

## **PROSPECTUS**

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### **CASTELLAIN ICAV**

(An Irish collective asset-management vehicle with variable capital constituted as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))

### **CASTELLAIN CAPITAL LLP**

(INVESTMENT MANAGER)

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**DATED 3 APRIL 2018**

## IMPORTANT INFORMATION

The Directors of Castellain ICAV (the "ICAV") whose names appear under the heading "Directory" jointly accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Prospectus describes the ICAV which was originally incorporated in Jersey on 6 March 2009 under registration number 102764 and subsequently migrated to Ireland by way of continuation and was established as an umbrella fund with segregated liability between sub-funds registered as an Irish collective asset-management vehicle pursuant to the Act on 3 April 2018. The ICAV is constituted as an umbrella fund insofar as the share capital of the ICAV will be divided into different Shares with one or more Classes of Shares representing a separate Fund comprising a separate pool of assets and which pursues its investment objective through separate investment policies.

Each Fund may be further divided into Shares of different Classes to accommodate different subscription and/or redemption charges and/or minimum investment initial subscription amounts and/or dividend and/or charges and/or fee arrangements and/or denomination currencies and/or currency hedging strategies. A separate pool of assets will not be maintained for each Class. At the date of this Prospectus, the ICAV comprises the following initial Funds; Castellain Income Fund and Castellain Value Fund. Details of the Funds and their Classes will be specified in the relevant Supplement to the Prospectus.

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

## INVESTOR RESPONSIBILITY

**Prospective investors should review this Prospectus carefully and in its entirety and consult a stockbroker, bank manager, solicitor, accountant or other financial advisers in relation to (i) the legal requirements within their own countries for the purchase, holding, exchange, redemption or disposal of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchange, redemption or disposal of Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares. Prospective investors should seek the advice of their legal, tax and financial advisers if they have any doubts regarding the contents of this Prospectus.**

Certain terms used in this Prospectus are defined under "Definitions" below.

## AUTHORISATION BY THE CENTRAL BANK

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

## Investment Risks

There can be no assurance that a Fund will achieve its investment objective. An investment in a Fund involves investment risks, including possible loss of the amount invested. **In view of the fact that a sales fee or a redemption fee may be payable on a subscription or redemption by an investor in a Fund the difference at any one time between the sale and repurchase price of shares in the**

**Fund means that the investment should be regarded as a medium to long term investment.** Details of certain investment risks and other information for an investor are set out more fully in this Prospectus.

## **DISTRIBUTION AND SELLING RESTRICTIONS**

The distribution of this Prospectus, any Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or any Supplement the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares, pursuant to this Prospectus or the Application Form, to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

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

Whilst this Prospectus is issued outside of the United Kingdom by the ICAV and the Directors are responsible for its contents, wherever issued, this Prospectus (a) is being communicated in the United Kingdom by Castellain Capital LLP which is authorised and regulated by the FCA, only to persons of a kind to whom this document may, for the time being, be communicated by virtue of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (as amended), rule 4.12.1 of the Conduct of Business Sourcebook of the FCA or any other exemption to section 238 of Financial Services and Markets Act 2000 ("permitted recipients"), and (b) has been approved by Castellain Capital LLP solely for the purpose of communication in the United Kingdom to such permitted recipients. Any recipient of this document who is an authorised person may (if and to the extent it is permitted to do so by the rules of the FCA applicable to it) communicate this document or any invitation or inducement to participate in the ICAV or its Shares in the United Kingdom to other authorised persons or permitted recipients but not otherwise.

The ICAV is a recognised collective investment scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 of the United Kingdom.

In connection with the ICAV's recognition under section 264 of Financial Services and Markets Act 2000 ("FISMA"), Castellain Capital LLP maintains in the United Kingdom the facilities required of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook published by the FCA as part of the FCA's Handbook of Rules and Guidance governing recognised schemes. Further details as to these facilities are set out under "UK Facilities" on page 19 of this Prospectus.

A United Kingdom investor who enters into an investment agreement to acquire Shares in a Fund in response to this Prospectus will not have the right to cancel the agreement under any cancellation rules made by the FCA. The rights of investors in the Fund may not be protected by the Investors' Compensation Scheme established in the United Kingdom.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**1933 Act**"), or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "U.S. Person" except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Shares are being

offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(a)(2) thereof.

The ICAV has not been and will not be registered under the United States 1940 Act of 1940, as amended (the "**1940 Act**"), since Shares will only be sold to U.S. Persons who are "qualified purchasers", as defined in the 1940 Act.

Each applicant for Shares that is a U.S. Person will be required to certify that it is an "accredited investor" and a "qualified purchaser", in each case as defined under applicable U.S. federal securities laws.

The Shares are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in the ICAV does not constitute a complete investment programme and who fully understand and are willing to assume the risks involved in the ICAV's investment programme. The ICAV's investment practices, by their nature, may be considered to involve a substantial degree of risk. Applicants must represent that they are acquiring the Shares for investment.

The Shares have not been filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

There will be no public offering of the Shares in the United States.

This Prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the ICAV, and should not be reproduced or used for any other purpose. Notwithstanding anything to the contrary herein, each investor in the ICAV (and each employee, representative, or other agent of each investor in the ICAV) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the ICAV and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure. Acceptance of this Prospectus by a recipient constitutes an agreement to be bound by the foregoing terms.

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

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

Shares in the ICAV are offered only on the basis of the information contained in this Prospectus and Key Investor Information Document and, as appropriate, after publication of the first half-yearly report of the ICAV or, after publication of the first audited annual accounts of the ICAV, the latest audited annual accounts and any subsequent half-yearly report of the ICAV. These reports form part of the Prospectus. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representations in connection with the offering of Shares in the ICAV other than those contained in this Prospectus and in any subsequent half-yearly or annual report for the ICAV and, if given or made, such information or representations must not be relied on as having been authorised by the ICAV, the Directors, the Investment Manager, the Administrator or the Depositary.

Statements in this Prospectus are based on the law and practice currently in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares

shall, under any circumstances, create any implication or constitute any representation that the affairs of the ICAV have not changed since the date hereof.

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

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

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

**Shareholders should note that the Instrument permits the ICAV to impose a sales charge of up to a maximum of 5% of the Net Asset Value per Share to purchases. A redemption fee of up to 3% may also be chargeable. Details of any such charges intended to be imposed shall be set out in the relevant Supplement. In the event that such charges are imposed the difference at any time between the sale and repurchase price of Shares means that any investment in the ICAV should be viewed as being in the medium to long term. Prices of Shares in the ICAV may fall as well as rise. These charges may only be applied if provided for in the relevant Fund's Supplement.**

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

**DIRECTORY**  
**CASTELLAIN ICAV**

**Directors:**

Pat O'Donoghue  
Barry Harrington  
Stephen Ackerman  
Robert Goldsmith

**Registered Office of the ICAV:**

5 George's Dock  
IFSC  
Dublin 1  
Ireland

**Depository:**

CACEIS Bank, Ireland Branch  
One Custom House Plaza  
IFSC  
Dublin 1  
Ireland

**Investment Manager:**

Castellain Capital LLP  
34 New Cavendish St  
London W1G 8UB  
United Kingdom

**Administrator, Registrar and Transfer Agent:**

CACEIS Ireland Limited  
CACEIS Bank, Ireland Branch  
One Custom House Plaza  
IFSC  
Dublin 1  
Ireland

**Secretary:**

KB Associates  
5 George's Dock  
IFSC  
Dublin 1  
Ireland

**Auditor:**

EY  
EY Building,  
Harcourt Centre,  
Harcourt Street,  
Dublin 2,  
Ireland

**Irish Legal Advisers:**

Walkers  
The Anchorage  
17-19 Sir John Rogerson's Quay  
Dublin 2  
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## INDEX

SECTION	PAGE
Important Information .....	ii
Directory .....	vi
Definitions.....	1
The ICAV .....	6
Investment Objective and Policies .....	8
Investment Restrictions .....	9
the Investment Manager .....	14
The Depositary .....	17
Local Paying Agents and Distributors .....	19
Fees and Expenses.....	21
Subscriptions.....	23
Investment Risks .....	27
Distribution Policy.....	44
Borrowing Policy.....	45
Determination and Publication and Temporary Suspension of Net Asset Value.....	46
Redemption and Transfers of Shares .....	50
Taxation.....	53
Appendix I Guidelines on Efficient Portfolio Management.....	74
Appendix II Markets.....	81

## DEFINITIONS

In this Prospectus the following words and phrases have the meanings set forth 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>"Act"</b>	means the Irish Collective Asset-management Vehicles Act 2015 as may be amended, and all applicable notices issued by the Central Bank or conditions imposed or derogations granted thereunder;
<b>"Accumulating Shares"</b>	means a class of Shares which generally do not pay dividends or other distributions;
<b>"Accumulating Reporting Shares"</b>	means Accumulating Shares for which the Directors seek to obtain certification as a reporting fund for United Kingdom tax purposes;
<b>"Administrator"</b>	means CACEIS Ireland Limited or such other company as may from time to time be appointed in accordance with the requirements of the Central Bank to provide administration and related services to the ICAV in Ireland;
<b>"Administration Agreement"</b>	means the administration agreement dated 3 April 2018, between the ICAV and the Administrator, as may be amended;
<b>"Application Form"</b>	means the form approved by the Directors, which must be completed by investors wishing to subscribe for Shares;
<b>"Auditors"</b>	means EY or such other firm of registered auditors as may from time to time be appointed as auditors to the ICAV;
<b>"Base Currency"</b>	shall have the meaning specified in the relevant Supplement;
<b>"Business Day"</b>	means a day (except Saturdays, Sundays and public holidays) on which banks in Dublin are open for normal banking business or such other day or days as may be specified by the Directors;
<b>"Central Bank"</b>	means the Central Bank of Ireland or the successor thereof;
<b>"Central Bank UCITS Regulations"</b>	means the The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended;
<b>"Class"</b>	means each class of Shares in the ICAV;
<b>"Data Protection Legislation"</b>	means the Data Protection Act 1988 as amended by the Data Protection (Amendment) Act 2003, as may be amended from time to time;
<b>"Depositary"</b>	means CACEIS Bank, Ireland Branch or such other company in Ireland as may from time to time be appointed as Depositary of all the assets of the ICAV with the prior approval of the Central Bank;
<b>"Depositary Agreement"</b>	means the Depositary agreement dated 3 April 2018, between the ICAV and the Depositary as may be amended;



<b>"Dealing Day"</b>	shall have the meaning specified in the relevant Supplement;
<b>"Declaration"</b>	means a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA 1997 (as may be amended from time to time);
<b>"Distributing Shares"</b>	means a class of Participating Shares in respect of which dividends may be paid;
<b>"Distributing Reporting Shares"</b>	means Distributing Shares for which the Directors seek to obtain certification as a reporting fund for United Kingdom tax purposes;
<b>"Dodd-Frank Act"</b>	means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended;
<b>"Duties and Charges"</b>	in relation to any Fund, means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, Depository 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 repurchase 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 Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption), but shall 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 Net Asset Value of Shares in the relevant Fund;
<b>"Directors"</b>	means the Directors of the ICAV for the time being and any duly constituted committee thereof;
<b>"EMIR"</b>	means the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on over the counter (OTC) derivatives, central counterparties (CCPs) and trade repositories (TRs);
<b>"ERISA"</b>	means the US Employee Retirement Income Security Act of 1974;
<b>"ESMA"</b>	means the European Securities and Markets Authority and any successor body from time to time carrying out all or any part of the relevant functions thereof;
<b>"ESMA Guidelines"</b>	means ESMA's Guidelines on sound remuneration policies under the UCITS Directive and AIFMD published on 31 March 2016 as may be amended from time to time;
<b>"EU Member State"</b>	means a Member State of the European Union;
<b>"Euro", "euro" and "€"</b>	each means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on

European Union;

**"Exempt Investor"**

means any of the following Irish Residents: (i) the Administrator, for so long as the Administrator is a qualified management company as referred to in Section 739B TCA 1997; (ii) a company carrying on life business within the meaning of Section 706 TCA 1997; (iii) a pension scheme as referred to in Section 739B TCA 1997; (iv) any other investment undertaking as referred to in Section 739B TCA 1997 or an investment limited partnership within the meaning of Section 739J TCA 1997; (v) a special investment scheme as referred to in Section 739B TCA 1997; (vi) a unit trust of a type referred to in Section 739D(6)(e) TCA 1997; (vii) a person who is entitled to exemption from income tax by virtue of Section 207(1)(b) TCA 1997; (viii) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) TCA 1997 in circumstances where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund; (ix) a specified company as referred to in Section 739B TCA 1997; (x) a person entitled to exemption from income tax and capital gains tax by virtue of Section 787I TCA 1997 in circumstances where the shares are assets of a PRSA; (xi) a credit union with the meaning of Section 739B TCA 1997; (xii) the Courts Service within the meaning of Section 739B TCA 1997; (xiii) the National Treasury Management Agency or a Fund investment vehicle or the Irish State acting through the National Treasury Management Agency as referred to in Section 739D(kb) TCA 1997; (xiv) the National Asset Management Agency; (xv) a company within the charge to corporation tax in accordance with Section 110(2) TCA 1997; or (xvi) any other person resident in Ireland who is permitted to own Shares under Irish taxation legislation or by practice or concession of the Irish Revenue Commissioners without requiring the ICAV to deduct Appropriate Tax in respect of any payment to a Shareholder or the transfer by a Shareholder of any Shares, and in each case in respect of whom the ICAV is in possession of a Declaration, as applicable;

**"FCA"**

means the United Kingdom Financial Conduct Authority;

**"FDI"**

means financial derivative instruments as described herein and used by the ICAV from time to time;

**"Fund"**

means a distinct portfolio of assets established by the Directors (with the prior approval of the Central Bank) constituting in each case a separate sub-fund represented by a separate series of Shares with segregated liability from the other Funds and invested in accordance with the investment objective and policies applicable to such sub-fund as specified in the relevant Supplement;

**"GBP" or "Pounds Sterling"**

each means the lawful currency of the UK;

**"ICAV"**

means Castellain ICAV;

**"Instrument"**

means the instrument of incorporation of the ICAV for the time being in force and as may be modified from time to time;

**"Investments"**

means any securities, instruments or obligations of whatsoever nature in which the ICAV may invest in respect of a Fund;

**"Investment Manager"**

means Castellain Capital LLP or such person, firm or company as may from time to time be appointed in accordance with the requirements of the Central Bank to provide investment management or advisory

services to the Funds as specified in the relevant Supplement;

<b>"Investment Management Agreement"</b>	means the investment management agreement between the ICAV and the Investment Manager dated 3 April 2018, as may be amended;
<b>"Ireland"</b>	means the Republic of Ireland;
<b>"Irish Resident"</b>	means any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the "Taxation" section below for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners;
<b>"Irish Revenue Commissioners"</b>	means the Irish authority responsible for taxation;
<b>"Net Asset Value"</b>	means the net asset value of the ICAV or a Fund calculated as described or referred to herein;
<b>"Net Asset Value per Share"</b>	means, in relation to any Class, the Net Asset Value divided by the number of Shares of the relevant Class in issue or deemed to be in issue in respect of a Fund at the relevant Valuation Point subject to such adjustments, if any, as may be required in relation to any Class in a Fund;
<b>"Non Reporting Shares"</b>	means the Accumulating Shares and the Distributing Shares
<b>"Ordinary Resolution"</b>	means a resolution passed by a simple majority of the votes cast in its favour by Shareholders entitled to attend and vote at general meetings of the ICAV or on matters affecting the relevant Class, as the case may be, or a resolution in writing signed by all the Shareholders entitled to vote on such resolution;
<b>"Permitted U.S. Person"</b>	means a U.S. Person who also falls within the meaning of the U.S. Internal Revenue Code of 1986, as amended, that is subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, or is otherwise exempt from payment of U.S. Federal Income Tax or an entity substantially all of the ownership interests in which are held by tax-exempt U.S. Persons;
<b>"Prospectus"</b>	means this document, any supplement designed to be read and construed together with and to form part of this document and the ICAV's most recent annual report and accounts (if issued) or, if more recent, its interim report and accounts;
<b>"Reporting Shares"</b>	means the Accumulating Reporting Shares and the Distributing Reporting Shares;
<b>"Recognised Market"</b>	means any recognised exchange or market listed in accordance with the requirements of the Central Bank, which does not issue a list of approved markets. The recognised markets are listed in Appendix II hereto;
<b>"Redemption Form"</b>	means a form approved by the ICAV or its delegate which must be completed by a Shareholder in order to redeem all or a portion of their Shares;
<b>"Regulations" or "UCITS"</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, and any

<b>"Regulations"</b>	additional regulations or statutory instrument transposing the UCITS V Directive into Irish law, each as amended, supplemented, consolidated or otherwise modified from time to time;
<b>"RMP or Risk Management Process"</b>	means a risk management process cleared by the Central Bank in connection with the ICAV's investment in FDI;
<b>"Share" or "Shares"</b>	means, unless the context otherwise requires, a share or shares of whatsoever Class in the capital of the ICAV (other than Subscriber Shares) entitling the holders to participate in the profits of the ICAV as described in this Prospectus;
<b>"Shareholder"</b>	means a person registered as a holder of Shares;
<b>"Special Resolution"</b>	means a resolution passed with the support of 75% or more of the votes cast in its favour by Shareholders entitled to attend and vote at general meetings of the ICAV or general meetings of the holders of a Class affecting that Class as the case may be, or a resolution in writing signed by all the Shareholders entitled to vote on such resolution;
<b>"Subscriber Shares"</b>	means the initial issued share capital of 2 Shares of €1 each and initially designated as Subscriber Shares;
<b>"Subscriber Shareholder" or "Subscriber Shareholders"</b>	means a holder or holders of Subscriber Shares;
<b>"Supplement"</b>	means a document which contains specific information supplemental to this document in relation to a particular Fund and any addenda thereto;
<b>"TCA 1997"</b>	means the Taxes Consolidation Act 1997 of Ireland, as amended from time to time;
<b>"UCITS Directive"</b>	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, supplemented, consolidated or otherwise modified from time to time;
<b>"UCITS V Directive"</b>	means Directive 2014/91/EU, amending the UCITS Directive as amended, supplemented, consolidated or otherwise modified from time to time;
<b>"UK Facilities Agent"</b>	means Castellain Capital LLP;
<b>"USD" or "US\$" or "U.S. Dollars" or "\$"</b>	means the lawful currency of the United States of America;
<b>"U.S."</b>	means the United States of America, its territories and possessions including the States and the District of Columbia and other areas subject to its jurisdiction;
<b>"U.S. Person"</b>	means an individual or entity that is a "U.S. Person" as defined in Regulation S promulgated under the 1933 Act; and
<b>"Valuation Point"</b>	shall have such meaning as shall be specified in the relevant Supplement.

## THE ICAV

### General

The ICAV is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds. The ICAV is authorised by the Central Bank as a UCITS. A separate portfolio of assets will be maintained in relation to each Fund.

All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument, copies of which are available as described under the heading "Documents for Inspection" in this Prospectus.

### Umbrella Fund

The ICAV is an umbrella fund with segregated liability, which is comprised of different Funds, each with one or more classes of Shares. Different classes of Shares may be issued from time to time with the prior notification and clearance of the Central Bank. Each Class represents interests in a Fund. Prior to the issue of any Shares, the ICAV will designate the Fund in relation to which such Shares shall be issued. A separate Fund with separate records and accounts will be maintained and assets in such Fund will be invested in accordance with the investment objectives applicable to such Fund.

The Board of Directors is responsible for managing the business affairs of the ICAV. Under the Instrument, the Directors have delegated: (i) the management of the assets and investments of the ICAV to the Investment Manager; and (ii) the day-to-day administration of the ICAV's affairs (including the calculation of the Net Asset Value and the Net Asset Value per Share, Shareholder registration and transfer agency services and related services) to the Administrator.

The Directors are listed below with their principal occupations. None of the Directors has entered into an individual service contract with the ICAV nor is any such contract proposed. The ICAV has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' fraud, negligence or wilful default. The Instrument does not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The address of the Directors is the registered office of the ICAV.

The directors of the ICAV are:

#### **Pat O'Donoghue (Irish national and resident)**

Pat O' Donoghue studied Commerce in University College Dublin and qualified as a chartered accountant in 1979. With PWC in New Zealand and Spicer & Oppenheim in Ireland, Mr. O' Donoghue worked in professional practice and became senior audit partner in Ireland. In 1993, he was appointed finance director of one of Ireland's largest companies, Dunnes Stores. Over the next 10 years, this company doubled in size to €3 billion turnover and was a market leader in the retail industry. In 2003/04, Mr. O' Donoghue led a major software development project for the Institute of Chartered Accountants in Ireland. In 2005, he joined Beauchamps solicitors as finance director until 2013 and helped guide them through the severe economic downturn of 2007/11. Pat has extensive experience in finance, management, and as a company board member.

#### **Barry Harrington (Irish national and resident)**

Barry Harrington is a Senior Consultant at KB Associates, a firm which provides a range of advisory and project management services to the promoters of offshore funds. Prior to joining KB Associates, from 1998 to 2008, Mr Harrington worked for BISYS Hedge Fund Services (now Citi Fund Services (Ireland), Limited) in a variety of management roles supporting a number of leading hedge fund managers. His final role was as Vice President of fund accounting operations. Previously, Mr. Harrington worked at Chase Manhattan Bank (Ireland) Limited in fund accounting operations. Mr Harrington holds an M.A. in Economics and Finance from the National University of Ireland, Maynooth and is a CFA Charterholder.

**Stephen Ackerman (Canadian national and UK resident)**

Stephen Ackerman is a partner of Castellain Capital LLP. He joined shortly after its founding and is responsible for managing the Castellain Income Fund. Stephen has over 18 successful years of income focused investment experience. Previously, Stephen spent 9 years with Petchey (Holdings) plc with the lattermost 6 years as Investment Director, where he was responsible for the implementation of an activist investment strategy focused on London Stock Exchange listed small- and mid-cap asset-backed companies. He has served on the board of both listed and private companies and has executed, as principal, both recommended and hostile takeovers. Stephen graduated from Dalhousie University with a Bachelor's Degree in Commerce.

**Robert Goldsmith (UK national and resident)**

Robert Goldsmith founded Castellain Capital LLP in early 2009 and has managed the award-winning Castellain Value Fund since inception. Robert has been an active investor in closed-end funds for over 16 years. He was previously with Dawnay, Day where he specialised in investing in closed-end funds, property companies and other asset-backed situations. He has served on the board of a number of investment trusts. Robert has a BSc (Hons) First Class in Computer Science from the University of Birmingham.

**ICAV Secretary**

The ICAV secretary is KB Associates, 5 George's Dock, IFSC, Dublin 1, Ireland.

## **INVESTMENT OBJECTIVE AND POLICIES**

### **INVESTMENT OBJECTIVE AND POLICIES**

The ICAV is an umbrella investment vehicle and the investment objectives and policies for each Fund are formulated by the ICAV at the time of creation of each Fund and will be specified in the relevant Supplement to the Prospectus.

The list of stock exchange markets and regulated derivative markets on which the ICAV's investments in securities and FDIs will be listed or traded is set out in Appendix II.

### **CHANGE IN INVESTMENT OBJECTIVE OR POLICIES**

Changes to the investment objective or material changes to the investment policies of a Fund will only be effected with the prior approval by way of an Ordinary Resolution of the Shareholders of that Fund. In the event that any such change is effected, the Directors will provide reasonable notice to the Shareholders of that Fund to enable Shareholders to redeem prior to implementation.

## INVESTMENT RESTRICTIONS

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

### 1 Permitted Investments

Investments of a Fund are confined to:

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

### 2 Investment Restrictions

- 2.1 A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 Subject to paragraph 2 a responsible person shall not invest any more than 10% of assets of a Fund in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply. Paragraph 1 does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that:
  - (a) the relevant securities have been issued with an undertaking to register the securities with the Securities and Exchange Commission ("**SEC**") within 1 year of issue; and
  - (b) the securities are not illiquid securities i.e. they may be realised by the Fund within 7 days at the price, or approximately at the price, which they are valued by the Fund.
- 2.3 A Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.5 The transferable securities and money market instruments referred to in paragraph 2.4 shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 2.3.



2.6 Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed:

- (a) 10% of the NAV of the UCITS; or
- (b) where the deposit is made with the Depositary, 20% of the net assets of the UCITS.

2.7 The risk exposure of a Fund to counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised in a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand (each a "**Relevant Institution**").

2.8 Notwithstanding paragraphs 2.3, 2.6 and 2.7 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- (b) investments in transferable securities or money market instruments;
- (c) deposits; and/or
- (d) counterparty risk exposures arising from OTC derivatives transactions.

2.9 The limits referred to in paragraphs 2.3, 2.4, 2.6, 2.7 and 2.8 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

2.10 Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.6, 2.7 and 2.8. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

2.11 A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The 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.

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

### 3 Investment in Collective Investment Schemes ("CIS")

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

3.2 Investment in AIFs may not, in aggregate, exceed 30% of net assets.

- 3.3 The CIS are prohibited from investing more than 10% of net asset 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 Fund's management company or by any other company with which the Fund management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund investment in the units of such other CIS.
- 3.5 Where by virtue of investment in the units of another investment fund, a Fund, the Investment Manager or an investment advisor receives a commission on behalf of the Fund (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the Fund.

#### 4 Index Tracking Fund

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

#### 5 General Provisions

- 5.1 An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Fund may acquire no more than:
- (i) 10% of the non-voting shares of any single issuing body;
  - (ii) 10% of the debt securities of any single issuing body;
  - (iii) 25% of the units of any single CIS; or
  - (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of the securities in issue cannot be calculated.

- 5.3 Paragraphs 5.1 and 5.2 shall not be applicable to:
- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
  - (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
  - (iv) shares held by a Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2.3 to 2.10, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are

exceeded, paragraphs 5.5 and 5.6 below are observed;

- (v) Shares held by an investment company or investment companies or an ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
- 5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5 The Central Bank may allow recently authorised Funds to derogate from the provisions of paragraphs 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
- 5.7 The ICAV may not carry out uncovered sales of:
- (a) transferable securities;
  - (b) money market instruments;
  - (c) units of investment funds; or
  - (d) financial derivative instruments,
- 5.8 The ICAV may not engage in any short selling of money market instruments.
- 5.9 A Fund may hold ancillary liquid assets.
- 6 Financial Derivative Instruments ('FDIs')
- 6.1 The Fund's global exposure relating to FDI must not exceed its total Net Asset Value.
- 6.2 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 Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
- 6.3 A Fund may invest in FDIs 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.
- 6.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

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

provided by the ICAV to enable Shareholders in the relevant Fund to redeem their Shares prior to implementation of these changes.

If the limits set forth above are exceeded for reasons beyond the control of the Investment Manager, the Investment Manager must adopt as its primary objective in its sale transactions the remedying of such situation, taking due account of the interests of the relevant Fund's Shareholders.

The Investment Manager employs a risk management process in respect of the ICAV which enables it to accurately measure, monitor and manage the various risks associated with the FDI. A statement of this RMP has been submitted to the Central Bank. **A Fund will only utilise those FDIs as set out in the relevant Fund Supplement and as listed in the RMP and that have been cleared by the Central Bank.** The ICAV will, on request, provide supplementary information to Shareholders relating to the RMP 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 INVESTMENT MANAGER

The ICAV has appointed Castellain Capital LLP, as investment manager responsible for providing discretionary investment management and advisory services in respect of the Funds.

The Investment Manager will also promote the ICAV.

The Investment Manager was founded in 2009 and is regulated by the Financial Conduct Authority to provide investment management and advisory services. The registered office of the Investment Manager is 34 New Cavendish Street, London, W1G 8UB.

The Investment Management Agreement dated 3 April 2018 between the ICAV and the Investment Manager provides that in the absence of negligence, wilful default, fraud or bad faith, neither the Investment Manager nor any of its directors, officers, employees or agents shall be liable for any loss or damage arising out of its performance of its obligations and duties under the Investment Management Agreement. Under the Investment Management Agreement, in no circumstances shall the Investment Manager be liable for special, indirect or consequential damages, or for lost profits or loss of business, arising out of or in connection with the performance of its duties, or the exercise of its powers, under the Investment Management Agreement. The ICAV is obliged under the Investment Management Agreement to indemnify the Investment Manager out of the assets of a Fund from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal fees and expenses) directly or indirectly suffered or incurred by the Investment Manager in connection with the performance of its duties and/or the exercise of its powers under the Investment Management Agreement, in the absence of any negligence, wilful default, bad faith or fraud.

Under the Investment Management Agreement, the Investment Manager is entitled to delegate or subcontract all or any of its functions, powers, discretions, duties and obligations in respect of the Fund to any person approved by the ICAV in accordance with the requirements of the Central Bank, provided that: (i) such delegation or sub-contract shall terminate automatically on the termination of the Investment Management Agreement; (ii) that the Investment Manager shall remain responsible and liable for any acts or omissions of any such delegate as if such acts or omissions were those of the Investment Manager; (iii) such delegates are not paid directly out of the assets of the Fund; and (iv) details of such delegates will be disclosed in the periodic reports and will be available to Shareholders on request.

The appointment of the Investment Manager under the Investment Management Agreement is not exclusive and the ICAV is entitled to appoint other persons to manage the assets of the Fund and to provide investment advice to the ICAV in respect of the Fund.

The Investment Management Agreement shall continue in full force and effect unless terminated by either party at any time upon one hundred and eighty (180) days prior written notice (provided that such termination shall not take effect until the appointment of a successor investment manager is approved by the Central Bank), or terminated by any party at any time if the other party: (i) commits any material breach of the Investment Management Agreement or commits persistent breaches of the Investment Management Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the non-defaulting party serving notice requiring the remedying of the default; (ii) becomes incapable of performing its duties or obligations under the Investment Management Agreement; (iii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iv) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party); or (vii) is the subject of a court order for its winding up or liquidation.

The Investment Manager as a delegate of the ICAV will have remuneration policies and practices in place consistent with the requirements of the Regulations and the ESMA Guidelines as required and when applicable, and any further clarifications as may be issued by ESMA, the European Commission or the European Parliament and Council as required and when applicable.

## THE ADMINISTRATOR

The Manager has appointed CACEIS Ireland Limited, a company incorporated with limited liability in Ireland on 26 May 2000 with registered number 327980 and with its registered office at One Custom House Plaza, IFSC, Dublin 1, Ireland, to act as Administrator of the ICAV pursuant to the Administration Agreement.

The Administrator's principal business is the provision of administration services to collective investment schemes and will be responsible for the day-to-day administration of the ICAV. The Administrator is authorised by the Central Bank to provide investment business services to collective investment schemes. Its services include the calculation of the Net Asset Value, calculation of management and performance fees, establishing and maintaining a register of Shareholders, carrying out the issue and redemption of Shares and assisting in the preparation of the ICAV's financial statements, and acting as registrar and transfer agent.

The Administration Agreement between the Administrator and the ICAV may be terminated by the Fund on 90 calendar days' notice in writing to the Administrator and on 90 calendar days' notice in writing by the Administrator to the Fund although in certain circumstances the Administration Agreement may be terminated immediately by either party.

The Administration Agreement may also be terminated by either party if the other party is in material breach of its obligations under the Administration Agreement and fails to remedy the breach within 30 days of being requested to do so.

The Administration Agreement provides that in the absence of negligence, recklessness, fraud, bad faith, wilful default on its part or that of its officers, directors, members, shareholders, employees, affiliates or agents, or any of their successors and assigns, the Administrator will not be liable for any loss arising out of or in connection with the performance of its obligations and duties under the Administration Agreement. The ICAV, out of the assets of the relevant Fund, shall indemnify the Administrator against any liabilities, obligations, loss, damages, penalties, actions, judgements, suits, costs, expenses or disbursements suffered or incurred by the Administrator by reason of its performance or non-performance of its obligations and duties, save in the case of the Administrator or that of its directors, officers, shareholders, employees, affiliates or agent's negligence, recklessness, fraud, bad faith, wilful default.

The Administrator does not act as guarantor of the shares. Moreover, the Administrator is not responsible for any of the trading or investment decisions of the ICAV (all of which are made by the Manager), or the effect of such trading decisions on the performance of the ICAV.

## THE DEPOSITARY

The Depositary is CACEIS Bank France, acting through its Ireland branch (CACEIS Bank, Ireland Branch) is a public limited liability company (société anonyme) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies. It is an authorised credit institution supervised by the European Central Bank (ECB) and the Autorité de contrôle prudentiel et de résolution (ACPR). It is further authorised to carry out banking activities in Ireland through its Ireland Branch.

The Depositary has been approved by the Central Bank to act as depositary of all of the assets of the ICAV under the terms of the Depositary Agreement.

The duties of the Depositary are to provide safekeeping, oversight and asset verification services in respect of the assets of the ICAV and each of its Funds in accordance with the provisions of the Regulations. The Depositary will also provide cash monitoring services in respect of each Funds' cash flows and subscriptions.

The Depositary will be obliged, inter alia, to ensure that the sale, issue, repurchase and cancellation of Shares in the ICAV is carried out in accordance with relevant legislation and the Instrument. The Depositary will carry out the instructions of the ICAV unless they conflict with the UCITS Regulations or the Instrument. The Depositary is also obliged to enquire into the conduct of the ICAV in each financial year and report thereon to the Shareholders. The Depositary's report shall state, among other things, whether in the Depositary's opinion the ICAV has been managed in that period:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV and the Depositary by the Instrument and the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Instrument and the UCITS Regulations.

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

Pursuant to the Depositary Agreement, the Depositary will be liable to the ICAV and to the Shareholders for the loss by the Depositary or a duly appointed third party of any assets that are financial instruments required to be held in custody in accordance with paragraph 4(a) of Regulation 34 of the UCITS Regulations (the "**Custody Assets**") 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 in the absence of proof of the loss being caused by such an external event), the Depositary is required to return Custody Assets of an identical type to those lost or the corresponding amount to the ICAV without undue delay. The Depositary Agreement provides that the Depositary will be liable to the ICAV and to the Shareholders in respect of all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and the UCITS Regulations. In the event of a loss by the Depositary of assets which are not Custody Assets, the Depositary will only be liable to the extent the loss has occurred due to the negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and the UCITS Regulations. Other than in circumstances where the Depositary is or would be liable as set out above and in accordance with the Depositary Agreement or where the Depositary's (or its agents or delegates) negligence, fraud or wilful default has given rise to the loss, the ICAV in the Depositary Agreement, the ICAV indemnifies the Depositary (and each of its directors, officers and employees) out of the assets of the relevant Fund from and against any and all losses to the Depositary of any kind or nature arising out of any actions, proceedings and claims (including claims by third parties or of any person purporting to be the beneficial owner of any part of the Assets) and against all penalties, fines and regulatory sanctions and associated costs, demands and expenses (including reasonable and properly vouched legal and professional expenses pre-agreed with the ICAV in writing) arising out of or in connection therewith which may be brought against, or directly incurred by the Depositary by reason of its performance of its duties under the terms of the Depositary Agreement.



The Depositary Agreement also provides that the appointment of the Depositary will continue unless and until terminated by the ICAV or the Depositary giving to the other party not less than 90 days' written notice although in certain circumstances the Depositary Agreement may be terminated immediately by the ICAV or the Depositary provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved in advance by the Central Bank has been appointed and provided further that if within a period of 90 days' from the date on which the Depositary notifies the ICAV of its desire to retire or from the date on which the ICAV notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the ICAV shall apply to the High Court for an order to wind up the ICAV or convene in an extraordinary general meeting of the Shareholders of the ICAV at which there shall be proposed an ordinary resolution to wind up the ICAV.

### **Conflicts of Interest**

Pursuant to the UCITS Regulations the Depositary must act in accordance with the best interests of the Shareholders of the ICAV.

Potential conflicts of interest may arise as between the ICAV and the Depositary in circumstances, where in addition to providing depositary services to the ICAV, the Depositary or its affiliates may also provide other services on a commercial basis to the ICAV including administration and transfer agency services, currency hedging services as well as acting as acting as counterparty to OTC transactions and providing credit facility arrangements.

To manage these situations, the Depositary has implemented, and keeps up to date, a conflicts of interest management policy intended to identify and analyse potential conflict of interest situations and record, manage and track conflict of interest situations by:

- (i) implementing permanent measures to manage conflicts of interest including the separation of tasks, the separation of reporting and functional lines, the tracking of insider lists and dedicated information technology environments;
- (ii) implementing, on a case-by-case basis:
  - (a) appropriate preventive measures including the creation of an ad hoc tracking list and new ethical wall arrangements, and by verifying that transactions are processed appropriately and/or by informing the clients in question; or
  - (b) by refusing to manage activities which may involve potential conflicts of interest.

### **Description of the safekeeping functions delegated by the Depositary, list of delegates and sub-custodians and identification of potential conflicts of interest resulting from delegation**

In accordance with the Depositary Agreement and the requirements of the UCITS Regulations, the Depositary may delegate its safekeeping obligations provided that:

- (iii) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations;
- (iv) the Depositary can demonstrate that there is an objective reason for the delegation; and
- (v) the Depositary: (a) exercises all due, skill, care and diligence in the selection and the appointment of the sub-custodian; (b) carries out periodic reviews and ongoing monitoring of the sub-custodian and of the arrangements put in place by the sub-custodian in respect of the delegation; and (c) continues to exercise all due skill, care and diligence in carrying out such review and monitoring.

In accordance with the Depositary Agreement, the liability of the Depositary will not be affected by virtue of any such delegation.

In order to provide asset custody services in discharge of its safekeeping obligations in respect of financial instruments held in custody in a large number of countries and to enable the Funds to achieve their investment objectives, the Depositary has delegated its safe-keeping duties in respect of financial instruments in custody in countries where it does not have local representation to the third parties listed at Schedule 1 an up-to-date list of which will be made available to Shareholders upon request.

In accordance with the UCITS Regulations, the Depositary seeks to ensure that the process of appointing and supervising its sub-custodians meets the highest quality standards, including the management of potential conflicts of interest which may arise as a result of such appointments. The Depositary has established an effective conflict of interest identification, prevention and management policy in line with applicable laws, regulations and standards.

Delegation of the Depositary's safekeeping duties may entail potential conflicts of interest, which have been identified and will be monitored. The conflicts of interest policy implemented by the Depositary consists of a system which prevents conflicts of interest and enables the Depositary to exercise its activities in a way that ensures that the Depositary always acts in the best interests of the ICAV. The conflicts of interest prevention measures consist, specifically, of ensuring the confidentiality of the information exchanged, the physical separation of the main activities which may create potential conflicts of interest, the identification and classification of remuneration and monetary and non-monetary benefits, and the implementation of systems and policies for gifts and events.

Up-to-date information in relation to the identity of the Depositary, the Depositary's duties, conflicts of interest, safekeeping functions delegated by the Depositary, list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation will be made available to Shareholders on request.

## **UK FACILITIES**

In connection with the ICAV's recognition under section 264 of FSMA, the ICAV maintains the facilities required of a recognised scheme by the rules contained in the FCA's Collective Investment Schemes Sourcebook at the offices of the UK Facilities Agent. At these facilities any person may:

1. inspect (free of charge) a copy (in English) of:
  - a. the registration order and instrument of incorporation of the ICAV;
  - b. the latest version of the Prospectus;
  - c. the latest version of the key investor information document for the relevant Fund;
  - d. the latest annual and half-yearly reports most recently prepared and published by the ICAV;
2. obtain a copy of any of the above documents (free of charge);
3. obtain information (in English) about the prices of Shares in the ICAV; and
4. make a complaint about the operation of the ICAV, which the UK Facilities Agent will transmit to the ICAV.

Further, any Shareholder may redeem or arrange for the redemption of Shares in the ICAV and obtain payment at the offices of the UK Facilities Agent.

## **LOCAL PAYING AGENTS AND DISTRIBUTORS**

The ICAV may appoint paying agents and distributors. Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscription and redemption monies may be paid. Investors who choose, or are

obliged under local regulations to pay subscription monies or receive redemption monies via an intermediary entity rather than the directly to the Depositary bear a credit risk against that intermediate entity with respect to (a) subscription monies, prior to the transmission of such monies to the Depositary for the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant investor. Fees payable to any such paying agent or distributor shall be payable out of the assets of the ICAV at normal commercial rates.

## **FEES AND EXPENSES**

### **GENERAL FEES**

Details of the investment management, administration and custody fees applicable to the Funds are specified in the relevant Supplement.

### **ESTABLISHMENT AND OPERATING EXPENSES**

The establishment expenses of the ICAV and the initial two sub-funds will not exceed £56,000. Any fees in excess of this amount will be borne by the Investment Manager. The establishment expenses for each subsequent Fund will be set out in the relevant Fund Supplement. Establishment expenses not paid for by the Investment Manager may be amortised over an initial two year period, unless otherwise provided for in the relevant Fund Supplement.

The ICAV will also pay certain other costs and expenses incurred in its operation, including without limitation, fees and expenses incurred in relation to banking and brokerage cost in respect of the sale of investments, withholding and any other taxes that may arise on Investments, clearing and registration fees and other expenses due to regulatory, supervisory or fiscal authorities in various jurisdictions including the Central Bank's industry levy, insurance, interest, brokerage costs, promotional and marketing expenses and all professional, legal and other fees and expenses in connection therewith and the cost of publication of the Net Asset Value of the Shares. Such charge will be at normal commercial rates and will be collected at the time of settlement. The Investment Manager may, at its discretion, contribute directly towards operation of the ICAV and/or the marketing, distribution and/or sale of Shares and may from time to time at its sole discretion waive part of its investment management fee in respect of any particular payment period. The Investment Manager will be entitled to be reimbursed by the ICAV in respect of any such expenses borne by it, save it shall not be entitled to be reimbursed the establishment expenses in respect of certain Funds as outlined above and in the relevant Supplement.

Under the Instrument, the Directors are entitled to a fee in remuneration for their services to the ICAV at a rate to be determined from time to time by the Directors, but so that the aggregate amount of remuneration payable to each Director in any one year shall not exceed €25,000 (or such other higher limit as the Directors may from time to time determine and disclose in the Prospectus, with Shareholders being provided with a reasonable notification period to enable them to redeem their Shares prior to implementation of the change). Stephen Ackerman and Robert Goldsmith have waived any directors' fees they may be entitled to. The Directors and any alternate Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any other meetings in connection with the business of the ICAV.

### **OTHER FEES**

Other fees and expenses payable in respect of each Fund and/or Class are contained in the relevant Supplement.

### **REMUNERATION POLICY**

The ICAV has remuneration policies and practices in place consistent with the requirements of the Regulations and will also comply with the requirements of ESMA Guidelines and any further clarifications as may be issued by ESMA, the European Commission of the European Parliament and Council, as required and when applicable. The ICAV will procure that any delegate to whom such requirements also apply pursuant to the ESMA Guidelines, including the Investment Manager, will have equivalent remuneration policies and practices in place as required and when applicable.

The remuneration policy reflects the ICAV's objective for good corporate governance, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent

with the risk profile of the Funds or the Instrument. It is also aligned with the investment objectives of each Fund and includes measures to avoid conflicts of interest. In summary, under the ICAV's remuneration policy, no variable remuneration will be paid to any Director and the fees of any Director will be commercially negotiated. The remuneration policy is reviewed on an annual basis (or more frequently, if required) by the board of directors of the ICAV, led by the independent non-executive chairman of the ICAV, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate for each Fund. This review will also ensure that the policy reflects best practice guidelines and regulatory requirements, as may be amended from time to time.

Details of the up-to-date remuneration policy of the ICAV including but not limited to, 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 applicable), will be available by means of the website of the ICAV at [www.cascap.co.uk](http://www.cascap.co.uk) and a paper copy will be made available to Shareholders free of charge upon request.

## SUBSCRIPTIONS

The Directors are given authority to effect the issue of Shares of any Class and to create new Classes on such terms as they may from time to time determine and in accordance with the requirements of the Central Bank.

In calculating the subscription price per Share for a Fund the Directors may, on any Dealing Day where there are net subscriptions, adjust the subscription price by adding an anti-dilution levy to cover dealing costs and to preserve the value of the relevant Fund's underlying assets.

Details in respect of the minimum subscription amount for each Fund and/or Class are set out in the relevant Supplement for each Fund.

Details in respect of applications and subscriptions for shares in the Funds are also set out in the relevant Supplement for each Fund.

Any amendment to the details set out in the Application Form shall not be effected unless notified in writing, by an authorised signatory of the Shareholder, to the Administrator and such amendment will not be effected unless and until the Administrator is in receipt of the original document.

**The Application form contains a declaration of residence in a form required by the Irish Revenue Commissioners. Failure to forward the original Application Form by post will result in the ICAV being treated by the Irish Revenue Commissioners as not having received a valid Declaration. The consequences of this for the Shareholder are that the ICAV will be obliged to withhold tax (in relation to any gain made on the Shareholder's account) on any payments made to that Shareholder as if the Shareholder were an Irish resident non-Exempt Investor. Full details of the rates at which tax would be withheld are contained under the heading "Irish Resident Non-Exempt Investors". Investors are therefore advised to forward original Application Forms by post as soon as possible following submission of a faxed Application Form.**

The ICAV may issue fractional shares (rounded to three decimal places). If Shares are issued in return for Investments, the Directors are entitled to add a charge in respect of any fiscal duties and charges incurred in connection with any permitted exchange of Investments for Shares. All Shares will be issued in registered but uncertificated form. No share certificate will be issued. Unless otherwise set out in a Fund Supplement, written confirmation of ownership by way of entry on the register will be issued within 48 hours of the relevant Dealing Day. The register entry will provide full details of the transaction and a Shareholder number. The Shareholder number should be used for all future dealings with the ICAV and the Administrator. The uncertificated form enables the ICAV to deal with requests for redemption without undue delay and thus investors are recommended to hold their Shares in uncertificated form. The number of Shares issued will be rounded to the nearest three decimal places and any surplus money will be credited to the ICAV. The subscription proceeds minus any applicable charges will be paid into the assets of the ICAV within 48 hours.

Subscriptions for Shares must be made in the currency of the relevant Class or such other currency as the Director may determine.

The Administrator reserves the right to process in whole or in part any application for Shares or to request further details or evidence of identity from an applicant for Shares. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within ten (10) Business Days of the date of such rejection. Shareholders must provide such declarations as are reasonably required by the ICAV, including, without limitation, declarations as to matters of Irish and U.S. taxation. In this regard, Shareholders should take into account the considerations set out in the section entitled "Taxation".

For initial subscriptions, the original Application Form must be completed and sent promptly with all relevant documentation, including anti-money laundering documentation, to the Administrator.

Completed Application Forms may also be sent by facsimile or email with the originally signed documentation, together with any supporting documentation, to follow by post immediately thereafter. For subsequent subscriptions the Application Form may be posted or sent by facsimile to the Administrator. The address and other contact information for the Administrator are set out in the Application Form. Subscription monies will become the property of the Fund upon receipt and accordingly, investors will be treated as a general creditor of the Fund during the period between the receipt of the Subscription monies and the Dealing Day of which the Shares are issued.

The ICAV may, at its discretion, from time to time make arrangements for the issue of Shares to any person by way of an in specie transfer upon such terms as the Directors may think fit but subject to and in accordance with the following provisions:

1. Shares shall not be issued until the investments have been vested in the Depositary on behalf of the relevant Fund or its nominee or sub-custodian to the Depositary's satisfaction;
2. subject to the foregoing any such exchange shall be effected on terms that the number of Shares to be issued shall be the number which would have been issued for cash at the current price against payment of a sum equal to the value of the investments transferred less such sum as the Directors may consider represents an appropriate provision for any fiscal brokerage, registration or other expenses as aforesaid to be paid out of the assets of the relevant Fund in connection with the vesting of the investments;
3. the investments to be transferred to the ICAV for the account of the relevant Fund shall be valued on such basis as the Directors may decide so long as such value does not exceed the highest amount that would be obtained on the day of the exchange by applying the method of calculating the value of investments as set out under the heading "Determination and Publication and Temporary Suspension of Net Asset Value";
4. the nature of the investments to be transferred for the account of the relevant Fund would qualify as investments of such Fund in accordance with its investment objectives, policies and restrictions; and
5. the Depositary shall be satisfied that the terms of such exchange should not be such as are likely to result in any material prejudice to the existing Shareholders. In this regard, the ICAV and the Depositary shall agree procedures for the purposes of enabling the Depositary to review the terms of the exchange which shall include an explanation from the ICAV as to why it believes that the terms of the exchange are not such as are likely to result in any material prejudice to existing Shareholders.

Measures aimed towards the prevention of money laundering may require a detailed verification of the applicant's identity. Depending on the circumstances of each application, a detailed verification might not be required where (i) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised by Ireland as having equivalent anti-money laundering regulations.

The ICAV (and the Administrator acting on behalf of the ICAV) reserves the right to request such additional information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the ICAV (and the Administrator acting on behalf of the ICAV) may refuse to accept the application and all subscription monies or may delay the payment of redemption proceeds. By way of example an individual may be required to produce a copy of a passport or identification card duly certified by a notary public, together with evidence of his/her address such as a utility bill or bank statement and date of birth. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all Directors.

Each applicant for Shares acknowledges that the Administrator shall be held harmless against any loss arising as a result of a failure to process its application for Shares if such information and documentation as has been requested by the Administrator has not been provided by the applicant.

Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website and the consolidated list of persons, groups and entities subject to EU financial sanctions, and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC or EU sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene international and/or European Union laws and regulations, including anti-money laundering laws and regulations.

Shares will generally not be issued or transferred to any U.S. Person, except that the Board of Directors may authorise the purchase by, or transfer of shares to, a Permitted U.S. Person provided that: (i) such purchase or transfer does not result in a violation of the 1933 Act or the securities laws of any of the States of the US; (ii) such purchase or transfer will not require the ICAV to register under the 1940 Act; (iii) such purchase or transfer will not result in any adverse tax or regulatory consequences to the ICAV or the Shareholders, and (iv) such issue or transfer will not cause any assets of the ICAV to be "plan assets" for the purposes of ERISA. Each applicant for Shares who is a U.S. Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue of Shares.

Applications for Shares received during any period when the issue or valuation of Shares has been temporarily suspended in the circumstances described under the section entitled "Determination and Publication and Temporary Suspension of Net Asset Value", will not be dealt with until dealings have recommenced. Such applications will be dealt with on the next Dealing Day after dealings have recommenced, unless such application has been withdrawn during the period of suspension of dealings.

The Directors reserve the right to reject an application in whole or in part for Shares for any reason. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within ten (10) Business Days of the date of such rejection.

### **Data Protection**

Prospective investors should note that by completing the Application Form they are providing to the ICAV personal information, which may constitute personal data within the meaning of the Data Protection Legislation. This data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the ICAV, its delegates and agents. By signing the Application Form, investors acknowledge that they are providing their consent to the ICAV, the Administrator, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the personal information for any one or more of the following purposes:

- (a) to manage and administer the investor's holding in a Fund and any related accounts on an on-going basis;
- (b) for any other specific purposes where the investor has given specific consent;
- (c) to carry out statistical analysis and market research;
- (d) to comply with legal, tax and regulatory obligations applicable to the investor, ICAV and a Fund;



- (e) for disclosure or transfer whether in Ireland or countries outside the European Economic Area including without limitation the United States of America, which may not have the same data protection laws as Ireland, to third parties including financial advisers, regulatory bodies, taxation authorities, auditors, tax advisers, technology providers or to the ICAV and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above;
- (f) for disclosure to the relevant government or taxation authorities to meet the ICAV's obligations under FATCA and the OECD Common Reporting Standard as further disclosed in the section entitled "Taxation" below; and
- (g) for other legitimate business interests of the ICAV.

Pursuant to Data Protection Legislation, investors have a right of access to their personal data kept by the ICAV and the right to amend and rectify any inaccuracies in their personal data held by the ICAV by making a request to the ICAV in writing.

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

The Administrator may hold all or part of the data protected in accordance with applicable laws even after the investor has fully redeemed from a Fund.

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

## **INVESTMENT RISKS**

### **General**

The investments of a Fund are subject to normal market fluctuations and other risks inherent in investing in securities or other instruments and there can be no assurance that any appreciation in value of investments will occur. In particular the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. An investment should only be made by those persons who are able to sustain a loss on their investment.

There can be no guarantee that the investment objective of any Fund will actually be achieved.

### **Limited Liability of Funds**

The ICAV is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between each of its Funds. As a result third parties may not look to the assets of the ICAV in respect of liabilities owed by a Fund to them and must instead look to the Fund in which such debt arose.

### **Credit Risks**

Although the Funds may invest in high credit quality instruments, there can be no assurance that the securities or other instruments in which those Funds invest will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or other instruments. The Funds will also be exposed to a credit risk in relation to the counterparties with whom they trade and may also bear the risk of settlement default.

### **Suspension of Valuation**

The ability to subscribe for, redeem or convert Shares may be affected by a temporary suspension of the determination of Net Asset Value which may take place upon the occurrence of certain events.

### **Suspension of Trading**

Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchanges. A suspension could render it impossible for the Investment Manager to liquidate positions and thereby expose a Fund to losses.

### **Foreign Exchange Risk**

Where a Fund engages in foreign exchange transactions which alter the currency exposure characteristics of its investments the performance of such Fund may be strongly influenced by movements in exchange rates as currency positions held by a Fund may not correspond with the securities positions held.

The Net Asset Value per Share of a Fund will be computed in its Base Currency whereas the investments held for the account of a Fund may be acquired in other currencies. A Fund's Net Asset Value may change significantly when the currencies other than the Base Currency in which some of a Fund's investments are denominated strengthen or weaken against the Base Currency. Currency exchange rates generally are determined by supply and demand in the foreign exchange markets and the perceived relative merits of investments in different countries. Currency exchange rates can also be affected unpredictably by intervention by government or central banks or by currency controls or political developments.

In addition, currency hedging transactions, while potentially reducing the currency risks to which the Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty, as described below. In addition, where a Fund enters into "cross-hedging" transactions (e.g., utilising a currency different from the currency in which the security being hedged is denominated), a Fund will be exposed to the risk that changes in the value of the currency used to hedge will not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and a Fund's securities.

Forward currency contracts involve the possibility that the market for them may be limited with respect to certain currencies and, upon a contract's maturity, possible inability to negotiate with the dealer to enter into an offsetting transaction. There is no assurance that a forward currency contract market will always exist. These factors restrict the ability to hedge against the risk of devaluation of currencies in which a substantial quantity of securities are being held for a Fund and are unrelated to the qualitative rating that may be assigned to any particular security. A description of forward currency contracts is set out in Appendix I.

While it is the intention to hedge currency risk at a Share class level, where subscription monies and redemption monies are paid in a currency other than the Base Currency of a Fund, investors should be aware that there is an exchange rate risk if such other currencies depreciate against the Base Currency and consequently they may not realise the full amount of their investment in a Fund.

### **Country Risk**

Investments in securities of issuers of different nations and denominated in different currencies involve particular risks. Such risks include changes in relative currency exchange rates, political and economic developments, the imposition of exchange controls, confiscation and other governmental restrictions. Investment in securities of issuers located in different countries offers potential benefits not available from investments solely in the securities of issuers located in a single country, but also involves certain significant risks that are not typically associated with investing in the securities of issuers located in a single country.

The 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 the Fund's ability to invest in securities of certain issuers located in such 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 the Fund are uninvested meaning no return may be earned thereon. The inability of a Fund to make intended investment purchases as a result of settlement problems may cause a Fund to miss attractive investment opportunities. The inability of a Fund to dispose of an investment as a result of settlement problems could result in a loss to the Fund as a consequence of a subsequent decline in value of such investment or, if a Fund has entered into a contract to sell such investment, in a possible liability to the purchaser. There may also be a risk 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, a Fund. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding and/or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of a Fund, political or social instability or diplomatic developments that may affect investments in those countries.

### **Sector Risk**

Because a Fund may, from time to time, focus on one or more sectors of the economy, at such times its performance will depend in large part on the performance of those sectors. A Fund that invests in particular sectors is particularly susceptible to the impact of market, economic,

regulatory, and other factors affecting those sectors. As a result, at such times, the value of your investment may fluctuate more widely than it would in a fund that is invested across sectors.

### **High Portfolio Turnover Risk**

Actively trading securities can increase transaction costs (thus lowering performance) and taxable distributions.

### **Sovereign Risk**

Government interference with international transactions in its currency or the debt obligations of itself or its nationals through various means, including, without limitation, regulation of the local exchange market, restrictions on foreign investment by residents, limits on flows of investment funds from abroad and debt moratoria, may expose a Fund, to unanticipated losses.

There are increasing concerns regarding the ability of multiple sovereign entities to continue to meet their debt obligations. In particular, ratings agencies have recently downgraded the credit ratings of various countries. Many economies are facing acute fiscal pressures as they struggle to balance budgetary austerity with stagnant growth. Many observers predict that a depressed economic environment will cause budget deficits in these economies to expand in the short term and further increase the perceived risk of a default, thereby rendering access to capital markets even more expensive and compounding the debt problem.

### **Systemic Risk**

Credit risk may also arise through a default by one of 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 intermediaries with which a Fund interacts.

### **Investing in Emerging Markets**

Where a Fund invests in emerging markets, such investments require consideration of certain risks typically not associated with investing in securities in more developed markets.

Numerous emerging market countries have recently experienced serious and potentially continuing, economic and political problems. Stock markets in many emerging countries are relatively small and risky. Investors are often limited in their investment and divestment activities. Additional restrictions may be imposed under emergency conditions. Emerging market securities may decline or fluctuate because of economic and political actions of emerging market governments and less regulated or liquid securities markets. Investors holding the securities are also exposed to emerging market currency risk (the possibility that that emerging market currency will fluctuate against the Base Currency of a Fund). The legal infrastructure and accounting, auditing and reporting standards in emerging market countries in which a Fund may invest may not provide the same degree of information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

The legal and regulatory environment is sometimes uncertain and the standards of corporate governance, accounting, auditing and reporting standards may not provide the same degree of investor information and protection as would apply in more developed markets. Furthermore, corporate governance, investor protection, settlement, clearing, registration and custody procedures may be underdeveloped which increases the risk of error, fraud or default.

Investors' attention is also drawn to the risks referred to as "**Liquidity and Settlement Risks**", "**Political Risks**" and "**Custodial Risks**" in the sections set out below.

## **Liquidity and Settlement Risks**

The Funds will be exposed to a credit risk on parties with whom they trade and may also bear the risk of settlement default. Some of the markets in which the Funds will invest may be less liquid, less developed and more volatile than the world's leading stock markets and this may result in fluctuations in the price of the Shares. In addition, market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks to a Fund and may involve delays in obtaining accurate information on the value of securities (which may as a result affect the calculation of the Net Asset Value).

## **Political Risks**

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

## **Depositary Risks**

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

A Fund may invest in markets where trading, 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.

The liability of the Depositary will not be affected by the delegation of its duties to any such sub-custodian where any loss of assets held in custody arises as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. Any proposed investment in these markets will be disclosed in the relevant Supplement.

Shareholders should also note that settlement mechanisms in emerging and less developed markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for a Fund in respect to investments in emerging markets.

## **Securities Selection Risk**

Securities selected by the relevant Investment Manager for a Fund may not perform to expectations. This could result in a Fund's underperformance compared to other funds with similar investment objectives.

## **Share Currency Designation Risk**

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

or under hedged positions, this may arise due to circumstances outside the ICAV's control. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. This review will also incorporate a procedure to ensure that positions in excess of 100% will not be carried forward from month to month. The ICAV shall ensure that under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the Share Class which is to be hedged and shall keep any under-hedged positions under review to ensure they are not carried forward from month to month. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the ICAV are denominated. In such circumstances, Shareholders of the Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gain/loss on and the costs of the relevant financial instruments.

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

### **General Fixed Income Security Considerations**

A Fund may invest in bonds and other fixed income securities. Debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to the risk of price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness or financial condition of the issuer, and general market liquidity (i.e., market risk).

A Fund may invest in fixed income securities which are unrated by a recognised credit-rating agency or rated below investment grade and which are subject to greater risk of loss of principal and/or interest than higher-rated debt securities. A Fund may invest in debt securities which rank junior to other outstanding securities and obligations of a particular issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. A Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. A Fund may therefore be subject to increased credit, liquidity and interest rate risks. In addition, evaluating credit risk for rated debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

### **Distressed and High-Yield Securities**

Investments in the securities of financially troubled companies may involve substantial financial and business risks, which are often heightened by an inability to obtain reliable information about the companies and their true financial condition. Investments in companies that are or become involved in bankruptcy or reorganisation proceedings also may be adversely affected by the laws of one or more jurisdictions in relation to, among other things, "fraudulent conveyances" and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. There is always the risk (both in and out of bankruptcy) that a reorganisation will be unsuccessful (due to, for example, failure to obtain requisite approvals), or significantly delayed (for example, until various liabilities, actual or contingent, have been satisfied or negotiated) or will result in a distribution of cash or new securities the value of which is less than the purchase price to a Fund of the securities in respect of which such distribution was made. In addition, the markets for distressed and high yield securities are subject to abrupt and erratic price movements and excessive price volatility and are frequently illiquid. Distressed securities investing requires active monitoring and may at times, require participation in bankruptcy or reorganisation proceedings by the Investment Manager on behalf of a Fund. In such event, the Fund may have more active participation in the affairs of the issuer than that generally assumed by a passive investor.

Reorganisations may 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. The Investment Manager, and/or the ICAV in respect of a Fund may be participants in civil proceedings related to distressed investments. The costs of any such proceedings, including settlements, judgments and indemnification obligations will be deemed investment expenses and will be borne directly or indirectly by that Fund.

Reorganisation of companies may not be successful, nor improve their operating performance. Liquidations may yield significantly lower proceeds than originally expected. A Fund may lose its entire investment in such companies or may be required to accept cash or securities with a value less than the Fund's original investment, and/or may be required to accept payment over an extended period of time.

### **Below "Investment Grade" Debt Securities**

A Fund may invest in debt securities which may be below "investment grade" and are subject to uncertainties and exposure to adverse business, financial or market conditions which could lead to the issuer's inability to make timely interest and principal payments. The market values of these securities tend to be more sensitive to individual corporate developments and general economic conditions than those of higher rated securities.

### **Unsecured and Subordinated Investments**

Although a Fund may invest in secured and senior obligations, distressed securities purchased by a Fund will be subject to certain additional risks to the extent that such securities may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such securities may not be protected by financial covenants or limitations upon additional indebtedness.

### **Stock Market Risk**

A Fund's Net Asset Value will move up and down in reaction to stock market movements. Stock prices change daily in response to company activity and general economic and market conditions. A Fund's investments in common stocks and other equity securities are subject to stock market risk, which is the risk that the value of equity securities may decline. Also, equity securities are subject to the risk that a particular issuer's securities may decline in value, even during periods when equity securities in general are rising. Additional stock market risks may be introduced when a particular equity security is traded on a foreign market. For more detail on the related risks involved in foreign markets, see "Foreign Exposure Risks" below.

### **Foreign Exposure Risk**

Investing in foreign securities, including depositary receipts, or securities of entities with significant foreign operations, involves additional risks which can affect a Fund's performance. Foreign markets, particularly emerging markets, may be less liquid, more volatile and subject to less government supervision than an investor's home market. There may be difficulties enforcing contractual obligations, and it may take more time for transactions to clear and settle. Less information may be available about foreign entities. The costs of buying and selling foreign securities, including tax, brokerage and custody costs, may be higher than those involving domestic transactions. The specific risks of investing in foreign securities include:

*Currency Risk:* The values of foreign investments may be affected by changes in currency rates or exchange control regulations. If the local currency gains strength against the domestic currency, the value of the foreign security increases in domestic currency terms. Conversely, if the local currency weakens against the domestic currency, the value of the foreign security declines in domestic security terms. Unless set out in the relevant Fund Supplement, the Investment Manager does not intend to hedge the resulting currency exposures back into the Base Currency, although they may do so at their discretion.

*Regulatory Risk:* Foreign companies often are not subject to uniform accounting, auditing and financial reporting standards or to other regulatory practices and requirements.

## **Market Timing Risk**

Because a Fund may invest in foreign securities, it is particularly subject to the risk of market timing activities. The Fund generally prices foreign securities using their closing prices from the foreign markets in which they trade, typically prior to the Fund's determination of its Net Asset Value. These prices may be affected by events that occur after the close of a foreign market but before a Fund prices its Shares. In such instances, a Fund may fair value foreign securities. However, some investors may engage in frequent short-term trading in a Fund to take advantage of any price differentials that may be reflected in the Net Asset Value of the Shares. There is no assurance that fair valuation of securities can reduce or eliminate market timing. While the ICAV monitors trading in Shares, there is no guarantee that it can detect all market timing activities.

## **Limitations on Redemptions**

There is no secondary market for Shares and no market is expected to develop. An investment in a Fund should be considered only by persons financially able to maintain their investment and who can afford a loss of all or a substantial part of such investment. Shareholders may only redeem Shares as described in this Prospectus. Redemption rights may be deferred or suspended under certain circumstances. Redemptions may also be satisfied, in whole or in part, by distributing securities *in specie*.

## **Effect of Substantial Redemptions**

Substantial redemptions by Shareholders within a short period of time could require a Fund to liquidate securities positions or other investments more rapidly than would otherwise be desirable, possibly reducing the value of a Fund's assets and/or disrupting the Investment Manager's investment strategy. Reduction in the size of a Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

## **Concentration Risk**

A Fund's investments may be concentrated in a particular country or region, in a select group of issuers, or both. When a Fund's investments are concentrated in a particular country or region, the Fund's performance may be closely tied to economic and political conditions within that country or region. A Fund that concentrates its investments in a select group of issuers can be more volatile than the market as a whole because changes in the financial condition of an issuer or changes in economic or political conditions that affect a particular type of security or issuer can affect the value of an issuer's securities. For these reasons, a concentrated Fund's performance may be more volatile than the performance of more diversified Funds.

## **Borrowings**

Under the Regulations, a Fund may borrow up to 10% of its assets provided this borrowing is on a temporary basis. A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties. Such borrowings may increase the risks attached to an investment in Shares in a Fund.

## **Interest Rate Risk**

Bond prices rise when interest rates decline and decline when interest rates rise. The longer the duration of a bond, the more a change in interest rates affects the bond's price. Short-term and long-term interest rates may not move the same amount and may not move in the same direction. This may result in the amount realised on the sale of Shares being less than the original amount invested.

## **Efficient Portfolio Management Risk**

The ICAV on behalf of a Fund may enter into trading arrangements in relation to the Investments for efficient portfolio management purposes with counterparties and agents that are related parties to the Depositary or the ICAV's other service providers. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer



to the section entitled "*Conflicts of Interest*" herein for further details on how these conflicts are handled.

### **Other Risks**

The ICAV will be responsible for paying its fees and expenses regardless of the level of its profitability. In view of the fact that an initial charge may be payable on a subscription by an investor any investment in a Fund should be regarded as a medium to long term investment.

### **Third Party Service Providers**

The ICAV does not have any employees and the Directors have been appointed on a non-executive basis. The ICAV is therefore reliant upon the performance of third party service providers for their executive functions. In particular, the Investment Manager, the Administrator and the Depositary will be performing services which are integral to the operation of the ICAV. Failure by any service provider to carry out its obligations to the ICAV in accordance with the terms of its appointment could have a materially detrimental impact upon the operations of the ICAV.

### **Possible Indemnification Obligations**

The ICAV has agreed, or may agree, to indemnify the Directors, the Investment Manager, the Administrator, the Depositary and banks, brokers, dealers, counterparties and others, under various agreements entered into with such persons, against certain liabilities they or their respective directors, officers, affiliates or agents may incur in connection with their relationships with the ICAV.

### **Changes to Share Value**

It should be appreciated that the value of Shares and the income from them may fall as well as rise, and that investors may not get back the amount they have invested. Changes in exchange rates may cause the value of Shares to go up or down. Details of certain investment risks for an investor are set out above.

### **Legal and Tax Requirements**

Persons interested in purchasing Shares should inform themselves as to (a) the legal requirements within their own countries for the purchase of Shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase, conversion and redemption of Shares.

The difference, at any one time, between the sale and repurchase price of the Shares means that any investment in the ICAV should be viewed in the medium to long term. Initial applications will be processed upon receipt by the Administrator of both the Application Form and cleared funds. Subsequent purchases will be processed upon receipt of trade instructions and cleared funds.

Specific risk warnings in relation to particular Funds are contained in the relevant Supplement.

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

### **Umbrella Structure of the ICAV**

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 different 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 the Funds will necessarily be upheld.

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

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

### **Electronic Delivery of Information**

Information relating to a Shareholder's investment in a Fund may be delivered electronically. There are risks associated with such electronic delivery including, but not limited to, that email messages are not secure and may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted or interfered with without the knowledge of the sender or the intended recipient.

### **Error Trades**

Unintended errors in the communication or administration of trading instructions may, from time to time, arise. Except in the case of negligence, fraud or wilful default of the Investment Manager, losses (if any) arising from such errors will be for the account of the Fund on the basis that profits from such errors (if any) will also be for the account of a Fund.

### **Risk Associated with the United Kingdom's withdrawal from the European Union**

The U.K. voted on 23 June 2016 to leave the E.U. The process of withdrawal from the E.U., set out in Article 50 of the Treaty on European Union ("TEU"), has been triggered by the U.K. formally notifying the European Council of its intention to withdraw on 29 March 2017.

The TEU provides for a period of up to two years (from the date of the U.K.'s notification) for negotiation and coming into force of a withdrawal agreement, at the end of which (whether or not agreement has been reached) the E.U. treaties cease to apply to the U.K. The remaining E.U. Member States and the U.K. may extend this period by unanimous agreement. This negotiation period applies only to agreement on the arrangements for the U.K.'s withdrawal from the E.U., although those arrangements should "take into account the framework for the U.K.'s future relationship with the Union". However the agreement on the U.K.'s future relationship with the E.U. is separate and not subject to any formal time restriction.

During and possibly after the withdrawal negotiation period, there is likely to be considerable uncertainty as to the U.K.'s post-withdrawal framework, and in particular as to the arrangements which will apply to its relationships with the E.U. and with other countries.

The impact of this unique process is difficult to predict at this stage as it will depend on a range of factors, including on how and to what timescale the negotiations develop. The process itself and/or the uncertainty associated with it may, at any stage, adversely affect the return on the ICAV and its investments. There may be detrimental implications for the value of the ICAV's investments and/or its ability to implement its investment programme. This may be due to, among other things:

- increased uncertainty and volatility in U.K., E.U. and other financial markets;
- fluctuations in asset values;
- fluctuations in exchange rates between sterling, the euro, the dollar and other currencies;
- increased illiquidity of investments located, listed or traded within the U.K., the E.U. or elsewhere;
- changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or
- changes in legal and regulatory regimes to which the ICAV, the Investment Manager and/or certain of the ICAV's assets are or become subject.

Once the arrangements which will apply to the U.K.'s relationships with the E.U. and other countries have been established, or if the U.K. ceases to be a member of the E.U. without having agreed such arrangements or before such arrangements become effective, the Investment Manager (or any of its affiliates) and/or the ICAV may need to be restructured, either to enable a Fund's objectives fully to be pursued or to enable the Investment Manager (or any of its affiliates or delegates) to fulfil most effectively its functions in relation to the ICAV. This may increase costs or make it more difficult for a Fund to pursue its investment objective.

### **Availability of Investment Strategies**

The success of a Fund's investment activities depends on the Investment Manager's ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by a Fund will involve a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of a Fund's assets or to exploit discrepancies in the securities and derivatives markets. A reduction in market liquidity or the pricing inefficiency of the markets in which a Fund seeks to invest, as well as other market factors, will reduce the scope for a Fund's investment strategies.

### **Risks associated with employing systematic trading models**

The use of systematic trading models carries with it risks that the predicted directional movement in the price of a security or the predicted relative movement in the price of the security against movements in the relevant market will not materialise. The systematic trading models may not have taken all applicable risks into account or may have attributed an incorrect weighting to a particular risk. The quality of the predictions produced by the systematic trading models may be adversely affected by the quality of the data collected and the analysis and research undertaken on that data. Systemic risks which lead to sudden and broad changes in risk appetite in markets, rapid changes in market liquidity, unanticipated events risk or political risks producing unforeseen influences on the market can lead to artificial and unpredictable distortions in the price of a security, rendering the predictions of the systematic trading models incorrect.

### **Business Risk**

There can be no assurance that a Fund will achieve its investment objective. The investment results of a Fund are reliant upon the success of the Investment Manager.

Funds compete with other funds and market participants (such as public or private investment funds and the proprietary desks of investment banks) for investment opportunities. The number of such funds and market participants and the scale of the assets managed by such entities may increase. Such competitors may be substantially larger and have considerably greater financial, technical and marketing resources than are available to a Fund or they may also have a lower cost of capital and access to funding sources that are not available to a Fund, which may create competitive disadvantages with respect to investment opportunities. The net effect of these developments may be to reduce the opportunities available for the Investment Manager to generate returns and/or to reduce the quantum of these returns. Historic opportunities for some or all fund strategies may be eroded over time whilst structural and/or cyclical factors may reduce investment opportunities for the Investment Manager to thereby temporarily or permanently reducing the potential returns of a Fund.

### **Cybersecurity Risk**

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

A Fund may be affected by intentional cybersecurity breaches which include unauthorized access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents

can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of Shareholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the ICAV, the Investment Manager, the Administrator, the Depositary, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Shareholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund's investments to lose value, as a result of which investors, including the relevant Fund and its Shareholders, could potentially lose all or a portion of their investment with that issuer.

### **Counterparty Insolvency**

The stability and liquidity of over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. If there is a default by the counterparty to such a transaction, a Fund will, under most normal circumstances, have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual remedies may involve delays or costs which could result in the Net Asset Value of a Fund being less than if a Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent. If one or more of a Fund's counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the United States Securities Investor Protection Act or the United States Bankruptcy Code), there is a risk that the recovery of a Fund's securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such counterparty.

In addition, a Fund may use counterparties located in various jurisdictions around the world. Such counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to a Fund's assets will be subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalise about the effect of their insolvency on a Fund and its assets. Prospective investors should assume that the insolvency of any counterparty would result in a loss to a Fund, which could be material.

### **Counterparty Risk**

The ICAV on behalf of a Fund may enter into transactions in over-the-counter markets, which will expose a Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. The ICAV on behalf of a Fund may enter into future contracts which may expose a Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the ICAV seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the derivatives are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred.

During an insolvency procedure (which may last many years) the use by a Fund of certain of its assets held by a counterparty may be restricted and accordingly (a) the ability of the Investment Manager to fulfil the investment objective may be severely constrained, (b) the Fund may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, a Fund is likely to be an unsecured creditor in relation to certain assets (including those in respect of which it had previously been a secured creditor) and accordingly a Fund may be unable to recover such assets from the insolvent estate of the counterparty in full, or at all.

## Over-the-Counter ("OTC") Transactions

There has been an international effort to increase the stability of the financial system in general, and the OTC derivatives market in particular, in response to the recent financial crisis. The leaders of the G20 have agreed that all standardised OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties, that OTC derivative contracts should be reported to trade repositories and non-centrally cleared contracts should be subject to higher capital requirements.

In the United States, rules and regulations required under the Dodd-Frank Act, have recently begun to become effective and comprehensively regulate the OTC derivatives markets for the first time. The Commodity Futures Trading Commission ("**CFTC**") has recently required that certain interest rate and credit default index swaps be centrally cleared, and the first requirement to execute certain interest rate swap contracts through a swap execution facility. Additional standardised swap contracts are expected to be subject to new clearing and execution requirements in the future. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible margin requirements mandated by the SEC or the CFTC. The regulators also have proposed margin requirements on non-cleared OTC derivatives, but have not yet finalised. Although the Dodd-Frank Act includes limited exemptions from the clearing and margin requirements for so-called "end-users," the Investment Manager is not eligible to rely on such exemptions. In addition, the OTC derivative dealers with which a Fund may execute the majority of its OTC derivatives will not be able to rely on the end-user exemptions under the Dodd-Frank Act and therefore such dealers will be subject to clearing and margin requirements notwithstanding whether a Fund is subject to such requirements. OTC derivative dealers are required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations for cleared derivatives, as is currently permitted. This will increase the OTC derivative dealers' costs, and these increased costs are expected to be passed through to other market participants in the form of higher upfront and mark-to-market margin, less favourable trade pricing, and possible new or increased fees.

The SEC and CFTC are expected to increase the portion of derivatives transactions that will be required to be executed through a regulated securities, futures, or swap exchange or execution facilities. Such requirements may make it more difficult and costly for investment funds, including a Fund, to enter into highly tailored or customised transactions. They may also render certain strategies in which a Fund might otherwise engage impossible or so costly that they will no longer be economical to implement. OTC derivative dealers and major OTC derivatives market participants have now registered with the SEC and/or the CFTC, and the CFTC's broad interpretation of its jurisdiction has recently required additional dealers to register. A Fund may also be required to register as a major participant in the OTC derivatives markets if its swaps positions are too large or leveraged, but the CFTC's and SEC's definition of major swap participant make such registration unlikely. Dealers and major participants will be subject to minimum capital and margin requirements. These requirements may apply irrespective of whether the OTC derivatives in question are exchange-traded or cleared. OTC derivatives dealers are also subject to business conduct standards, disclosure requirements, additional reporting and recordkeeping requirements, transparency requirements, limitations on conflicts of interest, and other regulatory burdens. These requirements may increase the overall costs for OTC derivative dealers, which are likely to be passed along, at least partially, to market participants in the form of higher fees or less advantageous dealer marks. A Fund is also subject to recordkeeping and, depending on the identity of the swaps counterparty, reporting requirements. While many of the requirements of the Dodd-Frank Act have been adopted, the final overall impact of the Dodd-Frank Act on a Fund is uncertain, and it is unclear how the OTC derivatives markets will adapt to the final regulatory regime.

EU Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or "EMIR") came into force on 16 August 2012. EMIR introduces uniform requirements in respect of OTC derivative contracts by requiring certain "eligible" OTC derivatives contracts to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of OTC derivatives contracts to trade repositories. In addition, EMIR imposes risk mitigation requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These risk mitigation

requirements are expected to include the exchange and segregation of collateral by the parties, including by a Fund.

While many of the obligations under EMIR have come into force, a number of other requirements have not yet come into force or are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is therefore not yet fully clear how the OTC derivatives market will adapt to the new European regulatory regime for OTC derivatives.

The Directors and the Investment Manager do not expect that a Fund will be materially affected by some or all of the requirements of EMIR. However, as at the date of this Prospectus, it is difficult to predict the full impact of EMIR on a Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivative contracts. The Directors and the Investment Manager will monitor the position. However, prospective investors and Shareholders 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 achieve its investment objective.

### **Highly Volatile Markets**

The prices of derivative instruments, including options prices, are highly volatile. Price movements of contracts for difference and other derivative contracts in which a Fund may invest are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention is often intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. A Fund is also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

### **Hedging, Derivatives, and other Strategic Transactions Risk**

Hedging, derivatives, and other strategic transactions may increase the volatility of a Fund and, if the transaction is not successful, could result in a significant loss to a Fund. The use of derivative instruments could produce disproportionate gains or losses, more than the principal amount invested. Investing in derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments and, in a down market, derivative instruments could become harder to value or sell at a fair price.

### **Derivative Securities Risk**

In relation to investment in financial derivative instruments, the use of these instruments involves special risks including (i) dependence on the ability to predict movements in the prices of securities underlying the financial derivative instruments and movements in interest or currency rates; (ii) imperfect correlation between the financial derivative instruments and the securities or market sectors to which they relate; (iii) greater volatility than the securities and/or markets to which they relate; (iv) liquidity risk when, for example, a particular derivative instrument is difficult to purchase or sell; (v) market risk, where the market value of the financial derivative instrument changes in a way that is detrimental to a Fund; (vi) potential conflicts of interest (vii) counterparty risk, where the counterparty with which a Fund trades becomes insolvent, bankrupt or defaults; (viii) settlement risk, where a counterparty defaults in settling a trade; and (ix) legal risk, where the enforceability of a financial derivative instrument contract may be an issue.

### **Financing Arrangements; Availability of Credit**

Leverage may be an integral part of a Fund's strategies and may include the use of securities margin, futures margin, margined option premiums, repurchase agreements, bank or dealer credit lines or the notional principal amounts of FDI transactions. There can be no assurance that a Fund will be able to maintain adequate financing arrangements under all market circumstances.

Where a Fund makes use of leverage to initiate long or short positions and the positions decline in value, it will usually be subject to a "margin call", pursuant to which it must either deposit additional

funds with the lender or be subject to sanctions such as the mandatory liquidation of securities over which the lender has been granted security or a mandatory termination of all outstanding contracts with the lender and a claim for compensation for any losses incurred by the lender. In some cases a margin call may be made even if the relevant positions have not declined in value. A Fund would normally satisfy such margin calls in cash or acceptable collateral from its assets and, to the extent that such collateral were insufficient, would liquidate certain assets to raise cash in order to satisfy the relevant margin call. In the event of a large margin call, the Investment Manager might not be able to liquidate assets quickly enough to pay off the margin liability. In such a case, the relevant lender may have the right, in its sole discretion, to liquidate certain assets of a Fund in order to enable a Fund to satisfy its obligations to that lender and/or to close out transactions.

As a general matter, the banks and dealers that may provide financing to a Fund can apply essentially discretionary margin, "haircuts", financing and security and collateral valuation policies. Banks and dealers could change these policies at any time, for any reason, including a change in market circumstances, government, regulatory or judicial action or simply a change in the policy of the relevant bank. Changes by banks and dealers to one or more of these policies, or the imposition of other credit limitations or restrictions may be applied retrospectively to existing contracts as well as prospectively to contemplated future dealing. Whilst the Investment Manager may seek to limit the rights of lenders to apply such retrospective changes, any such limitation will be subject to the agreement of the relevant lender, which may not be forthcoming. Retrospective changes may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other banks and dealers. Prospective changes may result in the inability of the Investment Manager to fulfil the investment objective. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants simultaneously. The imposition of any such limitations or restrictions could compel a Fund to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of a Fund's equity.

### **Illiquidity**

There is no active secondary market for the Shares and it is not expected that such a market will develop. There can be no assurance that the liquidity of the investments of a Fund will always be sufficient to meet redemption requests as, and when, made. Any lack of liquidity may affect the liquidity of the Shares and the value of its investments.

For such reasons the payment of redemption proceeds may be postponed in exceptional circumstances pursuant to the Instrument, as disclosed under the heading "Temporary Suspension of Net Asset Value" below.

### **Investment Management**

The ability of a Fund to achieve its investment objective is significantly dependent upon the expertise of the Investment Manager, its partners, members and employees and the Investment Manager's and its affiliates' ability to attract and retain suitable staff. The impact of the departure for any reason of a key individual (or individuals) on the ability of the Investment Manager to achieve the investment objective of a Fund cannot be determined and may depend on, amongst other things, the ability of the Investment Manager to recruit other individuals of similar experience and credibility. In addition, legislative, tax and/or regulatory changes which restrict or otherwise adversely affect the remuneration of key individual(s), including the ability and scope to pay bonuses, which may be imposed in the jurisdictions in which the Investment Manager operates, may adversely affect their ability to attract and/or retain any such key individual(s). In the event of the death, incapacity, departure, insolvency or withdrawal of any such key individual(s), the performance of a Fund may be adversely affected.

Furthermore, some of the contractual arrangements in place with certain of a Fund's counterparties may provide the relevant counterparties with rights of termination, and with certain of its investors that may entitle them to redemption without penalty, if certain key employees and officers of the Investment Manager ceases to have responsibility for managing a Fund's investments or similar provisions. The assertion of such rights to terminate contracts could result in the relevant contractual positions being closed out on unsatisfactory terms and in a fewer number of potential counterparties in the future and/or may otherwise have a material adverse impact on the business and/or financial

condition of the Fund. There can be no assurance that the Investment Manager would be able to mitigate the effects of the loss of any such key individual(s).

The continued services of the Investment Manager provided to a Fund are dependent on the continuation of the relevant agreement which can be terminated with notice.

Should the need arise, no assurance can be given that the Fund or a Fund would be able to find and recruit a replacement investment manager of similar experience and competence or as to the length of time the search for a replacement will take. Any delay in identifying another investment manager may materially and adversely affect the achievement of the relevant investment objective.

### **Other Clients of the Investment Manager**

The Investment Manager may manage or advise other funds and/or accounts and each will remain free to provide such services to additional funds and accounts, including for their own accounts, in the future. The Investment Manager may vary the investment strategies employed on behalf of the Fund from those used for itself and/or for other clients. No assurance is given that the results of the trading by the Investment Manager on behalf of the Fund will be similar to that of other funds and/or accounts concurrently managed by the Investment Manager. It is possible that such funds and accounts and any additional funds and accounts to which the Investment Manager in the future provide such services may compete with the Fund for the same or similar positions in the markets. The Investment Manager may subsequently use information, intellectual property and investment strategies ("**Intellectual Property**") which any of them has obtained, produced, created, developed or utilised in the performance of services to the ICAV in relation to other investment funds, vehicles or accounts, as they determine in their sole discretion. The ICAV will bear all fees, charges and expenses incurred for all transactions carried out on behalf of the ICAV by the Investment Manager (or on their behalf). Such other investment funds, vehicles or accounts will not pay any part of or contribute towards the fees, charges and expenses of the ICAV for transactions carried out on behalf of the ICAV even if such other investment funds, vehicles or accounts benefit from Intellectual Property derived from the trading activities or results of the ICAV.

### **Investment Manager Conviction**

A Fund's portfolio reflects the conviction of the Investment Manager.

At times of high conviction; the portfolio may well be more aggressively constructed than would otherwise be the case. This carries with it additional risks should the Investment Manager's conviction prove misplaced.

### **No Independent Counsel**

The ICAV has retained legal counsel to advise it. Such legal counsel may also act as legal counsel to the Investment Manager. Legal counsel retained by the ICAV will advise the ICAV on its duty to act in the best interests of Shareholders but will not represent individual Shareholders in their capacity as investors in a Fund or Funds. No independent counsel has been retained by the ICAV to represent Shareholders in that capacity.

### **Profit Sharing**

In addition to receiving an Investment Management Fee, the Investment Manager may also receive a Performance Fee based on the appreciation in the Net Asset Value per Share and accordingly, the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a Performance Fee may be paid on unrealised gains which may subsequently never be realised. The Performance Fee may create an incentive for the Investment Manager to make investments for the Fund and a Fund which are riskier than would be the case in the absence of a fee based on the performance of the Fund.

### **Realisation of Profits and Valuation of Investments**



Changes in circumstances or market conditions may lead to revaluation of certain assets, which may result in material increases or decreases in the Net Asset Value. Accordingly, any Shareholder who redeems Shares during a period when the value of any asset has been impaired will not receive any amount in respect of any subsequent increase of the Net Asset Value as a consequence of any revaluation of an asset the value of which was impaired at the time the Shareholder redeemed the relevant Shares. Neither the Fund nor the Investment Manager shall be required to inform a Shareholder proposing to redeem Shares of any circumstances which may lead to a revaluation of an asset, and neither shall be liable to any Shareholder in respect of any loss of opportunity to participate in gains attributable to any revalued assets, howsoever arising.

## **Short Selling**

Short selling involves trading on margin and accordingly can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no guarantee that securities necessary to cover a short position will be available for purchase.

Due to regulatory or legislative action taken by regulators around the world as a result of recent volatility in the global financial markets, taking short positions on certain securities has been restricted. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions have made it difficult and in some cases impossible for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions. Accordingly, the Investment Manager or any sub-investment manager may not be in a position to fully express its negative views in relation to certain securities, companies or sectors and the ability of the Investment Manager or any sub-investment manager to fulfil the investment objective of a Fund may be constrained.

## **Short Selling Regulation**

The EU regulation on short selling and certain aspects of credit default swaps (the "SSR") applies to short sales of/short positions relating to (1) the issued share capital of companies whose shares are admitted to trading on a regulated market or multilateral-trading facility ("MTF") in the EEA (unless the principal trading venue for the relevant shares is located in a country outside the EEA) ("EEA listed shares"); and (2) debt instruments issued by an EEA sovereign issuer ("EEA sovereign debt"). The SSR currently applies in respect of EU Member States and will apply to the additional EEA jurisdictions once further implementation steps have been taken.

The SSR provides for the disclosure of net short positions in EEA listed shares and EEA sovereign debt. It applies to all natural or legal persons, irrespective of regulatory status, located inside and outside the EEA. The SSR also contains prohibitions on uncovered or "naked" short sales of EEA listed shares and EEA sovereign debt in certain circumstances, as well as a prohibition on uncovered credit default swaps referencing EEA sovereign debt ("naked CDS"). The SSR provides for the possibility of an EEA member state's national regulator temporarily suspending the prohibition where it believes that its sovereign debt market is not functioning properly and that the prohibition may have a negative impact on the sovereign CDS debt market. When the prohibition is suspended in this way, naked CDS positions must be included in the net short position calculation for EEA sovereign debt and will be disclosable as part of the more general disclosure relating to short positions in EEA sovereign debt.

National regulators, and in certain circumstances the European Securities and Markets Authority, are able to take additional emergency measures in some situations.

The SSR may prevent the Investment Manager and any sub-investment manager from fully expressing their negative views in relation to EEA listed shares and reduces the flexibility of the Investment Manager and/or any sub-investment manager to use credit default swaps referencing EEA sovereign debt for risk management or investment purposes. Accordingly, the ability of the Investment Manager and any sub-investment manager to implement the investment approach and to fulfil the investment objective may be constrained.

## **US Tax-Exempt Investors**

Certain investors may be subject to US federal and state laws, rules and regulations which may regulate their participation in a Fund, or their engaging directly, or indirectly through an investment in the Fund, in investment strategies of the types which a Fund may utilise from time to time. Each type of US Tax-Exempt Investor may be subject to different laws, rules and regulations and should consult with their own advisors as to the advisability and tax consequences of an investment in a Fund. Investment in a Fund by US Tax-Exempt Investors requires special consideration. Trustees or administrators of such investors are urged carefully to review the matters discussed in this Prospectus and the relevant application form.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in a Fund. Prospective investors should read this entire Prospectus and consult with their own legal, tax and financial advisers before deciding to invest in a Fund.**

## **DISTRIBUTION POLICY**

The Instrument empowers the Directors to declare semi-annual and/or annual dividends in respect of any Shares out of net income (including dividend and interest income) and the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the ICAV. The dividend policy of each Fund, as set out in the relevant Supplement, specifies whether dividends will be paid out of net income (including dividend and interest income) of the Fund and/or the excess of realised and unrealised capital gains over realised and unrealised losses in respect of the investments of the Fund.

Any dividend unclaimed after a period of 6 years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes (as further described in the section entitled "Share Dealings") may result in a delay in the settlement of dividend payments. In such circumstances, any sums payable by way of dividend to Shareholders shall remain an asset of the relevant Fund until such time as the Administrator is satisfied that its anti-money-laundering and anti-fraud procedures have been fully complied with, following which such dividend will be paid.

The distribution policy for each Fund will be determined by the Directors from time to time and shall be specified in the relevant Supplement to the Prospectus.

## **BORROWING POLICY**

Under the Instrument, the Directors are empowered to exercise all of the borrowing powers of the ICAV, subject to any limitations under the UCITS Regulations, and to charge the assets of the ICAV as security for any such borrowings provided that all such borrowings are within the limits and conditions laid down by the Central Bank.

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

A Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions under Regulation 103(1) of the Regulations provided that the offsetting deposit (i) is denominated in the base currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding.

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

## **DETERMINATION AND PUBLICATION AND TEMPORARY SUSPENSION OF NET ASSET VALUE**

### **Determination and Publication of Net Asset Value**

The Net Asset Value per Share shall be calculated by the Administrator to the nearest three decimal places in the Base Currency as of the relevant Valuation Point in accordance with the valuation provisions set out in the Instrument and summarised below.

The Net Asset Value of each Fund shall be calculated by ascertaining the value of the assets of each Fund and deducting from such amount the liabilities of that Fund (which shall include all fees and expenses payable and/or accrued and/or estimated to be payable by the Fund), and dividing the resultant figure by the number of Shares in issue.

The Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value attributable to each Class. The amount of the Net Asset Value of a Fund attributable to a Class shall be determined by establishing the proportion of the assets of the Class as at the most recent Net Asset Value calculation or the close of the initial offer period in the case of an initial offer of a Class, adjusted to take account of any subscription orders (after deduction of any repurchase orders) and by allocating relevant Class expenses and fees to the Class and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net Asset Value accordingly.

The Net Asset Value per Share of any Class issued in each Fund will be calculated by calculating the amount of the Net Asset Value of the Fund attributable to the relevant Class and dividing the resultant figure by the total number of Shares of the relevant Class in issue or to be deemed to be in issue as of the relevant Valuation Point.

The Net Asset Value per Share (including up-to-date dealing prices) will be published on each Dealing Day on the website of the ICAV, as the Directors or Investment Manager may from time to time determine. The Net Asset Value per Share will also be available from the offices of the Administrator.

The Investment Manager or any sub-investment manager may hedge the foreign currency exposure of Classes denominated in a currency other than the Base Currency of a Fund in order that investors in that Class receive a return in the currency of that Class substantially in line with the investment performance of the relevant Fund. As foreign exchange hedging may be utilised for the benefit of a particular Class, its cost and related liabilities and/or benefits shall be for the account of that Class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for shares of any such Class. While holding a hedged Share Class will protect investors in such Share Class from a decline in the value of a currency other than the Base Currency of the Fund, investors in such Share Class will not benefit when that other currency appreciates against the relevant Base Currency. The Investment Manager or any sub-investment manager shall limit hedging to the extent of the particular Share Class' currency exposure. Foreign exchange hedging shall not be used for speculative purposes.

### **Valuation of Assets**

1. In determining the value of the assets of each Fund, each Investment which is quoted, listed or traded under the rules of a Recognised Market, for which market quotations are readily available, shall be valued as at the latest mid market price on the relevant Recognised Market at the Valuation Point, provided that the value of the Investment listed, traded or dealt in on a Recognised Market but acquired or traded at a premium or at a discount outside or off the relevant Recognised Market may be valued, taking into account the level of premium or discount as at the date of valuation of the Investment and the Depositary shall ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security.
2. If the Investment is normally listed, traded or dealt in on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be that which constitutes the main market for the investment. If prices for an investment listed, traded or dealt in on the relevant

Recognised Market are not available at the relevant time or are unrepresentative, or in the event that any Investments are not listed or traded on any Recognised Market, such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by the Directors, or a competent professional person, firm or corporation appointed by the Directors and approved for such purpose by the Depositary which may be the Investment Manager. None of the Directors, the Investment Manager, or the Administrator shall be under any liability if a price reasonably believed by them to be the latest available price for the time being may be found not to be such.

3. Units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available Net Asset Value per unit/share as published by the collective investment scheme.
4. Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Directors (in consultation with the Investment Manager) any adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other consideration which are deemed relevant.
5. Exchange-traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange-traded derivative instrument on the applicable exchange is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Directors and approved for the purpose by the Depositary, which may be the Investment Manager or a valuation by any other means provided that the value is approved by the Depositary. The ICAV will value over the counter derivatives using a valuation calculated by the ICAV or by an independent pricing vendor. Over the counter derivatives are subject to reliable and verifiable valuation on a daily basis. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract and to close out the transaction at any time at the request of the ICAV at fair value.
6. Forward foreign exchange contracts are calculated based on the probable realisation value taking into account the spot rate of exchange and interest rates based on the respective currencies. Interest rate swap contracts will be valued in accordance with the preceding paragraph.
7. Notwithstanding the provisions of paragraphs (1) to (6) above:
  - (i) The Directors or their delegate may, at its discretion in relation to any particular Fund which is a short-term money market fund, value any investment using the amortised cost method of valuation where such collective investment schemes comply with the Central Bank's requirements for short-term money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines.
  - (ii) Where it is not the intention or objective of the ICAV to apply amortised cost valuation to Fund as a whole, a money market instrument within such Fund shall only be valued on an amortised basis if the money market instrument has a residual maturity of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk.
  - (iii) The Directors or their delegate may, at its discretion, in relation to any particular Fund which is a money market fund or which is not a money market fund but which invests in money market instruments, value any investment on the basis of the amortised cost method, provided that each such security being valued using the amortised cost basis of valuation shall be carried out in accordance with the Central Bank's requirements.
8. Notwithstanding the generality of the foregoing, the Directors may with the approval of the Depositary adjust the value of any investment if, taking into account currency, marketability and/or such other considerations as they may deem relevant, such as applicable rate of

interest, anticipated rate of dividend, maturity or liquidity, they consider that such adjustment is required to reflect the fair value thereof.

9. Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the prevailing exchange rate which the Directors or their delegate shall determine to be appropriate.
10. A particular or specific asset valuation may be carried out using an alternative method of valuation if the Directors deem it necessary and the alternative method must be approved by the Depositary and the rationale and/or methodologies used shall be clearly documented.

In this regard, the ICAV and the Depositary shall agree written procedures to enable the Depositary to carry out a detailed initial review and subsequent periodic reviews of the overall valuation methodologies of the ICAV including the provision by the ICAV of details of the rationale for any alternative method of valuation.

### **Temporary Suspension of Net Asset Value**

The Directors may at any time with prior notification to the Depositary temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares during:

1. the whole or any part of any period when any Recognised Market on which a substantial portion of the Investments for the time being comprised in a Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings in any such Recognised Market are restricted or suspended; or
2. the whole or any part of 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, including the unavailability of relevant prices, the disposal or valuation of any Investments for the time being comprised in a Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interest of Shareholders; or
3. any breakdown in the means of communication normally employed in determining the value of any Investments for the time being comprised in a Fund or during any period when for any other reason the value of Investments for the time being comprised in the ICAV cannot, in the opinion of the Directors, be promptly or accurately ascertained; or
4. the whole or any part of any period when a Fund is unable, due to exceptional market conditions or other exceptional circumstances prevailing in one or more Recognised Markets, to repatriate funds for the purposes of making redemption payments or during which the realisation of any Investments for the time being comprised in a relevant Fund, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which there are difficulties or it is envisaged that there will be difficulties, in transfer of monies or assets required for subscriptions, redemptions or trading; or
5. any period in which the redemption of the Shares would, in the opinion of the Directors, result in a violation of applicable laws; or
6. the whole or any part of any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the sole opinion of the Directors, have an adverse impact on the relevant Fund or the remaining Shareholders in such Fund; or
7. the whole or any part of any period in which notice has been given to Shareholders of a resolution to wind up the ICAV; or
8. the whole or any part of any period during which dealings in a collective investment scheme in which the relevant Fund has invested a significant portion of its assets, as determined by the Directors, are suspended; or

9. the whole or any part of any period when the Directors determine that it is in the best interests of the Shareholders to do so.

The Directors will exercise this discretion only in circumstances in which the Directors believe that it is not possible to value or trade a material proportion of the securities held in the portfolio in respect of which such decision is being made.

Notice of any such suspension shall be published by the ICAV on the website of the ICAV and shall be notified without delay to the Central Bank and the Shareholders. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible. Shareholders who have requested issue or redemption of Shares of any Class 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.

Save where the determination of the Net Asset Value per Share has been temporarily suspended in the circumstances described above, the Net Asset Value per Share as of the most recent Valuation Point shall be made available at the office of the Administrator during normal business hours.



## REDEMPTION AND TRANSFERS OF SHARES

### Redemption of Shares

Shareholders may request a Fund to redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share calculated at the relevant Valuation Point (subject to such adjustments, if any, as may be specified including, without limitation, any adjustment required for redemption charges as described under the section entitled "**Fees and Expenses**") in accordance with the redemption procedures specified below and in the relevant Supplement. In calculating the redemption price per Share for a Fund, the Directors may on any Dealing Day where there are overall net redemptions adjust the redemption price by deducting an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund.

The Shares in a Fund may be redeemed on each Dealing Day (except where dealings have been suspended in the circumstances described under "Determination and Publication and Temporary Suspension of Net Asset Value") at the Net Asset Value per Share calculated at the Valuation Point.

Details in respect of redemptions of shares in the Funds are set out in the relevant Supplement for each Fund.

The Administrator shall forward the redemption proceeds (if any) to the relevant Shareholders within the period of time from the deadline for receipt of redemption requests set out in the relevant Fund Supplement.

If outstanding redemption requests from all holders of Shares in any Fund on any Dealing Day total in aggregate more than 10% of the Net Asset Value of that Fund in issue on such Dealing Day, the Directors shall be entitled at their discretion to refuse to redeem such excess number of Shares in issue on that Dealing Day in respect of which redemption requests have been received as the Directors shall determine. If the Directors refuse to redeem Shares for this reason, the requests for redemption on such date shall be reduced on a pro rata basis and the Shares to which each request relates which are not redeemed shall be carried forward for redemption on each subsequent Dealing Day on a pro rata basis until all the Shares to which the original request related have been redeemed.

A Fund may redeem all of the Shares of any Class in issue if the Shareholders in that Class pass a Special Resolution providing for such redemption at a general meeting of the holders of the Shares of that Class, or if the redemption of the Shares in that Class is approved by a resolution in writing signed by all of the holders of the Shares in that Class or if the Net Asset Value of the Class falls below such amount as specified at the end of this section. Shares will be redeemed at the Net Asset Value per Share on the relevant Dealing Day less such sums as the Directors in their absolute discretion may from time to time determine as an appropriate provision for duties and charges in relation to the realisation or cancellation of the Shares to be redeemed.

Redemption requests should be made on the Redemption Form (which is available from the Administrator) which should be posted or sent by facsimile or email to the Administrator. The address and other contact information for the Administrator are set out in the Redemption Form.

The Administrator will not remit redemption proceeds if an investor has not submitted a signed redemption request containing valid bank details or is not considered to be compliant with all the necessary anti-money laundering legislation and regulations. Nor will the Administrator remit any payment to a third party bank account. In such circumstances, the Administrator will process the redemption request received by the Shareholder, however the redemption proceeds shall remain an asset of the Fund and the Shareholder will rank as a general creditor of the ICAV until such time as the Administrator is satisfied that its anti-money laundering procedures have been complied with, following which redemption proceeds will be released.

Unless otherwise set out in a Fund Supplement, written confirmation of the receipt of the Redemption Form will be sent to the relevant Shareholder by post, facsimile or email within two Business Days of the relevant Valuation Point. The redeeming investor should contact the Administrator in the event that this confirmation is not received within two Business Days of the relevant Valuation Point.

Redemption requests may not be withdrawn without the consent of the ICAV except when the redemption of Shares has been temporarily suspended in the circumstances described under the section entitled "Determination and Publication and Temporary Suspension of Net Asset Value".

Redemption proceeds will be paid only after receipt of the original signed Application Form and upon receipt of all relevant documentation required by the Administrator including any documents in connection with anti-money laundering procedures and that the anti-money laundering procedures have been completed. If a Redemption Form is received by the Administrator after the time specified for receipt of same for a particular Dealing Day, it shall be treated as a request for redemption on the next Dealing Day. In exceptional circumstances, the Directors may, at their sole discretion, accept Redemption requests after the relevant cut-off point, provided in all cases it is before the relevant Valuation Point. Subject to the foregoing, and to the receipt of the original Application Form and all anti-money laundering documentation and the anti-money laundering procedures have been completed, redemption proceeds will be paid by electronic transfer to the Shareholder's account specified in the Application Form within the period of time from the deadline for receipt of redemption requests, as set out in the relevant Fund Supplement. In the event that a Shareholder requires payment of redemption proceeds to an account other than that specified in the Application Form, the Shareholder must provide an original request in writing, executed by an authorised signatory of the Shareholder to the Administrator on or prior to receipt of the Redemption Form. Redemption proceeds will only be paid to an account in the name of the relevant Shareholder. Redemption proceeds will not be paid in any other currency other than the currency of denomination of the relevant Share Class.

Redemption proceeds may be paid by in specie transfer at the discretion of the ICAV and with the consent of the Shareholder in question. In such circumstances asset allocation is subject to the approval of the Depositary. The ICAV may redeem the Shares of any Shareholder whose holding in the ICAV falls below the minimum subscription amount for the relevant Class as set out in the relevant Supplement.

Holders of Shares in the ICAV are required to notify the ICAV immediately when, at any time following their initial subscription for Shares in the ICAV, they become U.S. Persons or Irish Residents or cease to be Exempt Investors and in respect of which the Declaration made on their behalf is no longer valid. Shareholders are also required to notify the ICAV immediately in the event that they hold Shares for the account or benefit of U.S. Persons or Irish Residents or Irish Residents who cease to be Exempt Investors and in respect of which the Declaration made on their behalf is no longer valid or where they hold Shares in the ICAV in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for the ICAV or its Shareholders.

Where the Directors become aware that a Shareholder in the ICAV (a) is a U.S. Person or is holding Shares for the account of a U.S. Person, so that the number of U.S. Persons known to the Directors to be beneficial owners of Shares for the purposes of the 1940 Act exceeds 100 or such other number as the Directors may determine from time to time; or (b) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for the ICAV or its Shareholders, or where the holding of Shares by a Shareholder causes the assets of the ICAV to be "plan assets" for the purposes of ERISA, the Directors may: (i) direct such Shareholder to dispose of the relevant Shares to a person who is qualified or entitled to own or hold such Shares; or (ii) redeem the relevant Shares at the Net Asset Value of the Shares as at the Dealing Day immediately following the date of notification of such mandatory redemption to the relevant Shareholder.

Under the Instrument, any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer, or deliver for redemption, his Shares if so directed by the Directors pursuant to the above provisions or who fails to make the appropriate notification to the ICAV is obliged to indemnify and hold harmless each of the Directors, the ICAV, the Administrator, the Depositary, the Investment Manager and the Shareholders of the ICAV (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

The ICAV may also compulsorily redeem Shares in the following circumstances:

- (i) if a redemption request would result in the Net Asset Value of the Shares held by a Shareholder to fall below the minimum subscription amount for the relevant Class for the relevant Fund, the ICAV may treat the redemption order as an order to redeem the entire shareholding; and
- (ii) the ICAV may compulsorily redeem all Shares in issue or deemed to be in issue if at any time the Net Asset Value of the ICAV or any Fund falls below GBP10 million (or foreign currency equivalent thereof) on any Valuation Point.

### **Transfers of Shares**

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

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

## TAXATION

**The following is a summary of relevant Irish tax law. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares. Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, exchanging or otherwise disposing of Shares under the laws of their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile.**

The following summary is based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position at the time of an investment in the ICAV will not change.

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the ICAV and any investment returns from those Shares.

Finance Act 2016 introduced a new regime for the tax treatment of investments in Irish real estate funds ("IREFs"). An IREF is an investment undertaking, or sub-fund of an investment undertaking, in which 25% or more of the value of the assets at the end of the immediately preceding accounting period is derived directly or indirectly from Irish real estate and related assets, or where it would be reasonable to consider that the main purpose or one of the main purposes of the investment undertaking, or sub-fund, was to acquire such assets or carry on an Irish real estate business. The Irish tax summary below is based on the assumption that neither the ICAV nor any of its Funds is an IREF and that accordingly Chapter 1B of Part 27 of the TCA will not apply to the ICAV nor to any of its Funds.

### Ireland

#### *The ICAV*

The ICAV is an investment undertaking within the meaning of Section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains. The ICAV shall be regarded as resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland and the ICAV is not regarded as resident elsewhere. It is intended that the Directors of the ICAV will conduct the affairs of the ICAV in a manner that will ensure that it is resident in Ireland for tax purposes.

Tax may arise for the ICAV on the happening of a "chargeable event" in the ICAV ("appropriate tax"). A chargeable event includes:

1. any payments to a Shareholder by the ICAV in respect of their Shares;
2. any appropriation or cancellation of Shares for the purposes of meeting the amount of appropriate tax payable on any gain arising by virtue of a transfer of any Shares;
3. any repurchase, redemption, cancellation or transfer of Shares; and
4. any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a "deemed disposal").

A relevant period means a period of eight years beginning with the acquisition of the Shares and each subsequent period of eight years beginning immediately after the preceding relevant period.

There are also certain express exclusions from the meaning of chargeable event. A chargeable event does not include:

1. any exchange by a Shareholder, effected by way of a bargain made at arm's length by the ICAV, of the Shares in the ICAV for other Shares in the ICAV;
2. any transaction in relation to, or in respect of, Shares which are held in a clearing system recognised by the Irish Revenue Commissioners;
3. certain transfers of Shares between spouses/civil partners and former spouses/civil partners; and
4. any exchange of Shares arising on a scheme of reconstruction or amalgamation (within the meaning of Section 739H TCA) of the ICAV with another investment undertaking, subject to certain conditions;

On the happening of a chargeable event the ICAV will deduct the appropriate tax on any payment made to the Shareholder in respect of the chargeable event. On the occurrence of a chargeable event where no payment is made, the ICAV may appropriate or cancel the required number of Shares to meet the tax liability.

Where the chargeable event is a deemed disposal and the value of Shares held by Irish Residents who are not Exempt Investors (as defined below) is less than 10% of the value of the total Shares in the ICAV (or a Fund, as applicable), and the ICAV has made an election to report annually to the Irish Revenue Commissioners certain details for such Shareholder and has advised the Shareholder concerned in writing, the ICAV will not be obliged to deduct appropriate tax. The Shareholder must instead pay tax on the deemed disposal on a self-assessment basis. To the extent that any tax arises on a deemed disposal, such tax will be allowed as a credit against any tax payable on a subsequent chargeable event in respect of the relevant Shares. On the eventual disposal by the Shareholder of their Shares, a refund of any unutilised credit will be payable. In the case of Shares held in a recognised clearing system, the Shareholders may have to account for the tax arising at the end of a relevant period on a self-assessment basis.

No gain will be treated as arising to the ICAV on the happening of a chargeable event in relation to a Shareholder who is not Irish Resident at the time of the chargeable event or in relation to an Irish Resident Shareholder which is an Exempt Investor (as defined below) provided in each case that the requisite tax declaration in the form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA, where applicable, (the "Declaration") has been provided to the ICAV by the Shareholder.

Income and capital gains in respect of assets of the ICAV situated in countries other than Ireland may be subject to taxes including withholding taxes, imposed by such countries. The ICAV may not be able to avail of an exemption from, or reduced rate of, withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The ICAV may not therefore be able to reclaim withholding tax suffered by it in particular countries. If this position changes in the future and the application of an exemption or lower rate results in a repayment to the ICAV, the Net Asset Value of the ICAV or a Fund will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

## **Taxation of Shareholders**

### *1. Non-Irish Residents*

Non-Irish Resident Shareholders will not generally be chargeable to Irish income tax or capital gains tax in respect of their Shares.

No appropriate tax will be deducted by the ICAV provided that either:

- (a) the ICAV is in possession of a signed and completed Declaration from such Shareholder to the effect that the Shareholder is not an Irish Resident; or

- (b) the ICAV is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to provide a Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn.

If the ICAV is not in possession of a Declaration or a written notice of approval, or the ICAV is in possession of information which would reasonably suggest that the information contained in the Declaration is not or is no longer materially correct, the ICAV must deduct tax on the happening of a chargeable event in relation to such Shareholders. The tax deducted will generally not be refunded.

In the absence of such a Declaration or a written notice of approval, the ICAV must presume that the Shareholder is Irish Resident and the ICAV will deduct the appropriate tax (at the rates set out below) on the happening of a chargeable event in relation to such Shareholder.

Intermediaries acting on behalf of non-Irish Resident Shareholders can make a Declaration on behalf of the Shareholders for whom they are acting provided that the ICAV is not in possession of any information which would reasonably suggest that the information contained in the Declaration is not or is no longer materially correct. The Intermediary must state in the Declaration that to the best of its knowledge and belief the Shareholders on whose behalf it acts are not Irish Resident.

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

## *2. Taxable Irish Residents*

The following section describes the Irish tax treatment of Shareholders who are Irish Residents.

### *(b) Deductions by the ICAV*

An Irish Resident Shareholder who is not an Exempt Investor will have appropriate tax deducted at the rate of 41% in respect of any distributions made by the ICAV and on any gain arising on a sale, transfer, deemed disposal (subject on election by the ICAV to the 10% threshold outlined above), redemption, repurchase or cancellation of Shares. Any gain will be computed on the difference between the value of the Shareholder's investment in the ICAV at the date of the chargeable event and the original cost of the investment as calculated under special rules. The ICAV will be entitled to deduct such appropriate tax from payments or, where no payment is made on the occurrence of a chargeable event, appropriate and cancel such number of Shares as are required to meet the appropriate tax in respect of the relevant Shareholder and will pay the appropriate tax to the Irish Revenue Commissioners.

Where the Shareholder is an Irish resident company which is not an Exempt Investor and the ICAV is in possession of a Declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the ICAV from any distributions made by the ICAV to the Shareholder and from any gains arising on a sale, transfer, deemed disposal redemption, repurchase, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

Refunds of tax where a Declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

### *(c) Residual tax Liability*

An Irish Resident Shareholder who is not a company and who is not an Exempt Investor (and has therefore had appropriate tax deducted), will not be liable to any further Irish income or capital gains tax in respect of any sale, transfer, deemed disposal, redemption, repurchase, cancellation of Shares or the making of any other payment in respect of their Shares.

Where an Irish Resident Shareholder is not a company and appropriate tax has not been deducted, the payment shall be treated as if it were a payment from an offshore fund and the Shareholder will be liable to account for Irish income tax at the rate of 41% on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A TCA. No further Irish tax will be payable by the Shareholder in respect of that payment or gain.

Where an Irish Resident Shareholder is a company which is not an Exempt Investor (and has therefore had appropriate tax deducted), and the payment is not taxable as trading income under Schedule D Case I, the Shareholder will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 41% if no Declaration has been made) has been deducted. In practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available.

Where an Irish Resident Shareholder is a company which is not an Exempt Investor (and has therefore had appropriate tax deducted), and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

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

Where an Irish Resident Shareholder is a company and appropriate tax has not been deducted, the amount of the payment will be treated as income arising to the Shareholder which is chargeable to Irish tax. Where the payment is in respect of the cancellation, redemption, repurchase or transfer of Shares, such income shall be reduced by the amount of the consideration in money or money's worth given by the Shareholder on the acquisition of the Shares. Where the payment is not taxable as trading income for the company, it will be chargeable to tax under Schedule D Case IV. Where the payment is taxable as trading income for the company, it will be chargeable to tax under Schedule D Case I.

Should an excess payment of appropriate tax arise on the occurrence of a Chargeable Event as a result of tax paid on an earlier deemed disposal in respect of the Shareholder, the ICAV, on notification in writing to the Shareholder, is not obliged to process the refund arising on behalf of the Shareholder provided if immediately before the chargeable event the value of Shares held by Irish Residents who are not Exempt Investors does not exceed 15% of the value of the total Shares in the ICAV. Instead the Shareholder should seek such a repayment directly from the Irish Revenue Commissioners. Irish legislation also provides in the case of a deemed disposal for the making of an irrevocable election by the ICAV to value the Shares in respect of all Shareholders at the later of 30 June or 31 December immediately prior to the date of the deemed disposal, rather than on the date of the deemed disposal.

Other than in the instances described above the ICAV will have no liability to Irish taxation on income or chargeable gains.

(d) *Reporting*

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the ICAV is obliged to report certain details in relation to Shares held by Shareholders to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and, in the case of individual Shareholders, date of birth if on record of, and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are:

- (i) Exempt Investors;
- (ii) Non-Irish Resident Shareholders (provided a Declaration has been made); or
- (iii) Shareholders whose Shares are held in a recognised clearing system.

(c) *Exempt Investors*

(a) Deductions by the ICAV

appropriate tax will not be deducted on the happening of a chargeable event in respect of Shares held by Exempt Investors where the ICAV is in possession of a Declaration in relation to such Shares. It is the Exempt Investor's obligation to account for any tax to the Irish Revenue Commissioners and return such details as are required to the Irish Revenue Commissioners. It is also the Exempt Investor's obligation to notify the ICAV if it ceases to be an Exempt Investor.

Exempt Investors in respect of whom the ICAV is not in possession of a Declaration will be treated by the ICAV in all respects as if they are not Exempt Investors (see above).

(b) Residual tax Liability

Exempt Investors may be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares.

## **Other Taxes – All Shareholders**

### *Personal Portfolio Investment Undertaking*

An investment undertaking such as the ICAV will be considered to be a personal portfolio investment undertaking ("PPIU") in relation to a specific Irish Resident Shareholder where that Shareholder is an individual and the Shareholder or certain persons connected with the Shareholder can select or influence the selection of some or all of the property of the undertaking. The appropriate tax deducted on the happening of a Chargeable Event in relation to a PPIU will be at the rate of 60% (or 80% where details of the payment/disposal are not correctly included in the individual's tax returns). An investment undertaking is not a PPIU if the only property which may be or has been selected was acquired on arm's length terms as part of a general offering to the public.

### *Currency Gains*

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares, such Shareholder may be liable to Irish capital gains tax or corporation tax in respect of such gain in the year of assessment in which the Shares are disposed of.

### *Stamp Duty*



Generally no stamp, documentary, transfer or registration tax is payable in Ireland on the issue, sale, transfer, redemption, repurchase, cancellation of or subscription for Shares on the basis that the ICAV qualifies as an investment undertaking within the meaning of Section 739B TCA. If any redemption is satisfied by the transfer in specie to any Shareholder of any Irish assets, a charge to Irish stamp duty may arise.

### *Capital Acquisitions Tax*

Provided the ICAV continues to qualify as an investment undertaking as defined by Section 739B TCA any Shares which are comprised in a gift or an inheritance will be exempt from capital acquisitions tax ("CAT") and will not be taken into account in computing CAT on any gift or inheritance taken by the donee or successor if (i) the Shares are comprised in the gift or inheritance at the date of the gift or at the date of the inheritance, and at the relevant valuation date; (ii) at the date of the disposition, the Shareholder making the disposition is neither domiciled nor ordinarily resident in Ireland; and (iii) at the date of the gift, or at the date of the inheritance, the donee or successor is neither domiciled nor ordinarily resident in Ireland.

### **Residence and Ordinary Residence**

The following summary of the concepts of residence and ordinary residence under Irish tax law has been issued by the Irish Revenue Commissioners for the purposes of the Declaration set out in the Application Form. Shareholders and potential investors are advised to contact their professional advisers if they have any concerns in relation to the Declaration.

#### **Residence – Company**

Prior to Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in Ireland will be regarded as resident for tax purposes in Ireland, unless it is treated as resident in a territory with which Ireland has a double taxation agreement. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in Ireland. A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated.

The new incorporation rule for determining the tax residence of a company incorporated in Ireland will apply to companies incorporated on or after 1 January 2015. For companies incorporated in Ireland before this date, a transition period will apply until 31 December 2020. Under these transitional arrangements, a further exception from the incorporation rule applies where 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 taxation treaty (a "taxation treaty country") or the company or a related company are quoted companies on a recognised stock exchange in the EU or in a taxation treaty country.

A company coming within this additional exception from the incorporation rule which has its central management and control outside of Ireland will still be regarded as resident in Ireland if (i) it would by virtue of the law of a taxation treaty country be tax resident in that taxation treaty country if it were incorporated in that taxation treaty country but would not otherwise be tax resident in that taxation treaty country, (ii) it is managed and controlled in that taxation treaty country and (iii) it would not otherwise by virtue of the law of any territory be regarded as resident in that territory for tax purposes.

As noted above, the additional exception from the incorporation rule of tax residence in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property.

These rules are relatively complex and we would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any Declaration given to the ICAV.

### **Residence – Individual**

The normal rule is an individual will be regarded as being resident in Ireland for a tax year if that individual:

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

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

### **Ordinary Residence – Individual**

The Irish tax year operates on the calendar year basis. The term "ordinary residence" (as distinct from 'residence') 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 in Ireland. For example, an individual who is resident and ordinarily resident in Ireland in 2017 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the year in 2020.

### **Common Reporting Standard**

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of financial account information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the text of the Common Reporting Standard ("**CRS**" or the "**Standard**"). The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

Over 100 jurisdictions have committed to exchanging information under the Standard and a group of 50 countries, including Ireland, have committed to the early adoption of the CRS from 1 January 2016 (known as the "**Early Adopter Group**"), with the first data exchanges expected to take place in September 2017. All EU Member States (with the exception of Austria) are members of the Early Adopter Group.

Ireland became a signatory to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information on 29 October 2014. Enabling legislation for CRS was included in Ireland's Finance Act 2014 and the Returns of Certain Information By Reporting Financial Institutions Regulations 2015 came into effect on 31 December 2015 (the "**Irish CRS Regulations**"). The Irish CRS Regulations provide for the collection and reporting of certain financial account information by Irish FIs, being FIs that are resident in Ireland (excluding any non-Irish branch of such FIs), Irish branches of Irish resident FIs and branches of non-Irish resident FIs that are located in Ireland. Ireland has elected to adopt the 'wider approach' to the Standard. This means that Irish FIs will collect and report information to the Irish Revenue Commissioners on all non-Irish and non-U.S. resident account holders rather than just account holders who are resident in a jurisdiction with which Ireland has an exchange of information agreement. The Irish Revenue Commissioners will exchange this information with the tax authorities of other participating jurisdictions, as applicable.

It is expected that the ICAV will be classified as an Irish FI for CRS purposes and will be obliged to report certain information in respect of certain of its equity holders and debt holders to the Irish Revenue Commissioners in respect of CRS. The relevant information must be reported to the Irish Revenue Commissioners by 30 June in each year, with the first CRS return due on 30 June 2017 in respect of the 2016 calendar year.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and creates a mandatory obligation for all EU Member States (with a one year extension for Austria) to exchange certain financial account information on residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year. Finance Act 2015 confirmed the transposition of DAC II into Irish law. The Irish Revenue Commissioners issued regulations to implement the requirements of DAC II into Irish law on 31 December 2015 and have indicated that Irish FIs (such as the ICAV) will be obliged to make a single return in respect of CRS and DAC II using the Revenue Online Service (ROS). Failure by an Irish FI to comply with its CRS or DAC II obligations may result in an Irish FI being deemed to be non-compliant in respect of its CRS or DAC II obligations and monetary penalties may be imposed on a non-compliant Irish FI under Irish legislation.

For the purposes of complying with its obligations under CRS and DAC II, an Irish FI (such as the ICAV) shall be entitled to require Shareholders to provide any information regarding their (and, in certain circumstances, their controlling persons') tax status, identity, jurisdiction of residence, taxpayer identification number and, in the case of individual shareholders, their date and place of birth in order to satisfy any reporting requirements which the ICAV may have as a result of CRS and DAC II and Shareholders will be deemed by their holding, to have authorised the automatic disclosure of such information, together with certain financial account information in respect of the Shareholder's investment in the ICAV (including, but not limited to, account number, account balance or value and details of any payments made in respect of the Shares) by the ICAV (or any nominated service provider) or any other person on the ICAV's behalf to the Irish Revenue Commissioners and any other relevant tax authorities.

The ICAV (or any nominated service provider) agrees that information (including the identity of any Shareholder (and its controlling persons (if applicable)) supplied for the purposes of CRS or DAC II is intended for the ICAV's (or any nominated service provider's) use for the purposes of satisfying its CRS and DAC II obligations and the ICAV (or any nominated service provider) agrees, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the ICAV may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving CRS and DAC II compliance, (iii) to any person with the consent of the applicable Shareholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

Prospective investors should consult their advisors about the potential application of CRS.

### **U.S. Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions contained in Sections 1471 to 1474 of the United States Internal Revenue Code and the regulations promulgated thereunder ("**FATCA**") impose a reporting regime which may impose a 30% withholding tax on certain U.S. source payments, including interest (and original issue discounts), dividends, other fixed or determinable annual or periodical gains, profits and income, made on or after 1 July 2014 and the gross proceeds from a disposition of property of a type which can produce U.S. source interest or dividends made on or after 1 January 2019 (collectively, "**Withholdable Payments**"), if paid to certain non-U.S. financial institutions (any such non-U.S. financial institution, an "**FFI**") that fail to enter into, or fail to comply with once entered into, an agreement with the U.S. Internal Revenue Service to provide certain information about their U.S. accountholders, including certain account holders that are non-U.S. entities with U.S. owners. The ICAV expects that it will constitute an FFI.

The United States and the Government of Ireland have entered into an intergovernmental agreement to facilitate the implementation of FATCA (the "**IGA**"). An FFI (such as the ICAV) that complies with the terms of the IGA, as well as applicable local law requirements will not be subject to withholding under FATCA with respect to Withholdable Payments that it receives. Further, an FFI that complies

with the terms of the IGA (including applicable local law requirements) will not be required to withhold under FATCA on Withholdable Payments it makes to accountholders of such FFI (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). Pursuant to the IGA, an FFI is required to report certain information in respect of certain of its accountholders to its home tax authority, whereupon such information will be provided to the U.S. Internal Revenue Service. The ICAV will undertake to comply with the IGA and any local implementing legislation, but there is no assurance that it will be able to do so.

The ICAV (or any nominated service provider) shall be entitled to require Shareholders to provide any information regarding their (and, in certain circumstances, their controlling persons') tax status, identity or residency in order to satisfy any reporting requirements which the ICAV may have as a result of the IGA or any legislation promulgated in connection with the agreement and Shareholders will be deemed by their shareholding to have authorized the automatic disclosure of such information by the ICAV (or any nominated service provider) or any other person on the ICAV's behalf to the relevant tax authorities.

The ICAV (or any nominated service provider) agrees that information (including the identity of any Shareholder) (and its controlling persons (if applicable)) supplied for purposes of FATCA compliance is intended for the ICAV's (or any nominated service provider) use for purposes of satisfying FATCA requirements and the ICAV (or any nominated service provider) agrees, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the ICAV may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving FATCA compliance, (iii) to any person with the consent of the applicable Shareholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

Prospective investors should consult their advisors about the potential application of FATCA.

### **EU Savings Directive**

On 10 November 2015 the Council of the European Union adopted a Council Directive repealing the EU Savings Directive from January 1, 2017 in the case of Austria and from January 1, 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, or accounting for withholding taxes on, payments made before those dates and to certain other transitional provisions in the case of Austria). This is to prevent overlap between the EU Savings Directive and the new automatic exchange of information regime implemented under Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by Council Directive 2014/107/EU) (DAC II) (as outlined above). DAC II is generally broader in scope than the EU Savings Directive, although it does not impose withholding taxes.

### **United Kingdom**

#### **The ICAV**

The Directors intend that the ICAV should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. In these circumstances, and provided that the ICAV does not carry on a trade in the United Kingdom through a permanent establishment situated therein for corporation taxation purposes or through a branch or agency situated in the United Kingdom within the charge to income tax, the ICAV will not be subject to United Kingdom corporation tax or income tax on income and capital gains arising to it, save as noted below in relation to possible withholding tax on certain United Kingdom source income.

The Directors and the Investment Manager intend that the respective affairs of the ICAV and the Investment Manager are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their respective controls. However, it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Interest and other income received by the ICAV which has a United Kingdom source may be subject to withholding taxes in the United Kingdom.

## **Shareholders**

Subject to their personal circumstances, individual Shareholders resident in the United Kingdom for United Kingdom tax purposes are generally liable to United Kingdom income tax in respect of dividends or other distributions of an income nature made by the ICAV (including deemed distributions or distributions that are automatically reinvested). Individual Shareholders who are neither domiciled nor deemed domiciled in the United Kingdom (and who, where applicable, elect for the remittance basis of taxation for the tax year in which such dividends or other distributions are received) will, subject to their personal circumstances, be subject to United Kingdom income tax on such dividends or distributions only to the extent that such dividends or distributions are remitted to the United Kingdom.

UK legislation provides for a wide exemption from United Kingdom corporation tax on dividends and other income distributions received by companies within the charge to United Kingdom corporation tax (including distributions received from non-United Kingdom companies) subject to certain exclusions and specific anti-avoidance rules.

Except in the case of a company owning directly or indirectly not less than 10 per cent. of the voting share capital of the ICAV, no credit will be available against a Shareholder's United Kingdom tax liability in respect of income distributions of the ICAV for any taxes suffered or paid by the ICAV on its own income.

Each of the classes of Participating Shares will be deemed to constitute an "offshore fund" as defined in section 355 of the United Kingdom Taxation (International and Other Provisions) Act 2010) for the purposes of the United Kingdom Offshore Funds (Tax) Regulations 2009 (as amended)(the "Regulations").

Where a Shareholder holds such an interest, any gain arising to that person on the sale, redemption or other disposal of that interest (including a deemed disposal on death) is categorised as "offshore income gain" and is taxed at the time of such sale, redemption or other disposal as income and not as capital gain, unless the particular class of interests in the fund held by that Shareholder (each such class being deemed to be a separate "offshore fund" for these purposes) has been for United Kingdom tax purposes a "reporting fund" throughout the period during which that Shareholder has held that interest.

Shareholders are advised to consider the terms of the Supplement for their Participating Shares whether reporting fund status is sought for such shares.

It is intended that none of the classes of Non Reporting Shares will seek to be certified as a "reporting fund" and accordingly Shareholders who are resident in the United Kingdom for tax purposes may be liable to United Kingdom income taxation (or corporation tax on income in the case of a corporate Shareholder) in respect of any gain realised on a sale, redemption or other disposal of the relevant classes of Non Reporting Shares.

It is intended that the ICAV will conduct its affairs so as to enable each of the classes of Reporting Shares to be certified as a "reporting fund" throughout its life although such certification cannot be guaranteed.

Provided the Reporting Share class in question obtains such relevant reporting fund certification, Shareholders who are resident in the United Kingdom for tax purposes and , subject to satisfying certain conditions (such as the relevant class of Reporting Shares having been certified as "reporting" throughout the period of investment by a relevant Shareholder), any gains arising to Shareholders resident in the United Kingdom on a sale, redemption or other disposal of their class of Reporting Shares would be taxed as capital gain (or corporation tax on capital gains in the case of corporate Shareholders).The precise consequences of such treatment will depend upon the particular tax position of each Shareholder.

Further, under the Regulations, a reporting fund is required to provide each Shareholder in the Reporting Shares, for each account period of the relevant shares, a report of the income of the Reporting Shares for that account period which is attributable to the Shareholder's interest (whether or not such income has been distributed to the Shareholder), and such reported income is treated as an additional distribution made by the Reporting Shares to the investor. A United Kingdom resident Shareholder in the Reporting Shares will therefore (subject to their particular United Kingdom tax position) be potentially subject to United Kingdom tax on that reported income as if such reported income were a distribution upon their Reporting Shares. These rules are complex and investors are advised to consult their own tax advisers. In addition, there can be no guarantee that under the "reporting regime", the relevant conditions to achieve or maintain "reporting" status will be satisfied.

Individual Shareholders who are neither domiciled nor deemed domiciled in the United Kingdom (and who, where relevant, elect to be taxed on the remittance basis of taxation for the tax year in which such gains are realised) will in principle only be subject to United Kingdom tax on gains realised upon the disposal of their class of Participating Shares – whether such gains are in principle taxable as capital gains or as "offshore income gains" - to the extent that they remit the proceeds of disposal of such shares to the United Kingdom.

Shareholders resident in the United Kingdom that subsequent to subscription wish to switch from one or more classes of Participating Shares to those of another class (whether Reporting Shares or Non Reporting Shares) should note that such switching may give rise to a taxable disposal.

Chapter 3 of Part 6 of the Corporation Tax Act 2009 ("CTA 2009") provides that, if at any time in an accounting period a corporate investor within the charge to United Kingdom corporation tax holds an interest in an offshore fund within the meaning of the relevant provisions, and there is a time in that period when that fund fails to satisfy the "non-qualifying investment test", the interest held by such corporate investor will be treated for the accounting period as if it were rights under a creditor relationship for the purposes of the rules relating to the taxation of most corporate debt contained in CTA 2009 (the "Corporate Debt Regime"). The Reporting Shares will (as explained above) constitute interests in an offshore fund. In circumstances where the test is not so satisfied (for example where the ICAV invests in debt instruments, securities or cash and the market value of such investments exceeds 60 per cent. of the market value of all its investments) the Reporting Shares will be treated for corporation tax purposes as within the Corporate Debt Regime. As a consequence where the test is not met all returns on the Reporting Shares in respect of each corporate investor's accounting period during which the test is not met (including gains, profits and deficits and exchange gains and losses) will be taxed or relieved as an income receipt or expense on a fair value accounting basis. Accordingly, a corporate Shareholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Reporting Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Reporting Shares).

Individuals resident in the United Kingdom for taxation purposes are referred to Chapter 2 of Part 13 of the UK Income Tax Act 2007, which contain provisions which aim to prevent the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad.

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 ("Section 13"). Section 13 applies to a "participator" for United Kingdom taxation purposes (which term includes a Shareholder) if at any time when a gain accrues to the ICAV which constitutes a chargeable gain for those purposes, at the same time, the ICAV is itself controlled by a sufficiently small number of persons so as to render the ICAV a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. The provisions of Section 13 could, if applied, result in any such person who is a "participator" in the ICAV being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the ICAV had accrued to that person directly, that part being equal to the proportion of the gain that corresponds that on a just and reasonable basis to that person's proportionate interest in the ICAV as a "participator". No liability under Section 13 could be incurred by such a person however, where such proportion does not exceed one-quarter of the gain. In the case of United Kingdom resident individuals domiciled outside the United Kingdom, Section 13 applies subject to satisfying

certain conditions (and who, where relevant, elect to be taxed on the remittance basis of taxation for the tax year in which such gains are realised) only to gains relating to non-United Kingdom situate assets of the ICAV, or gains relating to non-United Kingdom situate assets if such gains are remitted to the United Kingdom.

Shareholders resident in the UK for taxation purposes should note the “controlled foreign companies” legislation contained in Part 9A of TIOPA 2010 (the “CFC rules”). The CFC rules could in particular be material to any company that has (either alone or together with persons connected or associated with it for United Kingdom taxation purposes) an interest in 25 per cent or more of the “chargeable profits” of the ICAV if the ICAV is controlled (as “control” is defined in section 371RA of TIOPA 2010) by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the ICAV, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The effect of the CFC rules could be to render such companies liable to United Kingdom corporation tax by reference to their proportionate interest in the chargeable profits of the ICAV. The chargeable profits of the Company do not include any capital gains.

## **ISRAELI TAXATION**

The following is a summary of the material Israeli tax laws applicable to the Israeli Shareholders of the ICAV.

This summary does not discuss all the aspects of Israeli tax law that may be relevant to a particular Shareholder in light of individual or entity investment circumstances, or to certain types of Shareholders subject to special treatment under Israeli tax law.

### **The ICAV**

In accordance with Section 1 of the Israeli Income Tax Ordinance [New Version] 5721-1961 (the “ITO”), an “Israel resident” in respect of a body of persons is one of the following:

1. incorporated in Israel;
2. has its business and management activated from Israel.

In these circumstances, and provided the ICAV did not incorporate in Israel and that the directors do not intend for the ICAV to be managed and controlled in Israel, the ICAV may not be considered an Israeli tax resident.

According to Section 2 of the ITO, a foreign tax resident is subject to tax in Israel only for income that was produced or accrued in Israel.

In these circumstances, and provided the ICAV does not produce income in Israel and does not carry on business in Israel through a permanent establishment situated therein, the ICAV may not be subject to tax in Israel. However, it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment from coming into being will at all times be satisfied.

## **Shareholders**

### Individuals

### Dividend

Depending on their personal circumstances, Israeli resident Shareholders are generally subject to Israeli income tax in respect of dividends or other distributions made by the ICAV at a rate of 25%, as long as this Shareholder is not a Substantial Shareholder (as defined below) in the ICAV.

For a Shareholder who is a Substantial Shareholder at the time of distribution, or at any time during the preceding 12-month period, such dividend will be subject to tax at rate of 30%.

A "Substantial Shareholder" is generally a person who alone, or together with his relative or another person who collaborates with him on a regular basis, holds, directly or indirectly, at least 10% of any of the "Means of Control" in a corporation.

"Means of Control" generally includes the right to vote, receive profits, nominate a director or an officer, receive assets upon liquidation, or instruct someone who holds any of the aforesaid rights regarding the manner in which he or she is to exercise such right(s), and all regardless of the source of such right.

### Capital Gain Tax

An Israeli resident is subject to tax at a rate of 25% on the real capital gain derived from the sale of his shares in the ICAV<sup>1</sup>, as long as this individual is not a Substantial Shareholder in the ICAV.

For a Shareholder who is a Substantial Shareholder at the time of the sale, or at any time during the preceding 12-month period, such capital gain is subject to tax at a rate of 30%.

### Interest

An Israeli resident is subject to tax on income from interest at a rate of 25%.

However, if the interest is paid on an asset that is not index linked, is partly linked to the increase of all or part of the index, or is not index linked up to the redemption or repayment, then the individual's income from interest is subject to tax at a rate of 15%.

Notwithstanding the above, an individual is subject to a marginal tax rate (up to 47% in 2018) on income from interest, if one of the following exists:

1. the interest is his business income or is entered in his account books or should be entered as aforesaid;
2. the individual claimed interest and linkage differential expenses in respect of the asset on which the interest is paid;
3. the individual is a Substantive Shareholder in the ICAV;
4. the individual is employed by the ICAV that paid the interest, or he provides services to it or sells products to it, or he has some other special relationship with it, unless it was proved to the Assessing Officer's satisfaction that the interest rate was set in good faith and without being affected by said special relationship between the individual and the ICAV.

### Surtax

Individuals who are subject to tax in Israel are also subject to additional tax at a rate of 3% on their annual income (including, but not limited to, dividends, interest, and capital gain) exceeding NIS 641,880 (in 2018).

### Companies

Under Israeli tax legislation, Israeli companies are generally subject to corporate tax on their taxable income from all sources (dividend, capital gain, interest, etc.). The regular corporate tax rate in Israel is 23% (for the year 2018).

### Controlled Foreign Companies

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<sup>1</sup> Purchased on or after January 1, 2003.



Israeli resident Shareholders should note the "Controlled Foreign Companies" legislation contained in section 75B of the ITO (the "**CFC rules**"). The CFC rules may be material to any non-Israeli body of persons (a group of individuals incorporated or unincorporated, but not an individual) that meets all of the following:

1. its shares or the rights in it are not listed for trading on a stock exchange; however, if they are listed in part, then less than 30% of the shares or the rights of that body of persons were offered to the public;
2. most of its income in the tax year is passive income or most of its profits derive from passive income, and in respect of a body of persons in a chain of companies, which is directly held by a business company ("**Held Body**"), as well as in respect of any body of persons that is directly or indirectly held by the Held Body, if most of the business company's total income or profits were generated from passive income;
3. the tax rate that applies to its passive income in the foreign countries does not exceed 15%;
4. more than 50% of one or more of its Means of Control are directly or indirectly held by Israeli residents, or more than 40% of one or more of its Means of Control are held by Israeli residents, who—together with a relative of one or more of them—hold more than 50% of one or more of its Means of Control, or if an Israeli resident has the right to prevent the adoption of substantive management decisions in it, including decisions on dividend distributions or on liquidation, all at the following periods: (a) at the end of the tax year; (b) on any day during the tax year and on any day in the following tax year.

The CFC rules may be effected if a controlled foreign company has unpaid profits, in which case its controlling member shall be treated as if he had received his proportional share of those profits as a dividend.

#### Withholding Tax

Interest, dividend, capital gain, and other sources of income paid by the ICAV to the Israeli Shareholders that has an Irish source may be subject to withholding tax in Ireland in accordance with Irish tax law. However, the withholding tax rate may be reduced under the convention between the state of Israel and Ireland for the avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on income.

Moreover, Irish taxes paid in respect of income derived in Ireland shall be allowed as a credit against Israeli tax payable in respect of that income.

#### Reporting Obligations

In general, an individual who is an Israeli tax resident, or an Israeli company that produced income in Israel in that tax year, shall file an annual tax return with the Israel Tax Authority in respect of such income.

However, there are some conditions in which there is an exemption for filing the tax return in accordance with the Income Tax Regulations.

#### **Other Jurisdictions**

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore, the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares relating to a Fund and any investment returns from those Shares.

**THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SHAREHOLDERS.**

## **GENERAL**

### **THE SHARE CAPITAL**

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

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

### **VARIATION OF SHAREHOLDER RIGHTS**

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

### **VOTING RIGHTS**

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

### **INSTRUMENT**

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

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

### **CONFLICTS OF INTEREST**

The Investment Manager, any sub-investment manager each of the Directors, the Administrator, the Depositary and/or their respective affiliates or any person connected with them may from time to time act as manager, investment manager, any sub-investment manager, depositary, sub-custodian, registrar, broker, execution broker, director, administrator, investment adviser, dealer, service provider, distributor or sales agent in relation to, or be otherwise involved in, other investment funds and other vehicles (which may invest, either directly or indirectly, in any Fund) which may have similar or different objectives to those of any Fund. It is, therefore, possible that any of the foregoing may, in the course of business, have potential conflicts of interest with any Fund. Each will, at all times, have regard in such event to its obligations to the Funds, as the case may be, and will endeavour to ensure that such conflicts are resolved fairly. Each will at all times have regard in such event to its obligations under the Instrument and/or any agreements to which it is party or by which it is bound in relation to the ICAV and, in particular, but without limitation to their 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. Where deemed appropriate by the Directors, a valuation committee of the Investment Manager may be established to value unlisted securities. In the regard, the Directors may accept the valuation of the valuation committee and investors should be aware that in these circumstances, a possible conflict of interest may arise, as the higher estimated value of the unlisted securities the higher the fees payable to the Investment Manager.

There is no prohibition on dealing in assets of the Funds by the relevant Investment Manager, each of the Directors, the Administrator, the Depositary and/or their respective affiliates or any person connected with them provided that such transactions are conducted as if negotiated at arm's length and in the best interests of the Shareholders and:

- (a) the value of the transaction is certified by a person approved by the Depositary (or in the case of a transaction involving the Depositary, the Directors) as independent and competent; or
- (b) the execution of the transaction is on best terms on organised investment exchange under the rules of the relevant exchange; or
- (c) where (a) and (b) are not practical, the execution of the transaction is on terms which the Depositary (or in the case of transactions involving the Depositary, the Directors) is satisfied conform to the principles set out above,

The Depositary (or in the case of transactions involving the Depositary, the ICAV) must document how it has complied with the provisions of paragraph (a), (b) or (c) above. Where such transactions are conducted in accordance with (c) above, the Depositary or the ICAV in the case of transactions involving the Depositary, must document their rationale for being satisfied that the transaction conformed to the principles outlined above.

Subject to applicable law and the Central Bank's requirements, employees or officers of, or their affiliates may directly or indirectly acquire Shares. Any acquisition or divestment of Shares by such individuals shall be on the terms applicable to all Shareholders and in satisfaction of professional requirements.

In selecting brokers to make purchases and sales for a Fund the Investment Manager or sub-investment manager will choose those brokers who provide best execution to that Fund. Best execution will be the best price available in the market, exclusive of any charges but taking account of any other exceptional circumstances such as counterparty risk, order size or client instructions. In determining what constitutes best execution, the Investment Manager or any sub-investment manager may take into consideration the overall economic result to the Fund (price and commission plus other costs), the efficiency of the transaction, the brokers' ability to effect the transaction if a large block is involved, availability of the broker for difficult transactions in the future, other services provided by the broker such as research and the provision of statistical and other information, and the financial strength and stability of the broker. In managing the assets of the Fund, the Investment Manager or sub-investment manager may receive certain research and statistical and other information and assistance from brokers.

In addition, the Administrator may have relationships with providers of technology, data or other services to the ICAV, its Funds, the Investment Manager or any sub-investment manager and the Administrator may receive economic and/or other benefits in connection with the ICAV's, the Investment Manager's or any sub-investment manager's activities in respect of one or more Funds, including but not limited to its or their use of technological, communication or other services. Where the technological, communication or other services relate to execution, the providers of the technology, data or other services have agreed to provide best execution to the ICAV, its Funds, or the Investment Manager or any sub-investment manager. The benefits provided under any such soft commission arrangement must assist in the provision of investment services to a Fund. Any soft commission arrangements will be disclosed in the periodic reports of the ICAV.

The Investment Manager or any sub-investment manager or any other member or any person connected with them may invest in, directly or indirectly, or manage or advise other investment funds, vehicles or accounts which invest in assets which may also be purchased or sold by the ICAV. None of the Investment Manager or any sub-investment manager, or any other member or any person connected with them is under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of (or share with the ICAV or inform the ICAV of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities at its discretion on an equitable basis between the ICAV and other clients.

Members of the Investment Manager or any sub-investment manager will allocate resources as they in their sole discretion consider appropriate in managing the Funds and any other funds in accordance with their respective investment objectives and approaches.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with a Fund or in which a Fund is interested, provided that he has disclosed to the Directors prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his therein in addition to complying with the requirements of the Central Bank. Unless the Directors determine otherwise, a Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. At the date of this Prospectus other than as disclosed below, no Director nor any connected person has any interest, beneficial or non-beneficial, in the share capital of the ICAV or any material interest in the ICAV or in any agreement or arrangement with the ICAV. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

The Directors will seek to ensure that any conflict of interest of which they are aware is resolved fairly.

By acquiring or continuing to hold Shares, each investor will be deemed to have acknowledged the existence of the actual or potential conflicts of interests described above and to have waived, to the fullest extent permitted by applicable law, any claim with respect to the existence of any such conflicts.

Details of additional conflicts of interest with the ICAV may be set out in the relevant Supplement.

## **MEETINGS**

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

## **REPORTS AND ACCOUNTS**

The ICAV shall cause to be prepared an annual report and audited annual accounts in relation to the ICAV or each Fund for the period ending 31 December in each year or such other accounting period end date with respect to a Fund as may be specified in the Supplement relating to such Fund. These

will be made available to Shareholders within four months of the end of the relevant accounting period end. In addition, the ICAV shall cause to have prepared and made available to Shareholders a half-yearly report, which shall include unaudited half-yearly accounts for the ICAV or each Fund. The half-yearly report will be made up to 30 June in each year or such other semi-annual accounting period end date with respect to a Fund as may be specified in the Supplement relating to such Fund. Un-audited half-yearly reports will be made available to Shareholders within two months of the end of the relevant accounting period.

The first audited annual report in respect of the ICAV (or the initial Fund of the ICAV as applicable) will be prepared for the period ending 31 December 2018 and the first set of half yearly financial statements of the ICAV (or the initial Fund of the ICAV as applicable) will be prepared for the period ending 30 June 2019.

## **WINDING UP**

The Instrument contains provisions to the following effect:

1. If the ICAV or a Fund shall be wound up the liquidator shall, subject to the provisions of Part 11 of the Companies Act 2014, as applies, with modifications, to the ICAV by virtue of section 154 of the Irish Collective Asset-Management Vehicle Act 2015 (the "**ICAV Act Winding Up Provisions**") apply the assets of the ICAV or Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
2. The assets available for distribution among the Shareholders of the ICAV or Fund shall then be applied in the following priority:
  - (a) firstly, in the payment to the holders of the Shares of each Fund or Class of a sum in the currency in which that Fund or Class is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such Fund or Class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available to enable such payment to be made;
  - (b) secondly, in the payment to the holders of the Subscriber Shares or capitalisation shares, sums up to the nominal amount paid thereon out of the assets of the ICAV not comprised within any Funds remaining after any recourse thereto under sub paragraph (a) above; and
  - (c) thirdly, in the payment to the holders of each Fund or Class of any balance then remaining, such payment being made in proportion to the number of Shares of that Fund or Class held.
3. If the ICAV shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a Special Resolution and any other sanction required by the ICAV Act Winding Up Provisions, divide among the Shareholders in specie the whole or any part of the assets of the ICAV, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the member or different classes of Shareholders. If a Shareholder so requests, the liquidator shall procure the sale of assets to be distributed and shall distribute the proceeds to the Shareholders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that no member shall be compelled to accept any assets in respect of which there is a liability.

## **TERMINATION OF A FUND OR CLASS**

The Instrument contains provisions to the following effect:

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

## 6. MATERIAL CONTRACTS

The following contracts, which are summarised in the Sections "The Investment Manager", "The Administrator" and "The Depositary" and under "Fees and Expenses" above, have been entered into and are, or may be, material:

1. the investment management agreement dated 3 April 2018 between the ICAV and the Investment Manager pursuant to which the Investment Manager was appointed by the ICAV to perform investment management services for the ICAV;

2. the administration agreement dated 3 April 2018 between the ICAV and the Administrator pursuant to which the Administrator was appointed by the ICAV to perform administrative services and act as registrar for the ICAV; and
3. the depositary agreement dated 3 April 2018 between the ICAV and the Depositary pursuant to which the Depositary was appointed by the ICAV to perform the depositary services in respect of the ICAV.

## **ELECTRONIC COMMUNICATION**

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

7. notices of general meetings;
8. the appointment of a proxy;
9. balance sheet, profit and loss account and group accounts and the Directors' and Auditors' reports;
10. confirmations of subscriptions and redemptions; and
11. the Net Asset Value.

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

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

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

## **DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected and obtained at the registered office of the ICAV at 5 George's Dock, IFSC, Dublin 1, Ireland during normal business hours on any Business Day:

1. the material contracts referred to above or set out in the relevant Supplement;
2. the Instrument of the ICAV;
3. the Regulations; and
4. the half-yearly reports, annual reports and audited accounts (if issued).



## APPENDIX I GUIDELINES ON EFFICIENT PORTFOLIO MANAGEMENT

### **Use of FDI and Portfolio Management Techniques**

The ICAV will employ an investment risk management process, which enables it to accurately monitor, measure and manage the risks attached to financial derivative instrument ("FDI") positions. Each Fund may only employ the FDI techniques provided in the relevant Fund Supplement where full details are shown and described. The ICAV employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDI. Efficient portfolio management means investment decisions involving transactions that fulfil the following criteria:

1. they are economically appropriate in that they are realised in a cost-effective way;
2. they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the UCITS with a level of risk which is consistent with the risk profile of the UCITS and the risk diversification rules set out in the Central Bank UCITS Regulations;
3. their risks are adequately captured by the risk management process of the UCITS, and
4. they cannot result in a change to the UCITS declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

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

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

The performance of swaps and contracts for difference which may be used for hedging and/or investment purposes and/or efficient portfolio management and/or to manage foreign exchange risks may be strongly influenced by movements in currency rates because a Fund may have exposure to a particular currency that is different to the currency in which the securities held by that Fund are denominated.

A description of some of the techniques and instruments that may be used for efficient portfolio management and/or investment purposes is set out below. This list is not exhaustive. Those FDI techniques which are being utilised by the Fund are set out in the relevant Fund Supplement and the RMP document being submitted to, and approved by the Central Bank in advance.

## **Forwards**

A forward contract locks in the price at which an asset may be purchased or sold on a future date. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another a specified amount of one currency at a specified price (exchange rate) with another currency on a specified future date. Forward contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another. Forward foreign exchange contracts are specifically useful and may be used for the hedging in connection with hedged currency classes of shares. Forward contracts are similar to futures contract but are generally entered into as an over-the-counter contract rather than on exchange.

## **Contracts for Difference**

A contract for difference ("CFD") is a contract between two parties, typically described as a "buyer" and a "seller", stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at an agreed time in the future as agreed to in the contract (If the difference is negative, then the buyer pays instead to the seller).

CFDs allow a Fund to take advantage of prices moving up or prices moving down on underlying financial instruments and are often used to speculate on those markets.

## **Permitted FDI**

Where specified in a Fund supplement:

1. Each Fund may invest in FDI provided that the relevant reference items or indices, consist of one or more of the following (noting that FDI on commodities are excluded):
  - (a) instruments referred to in paragraphs 1.1 to 1.5 of the Investment Restrictions section of this Prospectus, deposits, financial indices, interest rates, foreign exchange rates or currencies;
  - (b) the FDI do not expose a Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which a Fund cannot have a direct exposure);
  - (c) the FDI do not cause a Fund to diverge from its investment objectives; and
  - (d) the reference to financial indices above shall be understood as a reference to indices which fulfil the criteria set out in the Central Bank UCITS Regulations and the Central Bank's guidance on "UCITS Financial Indices" and "UCITS Financial Derivative Instruments and Efficient Portfolio Management".
2. Credit derivatives as permitted in the circumstances outlined in the Central Bank's guidance on "UCITS Financial Derivative Instruments and Efficient Portfolio Management".
3. FDI must be dealt in on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State, and included at Appendix II hereto.
4. Notwithstanding paragraph 3, each Fund may invest in FDI dealt in over-the-counter, "OTC derivatives" provided that:
  - (a) the counterparty is a Relevant Institution listed in paragraph 2.7 of the Investment Restrictions section of this Prospectus or an investment firm, authorised in accordance with the Markets in Financial Instruments Directive, in an EEA Member State or is an entity subject to regulation as a Consolidated Supervised Entity ("CSE") by the US Securities and Exchange Commission;

- (b) in the case of a counterparty which is not a credit institution, the counterparty has a minimum credit rating of A-2 or equivalent, or is deemed by a Fund to have an implied rating of A-2 or equivalent. Alternatively, an unrated counterparty will be acceptable where a Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2 or equivalent;
  - (c) in the case of subsequent novation of the OTC derivative contract, the counterparty is one of:
    - (i) the entities set out in paragraph (a) or;
    - (ii) a central counterparty (CCP) authorised, or recognised by ESMA, under Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the CFTC or a clearing agency by the SEC (both CCP);
  - (d) risk exposure to the counterparty does not exceed the limits set out in paragraph 2.7 of the Investment Restrictions section of this Prospectus;
  - (e) a Fund is satisfied that the counterparty will value the transaction with reasonable accuracy and on a reliable basis and will close out the transaction at any time at the request of a Fund at fair value; and
  - (f) a Fund must subject its OTC derivatives to reliable and verifiable valuation on a daily basis and ensure that it has appropriate systems, controls and processes in place to achieve this. Reliable and verifiable valuation shall be understood as a reference to a valuation, by a Fund, corresponding to fair value which does not rely only on market quotations by the counterparty and which fulfils the following criteria:
    - (i) the basis for the valuation is either a reliable up-to-date market value of the instrument, or, if such value is not available, a pricing model using an adequate recognised methodology;
    - (ii) verification of the valuation is carried out by one of the following:
      - (A) an appropriate third party which is independent from the counterparty of the OTC derivative, at an adequate frequency and in such a way that a Fund is able to check it;
      - (B) a unit within a Fund which is independent from the department in charge of managing the assets and which is adequately equipped for the purpose.
5. Risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide a Fund with collateral in accordance with the requirements of the Central Bank as set out in the Central Bank UCITS Regulations. The Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits set out in the Regulations are not breached. Collateral received must at all times meet the requirements set out in the Central Bank UCITS Regulations. Collateral passed to an OTC derivative counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in UCITS Regulation 70(1)(c). Collateral passed may be taken into account on a net basis only if the UCTS is able to legally enforce netting arrangements with this counterparty.
6. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments or CIS, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. This provision does not apply in the case of index based FDI

provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the UCITS Regulations.

7. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in UCITS Regulations and which contain a component which fulfils the following criteria:
  - (g) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as a host contract can be modified according to a specific interest rate, financial instrument price, foreign exchange rate, index of prices or rate, credit rating or credit index, or other variable, and therefore vary in a way similar to a standalone derivative;
  - (h) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - (i) it has significant impact on the risk profile and pricing of the transferable security or money market instrument.
8. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed a separate financial instrument.
9. The ICAV may employ the Value at Risk ("**Var**") or commitment approach to measure its global exposure. Where a Fund uses the commitment approach the global exposure of the Fund will not exceed its total Net Asset Value at any time. The method used to calculate global exposure for each Fund is set out in the relevant Fund Supplement.

### **Cover requirements**

A Fund must, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving FDI. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:

1. in the case of FDI which automatically, or at the discretion of a Fund, are cash settled a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.
2. in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by the relevant Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:
  - (i) the underlying assets consists of highly liquid fixed income securities; and/or
  - (ii) a Fund considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the Risk Management Process, which is described in paragraph 11 below, and details are provided in the Prospectus.

### **Risk Management**

1. Each Fund must employ a RMP to monitor, measure and manage the risks attached to FDI positions.
2. Each Fund must provide the Central Bank with details of its proposed RMP with details of its FDI activity. The initial filing is required to include information in relation to:
  - (j) permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;

- (k) details of the underlying risks;
  - (l) relevant quantitative limits and how these will be monitored and enforced; and
  - (m) methods for estimating risks.
3. Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.
  4. Each Fund must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information under the different categories identified in paragraph 11(ii) above, must be submitted with the annual report of the ICAV. A Fund must, at the request of the Central Bank, provide this report at any time.
  5. The ICAV will, on request, provide supplementary information to shareholders relating to the risk management methods employed including the qualitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

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

1. Where set out in the relevant Fund Supplement only, the Fund may enter into repurchase/reverse repurchase agreements, ("repo contracts") and securities lending subject to and in accordance with the conditions and limits set out in the Central Bank UCITS Regulations for the purposes of Efficient Portfolio Management. Repo contracts are transactions in which a Fund sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price. The repurchase price is usually greater than the original sale price, the difference effectively representing interest, sometimes called the repo rate. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.
2. A Fund can at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
3. A Fund that enters into a reverse repurchase agreement will be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement will be used for the calculation of the Net Asset Value.
4. A Fund that enters into a repurchase agreement will ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.
5. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of UCITS Regulation 103 and UCITS Regulation 111 respectively.
6. All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund.
7. The counterparty to a repurchase/reverse repurchase agreement or securities lending agreement must have a minimum credit rating of A-2 or equivalent, or must be deemed by the Fund to have an implied rating of A-2 or equivalent. Alternatively, an unrated counterparty will be acceptable where the relevant Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has or maintains a rating of A-2 or equivalent.

**(B) Collateral**

1. All assets received in the context of efficient portfolio management techniques should be considered as collateral and should comply with the following criteria:
  - (a) Liquidity: Collateral received other than cash should be highly liquid and traded on a Recognised Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of UCITS Regulation 74.
  - (b) Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Daily market-to-market valuation methodologies and daily variation margins may be employed.
  - (c) Issuer credit quality: Collateral received should be high quality. Where the issuer is subject to a credit rating by an agency registered and supervised by the European Securities and Markets Authority, that rating shall be taken into account by the ICAV in the credit assessment process. Where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in preceding sentence, this shall result in a new credit assessment being conducted of the issuer by the ICAV without delay.
  - (d) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
  - (e) Diversification (asset concentration): (i) subject to sub-paragraph (ii), collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and (ii) A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Fund should receive securities from at least 6 different issues, but securities from any single issue should not account for more than 30 per cent of the Fund's net value. Where a Fund intends to be fully collateralised in securities issued or guaranteed by a Member State, this will be disclosed in the relevant Supplement of the Fund. The Supplement of a Fund should also identify the Member States, local authorities, or public international bodies or guaranteeing securities which the Fund is able to accept as collateral for more than 20 per cent of its net asset value.
  - (f) Immediately available: Collateral received should be capable of being fully enforced at any time without reference to or approval from the counterparty.
2. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
3. Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary provided that such third party depositary is subject to prudential supervision, and is unrelated and unconnected to the provider of the collateral.
4. Non-cash collateral cannot be sold, pledged or re-invested.
5. Cash collateral may not be invested other than in the following:
  - (a) deposits with relevant institutions;

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

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

6. A Fund receiving collateral for at least 30% of assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:
  - (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
  - (b) empirical approach to impact assessment, including back testing of liquidity risk estimates;
  - (c) reporting frequency and limit/loss tolerance threshold/s; and
  - (d) mitigation actions to reduce loss including haircut policy and gap risk protection.
7. A clear haircut policy will be adapted for each class of assets received as collateral. When devising the haircut policy, the Fund will take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with paragraph 7. This policy will be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

## APPENDIX II MARKETS

The markets and exchanges set out below are listed in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. With the exception of permitted investments in unlisted securities, the ICAV will only invest in securities traded on a stock exchange or market which the Directors consider as meeting with the regulatory criteria (regulated, operate regularly, be recognised and open to the public) and which are listed in the Prospectus. The Central Bank does not issue a list of approved stock exchanges or markets. The stock exchange and/or markets will be drawn from the following list:

- (i) any stock exchange which is:
  - (a) located in any Member State;
  - (b) located in Iceland or Liechtenstein
  - (b) located in any of the following countries:

- Australia
  - Canada
  - Hong Kong
  - Japan
  - New Zealand
  - Norway
  - Switzerland
  - United States of America; or

- (ii) any stock exchange included in the following list:

Argentina	Bolsa de Comercio de Buenos Aires
Argentina	Mercado Abierto Electronico S.A
Argentina	Buenos Aires Stock Exchange
Argentina	Cordoba Stock Exchange
Argentina	Mendoza Stock Exchange
Argentina	Rosario Stock Exchange
Argentina	La Plata Stock Exchange
Bahrain	Bahrain Stock Exchange
Bangladesh	Chittagong Stock Exchange
Bangladesh	Dhaka Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	Bolsa De Valores De Sao Paulo
Brazil	Bahia-Sergipe-Alagoas Stock Exchange
Brazil	Extremo Sul Porto Alegre Stock Exchange
Brazil	Minas Esperito Santo Stock Exchange
Brazil	Parana Curitiba Stock Exchange
Brazil	Pernambuco e Bahia Recife Stock Exchange
Brazil	Regional Fortaleza Stock Exchange
Brazil	Rio de Janeiro Stock Exchange
Brazil	Santos Stock Exchange
Brazil	Sao Paulo Stock Exchange
Bulgaria	Sofia Stock Exchange
Channel Islands	Channel Islands Securities Exchange
Chile	La Bolsa Electronica De Chile
Chile	Bolsa de Comercio de Santiago
Chile	Bolsa de Valparaiso
China	Shanghai Stock Exchange
China	Shenzhen Stock Exchange
China	Fujian Stock Exchange



China	Hainan Stock Exchange
Colombia	Bolsa de Bogota
Colombia	Bolsa de Valores de Columbia SA
Egypt	Egyptian Exchange
Ghana	Ghana Stock Exchange
Hong Kong	Stock Exchange of Hong Kong Ltd
Hong Kong	Hong Kong Futures Exchange
India	Ahmedabad Stock Exchange
India	National Stock Exchange of India
India	Bombay Stock Exchange
India	Calcutta Stock Exchange
India	Cochin Stock Exchange
India	Delhi Stock Exchange
India	Gauhati Stock Exchange
India	Hyderabad Stock Exchange
India	Ludhiana Stock Exchange
India	Madras Stock Exchange
India	Magadh Stock Exchange
India	National Stock Exchange of India
India	Pune Stock Exchange
India	Uttar Pradesh Stock Exchange
Indonesia	Indonesia Stock Exchange
Indonesia	Jakarta Stock Exchange
Indonesia	Surabaya Stock Exchange
Israel	Tel Aviv Stock exchange
Jordan	Amman Stock Exchange
Kazakstan	Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange
Korea, Republic of	Korea Exchange
Kuwait	Kuwait Stock Exchange
Malaysia	Bursa Malaysia Securities Berhad
Malaysia	Bursa Malaysia Derivatives Berhad
Mexico	Bolsa Mexicana De Valores (Mexican Stock Exchange)
Mexico	Mercado Mexicano de Derivados
Morocco	Casablanca Stock Exchange
Namibia	Namibian Stock Exchange
Nigeria	Nigerian Stock Exchange
Oman	Muscat Securities Market
Oman	Oman Stock Exchange
Peru	Bolsa De Valores De Lima
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange, Inc.
Qatar	Qatar Stock Exchange
Qatar	Doha Securities Exchange
Russia	Level 1 and Level 2 RTS Stock Exchange
Russia	MICEX
Saudi Arabia	The Tadawal Stock Exchange
Singapore	Singapore Exchange
Singapore	CATALIST
South Africa	JSE Securities Exchange
South Africa	South African Futures Exchange
South Africa	Bond Exchange of South Africa
South Africa	Johannesburg Stock Exchange
Taiwan	GreTai Securities Market
Taiwan	Taiwan Stock Exchange
Taiwan	Futures Exchange
Thailand	Stock Exchange of Thailand
Thailand	Market for Alternative Investments
Thailand	Bond Electronic Exchange
Thailand	Thailand Futures Exchange

Trinidad & Tobago	The Trinidad & Tobago Stock Exchange
Tunisia	Tunisia Stock Exchange
Turkey	Istanbul Stock Exchange
Turkey	Turkish Derivatives Exchange
Ukraine	Ukrainian Stock Exchange
Uruguay	Montevideo Stock Exchange
Venezuela	Caracas Stock Exchange
Venezuela	Maracaibo Stock Exchange
Zambia	Lusaka Stock Exchange

(iii) any of the following:

the market organised by the International Capital Market Association;

the "listed money market institutions", as described in the Bank of England publication "The Regulation of the Wholesale Markets in Sterling, Foreign Exchange and Bullion" dated April 1988 (as amended from time to time);

a market comprising dealers which are regulated by the Federal Reserve Bank of New York and the United States Securities and Exchange Commission;

a market comprising dealers which are regulated by the United States National Association of Securities Dealers and the United States Securities and Exchange Commission;

NASDAQ;

(iv) any of the following over the counter markets:

The market organised by the International Securities Markets Commission;

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

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

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;

The French market for Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments) (d) any of the following electronic exchanges: NASDAQ; KOSDAQ; Korea SESDAQ; Singapore TAISDAQ/Gretai Market; Taiwan RASDAQ; Romania.

(v) In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is:

(1) located in an EEA Member State, (2) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States (3) the Channel Islands Stock Exchange (4) listed at (d) above or (5) any of the following: - The Chicago Board of Trade; - The Chicago Mercantile Exchange; - The Chicago Board Options Exchange; - EDX London; - New York Mercantile Exchange; - New York Board of Trade; - New Zealand Futures and Options Exchange; - Hong Kong Futures Exchange; - Singapore Commodity Exchange; - Tokyo International Financial Futures Exchange;

### **Financial Derivative Instruments**

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

American Stock Exchange, Chicago Mercantile Exchange, Chicago Board of Options Exchange, Chicago Board of Trade, Coffee, Sugar and Cocoa Exchange, Iowa Electronic Markets, Kansas City Board of Trade, Mid-American Commodity Exchange, Minneapolis Grain Exchange, New York Cotton Exchange, New York Mercantile Exchange, Twin Cities Board of Trade.

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

## SCHEDULE 1

### List of sub-custodial agents appointed by the Depositary

The Depositary has appointed the following entities as sub-delegates in each of the markets set forth below. This list may be updated from time to time and is available upon request in writing from the Administrator or the Depositary. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to the Depositary or any of the sub-delegates listed below. The Depositary will notify the board of the ICAV of any such conflict should it so arise.

NAME OF COUNTRY	SUB-CUSTODIAN
<b>EUROPE</b>	
BELGIUM	CACEIS BANK, PARIS
CYPRUS	HSBC SECURITIES SERVICES, HSBC BANK PLC, ATHENS
DENMARK	DANSKE BANK A/S, COPENHAGEN
FINLAND	SKANDINAVISKA ENSKILDA BANKEN, HELSINKI
FRANCE	CACEIS BANK, PARIS
GERMANY	CACEIS BANK DEUTSCHLAND, MUNICH
GREECE	HSBC SECURITIES SERVICES, HSBC BANK PLC, ATHENS
ICELAND	ARION BANK HF, REYKJAVIK
IRELAND	HSBC SECURITIES SERVICES, LONDON
ITALY	INTESA SANPAOLO SPA, MILANO
LUXEMBOURG	CLEARSTREAM BANKING, LUXEMBOURG
THE NETHERLAND	CACEIS BANK, PARIS
NORWAY	DNB BANK, ASA OSLO
PORTUGAL	BANCO SANTANDER TOTTA, LISBOA
SPAIN	SANTANDER SECURITIES SERVICES S.A.
SWEDEN	SE BANKEN, STOCKHOLM
SWITZERLAND	CACEIS BL NYON BRANCH
TURKEY	DEUTSCHE BANK A.S., ISTANBUL
UNITED KINGDOM	HSBC, LONDON
AUSTRIA	RAIFFEISEN BANK INTERNATIONAL AG, VIENNA

<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
POLAND	BANK PEKAO S.A.
<b>EASTERN EUROPEAN STATES</b>	
BALTIC STATES (Estonia, Latvia, Lithuania)	UNICREDIT BANK AUSTRIA (which sub-delegates to SEB Bank, Estonia for all three countries)
BOSNIA	UNICREDIT BANK AUSTRIA (which sub-delegates to UniCredit Bank d.d.)
BULGARIA	UNICREDIT BANK AUSTRIA (which sub-delegates to UniCredit Bulbank, Sofia)
CROATIA	UNICREDIT BANK AUSTRIA (which sub-delegates to Zagrebacka Banka Zagreb)
ROMANIA	UNICREDIT BANK AUSTRIA (which sub-delegates to UniCredit Bank S.A., Bucharest)
SERBIA	UNICREDIT BANK AUSTRIA (which sub-delegates to UniCredit Bank Serbia Belgrade)
UKRAINE	UNICREDIT BANK AUSTRIA (which sub-delegates to Ukrsozbank, Kiev)
RUSSIA	UNICREDIT BANK
SLOVENIA	UNICREDIT BANK
HUNGARY	UNICREDIT BANK
SLOVAKIA	UNICREDIT BANK
CZECH REPUBLIC	UNICREDIT BANK
<b>AMERICAS</b>	
BRAZIL	ITAU UNIBANCO S.A., SAO PAULO
CANADA	CIBC MELLON, TORONTO
CHILE	BANCO DE CHILE, SANTIAGO DE CHILE
COLOMBIA	CITITRUST COLOMBIA S.A.
MEXICO	BANCO SANTANDER (MEXICO) S.A.
PERU	CITIBANK DEL PERU
USA	BROWN BROTHERS HARRIMAN, NEW YORK
VENEZUELA	CITIBANK CARACAS, VENEZUELA
<b>ASIA</b>	

<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
BANGLADESH	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, DHAKA
CHINA SHANGHAI (USD)	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (CHINA) B SHARES
CHINA SHENZHEN (HKD)	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (CHINA) B SHARES
HONG KONG	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, HONG KONG
HONG KONG (A SHARES)	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, HONG KONG
INDIA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, INDIA
INDONESIA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, JAKARTA BRANCH
JAPAN	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, TOKYO
KOREA (SOUTH)	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SEOUL
MALAYSIA	HSBC, KUALA LUMPUR
PAKISTAN	STANDARD CHARTERED BANK, KARACHI
PHILIPPINES	HSBC, MANILLA
SINGAPORE	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE
SRI LANKA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, COLOMBO
TAIWAN	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, TAIPEI
THAILAND	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, BANGKOK
VIETNAM	HSBC BANK (VIETNAM) LTD
KAZAKHSTAN	BNY MELLON BRUSSELS (which sub-delegates to JSC Citibank Kazakhstan)
<b>AFRICA</b>	

<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
BOTSWANA	STANDARD CHARTERED BANK (BOTSWANA) LIMITED
EGYPT	CITIBANK, CAIRO
GHANA	STANDARD CHARTERED BANK, GHANA
IVORY COAST	STANDARD CHARTERED BANK, CÔTE D'IVOIRE
KENYA	STANDARD CHARTERED BANK (KENYA) LIMITED
MOROCCO	ATTIJARIWafa BANK, CASABLANCA
MAURITIUS	STANDARD CHARTERED BANK (MAURITIUS) LTD
SOUTH AFRICA	JOHANNESBURG STANDARD BANK OF SOUTH AFRICA
ZIMBABWE	STANDARD CHARTERED BANK, HARARE
NIGERIA	JOHANNESBURG STANDARD BANK OF SOUTH AFRICA (which sub-delegates to Stanbic IBTC Bank plc)
ZAMBIA	JOHANNESBURG STANDARD BANK OF SOUTH AFRICA (which sub-delegates to Stanbic Bank Zambia Ltd.)
<b>MIDDLE EAST</b>	
ISRAEL	HAPOALIM BANK, TEL AVIV
JORDAN	STANDARD CHARTERED BANK, JORDAN
BAHRAIN	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Manama)
KUWAIT	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Kuwait)
LEBANON	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Beirut)
OMAN	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Ruwi)
QATAR	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Doha)
UNITED ARAB EMIRATES	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Dubai)
<b>OCEANIA</b>	
AUSTRALIA	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED

<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
NEW ZEALAND	HSBC NOMINEES (NEW ZEALAND) LIMITED