$100 million or its foreign currency equivalent (or such other amount as may be determined from time to time by the Directors);
- (c) the Directors deem it appropriate because of an adverse political, economic, fiscal environment affecting the ICAV or relevant class or tranche (representing a Fund) of Shares; or
- (d) where the Depositary has served notice of its intention to retire and an alternative depositary has not been appointed within 90 days from the date of such notice. See the section headed "Depositary" above.

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

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

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

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## MANAGEMENT AND ADMINISTRATION

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

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

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

The Directors are listed below with their principal occupations. All of the Directors serve in a non-executive capacity. The ICAV has delegated the day to day acquisition, management and disposal of its assets to the Manager and the administration of the ICAV to the Administrator, an Irish tax resident company.

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

### ***Directors***

#### **Claire Cawley (Irish resident)**

Claire Cawley, FCA, is an independent non-executive director with over 15 years' experience in the asset management and investment funds industry, having held senior executive and board positions in UBS, Mercer and KB Associates. Ms. Cawley serves as an independent non-executive director, chairman, and committee member of investment funds, management companies and financial services providers.

Her most recent executive role included divisional responsibility for the development and management of the global UBS Asset Management Alternative product shelf including representation of UBS on investment fund boards.

Prior to her position at UBS, Ms. Cawley held positions at Mercer Global Investments and at KB Associates, a consulting firm which specialised in providing services to the investment management sector with a particular focus on fund support. Ms. Cawley trained as a Chartered Accountant in the financial services assurance division of KPMG in Dublin.

Ms. Cawley has a Bachelor of Arts (Economics & Finance) from University of Dublin, Trinity College and she is a fellow of the Institute of Chartered Accountants in Ireland.

#### **Tom Coghlan (Irish resident)**

Tom Coghlan is a Certified Investment Fund Director with the Institute of Banking and has in-depth knowledge of the investment fund sector along with governance, oversight and control expertise. Mr Coghlan is a Cayman Islands Monetary Authority registered director. A Fellow of the Institute of Chartered Accountants in Ireland, Mr Coghlan qualified from PricewaterhouseCoopers. He was a Director of Citi Global Markets and Head of Pan European Equity Sales in Ireland from 2004 to 2013 with responsibility for a diverse client base, including 'long only' institutions, hedge funds, thematic funds and structured product providers. From 2000 to 2004 he was a Senior Portfolio Manager in the wealth management division on NCB Stockbrokers. Mr Coghlan holds a Bachelor of Arts from UCD in Pure Economics and became a registered stockbroker of the Irish Stock Exchange in 2000.

#### **Michael Buckley (Irish resident)**

Michael Buckley is an employee of DMS Investment Management Services (Europe) Limited ("DMS"), with responsibility for supporting onboarding and providing governance services to UCITS and AIFMD structures. Mr

Buckley brings to this role significant experience in depositary oversight and reporting, having worked extensively in depositary/trustee services, covering a broad spectrum of roles including oversight, onboarding and regulatory and sales support. Prior to joining DMS, he worked at Credit Suisse International, Dublin branch, where he was Vice President of the Depositary Unit with responsibility for supporting operational oversight and managing regulatory and operational change. During this time, he served as the Credit Suisse representative on the Irish Funds Depositary and UCITS V committees. He was previously employed by BNY Mellon Trust Company (Ireland) Limited, with initial responsibility for trustee oversight of both UCITS and non-UCITS clients. In addition, he served as Vice President of the BNY Mellon Trustee Transition Group with responsibility for onboarding of trustee related business and oversight of appointed global sub custodian and prime brokers. Mr Buckley holds a BSc. Finance degree from University College Cork and has a Certificate in Compliance from the Irish Bankers Institute and a Diploma in Applied Financial Law from the Law Society of Ireland.

The address of the Directors is the registered office of the ICAV.

None of the Directors has:

- (i) had any unspent convictions in relation to indictable offences; or
- (ii) been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or
- (iii) been subject to any official public incrimination and / or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company.

A memorandum detailing the names of all companies and partnerships of which the Directors have been a director or partner in the past five years, together with an indication of whether or not the individual is still a director or partner, is available for inspection at the offices of Matheson, 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

The ICAV Secretary is DMS Governance Risk and Compliance Services Limited.

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## MANAGER

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The ICAV has appointed DMS Investment Management Services (Europe) Limited as manager of the ICAV pursuant to a management agreement dated 21 December 2015 between the ICAV and the Manager. The Manager shall also act as promoter of the ICAV.

The Manager is authorised and regulated as a management company by the Central Bank under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and has the necessary permissions to manage an Irish domiciled UCITS. The Manager was incorporated in Ireland as a private limited company on 7 August 2012. It is a 100% subsidiary of DMS Governance (Europe) Limited, a limited liability company incorporated in Ireland, which is a 100% subsidiary of DMS Governance Limited, a Cayman incorporated private limited company which is regulated by the Cayman Islands Monetary Authority. The company secretary of the Manager is DMS Governance Risk and Compliance Services Limited.

The Manager and DMS Governance Limited are part of the DMS group of companies (the “**DMS Group**”). The DMS Group is a worldwide leader in fund governance, with the industry's largest team of more than 80 full-time directors, associate directors and associates, all utilising forensic governance techniques and leveraging industry-leading proprietary technologies. The DMS Group serves all major offshore financial centres and represents leading investment funds from the largest funds in the industry to ambitious start-up funds. Based in the Cayman Islands, the DMS Group also has offices in Dublin, Luxembourg, London, Brazil, Hong Kong and New York led by principals experienced in their specialist markets.

The DMS Group has expanded beyond its initial focus of offering independent directors to Cayman domiciled hedge funds to offering complementary services to its hedge fund clients, to include investment management, corporate services, banking and trust services, and insurance. It has a long and successful relationship with US investment managers and its Irish based operations are expected to grow significantly to support this client base in establishing UCITS compliant funds.

The Management Agreement contains provisions governing the responsibilities of the Manager in relation to the management and administration of the ICAV. The Management Agreement will continue in force unless and until terminated by either party giving to the other not less than 180 days' written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc.) the Management Agreement may be terminated by notice in writing by either party to the other. The Management Agreement contains indemnities in favour of the Manager other than matters arising by reason of its negligence, wilful misconduct or fraud.

The directors of the Manager are as follows:

### **Caoimhghin O'Donnell**

Mr O' Donnell joined DMS in 2017, bringing with him over 18 years of extensive fund administration and fund accounting experience. As MD Europe, Mr O' Donnell is responsible for growth in Europe along with rigorous focus on risk and compliance with MiFID, AIFM and EMIR regulations.

Mr O' Donnell began his career at CICM FM (Commerzbank AG) where he began working in Investment Management before moving on to manage on number of high-profile, strategic projects. Mr O' Donnell subsequently became Head of Fund Administration at CICM, with responsibility for the day to day activity of the company's core business and fund administration, working with over fifty funds totalling EUR 6 billion.

He later joined Daiwa Securities Trust and Banking Europe as Senior Operations Manager – Fund Services, where he took responsibility for the company's core business of Fund Administration, servicing both group business and third party client business. He led both the Fund Accounting and Operations teams during this time.

Prior to joining DMS, Mr O' Donnell spent over 12 years working with the Bank of New York Mellon as Managing Director, AIS Fund Accounting EMEA with responsibility for Fund Accounting and Financial Reporting services for EMEA. He led a team of over 300 accounting professionals in 6 locations across Europe.

Mr O' Donnell has a BSc in Actuarial Mathematics and Statistics from the Heriot-Watt University, Edinburgh.

### **Conor MacGuinness**

Mr MacGuinness is managing director of the Manager. Mr MacGuinness joined DMS Europe in December 2013 and brings to his role his well-rounded experience in fund administration, with particular emphasis on alternative investment structures, which he gained in Ireland, Switzerland and Luxembourg.

Prior to joining DMS Europe, Mr MacGuinness was Vice President and Manager of the client services team with BNY Mellon Fund Services (Ireland) Limited, a position he had held from November 2005 to December 2013. In this role he managed a team of client service professionals covering a range of alternative asset manager clients worth approximately US\$100bn AUA, covering Ireland, Luxembourg, Hong Kong and Tokyo offices.

Prior to this, from August 1999 to August 2004, Mr MacGuinness worked as a Team Leader with Man Investments, a leading provider of alternative investment solutions to private and institutional clients worldwide.

He has extensive experience in UCITS, alternative investment funds, alternative investment vehicles and private equity structures. Mr MacGuinness holds an MBA from the UCD Michael Smurfit School of Business, a Certificate in Investment Management from the Society of Investment Analysts in Ireland and a Bachelor of Arts Degree in Accounting and Finance from Dublin City University.

### **Tim Madigan**

Mr Madigan is an independent non-executive director of a number of Dublin based investment funds (both UCITS and alternative investment vehicles) and insurance companies. He is chairman and independent non-executive director of the Manager. 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.

### **Siobhán Moloney**

Siobhán Moloney is Senior Legal Counsel within the DMS Group. Prior to joining DMS, Ms. Moloney practised as a solicitor with a leading Irish firm of solicitors in their Asset Management and Investment Funds department. Prior to this, she acted as Legal Counsel within the Fortis Group in Ireland with responsibility for their depositary, administration and banking businesses.

Ms. Moloney graduated from University College Dublin with a BCL (Hons) and holds a Diploma in Applied Finance Law from the Law Society of Ireland. She is qualified as a solicitor in England and Wales as well as Ireland.

### **David McGeough**

Mr. McGeough is an independent non-executive of the Manager. From February 2007 to date, Mr. McGeough has been a non-executive director of, and adviser to, various asset management firms and investment funds and an international Hedge Fund Operational, Risk Assessment and Rating business. From July 2002 until 1 February 2007, Mr. McGeough was a partner, member of the Management Committees and General Counsel at Vega Asset Management Group: a hedge fund manager with U.S.\$12.5 billion assets under management (2005). Prior to this Mr. McGeough was COO and CEO of Mobileaware Limited, an international technology business. Before joining Mobileaware Limited, from January 1994 to December 2000, Mr. McGeough was a partner at Matheson, one of Ireland's largest law firms, where he managed the financial services and investment funds practice. Mr. McGeough has served as a member of the Department of An Taoiseach's International Banking and Treasury Group and as a



member of the Steering Committee of the Advisory Group to the Irish Government in relation to the disposal of the National TV Transmission 36 Network. Mr. McGeough is an Honours Graduate of Law (Magna Cum Laude) from University College Dublin Law School, Ireland.

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## DEPOSITARY

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The ICAV has appointed SEI Investments – Depositary and Custodial Services (Ireland) Limited as depositary of the ICAV pursuant to the Depositary Agreement with responsibility for acting as depositary of the assets of each Fund. The Depositary is a limited liability company incorporated in Ireland on 18 November 1999 and has an authorised share capital of \$1,000,000 of which \$1.00 is allotted and fully paid up. The Depositary's registered office is at Styne House, 2nd Floor, Upper Hatch Street, Dublin 2, Ireland. The Depositary is a wholly owned subsidiary of SEI Investments Global, Limited, a company incorporated in Ireland. The ultimate parent company is SEI Investments Company, a company incorporated under the laws of the State of Pennsylvania in the United States of America. The Depositary's main business activity consists of providing depositary and related services to collective investment schemes and other portfolios.

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

- (i) the Depositary shall hold in custody all financial instruments that can be held in custody ("**Custody Assets**");
- (ii) the Depositary shall verify the ICAV's ownership of all financial instruments that cannot be held in custody ("**Non-Custody Assets**") and maintain and keep up-to-date a record of such assets it is satisfied are owned by the ICAV;
- (iii) the Depositary shall ensure effective and proper monitoring of the ICAV's cash flows;
- (iv) the Depositary shall be responsible for certain oversight obligations in respect of the ICAV – see "Summary of Oversight Obligations" below.

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

### Summary of Oversight Obligations:

The Depositary is obliged to ensure, among other things, to:

- (i) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected by or on behalf of the ICAV are carried out in accordance with the UCITS Regulations and the Instrument of Incorporation;
- (ii) ensure that the value of Shares is calculated in accordance with the UCITS Regulations and the Instrument of Incorporation;
- (iii) carry out the instructions of the ICAV unless they conflict with the UCITS Regulations or the Instrument of Incorporation;
- (iv) ensure that in each transaction involving the ICAV's assets, any consideration is remitted to it within the usual time limits;
- (v) ensure that the ICAV's income is applied in accordance with the UCITS Regulations and the Instrument of Incorporation;
- (vi) enquire into the conduct of the ICAV in each accounting period and report thereon to the Shareholders. The Depositary's report will be delivered to the ICAV in good time to enable it to include a copy of the report in the

annual report of the ICAV. The Depositary's report will state whether, in the Depositary's opinion, the ICAV has been managed in that period:

- a) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the Instrument of Incorporation and by the UCITS Regulations; and
- b) otherwise in accordance with the provisions of the Instrument of Incorporation and the UCITS Regulations.

If the ICAV has not been managed in accordance with (a) or (b) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation;

- (vii) notify the Central Bank promptly of any material breach by the ICAV or the Depositary of any requirement, obligation or document to which Regulation 114(2) of the Central Bank UCITS Regulations relates; and
- (viii) notify the Central Bank promptly of any non-material breach by the ICAV or the Depositary of any requirement, obligation or document to which Regulation 114(2) of the Central Bank UCITS Regulations relates where such breach is not resolved within 4 weeks of the Depositary becoming aware of such non-material breach.

The duties provided for above may not be delegated by the Depositary to a third party.

Under the Depositary Agreement, the Depositary has power to delegate the whole or any part of its depositary functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary has delegated its safekeeping duties in respect of Custody Assets to Brown Brothers Harriman & Co.

In discharging its role, the Depositary shall act honestly, fairly, professionally, independently and in the interests of the ICAV and the Shareholders. Up-to-date information in relation to the Depositary's duties, any safekeeping duties delegated by the Depositary, the list of delegates and sub-delegates of the Depositary and any conflicts of interest (as outlined in the section of this Prospectus entitled "Risk Considerations – Conflicts of Interest") will be made available to Shareholders on request.

Pursuant to the Depositary Agreement, the Depositary will act as depositary of all of the ICAV's assets including cash. The Depositary will collect any income arising from the ICAV's assets on the ICAV's behalf. The Depositary will be entitled to receive a fee as described in the section of this Prospectus entitled "Fees and Expenses - Administration and Depositary Fees". The Depositary Agreement may be terminated by either party on giving not less than 90 days' prior written notice to the other party. The Depositary Agreement may also be terminated by either party forthwith by giving notice in writing to the other party upon certain breaches as outlined in the Depositary Agreement or upon the insolvency of a party (or upon the happening of a like event). The ICAV may not terminate the appointment of the Depositary and the Depositary may not retire from such appointment unless and until a successor depositary approved by the Central Bank has been appointed with the prior approval of the Central Bank or the authorisation of the ICAV has been revoked by the Central Bank.

The Depositary shall be liable to the ICAV and to the Shareholders, for the loss by the Depositary or a duly appointed delegate of any Custody Assets (determined in accordance with the UCITS Directive and shall be responsible for the return of financial instruments or corresponding amount to the ICAV without undue delay. The Depositary shall be liable to the ICAV, or to the Shareholders, for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the UCITS Directive. The Depositary Agreement contains indemnities in favour of the Depositary for certain losses incurred but excluding circumstances where the Depositary is liable for the losses incurred.

## **Delegation**

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix F to this Prospectus.

As the ICAV may invest in emerging markets where custodial and/or settlement systems are not fully developed, the assets of the ICAV which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances where the Depositary will have no liability.

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## ADMINISTRATOR

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The Manager has appointed SEI Investments – Global Fund Services Limited to act as administrator, registrar and transfer agent of the ICAV and each Fund thereof with responsibility for performing the day to day administration of the ICAV and each Fund thereof, including the calculation of the Net Asset Value and the Net Asset Value per Share. The Administrator may from time to time delegate or sub-contract any administrative functions it deems necessary, subject to compliance with the requirements of the Central Bank.

The Administrator is a private limited company incorporated in Ireland under registration number 242309 on 16 December 1995 and is an investment business firm authorised by the Central Bank under section 10 of the Investment Intermediaries Act, 1995. The Administrator's principal business is the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds subject to the oversight and control of the ICAV.

The Administration Agreement provides that the appointment of the Administrator will continue in force for an initial term of three years and shall renew for successive one year terms unless terminated by either party giving to the other not less than 180 days' written notice of non-renewal of the then current term, although in certain circumstances (e.g. the insolvency of either party, unremedied material breach after notice, etc.) the Agreement may be terminated by notice in writing by either party to the other. The Administration Agreement contains indemnities in favour of the Administrator other than matters arising by reason of its negligence, fraud, bad faith or wilful default in the performance of its duties and obligations.

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## PAYING AGENTS

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### **Paying Agent**

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

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## MEETINGS OF AND REPORTS TO SHAREHOLDERS

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

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

The ICAV's accounting period will end on 31 December in each year. The Manager will publish an annual report and audited annual accounts for the Fund within four months of the end of the financial period to which they relate. The first annual report and annual accounts were prepared up to 31 December 2016. The unaudited half-yearly reports of the Fund will be made up to 30 June in each year. The unaudited half yearly reports will be published within two months of the end of the half year period to which they relate. The first set of half-yearly reports were prepared up to 30 June 2016. The annual report and the half-yearly report will be made available at the office of the Administrator and may be sent to Shareholders by electronic mail or other electronic means of communication, although Shareholders and prospective investors may also, on request, receive hard copy reports by mail. In the event that Shares in any Fund are listed on Euronext Dublin, annual reports will be forwarded to Euronext Dublin within four months of the end of the relevant year and half-yearly reports will be forwarded to Euronext Dublin within two months of the end of the relevant period.

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## TAXATION

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### Ireland

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

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

### Taxation of the ICAV

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

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

### Taxation of Non-Irish Shareholders

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

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

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

### Taxation of exempt Irish Shareholders

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

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

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).



2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
15. Qualifying companies (within the meaning of section 110 TCA).
16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the ICAV without requiring the ICAV to deduct or account for Irish tax.

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

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

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

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

### *Distributions by the ICAV*

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

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

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

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

### *Redemptions of Shares*

If the ICAV redeems Shares held by a non-exempt Irish resident Shareholder, the ICAV will deduct Irish tax from the redemption payment made to the Shareholder.

The amount of Irish tax deducted will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed and will be equal to:

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

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

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

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

### *Transfer of Shares*

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

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

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

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

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

### *Eighth Anniversary' Events*

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

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

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

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

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

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

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

### *Share Exchanges*

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

### **Stamp Duty**

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

## **Gift and Inheritance Tax**

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

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

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

## **FATCA**

Ireland has an intergovernmental agreement with the United States of America (the “**IGA**”) in relation to FATCA (the Foreign Accounts Tax Compliance Act in the enactment of the United States of America known as Hiring Incentives to Restore Employment Act 2010), of a type commonly known as a ‘model 1’ agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The ICAV intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. Unless an exemption applies, the ICAV shall be required to register with the US Internal Revenue Service as a ‘reporting financial institution’ for FATCA purposes and report information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Exemptions from the obligation to register for FATCA purposes and from the obligation to report information for FATCA purposes are available only in limited circumstances. Any information reported by the ICAV to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

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

## **OECD Common Reporting Standard**

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

The OECD Common Reporting Standard replaces the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime).

## **Meaning of Terms**

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

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

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

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

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

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

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

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

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

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

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2019 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2022.

#### *Meaning of 'Intermediary'*

An 'intermediary' means a person who:

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

#### **Summary**

The foregoing is not a complete summary of all of the tax consequences of investment in the ICAV. Each prospective investor is advised to consult with its own tax adviser with respect to the US federal, state and local and non-US tax consequences of, and the reporting requirements attributable to, the purchase, ownership and disposition of Shares.

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## GENERAL

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### **The Share Capital**

The share capital of the ICAV will at all times equal the NAV. The authorised share capital of the ICAV is €300,002 (three hundred thousand and two euro) represented by 300,002 (three hundred thousand and two) Subscriber Shares of no par value issued at €1.00 each and 500,000,000,000 (five hundred billion) Shares of no par value. The Directors are empowered to issue up to 500 billion Shares of no par value in the ICAV at the NAV per Share (or the relevant initial subscription price in the case of new Funds) on such terms as they may think fit.

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

The Directors also reserve the right to re-designate any Class of Shares from time to time, provided that Shareholders in that Class will first have been notified by the ICAV that the Shares will be re-designated and will have been given the opportunity to have their Shares redeemed by the ICAV.

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

### *Miscellaneous*

- (i) The Directors confirm and report that the ICAV was registered in Ireland on 18 July 2015.
- (ii) The ICAV is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the ICAV.
- (iii) Each Director has entered into an engagement letter with the ICAV.
- (iv) No Director or any connected person of any director has any interest, beneficial or non-beneficial, in the share capital of the ICAV or any options in respect of the share capital of the ICAV.

### **Material Contracts**

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

- The Management Agreement

- The Depositary Agreement
- The Administration Agreement

### **Supply and Inspection of Documents**

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

- (a) the Instrument of Incorporation;
- (b) the material contracts referred to above;
- (c) a memorandum detailing the names of all companies and partnerships of which the directors of the ICAV have been a director or partner in the past five years, together with an indication of whether or not the individual is still a director or partner; and
- (d) the UCITS Regulations.

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

### **Data Privacy**

The ICAV will control and protect personal data in accordance with the requirements of Regulation (EU) 2016/679, the General Data Protection Regulation, as described in greater detail in the Privacy Statement, a copy of which is available at [www.dmsgovernance.com](http://www.dmsgovernance.com).

### **REMUNERATION POLICIES AND PRACTICES**

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

Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available via <https://dmsgovernance.com/services/european-fund-management-solutions/ucits/>. The Remuneration Policy summary will be made available for inspection and a paper copy may be obtained, free of charge, at the registered office of the ICAV.

### **Payments for Research obtained by MiFID entities**

Certain Investment Managers which have been authorised pursuant to MiFID II (“MiFID Investment Managers”) may utilise investment research services offered by independent service providers in executing the investment policies of the relevant Fund in respect of which such MiFID Investment Manager has been appointed. These research services may include published research notes or reports, other material or services suggesting or recommending an investment strategy or trade ideas (including in the form of software tools, programs or other technology), macroeconomic analysis, and access to research analysts or industry experts (including expert networks). Such



research services may be obtained where the relevant MiFID Investment Manager considers that access to research services and materials is integral to its ability to execute the investment policies of the relevant Fund and that such services and materials will inform, and add value to, the MiFID Investment Manager's investment decisions made on behalf of the relevant Fund.

It is proposed that such research fees will be paid by the relevant MiFID Investment Manager, however, to the extent that costs relating to the payment for such research services are to be charged to the assets of the relevant Fund in the future, the MiFID Investment Manager will open and maintain one or more research payment accounts (the "RPAs"). To the extent any RPAs may be opened in the future, such RPAs will be operated in accordance with the conditions set down in MiFID II. Any such RPAs will be funded by a specific research charge to the relevant Fund based on a research budget set by the MiFID Investment Manager in conjunction with the Directors and agreed in writing in advance with such research budget being regularly assessed. In the event that the MiFID Investment Manager does intend to charge such costs to the relevant Fund and open RPAs in the future, it will be disclosed in the relevant Supplement and the MiFID Investment Manager will adopt internal arrangements ("**Research Policy**"), including a methodology for the remuneration policy of the ICAV.

### **Inducements in the context of MiFID Investment Managers**

In accordance with its obligations under MiFID II, a MiFID Investment Manager shall return to the relevant Fund any fees, commissions or other monetary benefits paid or provided by a third party in relation to the investment management services provided by the MiFID Investment Manager to the relevant Fund as soon as reasonably possible after receipt. In particular, where the MiFID Investment Manager successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities, permitted derivative instruments or techniques and instruments for the ICAV or a Fund, the rebated commission shall be paid to the ICAV or the relevant Fund as the case may be.

The MiFID Investment Manager shall however be permitted to retain minor non-monetary benefits received from third parties where the benefits are such that they could not impair the MiFID Investment Manager from complying with its obligation to act in the best interests of the relevant Fund, to the extent applicable. Further details in respect of the type of minor non-monetary benefits which may be accepted by the MiFID Investment Manager will be set out in the relevant Supplement.

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

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### A. Regulation S Definition of US Person

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

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

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

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

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

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

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## APPENDIX B – RECOGNISED MARKETS

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

- (i) Any stock exchange or market in any EU Member State or in any of the following member countries of the OECD:

Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland, the United Kingdom and the United States of America.

- (ii) Any of the following exchanges or markets:

Argentina	Bolsa de Comercio de Buenos Aires Cordoba Stock Exchange La Plata Stock Exchange Mendoza Stock Exchange Mercado Abierto Electronico S.A. Rosario Stock Exchange Mercado A Termino de Buenos Aires S.A.
Bangladesh	Chittagong Stock Exchange Dhaka Stock Exchange
Bahrain	Bahrain Stock Exchange Manama Stock Exchange
Botswana	Botswana Stock Exchange Serowe Stock Exchange
Brazil	Bahia-Sergipe-Alagoas Stock Exchange BM&F Bovespa S.A. Bolso de Mercadorias e Futuros Extremo Sul Stock Exchange Porto Alegre Mina Esperito Santo Brasilia Stock Exchange Parana Stock Exchange Santos Stock Exchange Sao Paulo Stock Exchange Sociedade Stock Exchange Operadora do Mecado de Ativos S.A.
Chile	Santiago Stock Exchange Valparaiso Stock Exchange La Bolsa Electronica de Chile
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Colombia	Bogota Stock Exchange Medellin Stock Exchange Bolsa de Occidente Cali Stock Exchanges
Costa Rica	San Jose Stock Exchange
Ecuador	Quito Stock Exchange Guayaquil Stock Exchange
Egypt	Egyptian Exchange
Hong Kong	Stock Exchange of Hong Kong Hong Kong Exchanges and Clearing Ltd.
India	The National Stock Exchange of India Limited Madras Stock Exchange Delhi Stock Exchange Ahmedabad Stock Exchange Bangalore Stock Exchange Cochin Stock Exchange

	Gauhari Stock Exchange
	Magadh Stock Exchange
	The Bombay Stock Exchange
	Pune Stock Exchange
	Hyderabad Stock Exchange
	Ludhiana Stock Exchange
	Uttar Pradesh Stock Exchange
	Calcutta Stock Exchange
	MCX Stock Exchange (MCX-SX)
	Multi Commodity Exchange (MCX)
	National Commodity and Derivatives Exchange
	National Spot Exchange
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Japan	Osaka Securities Exchange
	Tokyo Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan	Central Asian Stock Exchange
	Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange
Korea	Korea Exchange
Kuwait	Kuwait Stock Exchange
Malaysia	The Bursa Malaysia Berhad
	Bumipatra Stock Exchange
Mauritius	Stock Exchange of Mauritius
Mexico	Mexico Stock Exchange
Morocco	Casablanca Stock Exchange
New Zealand	New Zealand Exchange
Nigeria	Nigeria Stock Exchange
Oman	Muscat Stock Exchange
Pakistan	Karachi Stock Exchange (Guarantee) Ltd
	Lahore Stock Exchange
	Islamabad Stock Exchange,
	Pakistan Mercantile Exchange
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange
Poland	Warsaw Stock Exchange
Qatar	Qatar Exchange
Russia	Moscow Exchange MICEX-RTS (MICEX-RTS)
Saudi Arabia	Tadawul Stock Exchange
	Saudi Arabian Monetary Agency
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange Limited,
South Africa	JSE Limited
	South African Futures Exchange
South Korea	Korea Stock Exchange
Sri Lanka	Colombo Stock Exchange
Swaziland	Swaziland Stock Exchange
Taiwan	Taiwan Stock Exchange
	Corporation Gretai Securities Market,
Thailand	Stock Exchange of Thailand
	Bond Electronic Exchange,
Tunisia	Bourse des Valeurs Mobilières de Tunis
Turkey	Borsa Istanbul
Ukraine	PFTS Ukraine Stock Exchange
United Arab	Abu Dhabi Stock Exchange

Emirates	Dubai Financial Market NASDAQ Dubai Limited
Uruguay	Bolsa de Valores de Montivideo Bolsa Electrónica de Valores del Uruguay SA
Vietnam	Ho Chi Minh Stock Exchange Hanoi Stock Exchange

iii)

The following markets:

- the market organised by the International Capital Markets Association;
- the UK market (i) 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) in non-investment products which are subject to the guidance contained in the "Non-Investment Product Code" drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as "The Grey Paper");
- (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- (a) NASDAQ Japan, (b) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan, and (c) Market of the High-Growth and Emerging Stocks ("**MOTHERS**")
- the alternative investment markets in the United Kingdom regulated and operated by the London Stock Exchange;
- the Hong Kong Growth Enterprise Market ("**GEM**");
- TAISDAQ
- the Stock Exchange of Singapore Dealing and Automated Quotation (SESDAQ)
- the Taiwan Innovative Growing Entrepreneurs Exchange ("**TIGER**")
- the Korean Securities Dealers Automated Quotation ("**KOSDAQ**")
- 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
- EASDAQ (European Association of Securities Dealers Automated Quotation)

(iv) In relation to Financial Derivative Instruments (FDI) the following markets:

North America	Nasdaq The Chicago Mercantile Exchange American Stock Exchange Chicago Board of Trade Chicago Board of Options Exchange Coffee, Sugar and Cocoa Exchange Lowa 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 Futures Exchange New York Board of Trade New York Mercantile Exchange CME Group Montreal Derivatives Exchange
Asia	China Financial Futures Exchange

	Dalian Commodity Exchange
	Shanghai Futures Exchange
	Zhengzhou Commodity Exchange
	China Interbank Bond Market
	Hong Kong Futures Exchange
	Ace Derivatives & Commodity Exchange
	Indonesia Commodity and Derivatives Exchange
	Bursa Malaysia Derivatives Berhad
	Singapore International Monetary Exchange
	Singapore Commodity Exchange
	Tokyo Financial Exchange
	Tokyo Commodity Exchange
	Taiwan Futures Exchange
	Thailand Futures Exchange
	Agricultural Futures Exchange of Thailand
	Singapore Commodity Exchange
	Singapore Mercantile Exchange
Australasia	New Zealand Exchange
Europe	Athens Derivative Exchange
	Borsa Italiana (IDEM)
	EUREX Deutschland
	EUREX Zurich
	EUREX for Bunds, OATs, BTPs
	Euronext Derivatives Amsterdam
	Euronext Derivatives Brussels
	Euronext Derivatives Paris
	ICE Futures Europe
	London Metal Exchange
	Meff Renta Variable (Madrid)
	OMX Nordic Exchange Copenhagen
	OMX Nordic Exchange Stockholm
	Ukrainian Interbank Currency Exchange
Africa	South African Futures Exchange

and any exchange or market, including any board of trade or similar entity, or automated quotation system, which exchanges and markets are regulated, operating regularly, recognised and open to the public in an EU Member State or a Member State of the EEA or the United Kingdom.

With the exception of permitted investments in unlisted investments, and off-exchange derivative instruments, investment in securities or financial derivative instruments will be made only in securities or financial derivative instruments listed or traded on a Recognised Market which meets the regulatory criteria (regulated, operating regularly, recognised and open to the public) and which is listed above. These exchanges and markets are listed in accordance with the requirements of the Central Bank and the Central Bank does not issue a list of approved markets.

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## APPENDIX C – EFFICIENT PORTFOLIO MANAGEMENT

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**This section of this Prospectus clarifies the instruments and / or strategies which the ICAV may use for efficient portfolio management purposes or short term investment purposes. Where derivative instruments are used for hedging purposes, details of the derivative instruments to be used will be specifically disclosed in the relevant Supplement. The Manager will, on request provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.**

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

The Manager employs a risk management process in respect of a Fund in accordance with the requirements of the Central Bank to enable it to accurately measure monitor, and manage, the global exposure from FDIs (“**global exposure**”) which each Fund gains. The Manager will use the commitment approach to calculate its global exposure unless otherwise specified in the relevant Supplement. The ICAV will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The conditions and limits for the use of such techniques and instruments in relation to each Fund are, unless otherwise specified in the relevant Supplement, as follows:

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

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

1. In addition to the investments in FDIs noted above, the Manager may employ, without limit, other techniques and instruments relating to transferable securities and money market instruments subject to the conditions imposed by the Central Bank, such as repurchase / reverse repurchase agreements, (“**repo contracts**”) and securities lending only for efficient portfolio management. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio



management, including FDIs which are not used for direct investment purposes, will be understood as a reference to techniques and instruments which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost-effective way;
- (b) they are entered into for one or more of the following specific aims:
  - reduction of risk;
  - reduction of cost;
  - generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the Notices;
- (c) their risks are adequately captured by the risk management process of the ICAV (in the case of FDIs only); and
- (d) they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in the sales documents.

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

2. The following applies to repo contracts and securities lending arrangements, in particular, and reflects the requirements of the Central Bank and is subject to changes thereto:
  - (a) Repo contracts and securities lending may only be effected in accordance with normal market practice.
  - (b) The Manager must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.
  - (c) Repo contracts or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.
  - (d) Where the ICAV enters into repurchase agreements, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the ICAV.
  - (e) Where the ICAV enters into reverse repurchase agreements, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the ICAV.
  - (f) Where a counterparty to a repo contract or securities lending arrangement 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 and where a counterparty is downgraded to A-2 or below (or comparable rating) by such credit rating agency, this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.
3. Any revenues from efficient portfolio management techniques not received directly by the ICAV, net of direct and indirect operational costs and fees (which do not include hidden revenue), will be returned to the ICAV. To the extent the ICAV engages in securities lending it may appoint a securities lending agent, which may or may not be

an affiliate of the Investment Manager, and which may receive a fee in relation to its securities lending activities. Any operational costs arising from such securities lending activities will be borne by the securities lending agent out of its fee. The names of any securities lending agents appointed will be disclosed in the periodic reports of the ICAV.

4. The counterparties to all efficient portfolio management techniques, which may or may not be related to the Investment Manager or Depositary, will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Fund, unless otherwise specified in the relevant Supplement. The counterparties to all efficient portfolio management techniques will be those with respect to whom a credit assessment has been undertaken. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.
5. When Issued, Delayed Delivery and Forward Commitment Securities

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

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

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

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

*For the purposes of this section, "Relevant Institutions" refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 (Switzerland, Canada, Japan, the United Kingdom and the United States of America) or credit institutions in a third country deemed equivalent pursuant to article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.*

- (a) Collateral obtained in respect of OTC financial derivative transactions and efficient portfolio management techniques ("**Collateral**"), such as a repo contract or securities lending arrangement, must comply with the following criteria:
  - (i) liquidity: Collateral (other than cash) should be transferable securities or money market instruments (of any maturity) which must be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should also comply with the provisions of Regulation 74 of the Regulations;
  - (ii) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place. Collateral may be marked to market daily by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to daily variation margin requirements;
  - (iii) issuer credit quality: Collateral should be of high quality; as determined by way of a credit assessment process. Where the issuer is subject to a credit rating by an agency registered and

supervised by ESMA that rating shall be taken into account in the credit assessment process; and where an issuer is downgraded below the two highest short-term credit ratings by such credit rating agency this shall result in a new credit assessment being conducted of the issuer without delay;

- (iv) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (v) diversification:
  - (a) Subject to (b) below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and
  - (b) A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Fund should receive securities from at least 6 different issues, but securities from any single issue shall not account for more than 30% of the Fund's Net Asset Value. A Fund is able to accept transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international body of which one or more EU Member States are members as collateral accounting for more than 20% of that Fund's Net Asset Value; and
- (vi) Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and
- (vii) immediately available: Collateral must be capable of being fully enforced by the ICAV at any time without reference to or approval from the counterparty.
- (b) Until the expiry of the repo contract or securities lending arrangement, collateral obtained under such contracts or arrangements:
  - (i) must be marked to market daily; and
  - (ii) must equal or exceed, in value, at all times the value of the amount invested or securities loaned.
- (c) Collateral must be held by the Depositary, or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.
- (d) Non-cash Collateral:

Non- cash Collateral cannot be sold, re-invested or pledged.
- (e) Cash Collateral:

Cash as Collateral may only be:

  - (i) placed on deposit with Relevant Institutions;
  - (ii) invested in high quality government bonds;

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

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

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

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## APPENDIX D – 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 UCITS Regulations and such additional investment restrictions in accordance with Central Bank requirements, if any, as may be adopted from time to time by the Manager in respect of any Fund and specified in the relevant Supplement. The principal investment restrictions applying to each Fund under the UCITS Regulations are described as follows:

### 1 Permitted Investments

A Fund may invest in:

- 1.1 transferable securities and money market instruments, which are either admitted to official listing on a Recognised Market in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State;
- 1.2 recently issued transferable securities which will be admitted to official listing on a Recognised Market within a year;
- 1.3 money market instruments other than those dealt on Recognised Market;
- 1.4 units of UCITS;
- 1.5 units of alternative investment funds (“AIFs”) as set out in the UCITS Guidance;
- 1.6 deposits with credit institutions as prescribed in the UCITS Regulations; and
- 1.7 financial derivative instruments (“FDI”).

### 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 A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a Recognised Market within a year. This restriction will not apply in relation to investment by a Fund in certain U.S. securities known as Rule 144A securities provided that:
  - i) the securities are issued with an undertaking to register with the U.S. Securities and Exchanges Commission within one year of issue; and
  - ii) the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3 A Fund may invest no more than 10% of 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 The limit of 10% in 2.3 is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members. The transferable

securities and money market instruments referred to in 2.4 and 2.7 will not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

- 2.5 Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the Fund.
- 2.6 The risk exposure of a Fund to a counterparty to an over-the-counter (“**OTC**”) derivative may not exceed 5% of net assets. This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, the United Kingdom and the United States of America) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.7 Notwithstanding paragraphs 2.3, 2.5 and 2.6 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:
- (i) investments in transferable securities or money market instruments;
  - (ii) deposits, and / or
  - (iii) counterparty risk exposures arising from OTC derivatives transactions.
- 2.8 The limits referred to in 2.3, 2.4, 2.5, 2.6 and 2.7 above may not be combined, so that exposure to a single body will not exceed 35% of net assets.
- 2.9 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.6 and 2.7. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.10 A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international body of which one or more EU Member States are members.

The individual issuers may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People’s Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC and Export-Import Bank. In the case of a Fund which has invested 100% of net assets in this manner, such 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 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 per cent of net assets in other open-ended CIS.
- 3.4 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company may not charge subscription, conversion or redemption fees on account of the Fund’s investment in the units of such other CIS.
- 3.5 Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of a Fund (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the Fund.

### 4 General Provisions

- 4.1 The ICAV may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 4.2 A Fund may acquire no more than:
  - (1) 10% of the non-voting shares of any single issuing body;
  - (2) 10% of the debt securities of any single issuing body;
  - (3) 25% of the units of any single CIS; or
  - (4) 10% of the money market instruments of any single issuing body.

The limits laid down in 4.2 (2), (3) and (4) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 4.3 4.1 and 4.2 will not be applicable to:
  - (1) transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
  - (2) transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
  - (3) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
  - (4) shares held by a Fund in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies with their registered offices in that State, where under the legislation of that State such a holding represents the only way in which a Fund can invest in the securities of issuing bodies in that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State

complies with the limits laid down in 2.3 to 2.10, 3.1, 4.1, 4.2, 4.4, 4.5 and 4.6 provided that where these limits are exceeded, paragraphs 4.5 and 4.6 below are observed.

- (5) 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 units at unit-holders' request exclusively on their behalf.
- 4.4 A Fund need not comply with the investment limits herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 4.5 The Central Bank may allow a recently authorised Fund to derogate from the provisions of 2.3 to 2.9 and 3.1 for six months following the date of its authorisation, provided it observes the principle of risk spreading.
- 4.6 If the limits laid down herein are exceeded for reasons beyond the control of the ICAV, or as a result of the exercise of subscription rights, the ICAV must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Shareholders.
- 4.7 Neither the ICAV, nor the Investment Manager will carry out uncovered sales of:
- transferable securities;
  - money market instruments\*;
  - units of CIS; or
  - financial derivative instruments.
- 4.8 A Fund may hold ancillary liquid assets.

## 5 Financial Derivative Instruments

- 5.1 save as otherwise specified in the relevant Supplement, a Fund's global exposure relating to FDI must not exceed its total Net Asset Value.
- 5.2 position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Guidance).
- 5.3 a Fund may invest in FDI dealt in over-the-counter ("**OTC**") provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 5.4 investment in FDI is subject to the conditions and limits laid down by the Central Bank.

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



## 6 **General Provisions**

A Fund may not acquire either precious metals or certificates representing them. This provision does not prohibit a Fund from investing in transferable securities or money market instruments issued by a corporation whose main business is concerned with precious metals.

The Directors may, without limitation, 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. 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 a Fund is currently offered provided that the assets of each Fund will at all times be invested in accordance with the restrictions on investments set out in the UCITS 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.

## APPENDIX E – IMPORTANT INFORMATION FOR U.S. PERSONS

The Shares being offered hereby have not been approved or disapproved by the US Securities and Exchange Commission (“SEC”), by the securities regulatory authority of any state or of any other US jurisdiction or the U.S. Commodity Futures Trading Commission (the “CFTC”), nor has the SEC, any such securities regulatory authority or the CFTC passed upon the accuracy or adequacy of this Prospectus, as it may be amended, restated or supplemented from time to time. Any representation to the contrary is a criminal offence.

The Shares have not been and will not be registered under the 1933 Act or the securities laws of any state or the United States, nor is any such registration contemplated. The Shares are being offered and will be offered and sold in the United States and to US Persons under the exemption provided by Section 4(2) of the 1933 Act and Regulation D promulgated thereunder. The offer and sale of the Shares outside the United States or to non-US Persons will not be registered under the 1933 Act in reliance upon the exemption from registration provided by Regulation S promulgated thereunder.

Any re-offer, resale or transfer of Shares of the ICAV and/or any Fund in the United States or to US Persons (as defined below) may constitute a violation of US law under certain circumstances; accordingly, any prospective investor or applicant for a subscription for the Shares and subsequent transferor and transferee involving the Shares, will be required to certify whether it is a US Person in order to promote compliance with applicable US law in respect of the Shares, any Fund and the ICAV.

There is no public market for the Shares and no such market is expected to develop in the future. The Shares offered hereby may be sold, transferred, hypothecated or otherwise disposed of only upon the terms set out in this Prospectus and subject to the Instrument of Incorporation.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted by this Prospectus and the Instrument of Incorporation and otherwise subject to compliance with the 1933 Act and other applicable securities laws, whether pursuant to registration thereunder or exemption therefrom.

The ICAV and each Fund have not been and will not be registered under the 1940 Act in reliance upon the exemption from such registration under the 1940 Act for certain issuers based upon the status of each US Person investor as a “qualified purchaser” within the meaning of Section 2(a)(51) of the 1940 Act.

The Shares are being offered outside the United States pursuant to an exemption from registration under the 1933 Act and the 1940 Act and if offered in the United States or to US Persons will be offered to a limited number of “accredited investors” (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are also “qualified purchasers” (as defined in Section 2(a)(51) of the 1940 Act), in reliance on the private placement exemption from the registration requirements of the 1933 Act provided by Section 4(2) thereof and Regulation D thereunder and the exception to the definition of “investment company” in Section 3(c)(7) of the 1940 Act.

The ICAV will not admit as investors entities that are Benefit Plans. The Shares may not be offered, sold or transferred to any entity that is a Benefit Plan. Each transferor and each transferee of Shares will be deemed to represent and warrant that it is not a Benefit Plan and that it will not become a Benefit Plan while it holds Shares or an interest therein.

The Directors may refuse an application for Shares by or for the account or benefit of any US Person or Benefit Plan or decline to register a transfer of Shares to or for the account or benefit of any US Person or Benefit Plan and may require the mandatory redemption or transfer of Shares beneficially owned by any US Person or Benefit Plan. See the “*Transfer of Shares*” and “*Mandatory Redemption of Shares*” sections for more details.

No offering materials will or may be employed in the offering of Shares except for this Prospectus (including appendices, exhibits, amendments, addenda and supplements hereto) and the documents summarised herein. No person has been authorised to make representations or give any information with respect to the ICAV or the Shares except for the information contained herein. Investors should not rely on information not contained in this Prospectus or the documents summarised herein.

The information and data set out in this Prospectus reflects or is based upon general information and data that are current as at the date of this Prospectus, unless otherwise stated. Certain information set out in this Prospectus is derived from or based upon information provided by independent third party sources, as to which the Directors, the Manager and their affiliates and associated persons reasonably believes is accurate and reliable as to source without conducting separate or independent verification; accordingly, no guarantee is intended or may be inferred or implied as to the accuracy and reliability of such information or the assumptions on which such information may be premised or provided.

Certain information and data set out in this Prospectus may constitute forward-looking statements which generally reflect certain expectations, projections or future anticipated events based upon underlying conditions that may be subject to change. Due to the various risks and uncertainties inherent to any such forward-looking statements, including potential conflicts of interest, the actual outcome of

various events or results and the actual performance of an investment in the Shares may differ materially from those reflected or contemplated in light of such forward-looking statements.

This Prospectus and the information contained herein are intended solely for use on a confidential basis by those persons to whom it is transmitted by or on behalf of the ICAV in connection with the contemplated private placement of the Shares. Recipients, by their acceptance and retention of this Prospectus, acknowledge and agree to preserve the confidentiality of the contents of this Prospectus and all accompanying documents and to return this Prospectus and all such documents to the Administrator if the recipient does not purchase any Shares. Neither this Prospectus nor any of the accompanying documents may be reproduced in whole or in part, nor may they be used for any purpose other than that for which they have been submitted, without the prior written consent of the ICAV or its authorised agents or representatives.

Notwithstanding the confidentiality conditions applicable to the information referred to in this Prospectus, each investor (including any appropriate employee, representative or agent of the investor) may disclose to any and all persons, without limitation, the tax treatment and tax structure of an investment in the Shares and related materials (including any opinions or tax information) that are provided to the investor relating to such tax treatment and tax structure.

None of the ICAV, any Fund, the Directors, the Administrator, the Manager or any affiliate or associated person of the foregoing is making any representation to any offeree or prospective investor in respect of the Shares regarding the legality of investment by such offeree or prospective investor under applicable investment or similar laws.

## APPENDIX F – LIST OF SUB-CUSTODIANS

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to Brown Brothers Harriman & Co. with registered office at 50 Post Office Square, Boston, MA 0211 whom it has appointed as its global sub-custodian.

At the date of this Prospectus, Brown Brothers Harriman & Co., as global sub-custodian, has appointed local sub-custodians as listed below.

Country	Sub-Custodian
ARGENTINA	CITIBANK, N.A. BUENOS AIRES BRANCH
AUSTRALIA	HSBC BANK AUSTRALIA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
AUSTRIA	UNICREDIT BANK AUSTRIA AG
BAHRAIN	HSBC BANK MIDDLE EAST LIMITED, BAHRAIN BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BANGLADESH	STANDARD CHARTERED BANK, BANGLADESH BRANCH
BELGIUM	BNP PARIBAS SECURITIES SERVICES
BERMUDA	HSBC BANK BERMUDA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BOTSWANA	STANDARD CHARTERED BANK BOTSWANA LIMITED FOR STANDARD CHARTERED BANK
BRAZIL	CITIBANK, N.A. - SÃO PAULO
BULGARIA	CITIBANK EUROPE PLC, BULGARIA BRANCH FOR CITIBANK, N.A.
CANADA	RBC INVESTOR SERVICES TRUST FOR ROYAL BANK OF CANADA (RBC)
CHILE	BANCO DE CHILE FOR CITIBANK, N.A.
CHINA	STANDARD CHARTERED BANK (CHINA) LIMITED FOR STANDARD CHARTERED BANK
COLOMBIA	CITITRUST COLOMBIA S.A., SOCIEDAD FIDUCIARIA FOR CITIBANK, N.A.
CROATIA	ZAGREBACKA BANKA D.D. FOR UNICREDIT BANK AUSTRIA AG
CZECH REPUBLIC	CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOZKA FOR CITIBANK, N.A.
DENMARK	NORDEA BANK DANMARK A/S FOR NORDEA BANK DANMARK A/S AND NORDEA BANK AB (PUBL)
EGYPT	CITIBANK, N.A. - CAIRO BRANCH
ESTONIA	SWEDBANK AS FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB (PUBL)
FINLAND	NORDEA BANK FINLAND PLC FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB (PUBL)
FRANCE	CACEIS BANK FRANCE
GERMANY	BNP PARIBAS SECURITIES SERVICES - FRANKFURT BRANCH
GHANA	STANDARD CHARTERED BANK GHANA LIMITED FOR STANDARD CHARTERED BANK
GREECE	HSBC BANK PLC - ATHENS BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HUNGARY	UNICREDIT BANK HUNGARY ZRT FOR UNICREDIT BANK HUNGARY ZRT AND UNICREDIT BANK AUSTRIA AG
ICELAND	LANDSBANKINN HF.

INDIA	CITIBANK, N.A. - MUMBAI BRANCH
INDONESIA	CITIBANK, N.A. - JAKARTA BRANCH
IRELAND	CITIBANK, N.A. - LONDON BRANCH
ISRAEL	BANK HAPOALIM BM
ITALY	SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES S.P.A. (SGSS S.P.A.)
JAPAN	MUFG BANK, LTD.
KENYA	STANDARD CHARTERED BANK KENYA LIMITED FOR STANDARD CHARTERED BANK
LATVIA	SWEDBANK" AS FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB (PUBL)
LITHUANIA	SWEDBANK" AB FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB (PUBL)
LUXEMBOURG	KBL EUROPEAN PRIVATE BANKERS S.A.
MALAYSIA	HSBC BANK MALAYSIA BERHAD (HBMB) FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
MAURITIUS	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - MAURITIUS BRANCH
MEXICO	BANCO NACIONAL DE MEXICO, SA (BANAMEX) FOR CITIBANK, N.A.
MOROCCO	CITIBANK MAGHREB FOR CITIBANK, N.A.
NAMIBIA	STANDARD BANK NAMIBIA LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NETHERLANDS	DEUTSCHE BANK AG, AMSTERDAM BRANCH
NEW ZEALAND	THE HONGKONG AND SHANGHAI BANKING CORPORATON LIMITED (HSBC) - NEWZEALAND BRANCH
NIGERIA	STANBIC IBTC BANK PLC FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NORWAY	NORDEA BANK NORGE ASA FOR NORDEA BANK NORGE ASA AND NORDEA BANK AB (PUBL)
OMAN	HSBC BANK OMAN SAOG FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
PAKISTAN	STANDARD CHARTERED BANK (PAKISTAN) LIMITED FOR STANDARD CHARTERED BANK
PALESTINE AUTONOMOUS AREA	HSBC BANK MIDDLE EAST LIMITED - PALESTINE BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
PERU	CITIBANK DEL PERÚ S.A. FOR CITIBANK, N.A.
PHILIPPINES	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - PHILIPPINE BRANCH
POLAND	BANK POLSKA KASA OPIEKI SA
PORTUGAL	BNP PARIBAS SECURITIES SERVICES
QATAR	HSBC BANK MIDDLE EAST LTD - QATAR BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ROMANIA	CITIBANK EUROPE PLC, DUBLIN - SUCURSALA ROMANIA FOR CITIBANK, N.A.
RUSSIA	AO CITIBANK FOR CITIBANK, N.A.
SINGAPORE	STANDARD CHARTERED BANK - SINGAPORE BRANCH
SLOVAKIA	CITIBANK EUROPE PLC, POBOČKA ZAHRANIČNEJ BANKY FOR CITIBANK, N.A.
SLOVENIA	UNICREDIT BANKA SLOVENIJA DD FOR UNICREDIT BANKA SLOVENIJA DD & UNICREDIT BANK AUSTRIA AG
SOUTH AFRICA	STANDARD CHARTERED BANK, JOHANNESBURG BRANCH
SOUTH KOREA	CITIBANK KOREA INC. FOR CITIBANK, N.A.
SPAIN	BANCO BILBAO VIZCAYA ARGENTARIA SA

SRI LANKA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SRI LANKA BRANCH
SWAZILAND	STANDARD BANK SWAZILAND LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
SWEDEN	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)
SWITZERLAND	UBS SWITZERLAND AG
TAIWAN	BANK OF TAIWAN
THAILAND	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - THAILAND BRANCH
TRANSNATIONAL (EUROCLEAR)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
TURKEY	DEUTSCHE BANK A.S. FOR DEUTSCHE BANK A.S. AND DEUTSCHE BANK AG
UKRAINE	PUBLIC JOINT STOCK COMPANY "CITIBANK" (PJSC "CITIBANK") FOR CITIBANK, N.A.
UNITED ARAB EMIRATES	HSBC BANK MIDDLE EAST LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
UNITED KINGDOM	HSBC BANK PLC
UNITED STATES	BBH&CO
URUGUAY	BANCO ITAÚ URUGUAY S.A. FOR BANCO ITAÚ URUGUAY S.A. AND ITAÚ UNIBANCO S.A.
VIETNAM	HSBC BANK (VIETNAM) LTD. FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ZAMBIA	STANDARD CHARTERED BANK ZAMBIA PLC FOR STANDARD CHARTERED BANK
ZIMBABWE	STANDARD CHARTERED BANK ZIMBABWE LIMITED FOR STANDARD CHARTERED BANK